



TRANSFORMING LIVES

BMS WORLD MISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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A word of introduction

Dear friends,

The Annual Report demonstrates the powerful ways in which God has been working through BMS World Mission's support during these last 12 months.

As this report gives us pause to look back, Ukraine is so close to the heart of our memories. As news of the war reached us at BMS World Mission (BMS), our thoughts turned to our partners in Donbas. Long before the turmoil made headlines, Baptist churches in that region were responding to wartime conditions. Our phone lines began ringing constantly as our supporters, and many who had never given to BMS, demonstrated an unprecedented outpouring of love and generosity.

The war set off seismic waves of devastation for those already struggling as the cost of fuel and food soared. In July, our eyes were raised by cries from our partners and workers alerting us to alarming collapses of living conditions in their countries. Our supporters redirected their support to our Global Cost of Living appeal, aimed at meeting the increased needs of those on the margins. Through their support for those falling outside the headlines, transformation was achieved with imagination and innovation, notably in Uganda, where agricultural projects set up in response to the crisis have taken root.

As the year drew to a close, we asked supporters to remember Afghanistan with our Christmas appeal, where those already hurting from the shift in power in 2021 are now also burdened with the global crisis. They humbled us with their willingness to support our mission workers in setting up agricultural projects that can generate food, income and hope for desperate communities.

The year may have felt heavy, but God remained faithful. We pray this is reflected within these pages – that as you read of the work you enabled, you encounter a God who remains infinitely loving and intimately concerned about the detail of our lives.



A handwritten signature in black ink, appearing to read 'Kang-San Tan'.

Dr Kang-San Tan
General Director



A handwritten signature in black ink, appearing to read 'Marc'.

Rev Marc Owen
Chair of the Board of Trustees

OUR VISION

To respond to the suffering and injustice of a troubled world with the hope of abundant life in Christ.

OUR MISSION

We aim to share life in all its fullness with the world's peoples by enabling them to know Christ; alleviating suffering and injustice; and improving the quality of life with people as the primary agents of change, through motivating, training, sending and resourcing them.

HOW WE DO IT

We aim to make real our vision and mission through our primary commitment to partnering with the Global Church to grow local mission movements. Through these partnerships we aim to bring transformation, to the most marginalised, the least evangelised and to people on the move.





Least Evangelised

BMS takes the good news of Jesus to places where it's never been known. Every year, thousands of people in the hardest-to-reach countries hear the gospel through BMS' work.

Most Marginalised

BMS deliver practical help to people in desperate circumstances. By providing pathways to education, flourishing livelihoods and good healthcare for those with the fewest opportunities, we tackle injustice and suffering, and bring hope to the world.

People on the Move

More people than ever find themselves displaced – by war, natural disasters or persecution. Whether dispersed within their own countries or forced across borders, people on the move are met with support, shelter and a warm welcome.

Threaded through all BMS work are the twin callings of creation stewardship and gender justice, without which abundant life in Christ is not possible.

ACHIEVEMENTS & PERFORMANCE

Cost of living crisis : we shone hope into the brokenness

Global Cost of Living appeal

The war in Ukraine rightly occupied much news space last year, but as its effects spread further afield, marginalised communities suffering the impact failed to make the spotlight. The global nature of our work meant we knew early on, from our mission workers and partners, that the global cost of living crisis was having a devastating effect on many other countries.

In July, we set up our Global Cost of Living appeal to start directing gifts to these other places, where fuel and food prices were on the rise, sometimes more than doubling, bringing people to the brink of starvation and destitution. Incredibly, we raised more than £96,000 to support projects in Uganda, Lebanon and Nepal that are helping families to weather this crisis, as well as shoring up similar work across the world.

In Uganda, exploitative middlemen were set to make a tidy profit from farmers who could no longer afford to transport their crops to market themselves. A farmer like Richard, living in Gulu, was already struggling to feed his family, sometimes surviving on just one meal a day. Our international mission workers, Benon and Genesis, devised a way to help farmers avoid exploitation with a project they called 'Cek Cam', meaning 'abundant food', which aims to cut out the middleman altogether. With funding, they were able to arrange storage facilities for the farmers, allowing them to store their produce and wait until market prices are high before selling. Produce sold this way mean farmers like Richard can earn as much as 35% more.

These are just a few snapshots of lives in places of great struggle, where even the smallest gifts are bringing eternal change.

The people of Lebanon have been especially hard hit by the economic crisis. Triple-digit inflation has left around 80% of the population in Lebanon in poverty, with 90% wiped off the value of salaries since 2019. At the same time, they are hosting the highest number of refugees per capita and per square kilometre in the world. Gifts have allowed BMS partners in Lebanon to shine hope into the brokenness. Maha and her family, who fled Aleppo in 2013 with nothing, have found two lifelines since settling there: a BMS-supported Church Learning Centre where their children are receiving an education, and their faith in Jesus.



We raised almost
£100,000 to
support those
on the brink of
destitution

We helped
Ugandan farmers
to earn **35%**
more from their
crop sales

We created
a safety net for
some of the
80% of Lebanon's
people left in
poverty

ACHIEVEMENTS & PERFORMANCE

Ukraine

“We’re in the middle of the largest Baptist response ever... BMS came alongside us straight away.”

In his wisdom, Solomon wrote, *“In their hearts humans plan their course, but the Lord establishes their steps”* (Proverbs 16 : 9).

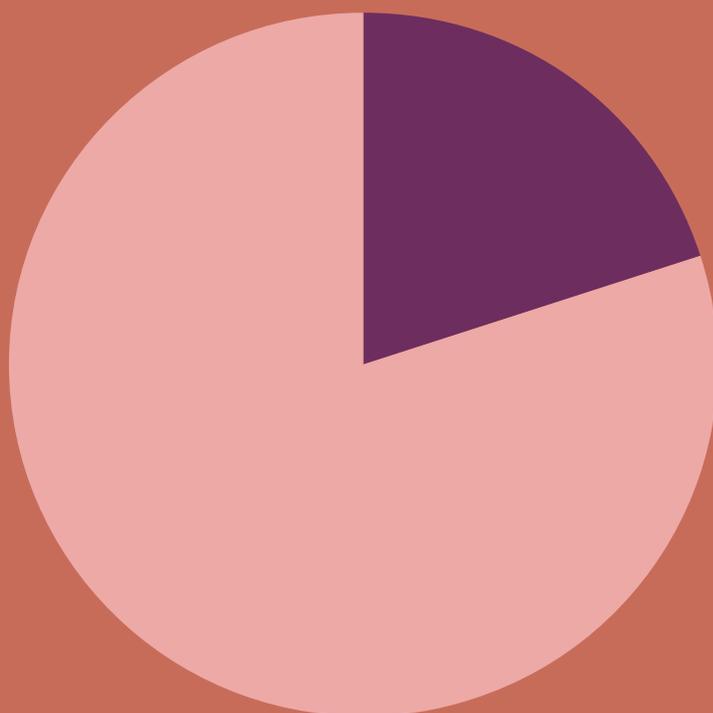
In the days before war broke out in Ukraine, we at BMS thought we had our appeals for 2022 mapped out. None of us knew that one of the greatest appeals in our 231-year history was around the corner, unimaginable by us. But God knew. He had already been at work in the hearts of our supporters, who channelled money our way from every direction once they caught the news, and in the hearts of our Baptist brothers and sisters across Europe, who were well placed to offer immediate help to those in need.

As European Baptist Federation (EBF) General Secretary, Alan Donaldson, shared on stage at Baptist Assembly with BMS Director of Strategy, Steve Sanderson, “There are about 2,500 Baptist churches in Ukraine. Within one day of the war starting, 600 of them had been designated places of refuge.” In fact, the Baptist family is the largest Protestant denomination in Ukraine. Through this network of believers, we were able to counter the stories of darkness coming out of the fighting with reports of hope from our partners on the ground – reports of Baptist volunteers helping to build temporary hospitals in Lviv; of a Baptist couple married in the same war-torn district, who spent the days before their wedding volunteering; of a church established in Severodonetsk to minister to people struggling with addiction, where former alcoholics and drug addicts preached a gospel of personal salvation in the face of the conflict.

Alan Donaldson said, “We’re in the middle of the largest Baptist response ever, and that is not a place you want to be alone. BMS came alongside us straight away.” Our supporters’ immediate response enabled us to partner with churches in Ukraine and neighbouring countries through EBF.

According to updates from the Union of Ukrainian Baptists, its churches have been involved in every aspect of the humanitarian response, including evacuation, resettlement, delivery of homecooked food and supplies, and prayer support. And across neighbouring countries, Poland particularly, churches were enabled to step forward by the Baptist family network, and by the ready and generous response to an appeal none of us planned.

20% of the total
EBF Ukraine relief fund
was contributed by BMS
supporters



Afghanistan

When BMS World Mission evacuated from Afghanistan in the summer of 2021, we had been working in this fragile nation for a quarter of a century. Since then, unemployment rates and inflation in Afghanistan have rocketed, while intense droughts and natural disasters have had a devastating impact on much of the country.

Many agencies struggled to resume their work, yet persistent prayers helped pave a way for a return in September 2022. Our mission worker Ruby* became a beacon of hope. Through our Afghanistan Christmas appeal, Ruby, who is a BMS agriculturalist, has been equipped to help people like Fazal* and his family in the mountains of rural Afghanistan in desperate need. She has taught them how to farm more effectively and store water safely. In these ways, we helped people survive the bleakest of winters.

And then in December 2022, the de facto authorities in Afghanistan banned Afghan women from working for NGOs. It is hard to overestimate the enormous contributions made by Afghan women in this area of work. In response to the ban, and with our full support, our partner organisation in Afghanistan has paused operations to stand in solidarity with its female staff.

And so we lament another pause to the work in this wonderful country. The gifts received for Afghanistan will help those in need as soon as it is practicable for the projects you make possible to resume. Until that time, while our partner works with other NGOs to lobby the Government, we invite you to pray. Mary*, a BMS World Mission worker who served in Afghanistan until the evacuations in 2021, encouraged us with her words for the nation:

“My hope is that people will remember from these past 20 years that life can be different... My hope is that God will turn this around.

And for that we desperately need people to pray and to keep praying for Afghanistan.”



*The names of Ruby, Fazal and Mary have been changed for security reasons.

ACHIEVEMENTS & PERFORMANCE

Least Evangelised

BMS takes the good news of Jesus to places where it's never been known. Every year, thousands of people in the hardest-to-reach countries hear the gospel through BMS' work. We will use all we have learnt over the decades to train mission workers to break new ground, and we will send people from all directions in all directions.

Across Asia, we have collaborated with partners in establishing a mission hub in India, which recruits and trains mission workers to be co-sent across the region.

Over in Thailand, since the first person in the village of Wang Daeng came to know Christ in 2018, the church has been growing steadily, and is now thriving.

BMS takes the good news of Jesus to places where it's never been known.

In North Africa, we remain in an exploratory phase, both in terms of building sustainable partnerships and in our approach to training and sending people into such volatile and sensitive areas. Elsewhere, we have returned to work and grown our presence in countries such as Guinea, where the word of Jesus has rarely been heard.



IMPACT BY NUMBERS

625 Mission workers and BMS-supported partner workers across the globe (target: 300)

107 Church planters co-supported by BMS across India

1,044 Churches planted in hard-to-reach locations (target: 208)

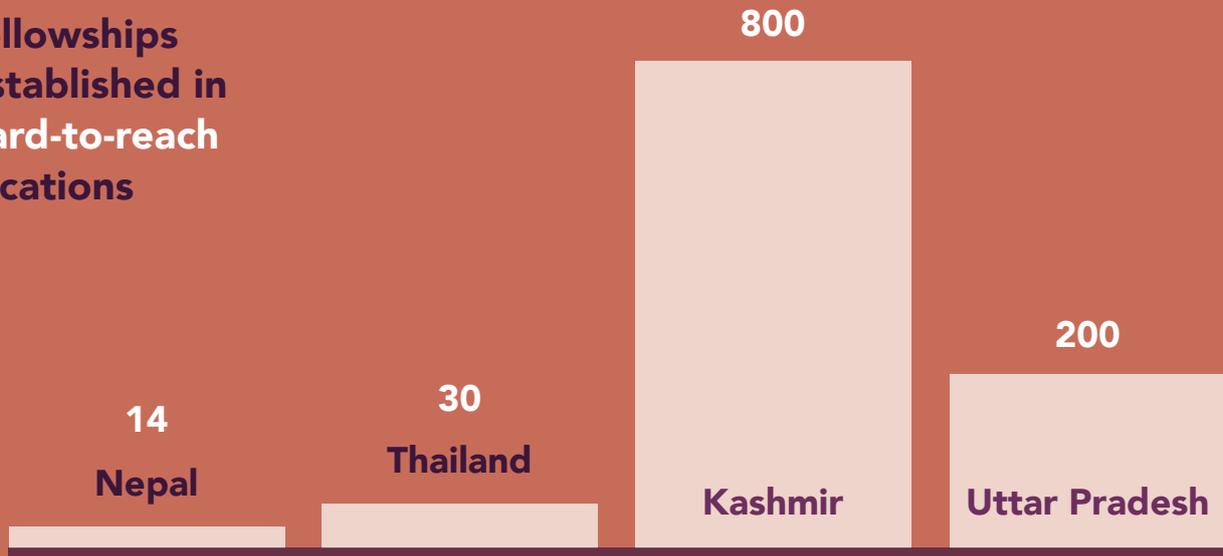
57,000 People involved in associated churches and Christian networks

FUTURE PLANS

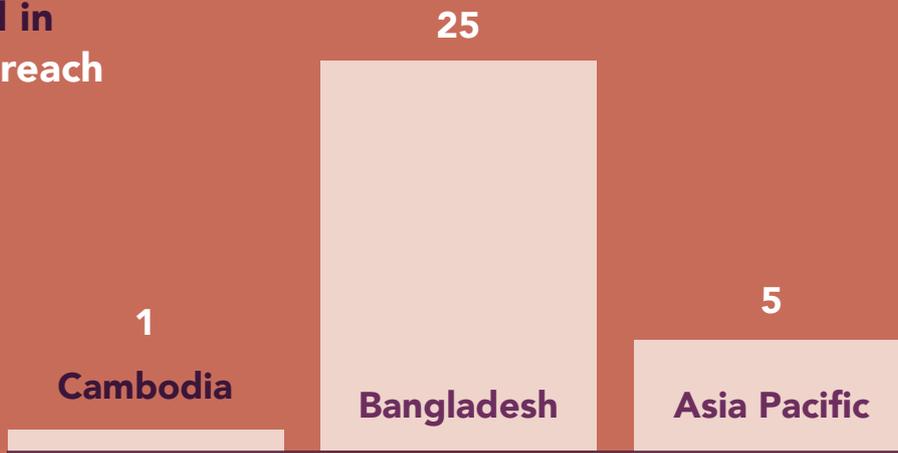
The mission training hubs that were part of last year's 'looking forward' are now taking root.

The next stage for all of these hubs is for those trained to go and live out their calling in their local contexts. Thanks to prayers and support, the fruits of this can be seen across India, where churches are being planted and hubs are becoming self-funding, which liberates BMS and our partners. The future focus is how to create sustainable funding and growth for the training hubs outside of India, where the vast increase in people playing a part in mission gives grounds for real optimism. Your prayers inspire us into the hardest-to-reach places and, as partnerships become established in North Africa, we pray the next 12 months will bring stories of progress.

Number of fellowships established in hard-to-reach locations



Number of fellowships established in hardest-to-reach locations





**While they were eating,
Jesus took bread, and
when he had given thanks,
he broke it and gave it to
his disciples, saying,
“Take and eat;
this is my body.”**

Matthew 26: 26

Outreach to the 'rat eaters'

In collaboration with sister organisation, the Baptist Church Trust Association, we established a mission training hub outside Delhi, with a focus on equipping young leaders to share the gospel in their local context. One of the leaders, Vinèet Kumar, realised the need for outreach to the forgotten people in his area. Vinèet set up a literacy centre for children among the Musahar (in Bhojpuri it literally means 'rat eater' on account of their traditional occupation as rat catchers). Within three months he baptised 22 people from this group, and a church was initiated. Slowly he started training leaders from among them, and today they have planted ten churches within this no-longer-forgotten people group.



New life in Christ in Thailand

The rural community in Wang Daeng where Helen and Wit Boondeekhun felt called to serve had questioned why they would even want to be there in the first place. Helen and Wit persisted to discover what the community needed right from its heart. They started with English classes and a basket weaving project to help women earn money. They built lasting friendships and started sharing the gospel. Since the first villager came to know Christ in 2018, the church has been growing steadily. Around 20 people attend Sunday worship, and a youth worker, Fluk, has joined the team, thanks to support. In a sign of God's work in Wang Daeng and in the hearts of the people of Thailand, the church leadership has passed on to Thai couple, Moses and Mary.



Visions of light in Mauritania

In Albaset market in a village about 400 miles from Nouakchott in Mauritania, three people entered not knowing each other, yet sat together. One could not contain himself and shared the vision he had had of Jesus coming to him and speaking in his own dialect. The second man had had the same vision, and the third. Five more came forward sharing the same vision, which had appeared to each of them at the same time. The story reached our partner Biglife, and Brother Sidi* travelled to the area. The eight men surrendered their lives to the Lord; two of them asked to be baptised despite the danger to their lives. Brother Sidi baptised them, and the rest will be baptised soon.



*Name has been changed for security reasons.

ACHIEVEMENTS & PERFORMANCE

Most Marginalised

BMS delivers practical and spiritual help to people in desperate circumstances. By providing pathways to education, flourishing livelihoods and good healthcare for those with the fewest opportunities, we tackle injustice and suffering, and bring hope to the world.

Our work aims to bring abundant life to those with the fewest opportunities, who are furthest behind and are the most excluded. BMS sends skilled mission workers to places and partners in the world's poorest countries. As surgeons at an understaffed, underfunded hospital in Bardaï, a remote region in the north of Chad, Andrea and Mark Hotchkin are a great example of this type of work.

We work with local churches, who are best placed to bring to life community transformation. In Bangladesh, Louise and Peter Lynch partner with the Bangladesh Baptist Church Sangha to respond in communities where the need is greatest. They create programmes to help now and in the future, such as providing waterproof bags to school children in monsoon-hit Rangpur District and helping to establish the first Baptist youth mission programme in the country.

We can do more together than we ever could alone

Through partnerships with established and trusted local agencies, we can do more together than we ever could alone. For example, in Nepal, we work alongside the Multipurpose Community Development Service, who come alongside villages to improve all aspects of life, including health, sanitation, water management and education.



IMPACT BY NUMBERS

8 Baptist conventions in high-risk regions trained in disaster risk mitigation (target: 2)

1,900 People using new professional skills in everyday practice (target: 1,000)

7,500 People trained in community-led model of building churches (target: 300)

52,000 Community members benefiting from BMS-supported work in poorest countries* (target: 50,000)

* according to the Multidimensional Poverty Index

FUTURE PLANS

As the BMS approach to mission continues to shift in the direction of partnerships and resourcing local workers to tackle local suffering, prayers are needed over the next 12 months for even more local solutions.

While at the time of writing, the work in Afghanistan is paused in solidarity with the female Afghan workers, the hope is that vital work there resumes as soon as possible. It took a lot of prayers and financial sacrifice to make return a reality and our mission workers are eager to honour that. Global instability in 2023, in the shape of political and economic collapse in Sri Lanka and Lebanon, and extreme weather in Chad, Uganda and Bangladesh, means the work in those areas remains as necessary as ever.

Number of lives impacted by country



Number of people putting new skills training into practice





Our target is
to see the lives of
250,000 marginalised
community members
changed by 2025

Victory twice over in Uganda

Prayers and gifts have long sustained our partner the Ugandan Christian Lawyers Fellowship (UCLF) as they work to educate and protect the rights of the most marginalised. One example is the case of an elderly man, Luzzi Francis. He had been dragged to court by a rich neighbour who took wrongful possession of Luzzi's smallholding (kibanja), his only means of providing for his family and dependents. UCLF fought for Luzzi's rights and kept encouraging him in the Lord. At last in 2022, after years of disputes, the case was decided in Luzzi's favour, and he has been able to return to farming peacefully. After the conclusion of the case, Luzzi came to the UCLF offices to share his decision to commit his life to Jesus Christ.



Village transformation in Nepal

Last year, we asked that God would bless our work in Nepali villages. We're so thankful for the tangible ways in which our prayer was answered: notably in the incredible sum BMS supporters raised for Good Land, our harvest appeal. A total of £168,761 was raised to support work in villages like Ghusel, high in Nepal's Himalayas. Partnership became the beating heart of Good Land, guiding who would be at the centre of this appeal. It wasn't BMS workers, with our ideas, aspirations and dreams, but the people of Ghusel who knew exactly how to improve life in their community. Thank you to our supporters for making that change possible, bringing amazing improvements to education, livelihoods and clean water practices in Ghusel – and transforming lives forever.



X-rays hit the spot in Chad

We could write about the many patients who have had an X-ray since the machine was put in place, and the many who thought they would like to have an X-ray but had to be told that it wasn't quite as simple as having a picture taken for fun. This, however, is about an eight-year-old girl who arrived at the hospital complaining of lumps in her neck. It looked like a case of tuberculosis (TB), and BMS mission worker Mark Hotchkin thought he would have to take a biopsy under anaesthetic. Instead, he could take an X-ray, which confirmed TB in her lungs. Mark writes, "It is so much easier to be able to diagnose TB this way. We know there will be many others who can now have their problems diagnosed here in Bardaï rather than facing a long journey just for an X-ray. Thank you to our supporters for being part of a truly life-saving development."



ACHIEVEMENTS & PERFORMANCE

People on the Move

More people than ever find themselves displaced – by war, natural disasters or persecution. Whether dispersed within their own countries or forced across borders, supporter prayers and donations mean people on the move are met with support, shelter and a warm welcome.

This unprecedented displacement is a sign of the world's fragility. We help overcome this fragility by improving services in origin countries, establishing partnerships of humanity in places of transit, and enabling networks of Christian welcome in destination countries.

As part of our mission to establish partnerships of humanity, we're working with a new partner

on the Greek island of Lesbos, home to the Mavrovouni Refugee Camp. The first project of this partnership is the construction and running of a women's centre, which includes everything from showers to laundry services, a hospitality area and a 'shop' to distribute clothes.

After years of continued catastrophe, supporter commitment has enabled networks of Christian welcome through our long-standing partners in Lebanon. They work alongside local churches to implement relief projects for vulnerable individuals and families – families like that of Imane, a Syrian refugee in Beirut. "The food prices are out of this world," she says. But the voucher she received from the church made a big difference.



IMPACT BY NUMBERS

46 Percentage of mission workers in poorest countries* (target by 2025: 66%)

80 Percentage of people receiving vital skills for 'destination life' (target: 80%)

168 People trained to help reach refugees (target: 96)

10,500 Displaced people cared for while on the move (target: 400)

* according to the Multidimensional Poverty Index

FUTURE PLANS

The arrival of Sam Chaise to lead our 'People on the Move' work is exciting news and a real answer to prayer.

With Sam in mind and looking ahead across the next 12 months, we need prayers for more people trained to work with refugees. This includes developing a partnership designed to train Arabic and Farsi-speaking mission workers in western Europe. Through your incredible generosity responding to the Ukraine crisis, this work with people on the move has really grown, and so the next focus – and need for prayer – is on improving how to support refugees once they reach their destination. We are currently exploring new partnerships to increase our presence in destination countries and ask you to watch this space – and pray – over the coming year.

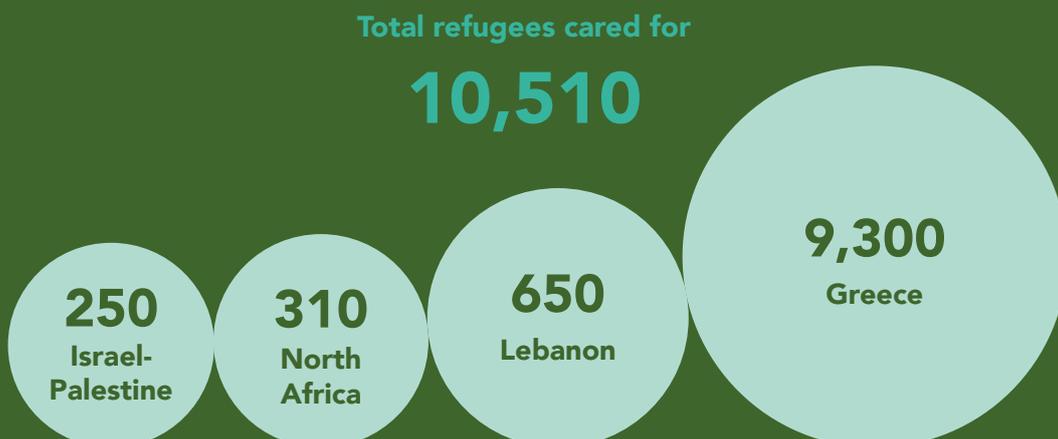


Sam Chaise

Number of lives impacted by country



Number of refugees cared for by country/region





**Thank you for shower.
Thank you for laundry.
Thank you for food. Thank
you for all this place.**

*Woman at BMS-supported
facility outside Mavrovouni
refugee camp,
Lesbos, Greece*

Why they love Mondays in Lebanon

In Lebanon, our partner operates a number of church-based learning centres. One of the teachers shared this with us recently: "I have never met such grateful kids, welcoming every act of kindness like a golden opportunity. 'Who's happy it's a Monday?' I asked, not expecting positive feedback. One of my pupils replied, 'We love Monday because it means we come to school.'" When you live with a refugee status stamped on you, you cannot escape your vulnerability in an already collapsing country. Syrian refugees, and many Lebanese families, now live below the poverty line on less than £1 a day, but our partner's holistic approach to ministry gives every child hope.



Finding peace amid desperation in Lesbos

Lesbos is a key location on the perilous journey known as the Eastern Mediterranean route, travelled by desperate people fleeing from Syria, Afghanistan and Iraq. It is why BMS is partnered with an organisation working on the Greek island. They run services near Mavrovouni refugee camp. Recently, a refugee asked to volunteer with our partner. She said she had been able to find peace in that place from the first time she came to pick up food from the foodbank. In some of their conversations, our partner workers were able to tell her that Jesus is the one who gives us peace. They prayed for her over her passport application. The next day, she came back and said she was so happy because she had received a positive decision. She said, "I know that God did this for me."



Protection from persecution in the Middle East

Husband and wife Mike and Sabreen come from Egypt, where they faced severe persecution after their Christian conversion became known to their families. They fled to Turkey. Once there, BMS' on-the-ground partner was able to help Mike find a job, meaning he could support his family in their new home. Unfortunately Mike lost that job when his employer looked on his Facebook page and found Christian content. Mike has since found part-time work, but it has not been enough, especially when Sabreen urgently needed an operation. As a result of our partner's support, Sabreen was able to undergo surgery and receive three months of vital post-operative care, allowing Mike to keep the family together and a roof over their head.



CELEBRATING SUPPORTERS

None of all that has featured over the last 21 pages could have happened without the incredible financial and prayerful generosity of UK churches and our supporters.

From the small, quiet prayer at their desk when a story of transformation drops into their email inbox to a fundraising event involving the whole church community, it all makes a difference. We are constantly surprised and inspired by the tales that reach us of your acts of kindness and sacrifice.

We also know that there may be many stories that we never hear about, or when we do, it is in the form of an answered prayer or an unmarked cheque. You make all this work possible, and for that we remain always grateful.



THANK YOU!

LEAVE THE GIFT OF LIFE

**By leaving a gift to
BMS World Mission
in your will, you can
transform lives for
generations to come**

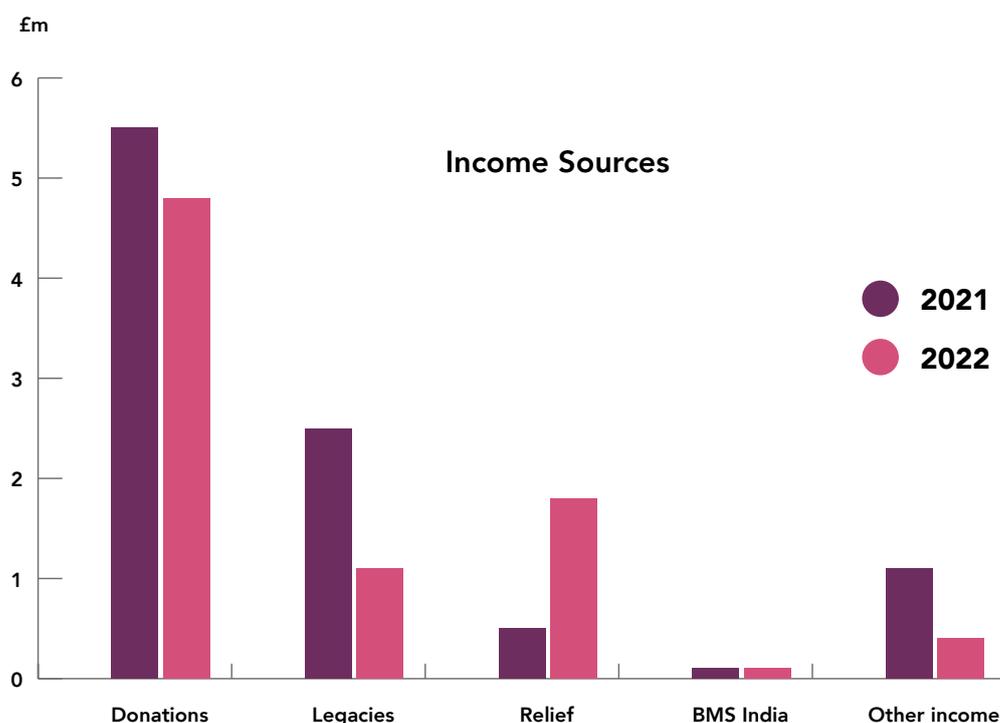
For more details scan
the QR below or visit:
www.bmsworldmission.org/legacies



Expenditure

Total expenditure for the year was £8.3m (2021 £7.6m) of which £7.9m (2021 £7.2m) was committed to supporting and developing the various charitable objects of BMS: this represents 95% (2021 96%) of total expenditure. "Historic partners" represents work that is being phased out over a period of 4 years since the introduction of the new strategy in 2021. Historic partners have continued to achieve impact in our previous strategic areas. The overall expenditure takes into account commitments that have been made to partners, a number of which have struggled with the global cost of living crisis.





Categories of income

The graph compares categories of income for 2022 with that of 2021. There has been a decline in donation income but church giving has remained strong. A significant number of individuals were exceptionally generous in giving to our Ukraine appeal, included in the relief figure.

Legacy income returned to normal levels in 2022 following receipt of an exceptionally large legacy at the end of 2021. Legacies continue to provide a steady source of income for the organisation. BMS India income has increased over 2021 as the guesthouse was fully operational for the whole of 2022 after a restricted operations in 2021 due to Covid. Profits from the guesthouse are normally used to support initiatives such as Street Servants in Kolkata.

Other income represents resource and Christmas card sales and rental income from properties. There were no sales of properties in the year (2021 one sale)

Net income/(expenditure) before movement on investments

The net expenditure before movement on investments for 2022 was £0.1m (2021 net income of £1.6m), consisting of a deficit on unrestricted funds of £1m (2021 surplus of £1.4m) and a surplus on restricted funds of £900k (2021 surplus of £154k). During the budgeting process for 2022 the trustees had approved a draw from unrestricted reserves of £0.6m consisting of investment in the new strategy of £309k and to minimise the post-Covid economic impact on the organisation of £318k. In addition, unrestricted income levels were lower than budgeted due to the displacement of some unrestricted donations to our successful restricted Ukraine Appeal. This accounts for the deficit on the unrestricted funds and the surplus on the unrestricted funds.

Investment properties

Previously properties which were let out commercially were held within the tangible fixed asset register at cost less accumulated depreciation. During the year, this has been corrected to include them at fair value as investment properties.

Trustee report

The Board of Trustee Directors (Board) of the Baptist Missionary Society (also known as 'BMS World Mission' and 'BMS') presents its annual report and audited financial statements for the year to 31 December 2022 (with comparative figures for the year to 31 December 2021).

The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a director's report as required under company law, and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102.

Statement of trustees' responsibilities

Trustee Directors (trustees) are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities..

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

The trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware, and each trustee has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor and has expressed its willingness to continue in office.

The trustees' Annual Report, including the Strategic Report, was approved by the trustees on 25 May 2023 and signed on their behalf by:

David Marc Owen
Chair of Trustees
25 May 2023



Objectives and activities

Charity objects and public benefit

BMS exists to see people brought to faith in our Lord and Saviour Jesus Christ and experience the abundant life that only he can provide. This enables Baptist churches to respond to the call of God throughout the world in making known the gospel of Jesus Christ, to prevent and relieve poverty, sickness and human suffering caused by disasters overseas, and to promote and advance healthcare and education.

BMS brings public benefit by focusing on some of the Most Marginalised and Least Evangelised areas of the world, and with People on the Move who are displaced from their homes in these areas. BMS works in places where churches are scarcely present, and in some of the poorest nations as defined by the Multidimensional Poverty Index (MPI). We work on service delivery through partners in the bottom quarter of the MPI where state and market are inadequately developed to support basic human resilience and flourishing, and working with partner churches towards community transformation, to meet localised gaps not covered by the state or market in the third quarter of the MPI.

BMS aims to support people with opportunity and basic services in locations that have a high refugee outflow towards Europe and is also developing work with transit refugees on the provision of basic humanitarian assistance.

The charitable work of BMS is funded by over £7.7m of public donations per annum (2021: £8m). The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.



Structure, governance and management

1. Structure

BMS is a registered company limited by guarantee in England and Wales, and a registered charity in England and Wales. It is governed by its memorandum and articles of association.

Baptist Missionary Society India - BMS has worked in India since its inception more than 200 years ago, but formally registered as a charitable organisation on 19 March 2015. Its objects align with those of BMS, who appoints the trustees. Accordingly, the consolidated accounts incorporate the activity of BMS India.

Baptist House Limited - BMS has a 50% share in Baptist House Limited. The 50% share of assets and liabilities of this joint arrangement with the Baptist Union of Great Britain (BUGB) has been included as an investment in Balance Sheet and details are included in Note 8b. BMS accounts for its share of the service charge as charitable and share of the surplus as unrealised investment income.

2. Governance

The BMS Council are the company members of BMS. Council members will normally serve three-year terms and may serve up to three consecutive terms. There may be up to 72 Council members who include the subscribers to the Memorandum, the trustees and those appointed by the Baptist Unions of Great Britain, Scotland and Wales, the Irish Baptist Networks, the colleges recognised as Baptist colleges, and by co-optation. The Council normally meets at least twice a year. In 2022 meetings were held on-line in May and October.

Trustees are elected by the Council and serve normally for a term of 3 years and may serve a maximum of 3 terms. Those nominated as potential trustees are reviewed by the Nominations Committee of the Board to ensure they have the necessary skills to contribute to the charity's development before being nominated to the Council for appointment.

When elected, each new trustee receives an induction pack including Charity Commission publications and a range of key organisation policies and documents. All trustees receive an induction, co-ordinated by the Chair of Trustees and the General Director, which includes a presentation on the organisation, an opportunity to meet key staff and become familiar with BMS. Trustees also have access to a secure intranet web-based system where they can access Board papers and other information. Trustees stay abreast of changes in good practice and legislation. They designate one full day meeting each year specifically for relevant Board training and in 2021 this included an in-depth workshop exploring the implications of polycentric mission for BMS. A Board Manual is used as a reference guide to good governance at Board level.

The Board has carried out a self-assessment against the Charity Governance Code and the Board concluded that the charity's overall governance is robust and in line with good practice. The Board has an action log to ensure continuous improvement against the Code's recommended practice.

From their self-assessment against the Charity Governance Code the Board has concluded that the charity's overall governance is robust and in line with good practice. During the year the Board has continued to reflect on how its governance can be developed, for example the composition and diversity of the BMS Council. During 2022 the Board initiated its first external governance review to add independent rigour to a review of practices. The consultant was appointed on 1 December 2022 and is undertaking their review during 2023.

Three committees have been constituted with specific terms of reference and functions delegated by the Board.

The Finance and Audit Committee – advises on all aspects of the charity's finances, including the financial accounts, annual estimates, risk management, investment management, income generation, property matters including Baptist House and Wallis House, salaries, mission personnel allowances, pensions and employment matters. They also advise on policy matters that relate to the future planning of the charity's finances, including such issues as reserves and the balance between the different categories of expenditure. They consider the appointment of the external auditors and any questions of their resignation or dismissal; discuss with the external auditors before the audit commences the nature and scope of the audit; receive the auditors' management reports following completion of their audit work and review the annual financial statements before submission to the Board of Trustees.

The Remuneration Committee – advises the Board of Trustees on the appropriate remuneration of the General Director and Executive Directors and their Terms and Conditions of employment. The Committee provides advice to the Board on staff grading structure, salaries and benefits.

The Nominations Committee – nominates people for appointment as trustees. The appointment of a trustee from amongst those nominated is made by Council members.

Safeguarding Trustee – a designated trustee has specific responsibility for oversight of safeguarding.

3. Management

Trustees are the governance-level decision-makers for the charity. The Board currently numbers 11 experienced and committed people from a wide range of backgrounds and experience who usually meet in formal Board meetings four times per annum. The Executive Directors attend meetings of the Board but do not vote (with the exception of the General Director who is a trustee).

Management of BMS is delegated to employed staff who are responsible for delivery of day-to-day operations to deliver the strategy set by the trustees in accordance with BMS policies.

Within BMS there are currently six main departments each with its own director:

- General Directorate – providing overall leadership for BMS with major emphasis on theological reflection, strategic development and representation
- Department of Finance and Operations – responsible for support functions for BMS including finance, investment management, risk management, administration and IT and governance
- Department for World Mission – responsible for BMS mission work overseas. Key roles include placement of mission personnel and relationships with overseas partner bodies
- Department of Intercultural Learning and Collaboration – responsible for pre-departure preparation and training partnerships

- Department of People and Culture – providing HR support for all staff and organisational development and learning
- Department for Communications and Funding – responsible for BMS’ corporate communications portfolio, including funding, creative content and church relations

Responsibility for our work overseas is supported by a team of Heads of Programme who have responsibility for mission personnel and partners and combine this with leading specific ministries. Broadly speaking our work falls into 4 main thematic areas. Evangelism and Discipleship, Developing Resilience, People on the Move and Capacity Strengthening and Cross-cutting Themes.

The charity works overseas with partner organisations, providing funding by way of grants and/or the provision of personnel. Details of these partners and grants can be found at Note 6 of the financial statements.

3.1 Pay and remuneration policy

The constitution makes particular provision for the General Director to be a trustee as well as an Executive of the charity. All other trustees give their time freely and no trustee remuneration was paid in the year, other than to the General Director. Details of this remuneration, trustee expenses and related party transactions are disclosed in Note 10 to the accounts.

Salaries of all staff, including the Executive Directors, are reviewed annually, taking inflation and the overall financial position of BMS into consideration. BMS follows a grading and evaluation structure, and benchmarks salaries from time to time (last carried out in 2019).

3.2 Grant making policy

Christian stewardship underpins the BMS grant making policy in that it demands our integrity, diligence, good practice and wisdom. Grant applications must meet specific BMS principles, represent good stewardship and be able to meet BMS criteria for monitoring, evaluation and learning. Partner organisations are subject to due diligence and money laundering procedures. In the period the charity awarded grants of £2.4 (2021: £1.8m). The trustees’ policy is that grants are made against a budget, approved by the Board of Trustees and managed by the Department for World Mission. Grants outside the budget are made from the mission innovation fund for new work, or from the relief fund in response to emergencies.



3.3 Investment policy and review of investment performance

The trustees have the power to invest in such assets as they see fit.

The statements of investments principles set out the principles governing decisions about investments for the general and endowment funds and incorporate the BMS ethical investment policy. These statements are reviewed by trustees regularly.

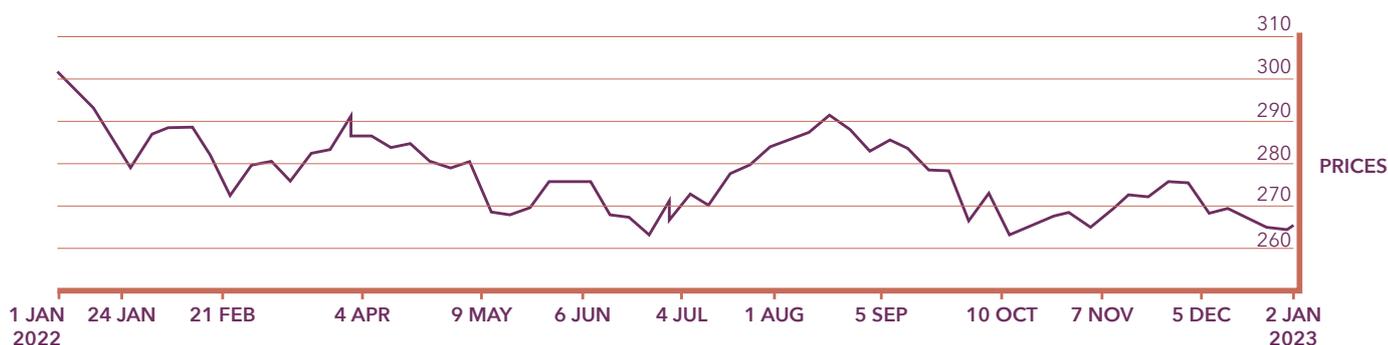
The entire BMS portfolio is invested in the CCLA Ethical Investment Fund to achieve investment requirements that balance income and capital growth, and to adhere closely to the BMS ethical investment policy. Both asset allocations are classified as 'medium' risk.

The BMS General Fund investments and Endowment Fund investments (unless specifically allocated in accordance with the fund) are in the COIF Charities Ethical Investment Fund. The income yield for the fund for year to 31 December 2022 was 3%, and the net annualised return for the Fund was -9.7% (to 31 December 2021 the yield was 3.4% and net annualised return 16.8%).

The market value of General Fund investments at 31 December 2022 was £4.2m (31 December 2021 £4.8m); endowment and property fund investments were £1.9m (31 December 2021 £2.9m).

The graph showing market review data demonstrates the fund performance

COIF CHARITIES ETHICAL INVESTMENT FUND 2022



Going concern

The trustees have made an assessment of the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment, we consider that the charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

We have made this assessment after reviewing the charity's forecasts and projections, which are being continually updated. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due; if necessary, this can be by drawing from investments. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the charity's ability to continue as a going concern following a review to consider any material risk.

Principal risks and uncertainties

Trustees regularly review the internal and external risks to BMS and give consideration to organisational attitude to risk. Trustees have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of BMS, and have assessed how the risks are being managed.

Potential risk	How we manage the risk
<p>Safety and Security</p> <p>Risks are faced by BMS mission workers and staff as a result of the BMS strategy to work in fragile states amidst pronounced global insecurity.</p>	<p>BMS has a comprehensive 24-hour crisis management policy and crisis response plan, with detailed procedures for handling a wide range of crisis events. Our commitment to work in dangerous places requires us to embrace, but minimise, a certain level of risk. When necessary BMS withdraws or moves mission personnel for a period. Regular crisis response scenarios and reviews are undertaken to embed preparedness.</p>
<p>Safeguarding</p> <p>Issues around the protection of children and vulnerable adults in its care and in the care of mission workers.</p>	<p>BMS takes this risk extremely seriously. Well-developed communication and safeguarding processes are in place and BMS has entered a partnership with a specialist provider to train staff and partners and actively works to strengthen partner understanding of safeguarding. BMS has an experienced trustee with designated responsibility for safeguarding</p>
<p>Funding</p> <p>BMS support comes primarily from the Baptist denomination which provides a loyal and consistent support base. However, BMS is vulnerable to the financial strength, risks and uncertainties of the Baptist Unions of Great Britain, Scotland and Wales and their member churches. This is particularly exacerbated with the risks to the UK economy and the cost of living rises across the world.</p>	<p>An independent but close relationship is maintained with the three mainland Baptist unions to stay abreast of their own risks and uncertainties.</p> <p>Giving from individual supporters is being increased to decrease our dependency on income directly from churches. Several fundraising products and relationship management tools are used to build and enhance our relationship with supporting churches and individuals.</p> <p>Staff members are developed and trained in fundraising practice, and keep abreast of industry trends and innovations.</p> <p>Trustees are looking at different operating models to implement the strategy that could widen the funding base.</p>

Potential risk	How we manage the risk
<p>Impact</p> <p>Not demonstrating sufficient impact from our work, or failing to meet donor expectations.</p>	<p>BMS seeks to maintain strong connections with our donors through a wide range of high quality communication content. A plan is in place to proactively engage supporters in the new strategy.</p> <p>BMS has regular opportunities for supporter feedback so we can respond quickly to changing supporter expectations.</p> <p>BMS has a rigorous reporting framework used to gauge outcomes and assess impact.</p>
<p>Overseas Expenditure</p> <p>The majority of the charity's expenditure takes place overseas which heightens risks in terms of fraud and ensuring this is spent in accordance with the charity's objectives. The new 2021 – 2025 strategy extends activity into new areas of work and new partners.</p>	<p>BMS has a rolling programme in relation to partner capacity building. This ensures that there is greater financial scrutiny over the overseas transactions. Financial reviews and control capacity is monitored through regular reports to the Finance and Audit Advisory Committee.</p> <p>Special reviews are in place to support new strategic initiatives.</p> <p>A programme of partner visits is scheduled for 2023.</p>
<p>Organisational Agility</p> <p>BMS does not adapt to the rapidly changing landscape of global mission and ceases to be an effective and relevant organisation.</p>	<p>BMS has a strategy implementation plan and is developing a new operational model enabling the organisation to respond to events in an agile way.</p>
<p>Pension Scheme Funding</p> <p>The pension environment worsens leading to a failure of the investment strategy.</p>	<p>The closed DB pension scheme has been pushed back into a funding deficit by the turmoil in financial markets in September and October 2022. As a result, BMS is likely to have to make further contributions to the scheme and to underwrite the consequences of the scheme operating an investment policy involving a higher level of risk than previously.</p> <p>The Pension Trust has reviewed the scheme's investment and de-risking strategy. There is a strong collaborative relationship between BMS and the Pension Trust, with competent trustees and advisers. An integrated risk management approach is being followed for the scheme.</p>

Potential risk	How we manage the risk
<p>Inability to Deliver Long Term Strategy</p> <p>Failure to articulate long-term BMS strategy and give direction to organisation due to organisational changes in culture and structure being insufficient to deliver long-term strategy.</p>	<p>High levels of trustee scrutiny are in place to ensure integrity and wisdom of strategy including measures and monitoring of strategy using a Kaplan and Norton scorecard. Management regularly review the appropriateness of such measures.</p> <p>There is ongoing development of appropriate organisational procedures and protocols for polycentric working.</p>
<p>Management Abuse of Power</p> <p>The potential reputational damage to the organisation where management has abused its power.</p>	<p>BMS has high ethics and takes this risk seriously. There are rigorous selection criteria in place for recruitment and review processes that include reviews of behaviour. In case of finance, strong controls are in place with Finance and Audit Committee and Treasurer review. There is a Whistleblowing policy that is trusted by staff and mission personnel.</p>
<p>Data Breach and/or Cyber Attack</p> <p>The potential impact resulting from the loss of or damaged data from systems being breached together with the disruption of day-to-day systems and procedures.</p>	<p>BMS undertakes continual software updates, frequent data back-up, anti-virus software, staff training and updates. Staff undertake regular cyber security training. BMS engages an external provider to undertake regular penetration testing. Our contact management system payroll, accounting and HR systems all cloud based. Our bankers and other advisers provide regular user training on cyber security.</p>



Financial review

1. Movement in funds

Taking the charity's funds in total, there was net expenditure for the year of £59k (2021 net income of £1,569k), a net loss of £249k (2021 net gain of £1,016k) from the fall in value of the investment portfolio held by the charity, an actuarial loss on the defined benefit pension scheme of £561k (2021 gain of £958k), an exchange gain on assets held overseas of £8k (2021 loss of £5k). The overall position was a net decrease in total reserves of £861k (2021 an increase of £3.5m). The pension fund deficit based on accounting provisions has increased to £1m (2021 £0.5m).

2. Reserve policy and fund position

General funds (free reserves)

Trustees have a reserves policy that takes a risk-based approach. The policy was reviewed in 2022 and 2023, in particular taking into account lessons learned from economic turmoil in the UK in September 2022.

Trustees have examined the requirement for free reserves which are those unrestricted reserves not invested in fixed assets, designated for specific purposes or otherwise committed, but does not take account of the pension reserve. Trustees consider that, given the nature of our work and responsibility to partners that extends beyond a year, this should equate to a range of between £4.5m to £5m. This would be expected to provide the flexibility and resilience to cover any short-term funding crisis or a medium-term recession, and a large portion of this needs to be matched by cash or cash equivalents.

The free reserves at 31 December 2022 were £5.7m (2021 £7.2m). Trustees maintain a financial plan to manage the budget so that the target level of reserves is achieved and maintained, and that this is matched by sufficient liquid funds. Such plans will take into account the long-term funding status of the charity's pension scheme and ensure that deficit payment commitments are met. The current balance exceeds the reserve policy by £0.7m. The trustees had deliberately built reserves to invest in Strategy 2025 and have now been looking beyond this to the longer-term polycentric vision.

The charity also holds funds designated for specific purposes, without legal restriction, as follows:

Fund	2022	2021	
Fixed asset	£4.8m	£5.2m	Net book value of unrestricted fixed assets
Defined Benefit Pension	£0.4m	-	For deficit contributions to the scheme
Mission innovation	£0.1m	£0.1m	For initiatives not in budget, topped up in year
Strategy	£0.7m	£0.9m	Set aside for 5-year financial strategy implementation
Covid economic impact	-	£0.4m	To ensure consistent response in economic downturn
Contingency	£0.5m	-	The movement in value on fixed asset investments
Revaluation reserve	£1.6m	£0.6m	
	<u>£8.1m</u>	<u>£7.2m</u>	

There is a Carbon Offset Fund of £18k (2021 £21k). It is topped up from BMS' carbon offset calculation and is used to contribute towards specific environmental projects.

The triennial valuation of the BMS defined benefit pension scheme was carried out as at 31 December 2021; the next valuation will be as at 31 December 2024. The small surplus in 2021 was calculated to be £0.1m. During 2022 employer contributions of £150k were paid (2021 £0.0m) as a result of the effect of the September 2022 economic turmoil. The fund valuation for accounting purposes at 31 December 2022 was a deficit of £1.0m (2021 £0.5m). The funding position at 31 December 2022 based on technical provisions was a deficit of £2.2m (2021 balanced).

Endowment funds

Included in the balance sheet are endowment funds totalling £2.3m (2020 £2.7m), the capital element not being available to be spent. Income from the endowment funds has been spent during the year.

Restricted funds

Restricted funds are subject to specific conditions imposed by donors. The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 December 2022; the total was £1.9m (2021 £1.4m). The accounts of BMS India have been consolidated with BMS. Reserves of £0.4m (2021 £0.4m) are included in the restricted fund balance.



Effectiveness of activities to generate funds

BMS is registered with the Fundraising Regulator and is compliant with the Code of Fundraising Practice. We will respond to any future developments in full keeping with both the letter and spirit of any changes.

Direct fundraising costs are a very small proportion of BMS expenditure (less than 5%). A large proportion of our income comes from our carefully managed relationship between BMS and our supporting churches and their members. BMS does not use professional external fundraisers.

BMS is registered with the Fundraising Regulator, the Fundraising Preference Service and is compliant with the Code of Fundraising Practice. We will respond to any future developments in full keeping with both the letter and spirit of any changes. Our commitment to these important voluntary standards ensures that we always champion the privacy and rights of our audience and minimise the risks of any of our fundraising activities resulting in distress, inconvenience or undue pressure, particularly on vulnerable people.

In the last year we received eight complaints in response to our fundraising material, out of tens of thousands of mailings. The matters were handled swiftly, carefully and in accordance with our fundraising complaints procedure.

There was a great outpouring of generosity for supporters in response to our Ukraine appeal. Many new donors have responded to appeals throughout the year, many have become regular donors and others generously increased their monthly giving. We are thankful to God for his provision, and to our many supporters for their continued generosity.



Pension Fund arrangements

Following a review of our Pension Fund arrangements for UK staff and overseas mission workers, the defined benefit scheme was closed to future accruals and a defined contribution section of the scheme was opened on 1 November 2010. The triennial valuation of the BMS defined benefit pension scheme was carried out as at 31 December 2021; the next valuation will be as at 31 December 2024. The small surplus in 2021 was calculated to be £0.1m. During 2022 employer contributions of £150k were paid (2021 £0.0m) as a result of the effect of the September 2022 economic turmoil. This resulted in the need for the Pension Trustee to review its investment strategy. A new strategy has been agreed between the Pension Trustee and the Board to arrive at a long term dependency target in 12 years' time of gilts + 1.4%. Equity investment is not a part of the portfolio, but it has been possible for the Pension Trustee to maintain a strong ethical and responsible position on investment fund selection.

Trustees support the Pension Trustee in its long-term approach to investment management. To support the new strategy BMS, as employer, will make voluntary deficit contributions during 2023 totalling £1.8m. This will be financed by the sale of properties held by the charity.

Factors likely to affect the financial performance going forwards and post year-end events

The major financial concern that BMS faces is the economic outlook for the UK and the world economies.

In 2022, work resumed in Afghanistan only to be suspended again in late 2022 due to the restrictions placed on females being able to work. The damaging impact of the economic turmoil in 2022, not just in the UK but globally, continues to seriously affect partner activities and the ability of BMS to fund projects and activities. The ongoing impact has been factored into future financial plans and contingency actions agreed should the impact be greater than anticipated. The trustees have reviewed the plans and agreed a series of activities that should ensure financial stability if necessary. BMS continues to work alongside the European Baptist Federation in response to the war in Ukraine. On review of the financial plans to the end of June 2024, and given the further management actions that are feasible, the trustees have concluded that this will not affect the ability of the charity to continue as a going concern.

Reference and administrative details

Trustees

Rev David Marc Owen (Chair)
Mr Robert Ashurst (Honorary Treasurer)
Dr Anthony Agbonasevbaefe
Rev Simeon Baker
Rev Kalyan Das (to March 2022)
Ms Ruth Elliot
Mr Richard Gray (from January 2023)
Ms Helle Liht
Dr Elizabeth Bendor-Samuel
Ms Lynn Cadman
Dr Marion Carson
Mr John Slater (Vice Chair, to March 2022)
Dr Kang-San Tan

Key management personnel

Dr Kang-San Tan (General Director)
Mrs Sarah Anthony (Co-Director - Communications, to September 2022)
Rev Dr Arthur Brown (World Mission)
Mr Ben Drabble (Co-Director – Communications, Director from September 2022)
Ms Valerie Stevens (Finance & Corporate Services, to May 2022)
Mr Stephen Sanderson (Strategy, from February 2022)
Mr Peter Oyugi (Intercultural Learning and Collaboration, from February 2022 to August 2022)
Mrs Caroline Trimble (Finance & Operations, from June 2022)
Mrs Heather Drury (People & Culture, from July 2022)
Mr Bijoy Sangma (Intercultural Learning and Collaboration, from November 2022)

Auditor

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Principal Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Principal bankers

Barclays Bank
1 Churchill Place
London E14 5HP

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Actuary

XPS Pension Group
1 Colmore Row
Birmingham
B3 2BJ

Registered office

Baptist Missionary Society
129 Broadway, Didcot, OX11 8XD
Telephone: 01235 517700 Fax: 01235 517601
Email: mail@bmsworldmission.org
Website: bmsworldmission.org

Independent Auditor's Report to Members of BMS World Mission

Opinion

We have audited the financial statements of The Baptist Missionary Society (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

1.1 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.2 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Baptist Missionary Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

1.3 Other information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

1.4 Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

1.5 Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

1.6 Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

1.7 Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

1.8 Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



**The future is as
bright as the
promises of God**

William Carey

BMS GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022
(incorporating an income and expenditure account)

	2022				Restated 2021				
Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	
Income from:									
Donations, grants and legacies	2	5,140	2,559	-	7,699	6,922	1,203	-	8,125
Other trading activities		18	100	-	118	57	-	-	57
Investment income	3	284	10	-	294	183	23	-	206
Other income	4	90	14	-	104	754	6	-	760
Total income		5,532	2,683	-	8,215	7,916	1,232	-	9,148
Expenditure on:									
Raising funds		380	-	-	380	335	-	-	335
Charitable activities									
Least Evangelised		1,219	85	-	1,304	1,232	52	-	1,284
Most Marginalised		2,307	1,638	-	3,945	2,197	992	-	3,189
People on the Move		996	3	-	999	1,144	29	-	1,173
Historic Partners		660	5	-	665	799	5	-	804
Raising Awareness		981	-	-	981	794	-	-	794
		6,163	1,731	-	7,894	6,166	1,078	-	7,244
Total expenditure	5	6,543	1,731	-	8,274	6,501	1,078	-	7,579
Net income / (expenditure) before movement on investments		(1,011)	952	-	(59)	1,415	154	-	1,569
Net gains/(losses) on investments		33	35	(317)	(249)	670	33	313	1,016
Net income/(expenditure)		(978)	987	(317)	(308)	2,085	187	313	2,585
Transfers between funds	9	437	(437)	-	-	197	(197)	-	-
Other recognised gains/(losses):									
Actuarial gains/(losses) on defined benefit pension scheme		(561)	-	-	(561)	958	-	-	958
Exchange differences		-	8	-	8	-	(5)	-	(5)
Net movement in funds		(1,102)	558	(317)	(861)	3,240	(15)	313	3,538
Reconciliation of funds:									
Total funds brought forward		13,997	1,380	2,660	18,037	10,757	1,395	2,347	14,499
Total funds carried forward		12,895	1,938	2,343	17,176	13,997	1,380	2,660	18,037

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations. There is no material difference between the net income/(expenditure) for the financial year stated above and their historical cost equivalents.

BMS PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022
(incorporating an income and expenditure account)

	2022					Restated 2021			
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income from:									
Donations, grants and legacies	2	5,140	2,559	-	7,699	6,922	1,153	-	8,075
Other trading activities		18	-	-	18	57	-	-	57
Investment income	3	284	9	-	293	183	6	-	189
Other income	4	90	-	-	90	754	-	-	754
Total income		5,532	2,568		8,100	7,916	1,159	-	9,075
Expenditure on:									
Raising funds		380	-	-	380	335	-	-	335
Charitable activities									
Least Evangelised		1,219	85	-	1,304	1,232	52	-	1,284
Most Marginalised		2,307	1,515	-	3,822	2,197	892	-	3,089
People on the Move		996	3	-	999	1,144	29	-	1,173
Historic Partners		660	5	-	665	799	5	-	804
Raising Awareness		981	-	-	981	794	-	-	794
		6,163	1,608	-	7,771	6,166	978	-	7,144
Total expenditure	5	6,543	1,608		8,151	6,501	978	-	7,479
Net income / (expenditure) before movement on investments		(1,011)	960	-	(51)	1,415	181	-	1,596
Net gains/(losses) on investments		33	35	(317)	(249)	670	33	313	1,016
Net income/(expenditure)		(978)	995	(317)	(300)	2,085	214	313	2,612
Transfers between funds	9	437	(437)	-	-	197	(197)	-	-
Other recognised gains/(losses):									
Actuarial gains/(losses) on defined benefit pension scheme		(561)	-	-	(561)	958	-	-	958
Net movement in funds		(1,102)	558	(317)	(861)	3,240	17	313	3,570
Reconciliation of funds:									
Total funds brought forward		13,997	986	2,660	17,643	10,757	969	2,347	14,073
Total funds carried forward		12,895	1,544	2,343	16,782	13,997	986	2,660	17,643

The notes on pages 51 to 69 also form part of these financial statements

BMS GROUP CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022
COMPANY NUMBER 10849689

		Group		Charity	
			Restated		Restated
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11	5,315	5,831	5,055	5,559
Investments	12	6,720	7,667	6,720	7,667
Investment properties	13	1,774	775	1,774	775
Total fixed assets		13,809	14,273	13,549	14,001
Current assets					
Stock		2	3	2	3
Debtors	14	1,441	1,917	1,421	1,883
Investments		100	36	1	1
Cash at bank and in hand		4,846	4,204	4,803	4,117
Total current assets		6,389	6,160	6,227	6,004
Liabilities					
Creditors: amounts falling due within one year	15	(2,036)	(1,909)	(2,008)	(1,875)
Net current assets excluding pension liability		4,353	4,251	4,219	4,129
Defined benefit pension scheme liability	17	(986)	(487)	(986)	(487)
Total net assets		17,176	18,037	16,782	17,643
The funds of the charity					
Endowment funds	9	2,343	2,660	2,343	2,660
Restricted income funds		1,938	1,380	1,544	986
Unrestricted funds					
Designated funds		8,139	7,280	8,139	7,280
General funds (free reserves)		5,742	7,204	5,742	7,204
Total funds excluding pension reserve		18,162	18,524	17,768	18,130
Pension reserve		(986)	(487)	(986)	(487)
Total funds		17,176	18,037	16,782	17,643

The financial statements on pages 46 to 69 were approved by the Trustees on 25 May 2023 and signed on their behalf by:

David Marc Owen
Chair of Trustees

Date: 25 May 2023

**BMS GROUP CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£'000	£'000	£'000	£'000
Cash flow from operating activities:				
Net cash provided by/ (used in) operating activities	(a) 436	1,357	422	1,367
Cash flows from investing activities:				
Dividends, interest and other income from investments	294	206	293	189
Proceeds from sale of tangible fixed assets	1	681	1	681
Payments to acquire tangible fixed assets	(33)	(20)	(30)	(13)
Net cash provided by investing activities	262	867	264	857
Change in cash and cash equivalents in the year	698	2,224	686	2,224
Cash and cash equivalents at the beginning of the year	4,240	2,021	4,118	1,894
Change in cash and cash equivalents due to exchange rate movements	8	(5)	-	-
Cash and cash equivalents at the end of the year	4,946	4,240	4,804	4,118
(a) Reconciliation of net income to net cash flow from operating activities				
Net income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)	(308)	2,585	(300)	2,612
Depreciation	249	275	231	250
Losses/(Gains) on investments	249	(1,016)	249	(1,016)
Investment income	(294)	(206)	(293)	(189)
(Profit) from sale of fixed assets	(1)	(640)	(1)	(640)
(Loss) on Forward Exchange Contracts	-	-	-	-
Currency re-translation on fixed assets	(3)	2	-	-
Decrease/(increase) in stocks	1	(1)	1	(1)
Decrease/(Increase)in debtors	478	140	464	133
(Decrease)/Increase in creditors	127	136	133	136
Difference between net pension expense and cash contribution	(62)	82	(62)	82
Net cash provided by/(used in) operating activities	436	1,357	422	1,367

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£'000	£'000	£'000	£'000
Cash flow from operating activities:				
Analysis of changes in net funds				
Cash at bank and in hand	4,846	4,204	4,803	4,117
Short term deposits	100	36	1	1
	4,946	4,240	4,804	4,118

Analysis of changes in net debt

	Group			Charity			
	Cash and cash Equivalents	Forward Contract Obligations	Total		Cash and cash Equivalents	Forward Contract Obligations	Total
	£'000	£'000	£'000		£'000	£'000	£'000
At 1 January 2022	4,240	-	4,240		4,118	-	4,118
Cashflows	698	-	698		686	-	686
Fair Value Movements	-	-	-		-	-	-
Foreign Exchange Movements	8	-	8		-	-	-
Other non-cash changes	-	-	-		-	-	-
At 31 December 2022	4,946	-	4,946	0	4,804	-	4,804

	Group			Charity			
	Cash and cash Equivalents	Forward Contract Obligations	Total		Cash and cash Equivalents	Forward Contract Obligations	Total
	£'000	£'000	£'000		£'000	£'000	£'000
At 1 January 2021 (restated)	2,021	(329)	1,692		1,894	(329)	1,565
Cashflows	2,224	346	2,570		2,224	346	2,570
Fair Value Movements	-	(17)	(17)		-	(17)	(17)
Foreign Exchange Movements	(5)	-	(5)		-	-	-
Other non-cash changes	-	-	-		-	-	-
At 31 December 2021	4,240	-	4,240	0	4,118	-	4,118

1 Accounting policies

a Statutory information

BMS World Mission is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 129 Broadway, Didcot OX11 8XD.

b Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-controlled subsidiary, Baptist Missionary Society Trust, in India on a line-by-line basis. These financial statements also include the charity's 50% share of its Joint Venture, Baptist House Limited, as an investment recognised at fair value, being 50% of the value of the net assets, with any gain or loss taken through net gains on investments in the Statement of Financial Activities.

BMS constitutes a public benefit entity as defined by FRS 102.

c Assessment of going concern

BMS's activities, its current financial position, and factors likely to affect its future development are set out within the report from the board. BMS has a 5 year financial plan to 2025 that was updated at the beginning of 2023, that shows it is able to continue its business-critical activities and remain a going concern. As at 31 December 2022 BMS had available cash balances of £4.8m and a further £4.2m of investments that could be drawn upon if required.

The board's assessment of going concern involved a number of subjective judgements including, but not limited to; decrease in donation income, impact of global economic uncertainties, delays in the crystallisation of legacies where probate has been granted, potential impact of the requirement to make further employer deficit contributions to the defined benefit pension scheme brought about by the market turmoil in the UK in the autumn of 2022. In making their assessment the board have also considered the potential impact on its cashflows and liquidity. A stress test has been run on the cashflow forecasts to June 2024 and the board have contingency plans in place to mitigate potential adverse impacts on cashflow including, for instance, delays in non-essential expenditure, phasing of grants, delaying staff recruitment. The trustees concluded their assessment found that the financial plan and forecasts are robust and show that BMS is able to meet its obligations. On this basis, given the strength of the balance sheet and availability and liquidity of unrestricted investments, the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The board has a reasonable expectation that BMS has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The board have considered the foreseeable future for their going concern assessment to cover the period to 31 December 2025. On this basis, the board continues to adopt the going concern basis in the financial statements.

d Accounting estimates and judgements

Preparation of the financial statements in accordance with FRS102 requires the trustees to make certain judgements and estimates. The items below are considered to be the most important in understanding the financial statements:

BMS recognises its liability to its defined benefit pension scheme. This involves actuarial estimates which are disclosed in Note 16.

BMS has accrued £1,223k of legacy income. This is based on the probate value of legacies notified to the charity, where probate has been granted and entitlement is clear. The actual amounts later received may differ to this value due to varying costs and fees.

e Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds, which have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those where donations are required to be retained as capital in accordance with the donors' wishes – permanent or expendable according to the nature of the restriction.

Investment income and gains are allocated to the appropriate fund.

f Income

All income, including donations, legacies, grant income and investment income, is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when probate has been granted. Residuary legacies are recognised at a discounted rate when they are measurable, probate has been granted and entitlement is clear. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

No value is included where the legacy is subject to a life interest held by another party.

Investment income is recognised on a receivable basis.

Income from other trading activities includes amounts relating to the sale of Christmas cards and rental income. It is recognised on a receivable basis.

g Expenditure

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are classified to the applicable expenditure headings in the Statement of Financial Activities. Costs which cannot be directly attributed have been allocated on a basis consistent with the use of the resources and staff time.

Expenditure on raising funds are those costs incurred in seeking voluntary contributions and in the management of the charity's investments. They do not include the costs of disseminating information in support of BMS' charitable activities.

Expenditure on charitable activities include expenditure associated with raising awareness and the three strategic ministries, and include both the activities, direct costs and support costs relating to these.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Grants payable are made to third parties in the furtherance of BMS' charitable objects. They are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

h Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 (individually or as part of a related project) are capitalised and included at cost including any incidental expenses of acquisition. Land and buildings are included at original historical cost or probate value. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. There has been no impairment in value of assets held over the financial period.

Depreciation is calculated to write down the original costs of the fixed assets over their estimated useful lives as follows:

Land	No depreciation
Buildings	over 50 years
Computer (included in furniture and equipment)	over 3 years
Furniture and equipment	over 3 - 5 years
Motor vehicles used overseas	written off in year of purchase
Solar panels and property modifications	over 15 years

For BMS India, depreciation has been applied at the rates specified by the India Income Tax Act 1961, most specifically for buildings at 5%.

i Listed investments

Investments are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Current asset investments are short-term, highly liquid investments that are readily convertible to known amounts of cash.

j Investment assets

Investment properties are measured in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

k Joint arrangement

Through a deed of trust, the charity is in a joint arrangement with the Baptist Union of Great Britain for the management of Baptist House, its headquarters building. Under the terms of this arrangement all responsibility for the letting and operation of the building was transferred to Baptist House Limited. The arrangement is governed by Articles of Association for Baptist House Limited and a Declaration of Trust with the Baptist Union of Great Britain.

The charity accounts for its 50% share of Baptist House Limited as an investment in the Balance Sheet. The Statement of Financial Activities includes its share of the service charge within charitable expenditure and its share of the surplus within unrealised investment gains. Transactions between the charity and the joint arrangement are eliminated on incorporating these amounts into the accounts of the charity.

l Stock

Stock is valued at the lower of cost and estimated net realisable value.

m Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n Foreign currencies

Assets and liabilities held in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year and the results of foreign operations are translated at the average rate of exchange for the year.

Differences on exchange arising from retranslation of foreign currency bank balances and other assets are reported under income and expenditure in the Consolidated Statement of Financial Activities.

All other foreign exchange differences are taken to the Statements of Financial Activities in the period in which they arise.

o Financial instruments

Financial assets and financial liabilities are recognised when BMS becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where BMS has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p Pensions

The charity's defined benefit scheme is funded, with the assets of the scheme held separately from those of the charity, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

Where appropriate the resulting defined benefit liability is presented separately after other net assets on the face of the Balance Sheet.

The current service cost, past service costs and any gains and losses on settlements and curtailments are charged in resources expended in the Statement of Financial Activities. The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits and included in resources expended. Actuarial gains and losses are recognised within the 'gains and losses' categories of the Statement of Financial Activities as 'actuarial gains and losses on defined benefit pension scheme'.

Contributions to the charity's defined contribution pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations, grants and legacies						
	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	4,114	2,438	6,552	4,456	1,045	5,501
Grants*	19	46	65	37	63	100
Legacies	1,007	75	1,082	2,429	45	2,474
BMS India	-	-	-	-	50	50
	5,140	2,559	7,699	6,922	1,203	8,125

*Grants includes nil (2021: £29k) claimed under the Coronavirus Job Retention Scheme

3 Investment income				
	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
UK investment dividends	67	58	67	58
Interest on cash deposits	187	148	187	131
Bank and other interest	1	-	-	-
Commercial rental income	39	-	39	-
	294	206	293	189

4 Other income				
	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Profit on sale of fixed assets	1	640	1	640
Sundry income	103	120	89	114
	104	760	90	754

5a Analysis of expenditure (current year)

Group

	Direct costs	Grant funding of activities	Support costs	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	313	-	67	380	335
Charitable activities					
Least Evangelised	570	503	231	1,304	1,284
Most Marginalised	1,761	1,507	677	3,945	3,189
People on the Move	489	333	177	999	1,173
Historic Partners	453	94	118	665	804
Raising Awareness	981	-	-	981	794
	4,567	2,437	1,270	8,274	7,579

Charity

	Direct costs	Grant funding of activities	Support costs	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	313	-	67	380	335
Charitable activities					
Least Evangelised	570	503	231	1,304	1,284
Most Marginalised	1,638	1,507	677	3,822	3,089
People on the Move	489	333	177	999	1,173
Historic Partners	453	94	118	665	804
Raising Awareness	981	-	-	981	794
	4,444	2,437	1,270	8,151	7,479

5b Analysis of expenditure (prior year)

Group

	Direct costs	Grant funding of activities	Support costs	Total 2021	Restated 14 months 2020
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	248	-	87	335	354
Charitable activities					
Least Evangelised	567	382	335	1,284	876
Most Marginalised	1,459	924	806	3,189	3,839
People on the Move	468	399	306	1,173	1,382
Historic Partners	465	129	210	804	1,308
Raising Awareness	794	-	-	794	1,623
	4,001	1,834	1,744	7,579	9,382

Charity

	Direct costs	Grant funding of activities	Support costs	Total 2021	Restated 14 months 2020
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	248	-	87	335	354
Charitable activities					
Least Evangelised	567	382	335	1,284	876
Most Marginalised	1,359	924	806	3,089	3,656
People on the Move	468	399	306	1,173	1,382
Historic Partners	465	129	210	804	1,308
Raising Awareness	794	-	-	794	1,623
	3,901	1,834	1,744	7,479	9,199

6a Analysis of Grants (current year)

	Asia	Europe	Middle East & North Africa	South America	Sub-Saharan Africa	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities						
Least Evangelised	387	53	33	25	5	503
Most Marginalised	324	711	151	5	316	1,507
People on the Move	-	211	122	-	-	333
Historic Partners	18	49	27	-	-	94
Total	729	1,024	333	30	321	2,437

Grants totalling £30,000 and above were made to the following partners during the year.

Country	Partner	£'000
Ukraine	EBF	743
Uganda	JLH	197
India	Big Life Ministries	185
Asia	Asia Pacific Baptist Federation	137
Chad	Guinebor 2 Hospital	136
Greece	All4Aid	132
Lebanon	LSESD	100
Nepal	NBCC	73
Uganda	UCLF	59
Bangladesh	BBCS	59
Nepal	MCDS	55
Albania	Tek Ura	41
Sri Lanka	LEADS	40
Mozambique	AMAC	32
Netherlands	IBTSC	34
West Africa	Baptist World Alliance	32
Cambodia	BCM	31
Various	Other partners <£30,000	351

Total Grants 2022

2,437

6b Analysis of Grants (prior year)

	Asia £'000	Europe £'000	Middle East & North Africa £'000	South America £'000	Sub-Saharan Africa £'000	Total 2021 £'000
Charitable activities						
Least Evangelised	282	64	20	-	16	382
Most Marginalised	475	3	9	16	421	924
People on the Move	-	186	188	24	-	398
Historic Partners	52	78	-	-	-	130
Total	809	331	217	40	437	1,834

Grants totalling £30,000 and above were made to the following partners during the year.

Country	Partner	£'000
India	Big Life Ministries	172
Uganda	JLH	152
Lebanon	LSERD	147
Chad	Guinebor 2 Hospital	140
Asia	Asia Pacific Baptist Federation	123
Greece	All4Aid	84
Albania	Tek Ura	74
Nepal	NBCC	70
Uganda	UCLF	61
Bangladesh	BBCS	61
Netherlands	IBTSC	54
Nepal	MCDS	51
West Africa	Baptist World Alliance	48
Sri Lanka	LEADS	48
Netherlands	EBF	40
France	FEEDF	40
Thailand	TBKC	39
Nepal	KISC Equip	39
Nepal	ECTC	39
Mozambique	AMAC	37
Various	Other partners <£30,000	315
Total Grants 2021		1,834

7 Governance costs

	2022 £'000	2021 £'000
Audit fee	38	34
Board of Trustees	3	1
Other governance costs	4	2
	45	37

8a Subsidiary

BMS World Mission has a wholly controlled subsidiary, Baptist Missionary Society Trust, registered in West Bengal, India. The trust carries out mission activities from its base in Kolkata. The charity appoints the Trustees of BMS India and on the winding up or dissolution of the Trust, its assets pass to the charity. Since 19 March 2015, financial activity of BMS India has been consolidated into that of the charity. Accounts are made up to 31 March each year and copies may be obtained from the BMS registered office.

	2022 £'000	2021 £'000
Total incoming resources	116	73
Total expenditure	(123)	(100)
Exchange difference	8	(5)
(Deficit)/Surplus for the year	1	(32)
Total assets	422	428
Total liabilities	(28)	(34)
Funds	394	394

8b Share in Joint Venture

BMS World Mission owns 50% of the issued ordinary share capital of Baptist House Limited, a company registered in England, with the remaining 50% owned by the Baptist Union of Great Britain. The trustees believe that the company qualifies as a joint venture for accounting purposes. Given the level of activities, consolidated accounts have not been prepared as the effect on both the Statement of Financial Activities and the Balance Sheet would be immaterial. Accounts are made up to 31 October each year and a summary of the company's results are shown below.

	2022	2021
	£'000	£'000
Total incoming resources	366	393
Total expenditure	(416)	(368)
Profit/(Loss) for the year	(50)	25
Total assets	308	360
Total liabilities	(55)	(57)
Capital and Reserves	253	303

The charity's share of any profit or loss is 50% of the overall.

9a Statement of funds (current year)

	Balance at 1.1.22 (restated)	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.12.22
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Cyril Edwards Trust	937	-	-	(116)	-	821
Jane Mursell Trust	1,010	-	-	(126)	-	884
Joy Bushon Sircar Trust	496	-	-	(47)	-	449
Other endowment funds	217	-	-	(28)	-	189
	2,660	-	-	(317)	-	2,343
Restricted funds						
Emergency relief fund	339	1,805	(854)	-	(402)	888
Restricted fixed assets reserve	320	-	-	-	(6)	314
Restricted revaluation reserves	95	-	-	58	-	153
Restricted property funds	232	9	-	(23)	(29)	189
India	394	115	(123)	8	-	394
Other restricted funds	-	754	(754)	-	-	-
	1,380	2,683	(1,731)	43	(437)	1,938
Unrestricted funds						
Designated:						
Covid impact	360	-	-	-	(319)	41
Strategy implementation	850	-	-	-	(110)	740
Historic partner support	30	-	-	-	-	30
Defined Benefit Pension Deficit	-	-	(150)	-	579	429
Contributions	-	-	-	-	450	450
Contingency fund	-	-	-	-	(498)	4,741
Fixed assets reserve	5,239	-	-	-	-	1,621
Revaluation reserve	680	-	-	640	301	69
Mission Innovation fund	100	-	(31)	-	-	18
Carbon offset fund	21	1	(10)	-	6	-
	7,280	1	(191)	640	409	8,139
Pension reserve	(487)	-	62	(561)	-	(986)
General funds						
Free reserves	7,204	5,531	(6,414)	(607)	28	5,742
	13,997	5,532	(6,543)	(528)	437	12,895

The narrative to explain the purpose of each fund is given at the foot of the note below.

9b Statement of funds (prior year)

	Balance at 1.1.21 (restated)	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.12.21 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Cyril Edwards Trust	826	-	-	111	-	937
Jane Mursell Trust	890	-	-	120	-	1,010
Joy Bushon Sircar Trust	441	-	-	55	-	496
Other endowment funds	190	-	-	27	-	217
	2,347	-	-	313	-	2,660
Restricted funds						
Emergency relief fund	354	495	(319)	-	(191)	339
Restricted fixed assets reserve	326	-	-	-	(6)	320
Restricted revaluation reserve	84	-	-	11	-	95
Restricted property funds	205	5	-	22	-	232
India	426	73	(100)	(5)	-	394
Other restricted funds	-	659	(659)	-	-	-
	1,395	1,232	(1,078)	28	(197)	1,380
Unrestricted funds						
Designated:						
Covid impact	-	-	-	-	360	360
Strategy implementation	-	-	-	-	850	850
Historic partner support	-	-	-	-	30	30
Fixed assets reserve	5,513	-	-	-	(274)	5,239
Revaluation reserve	577	-	-	103	-	680
Mission Innovation fund	100	2	(11)	-	9	100
Major repairs fund	105	-	-	-	(105)	-
Carbon offset fund	15	2	-	-	4	21
	6,310	4	(11)	103	874	7,280
Pension reserve	(1,363)	-	(82)	958	-	(487)
General funds						
Free reserves	5,810	7,912	(6,408)	569	(679)	7,204
	10,757	7,916	(6,501)	1,630	195	13,997

Purposes of endowment funds

The income of the Cyril Edwards Trust is available to be used in any field where the charity operates.

The income of the Jane Mursell Trust is available to be used for women's work within the charity.

The income of the Joy Bushon Sircar Trust is to be used to benefit specific educational and church work in the Barisal area of Bangladesh. The Trust is invested in US dollar securities which have been converted into sterling at the rate ruling at 31 December 2022.

Purposes of restricted funds

The emergency relief fund represents funds received for relief and disaster response around the world primarily where the charity is involved. The health fund represents funds received for health projects the charity is involved in.

The restricted fixed assets reserve represents the value of properties which have been left to the charity with restricted use. The restricted revaluation reserve represents the cumulative revaluations of the investment properties with restricted use. Restricted property funds are held following the sale of property left to the charity with restricted use. Transfers to or from the funds reflect property transactions and depreciation.

The India fund represents the net value of assets owned in India by BMS India.

Purposes of designated funds

The Covid impact fund represents the anticipated longer term impact of Covid and the UK economic environment to allow BMS to continue to absorb an anticipated downturn in income.

The strategy implementation represents the cost of implementing the strategy.

The historic partner support fund represents support to historic partners.

The defined benefit pension deficit contributions represents amounts set aside to meet pension deficit contributions as they fall due.

The contingency fund represents amounts set aside from reserves to meet any shortfall in budgeted donations income.

The fixed assets reserve represents the amount set aside equivalent to the net book value of property and equipment used by the charity and purchased from unrestricted funds. The transfer from the fixed assets reserve is to the general fund to bring the reserve into line with the value of the fixed assets at the year end.

The revaluation reserve is the amount set aside equivalent to the cumulative revaluations of the investment properties.

The Mission Innovation fund is used for innovative mission projects and will be used over the next two years. The major repairs fund is to meet the costs of large repair projects and was used during the year on Wallis House.

The Carbon offset fund represents funds set aside for creation stewardship projects.

10 Employees and Trustee Directors

The costs of mission personnel and other employees of the charity during the year were as follows:

	2022 £'000	2021 £'000
Allowances and salaries	2,687	2,528
Pension contributions	293	314
National Insurance contributions	176	155
Relocation payments	4	3
	3,160	3,000
Average number of employees		
Mission personnel	56	66
Other employees	55	56
	111	122

Included in the above employee costs are redundancy costs of £15,417 (2021: £8,634). Redundancy costs are provided for when they are estimable and settlement is probable within 12 months. At the balance sheet date there were redundancy costs of £nil (2021: £4,896) awaiting payment.

Employees and trustees

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 Number	2021 Number
£70,001-£80,000	1	0
£60,001-£70,000	0	1

The total amount of employee benefits, including employer's pension contributions, received by key management personnel for their services during the year was £471,254 (2021: £289,760).

Trustees

No emoluments were paid to the Trustee Directors, with the exception of the General Director, Dr Kang-San Tan, who was employed by the charity and was remunerated on the same basis as other employees but received no remuneration for his duties as a Trustee Director. The constitution makes particular provision for the General Director to be an employee of the charity and the Charity Commission has given formal assent to this. Dr Tan's emoluments as General Director were £73,154 (2021: £69,816). Dr Tan was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £7,119 (2021: £1,371). Dr Tan is a member of the charity's pension scheme and contributions totalling £6,676 (2021: £6,666) were paid by the charity during the year.

During the year a total of £4,234 (2021: £832) was reimbursed to 12 Trustee Directors (2021: 12) in respect of committee expenses.

Related Parties

During the year a total of £nil (2021: £180) was paid to Loun Ling Lee, the wife of the General Director, for providing three teaching sessions. The rate was the standard fee paid to visiting lecturers.

11a Group Tangible Assets

	Land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
01 January 2022 (restated)	8,187	687	91	8,965
Additions	3	30	-	33
Currency re-translation	2	1	-	3
Disposals	-	(13)	-	(13)
Transfer to Investment Properties	(416)	-	-	(416)
Saturday, 31 December 2022	<u>7,776</u>	<u>705</u>	<u>91</u>	<u>8,572</u>
Depreciation				
01 January 2022 (restated)	2,581	473	82	3,136
Charge for year	193	55	1	249
Disposals	-	(13)	-	(13)
Transfer to Investment Properties	(115)	-	-	(115)
31 December 2022	<u>2,659</u>	<u>515</u>	<u>83</u>	<u>3,257</u>
Net book value				
Saturday, 31 December 2022	5,117	190	8	5,315
31 December 2021 (restated)	5,608	214	9	5,831

11b Charity Tangible Assets

	Land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
01 January 2022 (restated)	7,897	614	70	8,581
Additions	-	30	-	30
Disposals	-	(13)	-	(13)
Transfer to Investment Properties	(416)	-	-	(416)
31 December 2022	<u>7,481</u>	<u>631</u>	<u>70</u>	<u>8,182</u>
Depreciation				
01 January 2022 (restated)	2,519	435	70	3,024
Charge for year	178	53	-	231
Disposals	-	(13)	-	(13)
Transfer to Investment Properties	(115)	-	-	(115)
31 December 2022	<u>2,582</u>	<u>475</u>	<u>70</u>	<u>3,127</u>
Net book value				
31 December 2022	4,899	156	-	5,055
31 December 2021 (restated)	5,380	179	-	5,559

Furniture and Equipment contains computers, furniture and equipment, motor vehicles used overseas, solar panels and property improvements.

12 Investments held by group and charity

	2022	2021
	£'000	£'000
Analysis of movements in the year		
Market value at 1 January	7,667	6,763
Add acquisitions at cost	-	-
Less proceeds of disposal	-	-
Net gains/(losses) for the year	(947)	904
	<u>6,720</u>	<u>7,667</u>
Market value at 31 December	6,720	7,667
Analysis of investments held at 31 December		
Joint Venture Baptist House Limited	126	155
Pooled Fund	6,149	7,015
Non-UK listed investments:		
Indirect investments	445	497
	<u>6,720</u>	<u>7,667</u>

The investment portfolio is held in the COIF Charities Ethical Investment Fund, managed by CCLA.

13 Investment Properties held by group and charity

	2022	Restated 2021
	£'000	£'000
Analysis of movements in the year		
Fair value at 1 January (restated)	775	661
Additions from tangible fixed assets	301	-
Disposals	-	-
Revaluation gains/(losses)	698	114
Fair value at 31 December	1,774	775

One property previously held in tangible fixed assets at net book value began to be let out commercially during the year, so has been reclassified as an investment property.

14 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	16	16	16	16
Other debtors	141	130	121	96
Prepayments	40	52	40	52
Accrued income	1,244	1,719	1,244	1,719
	<u>1,441</u>	<u>1,917</u>	<u>1,421</u>	<u>1,883</u>

During the financial year the charity entered into a number of forward contracts for the purchase of Euros and US dollars in order to manage its exchange rate exposure. These contracts are measured at fair value at each reporting date. Other debtors includes foreign currency forward exchange contracts valued at at fair value of £Nil (2021: £Nil).

15 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans	2	2	2	2
Trade creditors	215	127	215	127
Taxation and Social Security	52	51	52	51
Other creditors	34	61	6	27
Accruals	65	138	65	138
Grants payable	1,668	1,530	1,668	1,530
	<u>2,036</u>	<u>1,909</u>	<u>2,008</u>	<u>1,875</u>

Grants payable represents grants committed for 2023 before the end of the 2022 financial year.

16a Analysis of group net assets between funds (current year)

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Restated Total 2021 £'000
Tangible fixed assets	-	4,741	574	-	5,315	5,831
Investments	4,188	-	189	2,343	6,720	7,667
Investment properties	-	1,621	153	-	1,774	775
Current assets	3,562	1,777	1,050	-	6,389	6,160
Current liabilities	(2,008)	-	(28)	-	(2,036)	(1,909)
Pension Fund	(986)	-	-	-	(986)	(487)
	4,756	8,139	1,938	2,343	17,176	18,037

16b Analysis of group net assets between funds (prior year)

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Restated Total 2021 £'000	Restated Total 2020 £'000
Tangible fixed assets	-	5,238	593	-	5,831	6,131
Investments	4,775	-	232	2,660	7,667	6,763
Investment properties	-	681	94	-	775	661
Current assets	4,304	1,361	495	-	6,160	4,080
Current liabilities	(1,875)	-	(34)	-	(1,909)	(1,773)
Pension Fund	(487)	-	-	-	(487)	(1,363)
	6,717	7,280	1,380	2,660	18,037	14,499

17 Defined benefit arrangements

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements. The Scheme was established from 7 April 1962 under trust and is governed by the Scheme's trust deed and rules dated 16 October 2006, and supplemental trust deed dated 12 February 2015. The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy in conjunction with the Company.

The Scheme exposes the Company to actuarial risks such as; market (investment) risk, interest rate risk, inflation risk currency risk and longevity risk. The Scheme does not expose the Company to any unusual Scheme-specific or Company-specific risks.

The most recent formal actuarial valuation of the Scheme was as at 31 December 2021.

The liabilities at the reporting date have been calculated by updating the results of the formal actuarial valuation of the Scheme for the assumptions as detailed in these disclosures. Allowance has been made for expected mortality over the period, as well as actual movement in financial conditions since the valuation date.

Such an approach is normal for the purposes of accounting disclosures. It is not expected that these projections will be materially different from a summation of individual calculations at the accounting date, although there may be some discrepancy between the actual liabilities for the Scheme at the accounting date and those included in the disclosures.

The valuation as at 31 December 2021 revealed a surplus and so no Recovery Plan was required. In accordance with the Schedule of Contributions dated 25 July 2022, the Baptist Missionary Society will continue to pay £150,000 a year towards the expected cost of the expenses of running the Scheme.

The liabilities of the Scheme are based on the current value of expected benefit payment cashflows to members approximately over the next 60 years. The average duration of the liabilities is approximately 13 years.

The Scheme's investment strategy at the end of the reporting period is to invest broadly 60% in return seeking assets and 40% in matching assets (made of government and corporate bonds). This strategy reflects the Scheme's liability profile and the Trustees' and Company's attitude to risk. The Scheme's investment strategy Additional disclosures XPS Corporate Baptist Missionary Society 12 was under review following the end of the reporting period, due to the material impact the UK Gilt Crisis had on the Scheme's funding position and invested assets. Investment strategy changes are expected to be implemented in the first half of 2023.

The Scheme's investments include interest rate and inflation hedging. The Scheme currently has a strategy in place for de-risking their investments as the funding position improves.

The Scheme does not hold any ordinary shares issued or property occupied by the Company.

The Trustees' investment strategy includes investing in liability driven investment, the value of which will increase with decreases in interest rates, and will move with inflation expectations.

The Scheme hedged around 65% of interest rate risk and around 65% of inflation risk of the liabilities on the technical provisions basis from the 2018 valuation at the end of the reporting period. The level of interest rate and inflation risk hedged by the Scheme significantly fell over the reporting period as a result of the UK Gilt Crisis. The Trustees will look to increase the level of hedging as the Scheme's funding position improves and the Scheme is not required to hold a large percentage of the strategy in return seeking assets. The Scheme's hedge will also be updated in the first half of 2023 to account for the results of the 2021 valuation.

The growth assets held are expected to provide protection over inflation in the long term. Note that the Scheme hedges interest rate risk on a statutory and long-term funding basis (gilts) whereas AA corporate bonds are implicit in the FRS102 discount rate and so there is some mismatching risks to the Company should yields on gilts and corporate bonds diverge. The Scheme's exposure to corporate bonds mitigates this risk to some extent.

The Scheme does not directly hold any financial derivatives but invests in funds which hold the derivatives required to hedge the Scheme's interest rate and inflation risks. The main risks associated with financial derivatives include: losses may exceed the initial margin, counterparty risk, and liquidity risk. These risks are managed by the monitoring of investment managers to ensure they have reasonable levels of market exposure relative to initial margin and positions are fully collateralised on a daily basis with secure cash of gilts collateral.

A full actuarial valuation of the Scheme was carried out as at 31 December 2021 and has been updated to 31 December 2022 by a qualified independent actuary.

The amounts recognised in the statement of financial position are as follows:

	2022	2021
	£'000	£'000
Defined benefit obligation	(22,346)	(37,269)
Fair value of plan assets	21,360	36,782
Net defined benefit (liability)/asset	(986)	(487)
Restriction on asset recognised	-	-
Net amount recognised at year end (before any adjustment for deferred tax)	(986)	(487)

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2022	2021
	£'000	£'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration Expenses	230	214
Loss/(gain) on plan introductions, changes, curtailments and settlements	-	-
Net interest expense/(credit)	8	18
Charge/(credit) recognised in profit or loss	238	232
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	14,974	317
Actuarial (gains)/losses	(14,413)	(1,275)
Adjustment for restrictions on the asset recognised	-	-
Charge/(credit) recorded in other comprehensive income	561	(958)
Total defined benefit cost/(credit)	799	(726)

Principal Actuarial Assumptions	2022	2021
Liability Discount rate	4.85%	1.85%
Inflation assumption (RPI)	3.25%	3.40%
Inflation assumption (CPI)	2.65%	2.70%
Rate of increase in salaries	2.65%	2.70%
Pension increases:		
Pre 6 April 2006 benefits (RPI max 5%)	3.15%	3.30%
Pre 6 April 2006 benefits (CPI max 5%)	2.60%	2.65%
Pre 6 April 2006 benefits (greater of RPI/CPI max 5%)	3.15%	3.30%
Pre 6 April 2006 benefits (greater of RPI/CPI max 2.5%)	2.20%	2.25%
Proportion of Employees commuting pension for cash	No allowance	No allowance
Expected age at death of current pensioner at age 65:	2022	2021
Male aged 65 at year end	85.3	87.6
Female aged 65 at year end	88.6	89.3
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	86.2	88.8
Female aged 45 at year end	89.7	90.7

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At start of period	36,782	(37,269)	(487)
Benefits paid	(1,188)	1,188	-
Administration expenses	(230)	-	(230)
Current service cost	-	-	-
Contributions from employer	300	-	300
Contributions from employees	-	-	-
Interest income/(expense)	670	(678)	(8)
Return on assets (excluding amount included in net interest expense)	(14,974)	-	(14,974)
Actuarial gains/(losses)	-	14,413	14,413
Gain/(loss) on plan introductions and changes	-	-	-
Gain/(loss) on curtailments	-	-	-
Assets distributed/liabilities extinguished on settlements	-	-	-
Assets acquired/liabilities assumed in a business combination	-	-	-
Fair value of scheme assets	21,360	(22,346)	(986)

	2022	2021
	£'000	£'000
The return on plan assets was:		
Interest income	670	465
Return on plan assets (excluding amount included in net interest expense)	(14,974)	(317)
Total return on plan assets	(14,304)	148

The major categories of scheme assets are as follows:

	2022	2021
	£'000	£'000
Multi Strategy Credit Fund	4,284	14,128
ICS Sterling Liquid Environmentally Aware Fund (LEAF)	335	4,052
Strategic Alternative Income Fund (SAIF)	5,987	3,348
Liability Driven Investment	4,925	9,804
Cash and net current assets	4,872	1,992
Bonds	957	3,458
Total market value of assets	21,360	36,782

Estimation of next period's profit or loss

	2022
	£'000
Service cost:	
Current service cost (net of employee contributions)	-
Administration expenses	230
Net interest on the net defined liability	8
Overall P&L impact	238

Group Reserves Position

	31 December 2021			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	13,363	1,316	2,660	17,339
Adjustments:				
Investment Properties	634	64	-	698
Funds restated	13,997	1,380	2,660	18,037

Group Income and Expense

	31 December 2021			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously reported	3,139	(26)	313	3,426
Adjustments:				
Investment Properties	101	11	-	112
Funds restated	3,240	(15)	313	3,538

Charity Reserves Position

	31 December 2021			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	13,363	922	2,660	16,945
Adjustments:				
Investment Properties	634	64	-	698
Funds restated	13,997	986	2,660	17,643

Charity Income and Expense

	31 December 2021			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously reported	3,139	6	313	3,458
Adjustments:				
Investment Properties	101	11	-	112
Funds restated	3,240	17	313	3,570

Details of adjustments

Investment Properties: previously properties which were let out commercially were still held within the tangible fixed asset register at cost less accumulated depreciation. This has been corrected to include them at fair value.

Group Reserves Position

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	10,224	1,342	2,347	13,913
Adjustments:				
Investment Properties	533	53	-	586
Funds restated	10,757	1,395	2,347	14,499

Group Income and Expense

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously reported	(1,554)	(187)	199	(1,542)
Adjustments:				
Investment Properties	533	53	-	586
Funds restated	(1,021)	(134)	199	(956)

Charity Reserves Position

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	10,224	916	2,347	13,487
Adjustments:				
Investment Properties	533	53	-	586
Funds restated	10,757	969	2,347	14,073

Charity Income and Expense

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously reported	(1,554)	(85)	199	(1,440)
Adjustments:				
Investment Properties	533	53	-	586
Funds restated	(1,021)	(32)	199	(854)

Details of adjustments

Investment Properties: previously properties which were let out commercially were still held within the tangible fixed asset register at cost less accumulated depreciation. This has been corrected to include them at fair value.



**It is the duty of those
who are entrusted with
the Gospel to endeavour
to make it known among
all nations.**

William Carey



BMS World Mission

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