

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

Legal and Administrative Details

Name	Council for World Mission (CWM)												
Registered Charity Number	1097842												
Company Number	4758640												
Principal Office	Ipalo House 32-34 Great Peter Street London SW1P 2DB												
Governing Instrument	The Council for World Mission Charity was registered as a Company limited by Guarantee on 9 May 2003 Company number 4758640 and registered as a charity on 5 June 2003, Charity no 1097842 The governing documents are the Memorandum and Articles of Association as amended by a Special Resolution dated 25 July 2003												
Trustees and Directors	Details of those who acted as Trustees during the period are set out on pages 2 to 3 All Trustees are directors of the company												
Secretariat	<table><tr><td>Rev Dr D van der Water</td><td>General Secretary</td></tr><tr><td>Rev Dr J Keum</td><td>Secretary for Mission Programme</td></tr><tr><td>Rev Dr A Williams</td><td>Secretary for Personnel and Training</td></tr><tr><td>Mrs E Joy</td><td>Secretary for Mission Education</td></tr><tr><td>Ms G Palmer</td><td>Secretary for Finance</td></tr><tr><td>Mr A Johnston</td><td>Secretary for Administration</td></tr></table>	Rev Dr D van der Water	General Secretary	Rev Dr J Keum	Secretary for Mission Programme	Rev Dr A Williams	Secretary for Personnel and Training	Mrs E Joy	Secretary for Mission Education	Ms G Palmer	Secretary for Finance	Mr A Johnston	Secretary for Administration
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Mrs E Joy	Secretary for Mission Education												
Ms G Palmer	Secretary for Finance												
Mr A Johnston	Secretary for Administration												
Auditors	Baker Tilly UK Audit LLP Registered Auditors and Chartered Accountants 1st Floor, 46 Clarendon Road Watford Herts WD17 1JJ												
Bankers	Bank of England, Threadneedle Street, London EC2R 8AH Royal Bank of Scotland, Victoria, London SW1E 6RA HSBC plc, Westminster, London, SW1H 0NJ												
Investment Advisers	Cambridge Associates Limited 105 Wigmore Street London W1U 1QY												
Fund Managers	Chiswell Associates Limited (trading as Sarasin Chiswell) Schroder Investment Management Limited UBS Global Asset Management (UK) Ltd ILF Ltd Carr Sheppards Crosthwaite Limited Cazenove Fund Management Limited GMO UK Limited Payden & Rygel Global Ltd JPMorgan Asset Management												
Solicitors	Bates Wells & Braithwaite Cheapside House 138 Cheapside London EC1V 6BB												

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**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

Legal and Administrative Details (continued)

Member Churches and Trustees

CWM has 31 member churches which are organised into six geographical regions. Member churches and their nominated CWM Trustees are set out below

Region/Country	Trustee
Africa Region	
Church of Jesus Christ in Madagascar	Rev Mrs Perline Cooper (appointed 27/6/06)
Churches of Christ in Malawi	Mr Jodder R Kanjere
United Church of Zambia	Mrs Evelyn Kamwendo (resigned 27/6/06)
United Church of Zambia	Rev Dr Teddy Kalongo (appointed 27/6/06)
Uniting Presbyterian Church in Southern Africa	Rev Petson Kabala (resigned 27/6/06)
Uniting Presbyterian Church in Southern Africa	Rev Vuyani Vellem (appointed 27/6/06)
United Congregational Church of Southern Africa	Rev Robin Thompson**
Caribbean Region	
Guyana Congregational Union	Rev Leander Warren (resigned 27/6/06)
Guyana Congregational Union	Miss Jennifer McCalman (appointed 27/6/06)
United Church in Jamaica and the Cayman Islands	Rev Dr Roderick Hewitt**
East Asia Region	
Gereja Presbyterian Malaysia	Rev Wong Fong Yang*
Presbyterian Church in Taiwan	Dr Ming-Chu Lin
Presbyterian Church in Singapore	Elder Chong Kok Yuan**
Hong Kong Council of the Church of Christ in China	Rev Luk Fai (resigned 27/6/06)
Hong Kong Council of the Church of Christ in China	Rev Shing Yit So (appointed 27/6/06)
Presbyterian Church of Korea	Ms Hwa Jung Kim (resigned 27/6/06)
Presbyterian Church of Korea	Rev Kyung-In Kim (appointed 27/6/06)
Presbyterian Church of Myanmar	Rev Dr Dengthuama (resigned 27/6/06)
Presbyterian Church of Myanmar	Rev Lal Hruai Vel (appointed 27/6/06)
European Region	
Congregational Federation	Mrs Sally Delchar **
Presbyterian Church of Wales	Mrs Beryl Vaughan* (resigned 27/6/06)
Presbyterian Church of Wales	Mrs Carol Clay (appointed 27/6/06)
Protestant Church in the Netherlands	Dr Mrs Nicoline van Ool-Roskam (resigned 27/6/06)
Protestant Church in the Netherlands	Rev Evert Overeem (appointed 27/6/06)
Union of Welsh Independents	Rev Dewi Hughes (resigned 27/6/06)
Union of Welsh Independents	Mrs Gwyneth Jones (appointed 27/6/06)
United Reformed Church	Rev Philip Woods (resigned 27/6/06)
United Reformed Church	Ms Catherine Lewis-Smith (appointed 27/6/06)
Pacific Region	
Congregational Christian Church in Samoa	Rev Dr Paulo Koria
Congregational Christian Church in American Samoa	Rev Dr Elia Ta'ase
Ekalesia Kelisiano Tuvalu	Rev Kitona Tausi (resigned 27/6/06)
Ekalesia Kelisiano Tuvalu	Mr Simeona Iosia (appointed 27/6/06 deceased 24/4/07)
Nauru Congregational Church	Mr Willie Star (resigned 27/6/06)
Nauru Congregational Church	Mrs Winnie Tsitsi** (appointed 27/6/06)
Presbyterian Church of Aotearoa New Zealand	Rev Christopher Nichol
United Church in Papua New Guinea	Rev Samson Lowa*
Congregational Union of New Zealand	Pastor Gregory Bedwell
Kiribati Protestant Church	Rev Ms Teanene Been (resigned 27/6/06)
Kiribati Protestant Church	Rev Bureieta Karaiti (appointed 27/6/06)
United Church in Solomon Islands	Mr Gina Tekulu (resigned 27/6/06)
United Church in Solomon Islands	Mr John Sasabule (appointed 27/6/06)

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

Region/Country	Trustee
South Asia Region	
Church of Bangladesh	Rt Rev Paul Shishir Sarker
Church of South India	Dr Mrs Pauline Sathiamurthy**
Church of North India	Most Rev James Terom (resigned 27/6/06)
Church of North India	Rev Enos Das Pradhan (appointed 27/6/06)
Presbyterian Church of India	Rev Darchonhaia Darnei (resigned 27/6/06)
Presbyterian Church of India	Mrs Zohmingthangi Varte (appointed 27/6/06)

* also were members of the smaller 'Officers' group' of Trustees until 27/6/06

** also are current members of the smaller 'Officers' group' of Trustees

The Trustees who served between 2003 and 2006 met in June 2006 in the Cayman Islands, hosted by the United Church in Jamaica and the Cayman Islands. Following their appointment and a short introductory meeting in Jamaica in June 2006, the Trustees who are serving between 2006 and 2009 met in November 2006 in London, UK. Their next meeting will be in June 2007 in Korea, hosted by the Presbyterian Church of Korea.

The Officers' Group

Moderator	Rev Dr Roderick Hewitt - Caribbean (reappointed)
Treasurer	Rev Robin Thompson - Africa (reappointed)
Deputy Moderator	Mrs Sally Delchar - Europe (appointed as Deputy Moderator 27/6/06)
Deputy Moderator	Elder Chong Kok Yuan - East Asia (appointed as Deputy Moderator 27/6/06)
Deputy Moderator	Mrs Winnie Tsitsi - Pacific (appointed as Deputy Moderator 27/6/06)
Deputy Moderator	Dr Mrs Pauline Sathiamurthy - South Asia (reappointed)

The below were also members of the Officer's Group until 27/6/06

Deputy Moderator	Mrs Beryl Vaughan - Europe (resigned as Deputy Moderator 27/6/06)
Deputy Moderator	Rev Wong Fong Yang - East Asia (resigned as Deputy Moderator 27/6/06)
Deputy Moderator	Rev Samson Lowa - Pacific (resigned as Deputy Moderator 27/6/06)

The Officers' Group chairs meetings and Committees of CWM and undertakes other activities as required of them by the Trustees of CWM. In addition, they act as a Staffing Committee.

Additional Women and Youth representatives

The following additional Women and Youth representatives attend Trustee Body meetings to ensure that Women and Youth perspectives are considered in Trustee decision making. These appointments do not carry voting rights.

Women's Representative	
Uniting Presbyterian Church in Southern Africa	Mrs Barbara Mumba (appointed 27/6/06)
Presbyterian Church in Singapore	Rev Nyap-Jee Tan (appointed 27/6/06)
Youth Representatives	
Protestant Church in the Netherlands	Ms Evelien Vrolijk (appointed 27/6/06)
Church of North India	Mr Abhishek Gier (appointed 27/6/06)

The below were additional Women and Youth representatives until 27/6/06

Women's Representatives	
United Church in Jamaica and the Cayman Islands	Mrs Jennifer Martin (resigned 27/6/06)
Congregational Christian Church in American Samoa	Mrs Galoane Ta'ase (resigned 27/6/06)
Youth Representatives	
United Church of Zambia	Miss Caroline Chikwane (resigned 27/6/06)
United Church in Solomon Islands	Mr Elisha Pitano (resigned 27/6/06)

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

The day to day running of the charity is in the hands of the General Secretary (who is the Chief Executive Officer), and other paid staff. They are responsible for implementing the policy decisions of the Trustees.

In addition, the Trustees appoint specialist members of an Audit Committee and an Investment Committee to assist the Trustees in discharging their oversight and governance responsibilities.

The Trustees are pleased to present their report for the year ended 31 December 2006.

1. Objectives of the Charitable Company

CWM is a community of 31 protestant churches worldwide

The objective of the charitable company is "to spread the knowledge of Christ throughout the world" To this end the charitable company has the power to

- carry on, strengthen and extend the missionary work of CWM and its members,
- help churches to proclaim the Gospel by sharing resources, faith and understanding in this work and witness,
- co-operate in missionary services with other churches and with those ecumenical enterprises in which the churches share, and
- do anything which furthers its objective

Thus the member churches share in world mission, both local and universal by sharing people, ideas and other resources, recognising that every church has gifts to offer and all need to receive

2. Historical Background and Philosophy

The Council for World Mission (CWM) was launched in 1977 as a new, innovative kind of missionary organisation. No longer were mission and the resources for it to come just from the west. Instead, the Council was set up as a worldwide community of Christian denominations working as equal partners with a common commitment to the Gospel of the Lord Jesus Christ. Most of the current 31 member churches have backgrounds in the Reformed tradition. Many are united churches, combining several church traditions.

The Council for World Mission grew out of the London Missionary Society (founded 1795), the Commonwealth (Colonial) Missionary Society (founded 1832) and the (English) Presbyterian Board of Missions (founded 1847).

CWM's philosophy is based upon the principle that the local church has the primary responsibility for carrying forward God's mission. As a global body, CWM exists to help resource-sharing for mission by the CWM community. Amongst other things, it facilitates the exchange of missionaries between churches, shares ideas and best practice for mission strategies of member churches, strengthens leadership of churches through theological and mission training, and builds up communication networks. Particular emphasis is placed upon helping men, women and youth to make their full contribution to Church life, and upon helping regional Member Churches to act in a united way, looking at issues they have in common in their parts of the World (Regional Empowerment). The impact of these activities is wide ranging across the world. Many examples are shown in section 5.

3. Membership of CWM

CWM is founded upon constituent bodies, or member churches, being the churches (or associations of churches) which participate in its work. Each member church must declare by resolution its willingness to

- Share in the world mission of Jesus Christ,
- Share its understanding and experience of the Gospel with other members and to learn from them, and
- Send and receive people as partners in mission and to make an appropriate contribution to the charity

New member churches may be admitted by the Trustees, however no admissions are anticipated in the near future. Members may withdraw from membership upon giving eighteen months' written notice.

Member churches are all independent organisations who do not have any formal links to CWM in their own constitutional documents. Their financial records are not therefore subject to consolidation within CWM. However, through the submission of their audited accounts they must demonstrate their ability to receive and evaluate the use of shared resources distributed through the CWM community for stated and agreed objectives.

4. Governance of CWM

In June 2003, the Council for World Mission (CWM) became an incorporated charity under its existing name. At the same time, after extensive consultation with its constituent bodies, CWM also changed its Trustee governance structure so that all 31 member churches could appoint one of their number as a Trustee of CWM. One of the benefits of wider participation is that of greater ownership and shared responsibility.

The principal guiding forum is the triennial Assembly gathering. The second Assembly gathering was hosted by the United Church in Jamaica and the Cayman Islands in June 2006. Four people from every member church attend the triennial Assembly gathering (participants include both genders and also youth representation). These Assembly gatherings give tremendous opportunities to promote unity amongst the CWM global family, giving a wide cross-section of the constituencies an opportunity to contribute to strategic direction. The Assembly creates a melting pot of ideas, inspiration and experiences which assist in discerning God's will for the global family of the Council for World Mission.

During Assemblies, elections take place for the CWM Trustee Body for the following three year period. One representative of each member church is elected to represent his/her own church on the Trustee Body of CWM. Special attention is paid to ensure as far as possible that women and youth are put forward for election so that these elements of constituencies of the member churches are definitely represented.

The 31 trustees then meet at least once a year, translating the previous Assembly's vision into achievable aims, designating those who are responsible and deciding upon the desired timeframe. In addition it monitors and evaluates achievement and determines future programmes for action. There is also an 'Officers Group' of 6 Trustees which has some delegated authority to act in between Trustee Body Meetings where necessary. This inclusive structure of a Trustee body allows each member church to be represented in the business meetings of CWM, where financial decisions are taken, where policy is shaped, and where practice is monitored. Theologically the New Trustee Body structure and style enhances the sense of the importance of all members of the Body of Christ, and emphasises the part that each member must play for the sake of God's mission to the world.

In acknowledgement of the origin of CWM as the London Missionary Society, the office and Executive Staff of CWM remain in London. There are no offices in other parts of the world. The activities of CWM are carried out by the member churches both separately and in partnership with each other. Some activities are initiated and/or facilitated by the Secretariat in London.

5. Policies and Activities

CWM has a policy that each member church be actively involved in mission partnership with others. CWM assists this process by helping to identify priorities for mission, emphasising the practice of partnership, particularly to empower women and youth for mission, and encouraging the principle that every church be both a receiver of help and a giver of its talents.

To do this, opportunities are provided for

- Training
- Leadership development and gender/youth empowerment
- Sharing financial resources
- Networking and communication
- Meeting and exchanging of experience and ideas
- Regional empowerment
- Encouraging churches to live out CWM family ideals
- CWM to demonstrate its belonging within the world church

Some of the applications of these principles are described below, identifying specific highlights of the year and impact evaluation in each case.

5.1 Global mission in a local context

Each member church is involved in setting out its strategic mission plan, appropriate to its local context, and CWM resources are shared upon the basis of a specific strategic plan for each church. The situation in each of the countries in which the member churches are based will be very different, and therefore the mission plans will be very specific to local contexts. To assist Churches in formulating and evaluating their plans, CWM provides specific expertise (Mission Programme team) and also facilitates gatherings of regional participants to constructively challenge and encourage each member church to share and develop their ideas using input from both nearby and distant contexts.

During 2006, six member churches successfully developed a new phase of their strategic mission programmes. The Mission Programme team has revised the mission programme policy to focus on thematic areas and partnership working. In doing so, the Mission Programme team has developed new programmes and tools to complement the mission planning approach. For example, the team developed a 'Mission Support Programme' Handbook to assist member churches with the planning, monitoring and evaluation of their strategic mission plans. In addition, the team facilitated two Regional Roundtable meetings in the Pacific (Fiji, September 2006) and Africa (Zambia, October 2006), which gave the opportunity for the Mission Coordinators of each church to work together on the strategic planning, monitoring and evaluation of their strategic mission plans. The team has also developed a new programme, 'Partnership in Transforming Mission', which encourages churches to work together in mutual partnership on emerging mission issues. The Regional Roundtable meetings have been evaluated and have been found to be a very effective tool in constructively challenging and encouraging each member church to share and develop their ideas into a workable strategy, with strong planning, monitoring and evaluation criteria. They have also been found to be a very effective tool for training and skill development in the member churches. Regional Roundtables will therefore be held in all 6 regions during 2007.

5.2 Gender and Youth Programmes

There is a specific focus on youth and gender issues within the CWM programmes.

5.2.1 Training in Mission (TIM)

TIM is a major programme that trains young people for a life time of service to Christ and the Church. It is an annual ten-month mission training course for 18-30 year-olds based initially in Cape Town, South Africa and subsequently in Madurai, India. The team spends time in theological studies, practical mission placements and in team-building and fellowship, and a detailed evaluation is undertaken at the end of every year. 2006 marked the 25th anniversary of the Training in Mission programme. In this auspicious year, celebratory events were held at the CWM assembly in Jamaica, at the host institution (Tamilnadu Theological Seminary - TTS) in India and also in several CWM regions and member churches. Since 1981 more than 250 young people have been part of this dynamic programme. Upon returning home, they share their experiences with their churches and go on to enthusiastically work, volunteer or study within church and mission. From time to time, contact is made with prior participants, and this research has established that many of them are now holding responsible leadership positions within the Church at national and international levels. The 11 students on the 2006 programme, representing all six CWM regions and also an ecumenical partner from the World Student Christian Federation, completed their training successfully and led the 25th anniversary celebrations at TTS in November.

5.2.2 Youth in Mission (YIM)

Regional YIM work camps are organised by the regions. CWM offers advice on programme development, and recruits and funds up to five international participants from other regions so as to enrich the learning experience of all. The Presbyterian Church in Grenada hosted a youth work camp in July and August 2006 which was sponsored by the Caribbean and North American Council for Mission (CANACOM). 4 people from CWM member churches outside the Caribbean region joined the programme which was entitled 'Enabling the spice within'. These youth work camps have proved to be very effective in inspiring people for local mission within their own context.

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

5.2.3 Women and Youth participation in the CWM triennial Assembly

Prior to the CWM triennial assembly, special programmes were held for women and youth representatives in order to ensure that their perspectives were well represented going forward. Ten youth and women from the United Church of Jamaica and the Cayman Islands joined six representatives from the other CWM regions for exposure visits and discussion of pressing mission issues in the Caribbean. Following this four day exposure programme the regional representatives joined youth and women delegates from the CWM Assembly - about 35 - 40 in each group, for consultations around the Assembly theme of 'Take home the good news'. At the conclusion of the consultations statements were drafted by these groups and were presented to the Assembly for inclusion in discussions and the Assembly Statement itself.

5.2.4 Walking Together (WT) – a new model of globalisation

The Walking Together (WT) programme aimed to create a new model of globalisation, based on community rather than market forces. In 2004, seven circles of international participants corresponded within the WT email programme and then an additional postal circle was created because there were members of congregations who did not have access to email. For two years the circles were intended to share stories together and learn from each other about the causes and effects of globalisation by means of reflection and feedback. This was to be followed by a pilgrimage event in 2006.

The Pilgrimage event was held in The Netherlands in June 2006. About 20 participants from different CWM churches attended and had the face to face encounter that has equipped them for further intense interactions in future. The pilgrimage was found to stimulate fresh reflections and actions in creating new models of globalisation both at the local and the global levels.

5.2.5 Mission Education School III (MES III)

Every few years, a Mission Education School is held as a joint venture between different areas of CWM programme responsibilities. The Mission Education School III took place in Durban, South Africa in October 2006. The programme was aimed at enhancing knowledge and skill development within the member churches to respond to the challenges of missionary tasks in the light of the present realities such as HIV and AIDS, gender inequality and issues in globalisation. Thirty participants from the different CWM regions who were actively engaged in mission attended this cross unit programme, which focused on the theme 'Have you never read? The Bible in mission today'. MES III encouraged participants to explore new ways of reading the scripture, particularly with a mission focus, taking serious account of the varying contexts of the international member churches. The evaluation of this training programme revealed that it had empowered participants well beyond the initial expectations of the programme. The participants are now exploring the Bible in different perspectives that are challenging in their contexts and training others to read the scriptures with new insights and hope in difficult circumstances.

5.3 Mission Personnel, Sharing and Training Programmes

The provision of mission training programmes in different elements of mission is a fundamental part of CWM's activities. Some of the programmes are tailored for a particular region's needs but most have participants from a wide variety of member churches. Over 350 people are participating in the ongoing personnel and training programmes each year. If possible, this includes people from every CWM member church.

5.3.1 Missionary Sharing

CWM has approximately 65 missionaries serving through CWM at any one time, most of whom have long term appointments. Some CWM appointments are shared with other mission agencies and some are ecumenical appointments. All regions of CWM were involved in sending and receiving missionaries in 2006, and within those regions, 75% of all CWM member churches were involved. Missionary movements continue to be 'everywhere to everywhere'. The percentage of South – South missionary movements has also increased and is now very noticeably larger than any other direction of missionary movement in CWM. In 2006, 80% of all missionaries came from the South.

Current CWM missionaries are involved in a wide variety of different kinds of service. They are involved in major issues which affect churches and communities around the world, for example training future leaders/ ministers/evangelists/lay workers, reaching out through the pastoral ministry and mission enabling, providing Christian education for life, holistic mission – health and healing for body, mind and spirit including dealing with HIV/AIDS, working with people of other faiths. The emphasis in missionary

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

sharing through CWM is on mission which is 'person oriented' and each missionary is expected to share 'themselves' and not just their 'skills'. As much is expected of missionaries, there is a continuing need for them to be equipped, enabled and empowered for their task. Regular missionary training courses are held for new missionaries. A global gathering of CWM missionaries is planned for Easter 2007. This will be the first time that a global gathering has been held.

5.3.2 Experience enlargement

Experience Enlargement is a programme that encourages exchange visits of persons or groups between churches, providing encouragement at difficult times for a church and/or exchanging practical ideas for the development and enrichment of each church's life. All regions were involved (either senders or receivers) in 2006, with 84 people travelling as part of a visit. Such visits provide an important experience of the world church for all those who are involved in the receiving which means that many more people than just those who travelled are able to participate in, and learn from them. Experience enlargement visits offer experiences to a wide cross section of different groups and individuals from church leaders and ministers to ordinary members of congregations who would otherwise be very unlikely to have any first hand experience of the world church. When these visits are evaluated it is clear that those who take part in them, whether as senders or receivers, benefit greatly. Experience enlargement visits help strengthen links between CWM member churches and enable churches to show solidarity and provide support and encouragement for each other. They may enable individuals or groups from churches to study a particular aspect of the work of their church to enable them to be better equipped in an area of ministry or mission in which they are involved.

5.3.3 Scholarship and leadership development programmes

At any one time there are approximately 60 scholarship/bursary holders drawn from many member churches, undertaking their studies at many different institutions around the world. The scholarships are normally offered for postgraduate studies. Member churches may apply for these scholarships as a means of capacity building for their member church, primarily designed to help develop skills within church related schools, colleges and seminaries. Studies are often undertaken in cross cultural environments and a wide range of different courses are undertaken. In addition, there are specific CWM scholarship programmes – 6 Taiwan scholarships are offered each year at Tainan Theological College, and another three MA scholarships are offered at Kampen University of Theology in the Netherlands. A further special scholarship programme is being developed at the Presbyterian College and Theological Seminary of the Presbyterian Church in Korea. The impact of these studies is determined by how participants' skills are used in their member churches upon their return.

5.3.4 Training of Trainers

This is a programme designed to teach trainers how to train others, and has been successfully used in other geographical regions of CWM in previous years. The recently completed training manual (which CWM has developed) was used for the follow up course held in Samoa (Pacific region) during 2006. The programme and manual were enthusiastically received and reports back from the first Pacific course showed that training skills were being widely used for the benefit of the Pacific churches.

5.3.5 Face to Face

The aim of this programme is to expose students who are training for the ministry (ordinands) to a context other than their own to stimulate theological reflection, encourage sensitivity to people of other cultures and motivate people to become involved in mission. It involves 10 people for 7 weeks. In 2006 three Face to Face programmes took place, the first in the Pacific Theological College, Fiji, the second in the United Theological College, Bangalore, India, and the third in the United Church of Zambia Theological College, Kitwe, Zambia. A total of 30 ordinands took part, 10 in each location. The Fiji team were expected to focus on a specific theme such as youth ministry, women's issues or men's groups and make a comparative analysis with their own context and with both their urban and rural placements in Fiji. The India team had two placements – firstly to very poor urban areas and secondly to coastal areas, experiencing the devastating effects of the Tsunami and to learn about rehabilitation and reconstruction. The Zambia team were integrated with local congregations and focussed on topics such as HIV/AIDS, the influence of charismatic churches on the congregations of traditional churches in Zambia, violence against women and the impact of Africa's traditional religion upon Christianity. These programmes continue to be popular, they are evaluated after each course, and these evaluations highlight the success of these programmes in terms of participants' theological reflection, sensitivity to people of other cultures and cross cultural ministry and mission in their home environment.

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

5.3.6 A New Face

The 'A New Face' (A New Faith And Culture Exposure) programme is a six week programme of cross cultural exposure for those already in ministry, offering an opportunity for 10 clergy to participate each year. The aim is to introduce clergy to a ministry context different to their own, to stimulate theological reflection and to gain a cross cultural perspective. As the programme is hosted by the United Church in Jamaica and the Cayman Islands, the first week of orientation for ministers includes Jamaican culture, history, mission influence and specific contextual theological themes. Following this, the minister is placed in a congregation of that member church. This region has a very effective Institute of Theological and Leadership Development which makes it an ideal location for this programme. Evaluations consistently rate this programme highly.

5.3.7 Scholar in residence

A new study resource for students studying mission is under development, based on the work of CWM. In 2006, the opportunity arose for CWM to host a scholar in residence in the UK. Professor Steve de Gruchy, a Senior lecturer in the School of Theology at the University of Kwazulu Natal, South Africa, had observed that many textbooks on mission were years out of date, and it was important to bring case studies on mission far more up to date. He observed that "since 1977, CWM has done a lot of interesting and exciting things in the field. In doing these things, people have learned a large amount about mission, but studies and textbooks on mission do not have access to CWM work."

As a result of this observation, Professor de Gruchy became a scholar in residence for six months during 2006 and studied major trends in CWM's history since 1966 from CWM's extensive archives. His work included studying such developments as the rise in missionaries from countries in the Southern hemisphere, the concern to develop ministry to young people and the participation of women in mission. He observed CWM's distinctive qualities of having a non-hierarchical power structure with leaders from different regions. He also observed the emphasis on networking face to face, and the broad understanding of mission, as CWM got involved in activities from evangelism, to social ministries, to peace and reconciliation work.

Professor de Gruchy is developing between 10 and 15 modules of resource materials from his research, in order to make mission studies more relevant to today's context.

5.4 Communication

CWM is in constant communication with its constituent churches, listening to the churches' needs and priorities and incorporating these in CWM's programmes and activities. CWM has a communication staff team which has specific responsibility for using different media as powerful and informative tools for encouragement and information sharing for all the churches. These media are the points at which most people experience a direct connection with CWM. Much has been done to strengthen communication activities in recent years. This team continues to give an airing to the stories of the churches - successes, frustrations and challenges.

5.4.1 The website

The most widely available media is the main website which is updated frequently and provides a forum for discussion groups and gives a wide variety of current articles, information and news from around the World. In 2006 particular efforts have been made to develop microsites which fully comply with current web standards. These sites allow diary and journal entries from those engaged in CWM activities, and CWM continues to invite comment and dialogue from those visiting the site, on many different issues.

5.4.2 Email service

There is also a weekly email 'news service', free of charge to all subscribers, which gives excerpts from current world news which is relevant to church members. In 2006 the email service was redesigned (following user feedback) so as to share more personal stories. This change has been well received.

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

5.4.3 The Inside Out magazine

The Inside Out magazine is the main 'paper' form of communication, and the circulation of the magazine around the world continues to increase as it tackles current and relevant issues, as well as sharing news and information. Inside Out does not attempt to retell the stories that have already received much attention in the worldwide press. Instead the articles pick up on stories of individuals and use circumstances such as disasters as a lens through which CWM could explore the ways that disaster can bring both positive and negative aspects of community life to the fore.

5.4.4 CWM Advocates

There are an increasing number of CWM Advocates – those who devote their time to sharing news of the CWM community in their own contexts, and this unceasing support is an increasingly effective means of promoting CWM's work. CWM publishes materials each year, designed to be challenging & engaging, giving the Advocates the tools they need for this important advocacy role.

5.4.5 Local languages

There are a number of other smaller publications for various CWM activities. CWM has been particularly keen to support member churches who wish to translate ones they would like to use into their local languages.

5.5 Partnership within the World Church

Partnership within the World Church is one of CWM's major tenets. CWM engages in partnership and participation with other international ecumenical mission organisations, by sharing people, ideas and resources. Many of the CWM programmes do specifically include ecumenical participation as a matter of principle, and CWM participants do take part in the programmes of other ecumenical mission organisations also.

A specific important alliance was formed with major ecumenical organisations in May 2006. This alliance had its roots in an earlier ecumenical confession. In 2004, the World Alliance of Reformed Churches had published its Accra confession, which emphasised that working to create a more just world economy is essential to the integrity of Christian faith. Representatives from CWM and the World Alliance of Reformed Churches met in May 2006 to discuss how the confession should be put into practice in mission. This has resulted in the start of a major and wide ranging 'Covenanting for Justice' movement that will equip churches to address economic justice issues more effectively.

5.6 Regional Empowerment Programme

When CWM was established in 1977, it identified that the key principle in advancing its mission was that of partnership. At that time, while the six regions into which member churches were grouped existed, no clear role for the regions was identified. In 1999 CWM adopted a 'Strategy for Action'. The document acknowledged three instruments for carrying out the strategy: staff, regions and member churches.

While assigning this role to the regions, it was recognized that in the past they had been under-utilized as an agent of mission. In 2001 further impetus was given to the principle of Regional Empowerment through the establishment of the Regional Empowerment Fund grant.

The Trustees receive feedback on this programme annually from the different regions, and much progress has been made. A major consultation for this important programme took place in May 2007.

5.7 Grants Policy

CWM funds represent the resources of the whole global family. It is tempting to focus primarily on money in an organisation with large financial resources, but as the above activities demonstrate, CWM views the sharing of people, ideas and skills as equally, if not more important in meeting the organisation's objectives.

- Some activities can be most effective if all Churches share in joint activities – such as some of the training programmes where cross-cultural exposure is one of the unique experiences that CWM can provide. These resources are co-ordinated globally.
- Other activities are best undertaken and co-ordinated locally in home countries, or as regions and therefore resources are sent to the churches or regions to be managed locally (defined as large grants in this context).

There are also some smaller local needs and churches can apply for small grants eg for youth groups or women's empowerment initiatives.

The main categories of grants are as follows:

Mission Support Programme (formerly called Mission Programme Support Fund) See section 5.1	Helping CWM Churches to develop their priorities for mission, based on a three to five year strategic plan. This is the main Fund grant.
Regional Empowerment Funds	Helping regions to tackle issues that churches within that region share in common.
Solidarity and Action Grants	To offer practical help to local churches in countries affected by natural and other major disasters so that they are able to reach out to their communities at these times.
Ecumenical Involvement/Global Partnership Programmes	Offers one-off grants to encourage CWM churches/global ecumenical and mission partners to carry out projects, programmes and events in the areas of evangelism, new ways of being church in mission, ministerial formation and theological education for mission, interfaith dialogue and crossing new frontiers in mission.
Small grants examples	Youth in Mission programme, Women in Mission Programme, leadership development programme, experience enlargement programme. These grants are intended to support and empower individuals and small groups in these activities.

Details of grants given during the period are set out in note 3 of the accounts. The major grant programme fund distributions of CWM at this time are from the Mission Programme Support Fund. These grants allocations to member churches are budgeted and committed on a three to five year planning basis and so the level of draw down on those grants in any one year is just circumstantial. Budgets and commitments are planned so as to ensure that the CWM spending policy is adhered to (see section 7.2).

6. Financial Review

6.1 Unrestricted Funds

The Charity is largely dependent upon investment income, which represents over 90% of total unrestricted income, net of fees. Direct contributions from Churches and individuals, and legacy income are also very important sources of income.

The charity's overall future financial position is primarily dependent upon the returns that its investments generate. The stability of the income and capital value base are obviously paramount in terms of supporting ongoing sustainable levels of expenditure. However, the Charity does have a strong capital base, low fixed costs, and the majority of expenditure is planned discretionary expenditure. This makes the Charity's immediate activities less vulnerable than other Charities to large variations in 'total return' from investments.

The Investment Committee monitors the invested funds (which largely originated from the sale of the Hong Kong hospital site ('gift of grace') in 1996) over time, allowing for funds withdrawn for mission activities. In almost 3 years since inception of a new diversified investment structure of these funds, the portfolio has earned an annualised return of 11.7% gross (ie 8.4% net of inflation (UK RPI of 3.3%)). CWM needs to generate a minimum annualised return target of 5% (net of RPI) in order to maintain its spending policy and so the average value generated over this three year period of 8.4% significantly exceeds the target at this stage.

During the calendar year 2006, a blended benchmark (which is representative of the portfolio) returned 10.3% overall. The CWM portfolio generated a return of 9.5% in the same period. CWM maintains a balanced and conservative diversified investment portfolio over time, and the Investment Committee monitors the performance of all investment managers on a quarterly basis, and changes asset allocations or managers when appropriate to do so.

Whilst being aware of the total level of fees for this large investment portfolio, CWM monitors the ratio of investment fees as a percentage of the funds invested as a more helpful measure than absolute values. CWM evaluates and discloses investment fees on a total expense basis rather than on a pure management fee basis. This ensures that additional expenses charged by investment managers such as custody arrangements are included. A total expense ratio tends to be up to 20 basis points higher than the pure management fee ratios quoted in the financial statements of many charities. The portfolio includes geographically spread equities, property funds, hedge fund of funds, bonds and cash. Total expense ratios range between 28 basis points and 205 basis points depending upon the type of investment instrument and fee basis.

6.2 Restricted Funds

CWM and its predecessor entities (listed in heading 2 of the Trustees' report) have been given custody of a large number of legacies or gifts for a range of specific world wide mission purposes over the last two centuries. These legacies and gifts are treated as restricted funds or endowment funds in the financial statements and they are summarised on page 36 of the financial statements. Ongoing distribution and consolidation is taking place in order to release these funds for the purposes for which they were given, in accordance with Charity Commission guidelines.

7. Reserves, Investment and Spending Policy

The charity's principal source of income is from its investment portfolio. It does not undertake major forms of public fund-raising activity. The unrestricted reserves of the charity were increased substantially in 1996 when CWM benefited from the sale of land in Hong Kong. Net proceeds of £87m were invested and have since grown in value. Since 1997, large amounts of the combined 'total return' on the invested capital have been disbursed for mission activities in accordance with CWM's aims and objectives, leaving a current balance of funds of £138.1m made up of £130.4m Unrestricted Funds, £1.5m of Restricted Funds and £6.2m of Endowment Funds.

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

7.1 Reserves Policy

The General Funds of CWM make up its invested 'capital base' from which the mission activities of CWM are funded. It is the intention of the Trustees to use this invested 'capital base' to secure the long-term future of the joint activities of the member churches around the world. The Reserves Policy is, therefore, to maintain at least the base level of uncommitted General Funds (taken to be £100m) as a capital base in perpetuity, in a way that preserves the purchasing power into the future, when combined with the Investment Policy and Spending Policy.

7.2 Spending Policy

The Spending Policy is to spend an annual maximum of 5% of the 12-quarter moving average market value of the unrestricted investment portfolio, in addition to other income sources.

7.3 Investment Policy

There are no restrictions on the Trustees' powers of investment and the charity has adopted a total return policy for the portfolio.

A major review of the Investment asset allocation and manager structure took place during 2004. Following specialised investment advice from Cambridge Associates, CWM restructured its investment portfolio, moving away from a balanced mandate (of 2 investment managers with equal asset value to invest in a range of equities and bonds), towards a multi manager strategy, with a wider range of diversified investments which are now held by individual specialised managers.

The performance of each managed fund is measured against appropriate benchmarks on a quarterly basis. Rebalancing of the portfolio is considered annually to ensure that the capital value of each portion of the portfolio remains within pre-determined percentage ranges.

The Investment Policy is to invest, balancing risk and return, using socially responsible criteria where possible. The balance of investments chosen should preserve the purchasing power of CWM's General Funds in the long term, allowing for a sustainable and consistent spending rate on an annual basis.

7.4 Ethical Investments Policy

The Council for World Mission seeks to generate income and capital growth from its investments to finance its missionary activities, mindful of the need and desire to invest ethically and with regard for Socially Responsible Criteria.

In terms of ethical investment, CWM prohibits investments in all UK companies with more than 5% of turnover in tobacco, alcohol, armaments, pornography or gambling. Overseas investments are, due to smaller individual capital values, held in pooled instruments alongside other investors and currently, only partial application of this fundamental ethical principle is possible in these pooled funds. The information available and the opportunities for investing according to these considerations are evolving constantly and therefore the investment managers and the chosen products are subject to regular review.

Because of the difficulty of applying the ethical policy to hedge funds, the CWM policy is that not more than 10% of CWM's investments are to be invested in hedge funds. Hedge funds are included in the portfolio as a means of reducing the overall volatility of returns (and hence reducing the risk) of the balanced portfolio.

With regard to Socially Responsible Criteria, the Council for World Mission takes an active interest in the impact of its shareholdings upon Society by ensuring that its votes are cast on important issues at UK company Annual General Meetings and by constructing its investment portfolio to include a high proportion of geographically diverse equity and bond investments as a means of investing in the regional economies of its diverse constituent bodies. In addition to the market investments, CWM has proactive engagement in organisations and activities which are beneficial to wider constituencies.

8. Risk Review

The Trustees have introduced a formal risk management process to assess the risks facing the charity and to implement appropriate risk management strategies. The process involves the identification of the types of risk, prioritising these risks in terms of their potential impact and likelihood of occurrence, and identifying ways in which the risks can be mitigated. The costs of operating particular controls relative to the benefit obtained are also considered.

As part of the risk management process the Trustees have established policies on internal controls. An internal audit strategy has been established to monitor the adequacy of operational, compliance and business internal controls. The Audit Committee met quarterly during the period to consider and evaluate the internal audit reports and to assess the adequacy of the charity's controls.

One of the major risks for the Charity is its dependence upon invested financial resources. Trustees believe that complying with the charity's reserves, investment and spending policies as stated will provide sufficient resources to secure the long-term future of the charity and its member churches' joint activities. An Investment Committee reviews the charity's investment portfolios with the Fund Managers on a quarterly basis. Policies of diversification are actively pursued to minimise the risks inherent in holding investments.

As a Charity which distributes its financial resources to member churches in six geographical regions on a regular basis, the principles of accountability, integrity and transparency in the use of resources are very important to the constituencies, and are addressed in open communication in the context of the CWM family.

9. Future Developments

CWM's programmes are re-evaluated regularly, and new developments have been described throughout this Trustee Report. The 31 Trustees appointed in June 2006 are taking a very proactive interest in the range of programmes of CWM and the Trustees have divided themselves up into 'special interest' groups so that each group can focus upon evaluation and development of specific areas of mission activity. Each group is expected to take into account the global family's priorities determined by the 2006 Assembly Declaration, under the triennial theme of 'Take home the good news'. The Trustees' three year plan records the specific priorities to be implemented and evaluated during this period. Longer term strategic planning is also being developed.

Declaration of the 2006 Assembly meeting

We declare our ongoing commitment to the Great Commission of our Lord Jesus Christ (Matthew 28:16-20 and Acts 1:8), and to the embodiment of mission through transformation, reconciliation and empowerment. To this end:

- We celebrate our common life as both hearers and bearers of the good news in our global, regional and local contexts
- We commit ourselves to the interfacing of gospel and culture as we seek new ways of following Jesus together
- We acknowledge that mission embraces local knowledge and local contexts and that the good news is already embodied locally
- We commit ourselves to deepen the relationship with our global, regional and local ecumenical partners
- We affirm anew the conviction that the gospel invites all persons to experience fullness of life (John 10: verse 10)

**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

- We pledge ourselves to a faithful prophetic and compassionate pastoral approach in pursuit of God's mission

We therefore commit within the next three years, to

- building up family life, with special reference to the abuse and violence towards women and children
- enabling and equipping young people to learn, grow and participate fully in the life and work of CWM at every level
- building women's capacity and potential to exercise mission and ministry, despite economic, cultural and educational discrimination
- addressing issues of masculinity and male concern
- building capacity to respond to economic poverty and deprivation
- promoting an environment of openness, mutuality and reciprocity in regard to interfaith relations
- strengthening ministries of health and healing, with particular reference to HIV and AIDS
- giving urgent attention to ecological and environmental stewardship
- developing a ministry of sharing with the stranger in our midst (including migrant communities)

In recognising the local church as a primary agent of mission, the Assembly calls on CWM and its constituencies to be more intentional about facilitating leadership development in the local congregation and resourcing churches to work together locally and regionally

- We commit ourselves to working together in a partnership of mutual respect, in which we listen to each other, and support one another in seeking appropriate contextual responses to the challenges encountered
- We commit ourselves to finding new ways of learning, communication and enhancing understanding cross-culturally within the CWM family
- We pledge to take home and share the good news of our commitment to building, becoming and being a community of hope

We celebrate, affirm and commit ourselves to the foregoing because of the conviction that the people of God in every local community around the world, however poor, weak or disadvantaged, are an integral part of God's mission for challenging and changing all that denies people fullness of life

Ocho Rios, Jamaica 26 June 2006

10. Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

11. Auditors

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

12. Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources including income and expenditure for the financial period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that this basis applies

The Trustees are responsible for keeping proper accounting records which disclose the financial position of the charitable company with reasonable accuracy at any time and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on *27 June 2007* and signed as authorised on their behalf by



Rev Robin Thompson

COUNCIL FOR WORLD MISSION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL FOR WORLD MISSION

We have audited the financial statements on pages 19 to 45

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Council for World Mission for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the Trustees' Report is consistent with the financial statements.

In addition we report to you, if in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

- The information given in the Trustees' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP
BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
46 Clarendon Road
Watford
Herts WD17 1JJ

16 July 2007

COUNCIL FOR WORLD MISSION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2006 Funds £	Restated Total 2005 Funds £
INCOMING RESOURCES						
Income resources from generated funds						
Voluntary income						
Church contributions, legacies and donations	2 5	361,678	-	-	361,678	434,547
Investment income	2 4	4,399,790	215,781	-	4,615,571	4,389,886
Total Incoming Resources		4,761,468	215,781	-	4,977,249	4,824,433
Resources expended						
Costs of generating funds						
Voluntary income costs	2 2	44,896	-	-	44,896	33,607
Investment management costs	2 2/ 2 4	841,320	37,527	-	878,847	797,664
Chantable Activities						
Grants payable	2 2	2,513,149	82,113	902	2,596,164	1,100,498
Functional programme costs	2 2	2,909,959	257,154	-	3,167,113	2,456,179
Governance costs	2 2	360,508	-	-	360,508	177,948
Total Resources Expended		6,669,832	376,794	902	7,047,528	4,565,896
NET (OUTGOING)/INCOMING RESOURCES		(1,908,364)	(161,013)	(902)	(2,070,279)	258,537
Gains and losses on Investment Assets		7,110,275	80,177	526,325	7,716,777	14,358,099
Gains on Fixed Assets		-	-	284,936	284,936	-
Actuarial gain on Defined Benefit Pensions Scheme		165,000	-	-	165,000	(89,000)
		5,365,911	(80,836)	810,359	6,096,434	14,527,636
Transfer between funds		(289,385)	289,385	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		5,077,526	208,549	810,359	6,096,434	14,527,636
TOTAL FUNDS AT 1 JANUARY		125,349,314	1,284,606	5,374,414	132,008,334	117,480,698
TOTAL FUNDS AT 31 DECEMBER		130,426,840	1,493,155	6,184,773	138,104,768	132,008,334

All incoming resources and resources expended derive from continuing activities
The statement of financial activities includes all gains or losses recognised in the year
The notes on pages 23 to 45 form part of these financial statements

COUNCIL FOR WORLD MISSION

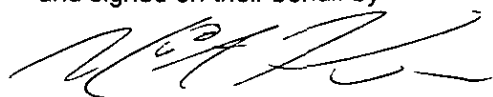
BALANCE SHEET

AS AT 31 DECEMBER 2006

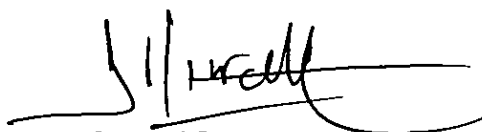
	Notes	2006 £	2005 £
Fixed assets			
Tangible assets for own use	5	4,782,778	4,764,860
Investments	6	129,966,835	122,118,328
		<u>134,749,613</u>	<u>126,883,188</u>
Current assets			
Stocks	7	14,082	8,106
Current asset investments	8	8,454,384	8,991,266
Debtors	9	522,243	663,038
Cash at bank and in hand		242,003	549,318
		<u>9,232,712</u>	<u>10,211,728</u>
Creditors:			
Amounts falling due within one year	10	(3,920,220)	(3,275,328)
Net current assets		<u>5,312,492</u>	<u>6,936,400</u>
Total assets less current liabilities		<u>140,062,105</u>	<u>133,819,588</u>
Creditors: amounts falling due after more than one year	11	(636,860)	(175,314)
Provisions for liabilities and charges-unfunded pension scheme	15b	(1,168,477)	(1,296,940)
Net assets excluding pension liability		<u>138,256,768</u>	<u>132,347,334</u>
Defined benefit pension liability	15a	(152,000)	(339,000)
Total net assets including pension liability		<u>138,104,768</u>	<u>132,008,334</u>
Funds			
Endowed funds	12	6,184,773	5,374,414
Restricted funds	12	1,493,155	1,284,606
Unrestricted funds -			
- Designated funds	13 1	3,755,635	5,677,137
- Other charitable funds	13	126,671,205	119,672,177
Total unrestricted funds	13	<u>130,426,840</u>	<u>125,349,314</u>
Total funds	14	<u>138,104,768</u>	<u>132,008,334</u>

The notes on pages 23 to 45 form part of these financial statements

The financial statements were approved and authorised for issue by the trustees on **27 June 2007** and signed on their behalf by



Treasurer
Rev Robin Thompson



General Secretary
Rev Dr D van der Water

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

**RECONCILIATION OF CHANGES IN RESOURCES TO
NET CASH OUTFLOW FROM CHARITABLE
ACTIVITIES**

	31 December 2006 £	31 December 2005 £
Net outgoing resources for the year before Investment		
Income	(6,685,850)	(4,168,793)
Depreciation	57,463	54,718
Increase/(Decrease) in creditors	1,136,144	(994,683)
(Increase)/Decrease in debtors	140,795	209,923
(Increase)/Decrease in stocks	(5,977)	2,889
Loss on disposal of fixed assets	-	688
Decrease in unfunded pension scheme	(128,463)	-
Additional pension contribution paid	(22,000)	(27,000)
Net cash outflow from charitable activities	<u>(5,507,888)</u>	<u>(4,922,258)</u>

CASH FLOW STATEMENT

	31 December 2006 £	31 December 2005 £
Net cash outflow from Charitable Activities	(5,507,888)	(4,922,258)
Returns on investments and servicing of finance		
Investment income	<u>4,615,571</u>	<u>4,215,754</u>
Net cash inflow from returns on investments	4,615,571	4,215,754
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(138,144)	(412,616)
Proceeds from sale of property	347,699	-
Purchase of investments	(33,446,856)	(12,133,205)
Proceeds from sale of investments	<u>33,315,127</u>	<u>12,150,863</u>
Net cash inflow/(outflow) from capital Expenditure activities	77,826	(394,958)
Management of liquid resources		
Decrease in current asset investments	<u>536,882</u>	<u>1,105,677</u>
(Decrease)/Increase in cash in the year	<u>(277,609)</u>	<u>4,215</u>

The notes on pages 23 to 45 form part of these financial statements

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

ANALYSIS OF NET FUNDS

	At 1 January 2006 £	Cash Flow £	At 31 December 2006 £
Overdraft	(29,706)	29,706	-
Cash at bank	549,318	(307,315)	242,003
	<hr/> 519,612	<hr/> (277,609)	<hr/> 242,003
Current asset investments	8,991,266	(536,882)	8,454,384
	<hr/> 8,991,266	<hr/> (536,882)	<hr/> 8,454,384
Change in net funds	<u>9,510,878</u>	<u>(814,491)</u>	<u>8,696,387</u>

The notes on pages 23 to 45 form part of these financial statements

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1. PRINCIPAL ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the inclusion of investments at market value in accordance with the Companies Act 1985 and the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) and applicable accounting standards. As a result of the revised SORP prior year comparatives have been restated where applicable.

b) Group Financial Statements

Group Financial Statements for the year ended 31 December 2006 have not been prepared due to the immateriality of the wholly owned subsidiary CWM Christian Centre. Transactions between group undertakings are disclosed in notes 9 and 16.

c) Member Churches

The 31 member churches affiliated to the Council for World Mission are wholly autonomous bodies individually constituted within their country of origin. On this basis the member churches are not considered to be branches of this company and their transactions are not consolidated in these financial statements. The Council makes direct allocations to its member churches (see note 3).

d) Recognition of incoming resources

Income is recognised in the year in which the company is entitled to receipt and the amount can be quantified with reasonable certainty. Direct contributions represent amounts actually received in the accounting year. Legacies are treated as income when it is reasonably certain that the amount will be received in due course. Investment income is recognised on an accruals basis. Grants received for specific purposes are treated as restricted funds.

e) Property income

Property income represents rent receivable in respect of properties owned during the year and is accounted for on an accruals basis. It is then allocated to the appropriate fund.

f) Recognition of resources expended

Expenditure is recognised in the year in which it is incurred under the accruals basis. Grants and allocations payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with the other organisation. The value of such grants unpaid at the year end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as Designated Reserves. The Council is not registered for Value Added Tax and any irrecoverable VAT is charged to the appropriate heading.

g) Allocation of costs

Costs are allocated within charitable expenditure according to the nature of the cost. Wherever possible costs are attributed directly to specific activities. Certain shared costs are apportioned to activities in furtherance of the Charity's objects.

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES (continued)

h) Tangible fixed assets and depreciation

Fixed assets for Chanty use are capitalised at cost, where acquired, or market value as determined by the Trustees where donated. They are stated in the financial statements at cost or original value less depreciation. Where cost or original value was unknown or could not be quantified, fixed assets have been stated at their net book value at 1 January 1995 instead of cost, and depreciated thereafter.

Depreciation is calculated to write off the cost of tangible fixed assets at the following annual rates -

Administrative Freehold building	- 50 years
Other Freehold Land and Buildings	- Nil
Leasehold property	- over the life of the lease
Fixtures and fittings	- between 20% and 33 1/3% per annum on cost

Freehold land and buildings are not being depreciated in accordance with FRS 15 on the grounds that it would be immaterial due to the high residual value of the freehold land and buildings.

i) Investment properties

Investment properties are not depreciated. These are valued at the Trustees' estimate of open market value for existing use at each year end with any gain or loss taken to the SOFA. When market value falls permanently below original cost, a provision for such loss is made. Land acquired historically overseas has been written off on the basis that the Council's normal policy is to transfer such land to the local member Church. Donated assets are included at a fair valuation at the time of receipt.

j) Fixed asset investments

The Council holds shares in COIF Charities Fixed Interest Fund and in unquoted companies directly. COIF and unquoted shares are stated at market value. All other funds for investment held by nominees are managed by investment managers on a 'total return' basis and are stated at market value as determined by investment managers as at 31 December 2006. Any gain or loss on revaluation is calculated by reference to the previously stated market value and is taken to the SOFA.

An investment of £4.5m was made over three years in Oikocredit, an organisation which mobilises investment capital in order to provide loans to poor people for viable and productive business enterprises which operate on the principles of justice. Dividends and interest earned are re-invested in Oikocredit. Of the total £4.5m investment, £2.25m was invested in a local currency risk fund being written down over 10 years by the Trustees on the basis of best estimate of likely diminution in value of the specific investments due to currency and other risks. An assessment of impairment of value was made at the end of 2005 and the local currency risk fund portion was written off at that time.

k) Current asset investments

Current asset investments represent those investments held as cash balances to enable the company to meet its commitments in respect of grants approved not yet paid.

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES (continued)

l) Funds accounting

Funds held by the company are -

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees

Designated funds – these are funds set aside by the trustees out of unrestricted funds for specific future purposes or projects

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds have been raised for a particular restricted purpose

Endowed funds – these are a type of restricted fund where the capital must be held permanently by the charity. Income arising from such endowed funds is applied in accordance with the terms of the fund

Further explanation of certain funds is included in the notes to the accounts

m) Valuation of investments

Investments are stated at mid-market value

Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the historic cost. Unrealised gains or losses are derived from the movement in market values during the year

n) Operating lease commitments

Operating lease rentals, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the SOFA on a straight line basis over the lease term

o) Stocks

Stocks are valued at the lower of cost and net realisable value

p) Pensions

- a) The Council operates one defined benefit scheme for its office staff, which requires contributions to be made to a separately administered fund (The Pensions Trust). Annual contributions to this Fund are charged against income in accordance with a rate determined by the actuary

Full actuarial valuations of the defined benefit scheme have been undertaken by an independent qualified actuary as in accordance with FRS17 principles and this is reflected in the charity's balance sheet. The surplus or deficit in the defined benefit scheme normally gives rise to an asset or liability within the unrestricted funds of the charity. If a liability arises, this is recognised to the extent that it reflects its legal obligation of the charity

- b) In addition the Council pays discretionary pensions to retired missionaries who served prior to the inception of a pension scheme or where service prior to July 1977 is not otherwise pensionable. This scheme is unfunded and pensions paid each year are charged against income as incurred. A provision has been established for this expenditure

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES (continued)

q) Foreign currencies

Assets, liabilities, and results of overseas investments are translated at the rate ruling at the balance sheet date. Exchange differences arising are taken to the SOFA.

r) Trustees

Representatives of the member churches are elected to stand as Trustees for CWM on a triennial basis. The current Trustees are listed on page 2 of the Trustees' report.

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

2. ANALYSIS OF RESOURCES EXPENDED

2.1 Charitable Expenditure

Charitable expenditure has been allocated as detailed on the Statement of Financial Activities Grants (allocations) payable are detailed in Note 3

2.2 Analysis of allocation of support costs 2006

	Generate voluntary income	Investment management fees	Grants	Functional Programme Costs					Total Functional programme costs	Governance costs	Total
	£	£	£	Mission Programme £	Commun- ications £	Mission Education £	Mission Theology £	Mission Personnel £	£	£	£
Programme costs	-	765,901	2,135,521	251,038	279,493	418,282	51,969	1,344,883	2,345,665	-	5,247,087
Administration	12,006	72,034	72,034	35,795	35,795	35,794	85,548	35,795	228,727	118,081	502,882
and finance											
Office overheads	-	-	-	22,632	30,175	22,632	30,175	30,175	135,789	-	135,789
Thematic	-	-	7,810	-	-	-	732	-	732	-	8,542
engagement with constituencies											
Triennial	-	-	-	17,708	17,708	17,708	141,667	17,708	212,499	141,667	354,166
Assembly meeting	-	-	-	6,163	6,163	6,163	49,307	6,164	73,960	62,891	136,851
Meeting of Trustees	-	-	-	-	-	-	-	-	-	5,380	8,765
Investment and audit committees	-	3,385	-	-	-	-	-	-	-	-	-
Audit fees	-	-	-	-	-	-	-	-	-	32,489	32,489
Servicing of all CWM's properties	32,890	-	4,490	33,281	44,343	37,166	44,521	46,570	205,881	-	243,261
Final allocation	-	-	293,294	(293,294)	-	-	-	-	(293,294)	-	-
Restricted funds	-	37,527	82,113	-	-	-	-	-	257,154	-	376,794
Endowment funds	-	-	902	-	-	-	-	-	-	-	902
	<u>44,896</u>	<u>878,847</u>	<u>2,596,164</u>						<u>3,167,113</u>	<u>360,508</u>	<u>7,047,528</u>

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

2.2 Analysis of allocation of support costs (continued) 2005

	Generate voluntary income	Investment management fees	Grants	Functional Programme Costs					Total Functional programme costs	Governance costs	Total
	£	£	£	Mission Programme £	Commun- ications £	Mission Education £	Mission Theology £	Mission Personnel £	£	£	£
Programme costs	-	689,579	746,941	163,410	297,990	241,722	35,256	1,279,243	2,017,621	-	3,454,141
Administration	10,999	65,995	65,995	31,224	31,224	31,224	78,279	31,226	203,177	99,599	445,765
and finance											
Office overheads	-	-	-	14,411	18,649	14,411	18,649	18,649	84,769	-	84,769
Thematic	-	-	80,251	-	-	-	22,879	-	22,879	-	103,130
engagement with											
constituencies											
Triennial	-	-	-	59	59	59	475	59	711	475	1,186
Assembly meeting											
Meetings of	-	-	-	3,876	3,876	3,876	31,010	3,877	46,515	41,908	88,423
Trustees											
Investment and	-	1,510	-	-	-	-	-	-	-	4,199	5,709
audit committees											
Audit fees	-	-	-	-	-	-	-	-	-	31,767	31,767
Servicing of all	22,608	-	-	28,070	36,166	31,712	36,485	73,208	205,641	-	228,249
CWM's properties											
Final allocation	-	-	192,840	(192,840)	-	-	-	-	(192,840)	-	-
Restricted funds		40,580	14,151	-	-	-	-	-	67,706	-	122,437
Endowment funds			320	-	-	-	-	-	-	-	320
	33,607	797,664	1,100,498						2,456,179	177,948	4,565,896

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

2.3 Analysis of staff costs

	2006	2005
	£	£
Total staff costs are as follows		
Salaries and wages	759,531	661,522
National insurance	99,711	80,093
Pension costs	102,542	97,151
	<u>961,784</u>	<u>838,766</u>

2.3 Staff numbers

	2006	2005
	Number	Number
The number of higher paid employees was		
£50,000 - £60,000	-	3
£60,000 - £70,000	2	-
£70,000 - £80,000	2	1

CWM provides four of its Executive Secretary Staff (including the General Secretary) with residential housing for occupation during their tenure in the United Kingdom. The taxation benefits in kind incurred on this provision form a substantial part of their remuneration package disclosed above. There have been no substantial changes in underlying salaries during the year.

The emoluments include benefits in kind, but do not include retirement benefits which are accruing under a defined benefit scheme.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was 24.

	2006	2005
	Number	Number
Furthering of the objects of the charity	20	19
Managing and administering the charity	4	4
	<u>24</u>	<u>23</u>

2.4 INVESTMENT AND OTHER INVESTMENT INCOME

	2006	2005
	£	£
Investment Properties	116,120	159,293
Investment listed on a recognised stock exchange	4,323,047	4,059,070
Other Unlisted securities	72,836	60,795
Cash and settlements pending, held as part of the investment portfolio	48,884	62,647
Any other investments	23,828	33,242
Miscellaneous Income	30,856	14,839
	<u>4,615,571</u>	<u>4,389,886</u>
Less Investment Managers' fees	(878,847)	(797,664)
TOTAL	<u>3,736,724</u>	<u>3,592,222</u>

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

2 5	Voluntary Income	2006	2005
		£	£
	Direct Contributions	316,992	186,239
	Legacies	44,686	248,308
		<hr/>	<hr/>
	Less Costs of generating voluntary income	361,678 (44,896)	434,547 (33,607)
		<hr/>	<hr/>
	TOTAL	316,782	400,940
		<hr/>	<hr/>
2.6	NET INCOMING RESOURCES FOR THE YEAR	2006	2005
		£	£
	This is stated after charging		
	Depreciation	57,463	54,718
	Auditors' remuneration – audit services	21,738	20,311
		<hr/>	<hr/>

Trustee Remuneration

Neither the Trustees, nor any persons connected with them, have received Trustee Remuneration

Trustee Expenses

Expenses for flights, subsistence, and office expenses of £179,874 (2005 £118,075) have been reimbursed to 31 (2005 31) Trustees. There were two Trustee/Assembly meetings in 2006 as opposed to one meeting in 2005

3.	GRANTS PAYABLE	2006	2005
		£	£
	During the year the company made the following grants or allocations -		
	Mission Programme Support funds	1,829,365	161,301
	Regional Empowerment Funds	92,137	404,760
	Solidarity and Action Grants	40,000	29,000
	Allocations to Ecumenical Organisations	174,019	151,880
		<hr/>	<hr/>
	Continuing in Note 2.2	2,135,521	746,941
		<hr/>	<hr/>

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

3. GRANTS PAYABLE (continued)

The major grant programme of CWM is the Mission Programme Support Fund. These grants allocations to member churches are budgeted and committed on a five year planning basis and so the level of draw down on those grants in any one year is circumstantial

Mission Programme Support Fund 2 (MPSF2)

Europe Region

Protestant Church in the Netherlands

MPSF2-International Training on Multicultural Ministries	19,262
MPSF2-Six projects to promote church communities or missionary groups	184,867

Africa Region

United Congregational Church of Southern Africa

MPSF2-Mission programme with seven objectives Identity and Ecclesiology, Relationship Issues, Mission and Evangelism, Training and Discipleship, Political, Economic and Social justice, Administration and Policy, Strengthening the Synod Capacities	429,955
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Uniting Presbyterian Church in Southern Africa

MPSF2-A Renewal of the UPCSA Community through the Mission Priorities of Stewardship, Evangelism and Caring for HIV/AIDS and Widows and Orphans	278,890
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Pacific Region

Congregational Christian Church in Samoa

MPSF2 Focus areas for Mission Plan Early childhood education, Children and youth ministry, Capacity building, Theological Education by extension, Mission Centre-infrastructure	174,306
---	---------

United Church in Papua New Guinea

MPSF2-Mission programme under the following themes children, youth, women and families, major social issues, service delivery and poverty alleviation, and mission capacity	445,765
---	---------

United Church in Solomon Islands

MPSF2-Mission projects under the following themes family and women, children and young people, mission outreach, empowering the church in mission, and support for the General Assembly Programme	296,320
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1,829,365

Regional Empowerment Funds

East Asia Regional Empowerment Fund	92,137
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92,137

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

3. GRANTS PAYABLE (continued)

Ecumenical Projects

Individual Programmes endorsed by CWM Member Churches (see analysis below)	54,019
World Alliance of Reformed churches-Global partnership on mission projects and empowerment	20,000
World Council of Churches-Programmes on dialogue with neighbours of other religions, Unity of the church, Mission and evangelism and Ecumenical HIV/AIDS initiative in Africa	80,000
Uniting Church of Australia-In recognition of liaison with the Pacific Island churches	20,000
	<hr/> 174,019 <hr/>

Ecumenical Projects

European Region

United Reformed Church

St Philip's Centre-Study and Engagement into a Multi Faith Society	20,000
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Pacific Region

Congregational Union of New Zealand
Churches Education Commission Trust

8,693

Presbyterian Church of Aotearoa New Zealand

Manahine Pasefica (the Association of Oceanian Women Theologians)	9,892
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East Asia Region

Presbyterian Church of Korea

Korea Association of Christian Women for Minjung (Leadership Development and Spiritual Discipline of Christian Women)	10,000
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Hong Kong Council of the Church of Christ in China

Christian Conference of Asia-Fifth Congress of Asian Theologians	5,434
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54,019

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

4 TAXATION

The charitable company is exempt from corporation tax on its charitable activities

5. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2006	4,971,152	364,920	5,336,072
Additions	107,174	30,970	138,144
Disposals	(67,988)	(2,246)	(70,234)
	<u>5,010,338</u>	<u>393,644</u>	<u>5,403,982</u>
Depreciation			
At 1 January 2006	226,288	344,924	571,212
Charge for year	33,216	24,247	57,463
Disposals	(5,229)	(2,242)	(7,471)
	<u>254,275</u>	<u>366,929</u>	<u>621,204</u>
Net book value 31 December 2006	<u>4,756,063</u>	<u>26,715</u>	<u>4,782,778</u>
Net book value 31 December 2005	<u>4,744,864</u>	<u>19,996</u>	<u>4,764,860</u>

Land and buildings are categorised as follows

	2006 £	2005 £
Freehold	4,663,270	4,588,028
Long leasehold	92,793	156,836
	<u>4,756,063</u>	<u>4,744,864</u>

6. FIXED ASSET INVESTMENTS

	2006 £	2005 £
Summary		
Managed investments (note 6 1)	127,801,844	119,715,943
Unquoted investments (note 6 2)	2,164,990	2,402,384
Investment in subsidiary company (note 6 3)	1	1
	<u>129,966,835</u>	<u>122,118,328</u>

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

6 1	Managed Investments	2006 £	2005 £
	Market Value as at 1 January 2006	119,715,943	104,248,884
	Additions at cost	33,446,856	12,092,150
	Disposals proceeds	(33,392,392)	(12,150,863)
		<hr/>	<hr/>
	Net investment gains	119,770,407 8,031,438	104,190,171 15,525,772
		<hr/>	<hr/>
	Managed investments comprise.-		
	Quoted investments at market value as above	127,801,845	119,715,943
	Cash balances held at fund managers	7,979,883	8,549,266
		<hr/>	<hr/>
		135,781,728	128,265,209
	Less Reclassified as current asset investment (note 8)	(7,979,884)	(8,549,266)
		<hr/>	<hr/>
	Managed investments at 31 December 2006	127,801,844	119,715,943
		<hr/>	<hr/>

The historical cost of quoted investments was £105,069,777 (2005 £98,845,819)

Included within quoted investments are non UK based quoted investments with market value of £54,532,716 (2005 £ 49,674,470)

6 2	Unquoted Investments	2006 £	2005 £
	Market Value as at 1 January 2006	109,454	107,314
	Unrealised (loss)/gain	(5,089)	2,140
		<hr/>	<hr/>
	Market Value at 31 December 2006	104,365	109,454
		<hr/>	<hr/>
	The historical cost of the above investments was £97,697 (2005 £97,697)		
	Other unquoted shares		
	Market Value as at 1 January 2006	2,292,930	3,386,968
	Dividends re-invested	38,904	41,055
		<hr/>	<hr/>
		2,331,834	3,428,023
	Less Write down of Oikocredit investment (see note 1j)	-	(1,350,000)
	Less Unrealised (loss)/gain on Exchange	(271,209)	214,907
		<hr/>	<hr/>
	Market value at 31 December 2006	2,060,625	2,292,930
		<hr/>	<hr/>
	Total unquoted investments	2,164,990	2,402,384
		<hr/>	<hr/>

The historical cost of the above investments was £4,700,050 (2005 £4,611,149)

The local currency risk fund investment in Oikocredit of £2 25m has been fully written off (accounting policy 1j)

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

6.3 Investment in subsidiary company

The investment in CWM Christian Centre, a South African S21 Company (broadly equivalent to a company limited by guarantee) was made to enable the company to purchase a property which is being used for a purpose that is coincident with Council for World Mission's aims. Council for World Mission appoints all Directors and CWM Christian Centre is a wholly owned subsidiary.

7 STOCK	2006	2005
	£	£
Consumables	<u>14,082</u>	<u>8,106</u>
8. CURRENT ASSET INVESTMENTS	2006	2005
	£	£
Investments held as cash deposits (Note 6 1)	7,979,884	8,549,266
CAF Cash Tier 2 Investment	250,000	250,000
HSBC Bank Restricted Funds Money Market	224,500	192,000
	<u>8,454,384</u>	<u>8,991,266</u>

CWM has a significant amount of designated funds for grants (see note 13 1), and a decision was made, effected in 2005, to set aside and invest a large proportion of these designated funds separately, recognising their shorter term duration of investment rather than the long term investment criteria of the main portfolio. This change is reflected in both fixed asset investments (note 6 1) and current asset investments.

9. DEBTORS	2006	2005
	£	£
Amount due from subsidiary company	27,865	27,865
Loan to subsidiary company	140,093	280,778
Other Debtors	109,178	114,253
Accrued Income and prepayments	245,107	240,142
	<u>522,243</u>	<u>663,038</u>

Loan to CWM Christian Centre is arrived at after provision for loss in exchange of £20,084 (2005 £4,541) due to the decrease in value of the South African Rand. The loan is long-term, is secured and has a variable rate of interest.

10. CREDITORS: Amounts falling due within one year	2006	2005
	£	£
Bank loans and overdraft	-	29,706
Other Tax and Social Security	22,643	22,022
Other Creditors	3,549,826	2,911,399
Accruals and deferred income	347,751	312,201
	<u>3,920,220</u>	<u>3,275,328</u>

Included within other creditors are grants committed but not yet paid of £3,198,856 (2005 £2,878,399)

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

11. CREDITORS Amounts falling due after more than one year

	2006	2005
	£	£
Other creditors		
Due within 2 to 5 years	636,860	175,314
	<u>636,860</u>	<u>175,314</u>

The balance represents the long-term proportion of grants committed

12. ENDOWED AND RESTRICTED FUNDS

	Balance 1 January 2006	Gross Incoming Resources	Cost of Generating Income	Outgoing Resources	Re- allocation / Transfers	Investment gains/(losses)	Balance 31 December 2006
	£	£	£	£	£	£	£
Permanent Endowment funds Capital Only (Note 12 1)	5,374,414	-	-	(902)	284,936	526,325	6,184,773
Restricted Funds	£	£		£	£	£	£
Permanent Endowment Funds Income Only (Note 12 2)	136,841	169,161	(32,157)	(150,854)	-	(2,122)	120,869
Restricted Capital Funds (Note 12 3)	384,260	10,033	(1,677)	(85,679)	-	24,874	331,811
Common Investment Fund (Note 12 4)	62,330	4,147	(113)	-	-	(3,588)	62,776
Restricted Funds (Income) (Note 12 5)	701,175	32,440	(3,580)	(102,734)	289,385	61,013	977,699
	<u>1,284,606</u>	<u>215,781</u>	<u>(37,527)</u>	<u>(339,267)</u>	<u>289,385</u>	<u>80,177</u>	<u>1,493,155</u>
TOTALS	<u>6,659,020</u>	<u>215,781</u>	<u>(37,527)</u>	<u>(340,169)</u>	<u>574,321</u>	<u>606,502</u>	<u>7,677,928</u>

Outgoing Resources comprise £

Funds used for intended purposes	83,015
Functional programme costs-expenditure allocated from available funds	257,154
	<u>340,169</u>

Incoming resources include investment income together with realised and unrealised profits and losses on investment assets held directly by the funds, or on pooled assets allocated to the funds, and also include new direct funds received for restricted purposes

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

12. ENDOWED AND RESTRICTED FUNDS (continued)

The Permanent Endowment funds (Income and Capital) comprise 2 main items at the beginning of the year (see Note 12 1 and 12 2)

- the Harold Granger Fund, which was set up to provide for the education of missionaries' children Following the introduction of a new Charity Commission Scheme of 1995, the income not required for this purpose in any one year may be used for other defined CWM programme purposes (i.e. restricted purposes)
- the Charity for CWM Missionaries, which was set up to provide missionary support for CWM missionaries overseas and in retirement Under a Charity Commission Scheme dated 23 September 2005, this fund was divided between the CWM Missionaries Support Fund and the CWM Fund for Retired Missionaries

Restricted Capital Funds represents gifts received over a number of years, some of which comprise permanently endowed capital (see Note 12 3)

The Common Investment Fund represents a number of funds originating from endowed funds (see Note 12 4), and which were invested as a Common Investment Fund under a Charity scheme of 16 June 1966

The Restricted Funds (Income) represent the balance of income generated from various endowed and restricted funds which have not yet been applied and which are not available as unrestricted income (see Note 12 5) The transfer of income to the fund from other restricted funds is reflected in the table above

12 1 Permanent Endowment Funds – Capital Only

	Balance 1 January 2006 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Re-allocation /Transfer £	Investment Gains £	Balance 31 December 2006 £
Miss M L Barrett – pref Kavutalam, etc, Sth India	82,980	-	-	-	-	8,124	91,104
Harold Granger- Education of Missionaries children etc	2,141,687	-	-	-	-	209,676	2,351,363
CWM Missionaries Support Fund	1,488,414	-	-	-	142,468	145,719	1,776,601
CWM Fund for Retired Missionaries	1,626,508	-	-	-	142,468	159,239	1,928,215
Funds with balances less than £10,000	34,825	-	-	(902)	-	3,567	37,490
	5,374,414	-	-	(902)	284,936	526,325	6,184,773

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

12.2 Permanent Endowment Funds – Income Only

	Balance 1 January 2006 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Re-allocation £	Transfers and Investment gains/(losses) £	Balance 31 December 2006 £
CWM Missionaries Support Fund	31,460	45,343	(8,903)	(31,460)	-		36,440
CWM Fund for Retired Missionaries	101,964	54,936	(9,729)	(118,486)	-		28,685
Funds with balances less than £10,000	3,417	68,882	(13,525)	(908)	-	(2,122)	55,744
	<u>136,841</u>	<u>169,161</u>	<u>(32,157)</u>	<u>(150,854)</u>	<u>-</u>	<u>(2,122)</u>	<u>120,869</u>

12.3 Restricted Funds (capital)

	Balance 1 January 2006 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Re-allocation £	Transfers and Investment gains/(losses) £	Balance 31 December 2006 £
Ivy Phyllis Read-Scholarship fund	12,747	388	(76)	-	-	1,248	14,307
Ivy Phyllis Read-Medical Equipment fund	16,299	-	-	(16,299)	-	-	-
Robert Cochrane-work in India	50,941	1,552	(305)	-	-	4,987	57,175
Widows and orphans	158,024	4,814	(945)	-	-	15,471	177,364
CWM Missionaries Support Fund	16,118	357	(72)	(4,333)		1,153	13,223
CWM Fund for Retired Missionaries	14,566	444	(87)	-	-	1,426	16,349
J Douglas Ross-furtherance of Society's work in Africa-PEF	17,386	-	-	(17,386)	-	-	-
Jaganj Medical Mission endowment fund-Bengal, India	16,915	1,095	(30)	-	-	(974)	17,006
P & E B Trust-Retired missionaries' widows and orphans	3,486	232	(6)	-	-	(201)	3,511
Funds with balances less than £10,000	77,778	1,151	(156)	(47,661)		1,764	32,876
	<u>384,260</u>	<u>10,033</u>	<u>(1,677)</u>	<u>(85,679)</u>	<u>-</u>	<u>24,874</u>	<u>331,811</u>

12.4 Common Investment Fund

	Balance 1 January 2006 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Re-allocation £	Transfers and Investment gains/(losses) £	Balance 31 December 2006 £
Sir James Tyler – conditional	60,981	4,057	(110)	-	-	(3,510)	61,418
Charlotte Turner Cot fund - Hong Kong	285	19	(1)	-	-	(16)	287
Sainsbury fund-missionary emergency assistance	1,064	71	(2)	-	-	(62)	1,071
	<u>62,330</u>	<u>4,147</u>	<u>(113)</u>	<u>-</u>	<u>-</u>	<u>(3,588)</u>	<u>62,776</u>

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

12 5 Restricted Funds (Income)

	Balance 1 January 2006 £	Gross Income £	Cost of Generating Income	Outgoing Resources £	Re-allocation £	Transfers and Investment gains/(losses) £	Balance 31 December 2006 £
Miss M Barrett – pref Kavatum, etc Sth India Harold Granger- Education of Missionaries children etc	7,697	234	(46)	-	-	2,785	10,670
Chanty for CWM Missionaries	688,766	17,867	(3,509)	(102,261)	-	57,420	658,283
D E Quick Legacy	-	14,210	-	-	289,385	-	303,595
Funds with balances less than £10,000	4,712	129	(25)	(473)	-	808	5,151
	<u>701,175</u>	<u>32,440</u>	<u>(3,580)</u>	<u>(102,734)</u>	<u>289,385</u>	<u>61,013</u>	<u>977,699</u>

13. UNRESTRICTED FUNDS

	General Funds £	Designated Funds £	Total £
Balance 1 st January 2006	119,672,177	5,677,137	125,349,314
Transfer to Restricted funds	(289,385)	-	(289,385)
Surplus/(Deficit) for the year	7,288,413	(1,921,502)	5,366,911
Balance 31 December 2006	<u>126,671,205</u>	<u>3,755,635</u>	<u>130,426,840</u>
Pension reserve	(152,000)		
Other general funds	126,823,205		
Total general funds	<u>126,671,205</u>		

An analysis of designated funds is given in Note 13 1 below

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

13.1 Designated Funds

The following designated funds have been set aside out of unrestricted funds by the trustees for specific purposes -

	Balance 1 January 2006 £	Paid £	Balance 31 December 2006 £
Mission programme support fund	4,790,290	(1,829,365)	2,960,925
Ecumenical fund	300,000	-	300,000
Maintenance fund	67,376	-	67,376
Regional empowerment fund	519,471	(92,137)	427,334
	<u>5,677,137</u>	<u>(1,921,502)</u>	<u>3,755,635</u>

Designated Funds are amounts of funds set aside for the following purposes

- *Mission Programme Support Fund* helps CWM Churches to develop their priorities for mission, based on a three to five year strategic plan. This is the main Fund grant
- *Ecumenical Project grants* offer one-off grants to encourage CWM churches/global ecumenical and mission partners to carry out projects, programmes and events in the areas of evangelism, new ways of being church in mission, ministerial formation and theological education for mission, interfaith dialogue and crossing new frontiers in mission
- *The pension scheme fund* is described in note 15b
- *The maintenance fund* is for repairs to Ipalo House, the principal office
- *Regional Empowerment fund* helps regions to tackle issues that churches within that region share in common

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Endowment and Restricted Funds £	Total Funds £
Fund balances at 31 December 2006 are represented by:-				
Tangible fixed assets	4,782,778	-	-	4,782,778
Investments	122,924,091	-	7,042,744	129,966,835
Current assets	4,841,893	3,755,635	635,184	9,232,712
Current liabilities	(3,920,220)	-	-	(3,920,220)
Long-term liabilities	(636,860)	-	-	(636,860)
Creditors-Unfunded pensions scheme	(1,168,477)	-	-	(1,168,477)
Defined Benefit Pensions Liability	(152,000)	-	-	(152,000)
TOTAL NET ASSETS	<u>126,671,205</u>	<u>3,755,635</u>	<u>7,677,928</u>	<u>138,104,768</u>

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

15. PENSION SCHEMES

a) Defined benefit scheme

The Council operates a Staff defined benefit pension scheme, which is funded and is not contracted-out of the state scheme. The assets of the Scheme are held separately from those of the Council, being invested by the Pensions Trust.

The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was as at 30 September 2003 and the next valuation will be carried out as at 30 September 2006. The results of this valuation will be available in 2007. The Council paid contributions to the pension scheme at the rate of 10.0% of pensionable salaries up until 30 September 2001, and then 11.2% of pensionable salaries up until 30 September 2005. CWM then entered into employee consultation to discuss how to implement the actuarial valuation recommendation of increasing the joint employer and employee contributions to the scheme from 14.7% to 20.9% of pensionable salaries per annum. Employees agreed to raise their contribution level from 3.5% to 6% of pensionable salaries, to take effect from 1 March 2005. From this date onwards the employer contribution became 14.9% and the employee contribution became 6%. In the intervening period of 1 October 2004 to 28 February 2005 CWM contributed to the scheme at a level of 17.4% and employees continued to contribute at a level of 3.5% of pensionable salaries to enable continuity of the scheme whilst the consultation was taking place. The current scheme deficit of £152,000 is being addressed by the employer making additional contributions of £38,200 per annum into the scheme. These additional contributions commenced in October 2004.

Financial assumptions

The financial assumptions used to calculate Scheme liabilities under FRS17 are as follows

Financial assumptions	2006 %pa	2005 %pa	2004 %pa
Inflation	2.60	2.50	2.50
Rate of increase in salaries	4.10	4.00	4.00
Rate of increase for pensions in payment			
- Pre April 2005	2.60	2.50	2.50
- Post April 2005	2.25	2.25	-
Rate of increase for deferred pensions	2.60	2.50	2.50
Discount rate	5.10	4.70	5.30

COUNCIL FOR WORLD MISSION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

15 PENSION SCHEMES (continued)

Scheme assets and expected rate of return

The assets in the Scheme and the expected rate of return were

	Long term rate of return expected 31 December 2006 %pa	Value at 31 December 2006 £'000	Long term rate of return expected 31 December 2005 %pa	Value at 31 December 2005 £'000	Long term rate of return expected 31 December 2004 %pa	Value at 31 December 2004 £'000
Equities	8 00	1,839	7 75	1,702	8 00	1,416
Government bonds	4 40	681	4 00	592	5 00	490
Cash	5 00	37	4 50	16	4 50	23
Total market value of assets		2,557		2,310		1,929
Present value of Scheme liabilities		2,709		2,649		2,206
Net pension liability		(152)		(339)		(277)

Analysis of the change in the defined benefit scheme liability

	2006 £'000	2005 £'000
Current service cost	(103)	(86)
Contributions	125	113
Expected return on pension scheme assets	157	139
Actuarial gain/(loss)	132	(112)
Change in scheme assets – anticipated	311	54
Actual return on pension scheme assets	(124)	(116)
Change in scheme assets	187	(62)

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

15 PENSION SCHEMES (continued)

Analysis of amount charged to charitable expenditure

	2006 £'000	2005 £'000
Current service cost	(103)	(86)
Total operating charge	<u>(103)</u>	<u>(86)</u>

Analysis of amount credited to other finance income

	2006 £'000	2005 £'000
Expected returns on pension scheme assets	157	139
Interest on pension scheme assets	(124)	(116)
	<u>33</u>	<u>23</u>

Analysis of amount charged as actuarial loss

	2006 £'000	2005 £'000
Actual return less expected return on pension scheme assets	77	224
Experience gains and losses arising on the scheme liabilities	2	-
Changes in assumptions underlying the present value of the scheme liabilities	53	(336)
	<u>132</u>	<u>(112)</u>

Movement in deficit during the year

	2006 £'000	2005 £'000
Deficit in scheme at beginning of the year	(339)	(277)
Net finance income	33	23
Current service cost	(103)	(86)
Contribution	125	113
Actuarial loss	132	(112)
Deficit in scheme at end of the year	<u>(152)</u>	<u>(339)</u>

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

15 PENSION SCHEMES (continued)

History of experience gains and losses

	2006	2005	2004	2003
	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets				
Amount	77	224	56	101
% of scheme assets	3%	10%	3%	6%
Experience gains and losses on scheme liabilities				
Amount	2	-	(199)	6
% of present value of the scheme liabilities	(0%)	-	(9%)	0%
Total amount recognised in the statement of total recognised gains and losses				
Amount	132	(112)	(32)	22
% of present value of the scheme liabilities	(5%)	(4%)	(1%)	(1%)

b) Unfunded scheme

Discretionary pensions amounting to £230,426 in 2006 were paid from restricted and unrestricted funds to retired missionaries. The 2005 accounts were restated to reflect a provision in respect of the constructive obligation existing, this had previously been accounted for as a designated fund. A provision has been established to provide for future liabilities of this unfunded scheme, as originally advised by qualified actuaries.

An actuarial valuation took place as at 31 December 2004 and a provision has been provided for the actuarial figure in subsequent financial statements.

	2006	2005
	£	£
At 1 January	1,296,940	1,508,516
Paid in the year	(230,426)	(211,576)
Allocation from Restricted Funds-CWM fund for retired missionaries	101,963	-
At 31 December	<u>1,168,477</u>	<u>1,296,940</u>

16 RELATED PARTY TRANSACTIONS

CWM is an International organisation and, as such, engages staff from the International Community. In order to facilitate this arrangement, CWM provides four of its Executive Secretary Staff (including the General Secretary) with residential housing for occupation during their tenure in the United Kingdom which forms part of their remuneration package disclosed in note 2.3.

Related party transactions with subsidiary

As at 31 December 2006 the company was owed £140,093 by CWM Christian Centre (formerly CNW Christian Centre), a company incorporated in South Africa, which is a wholly owned subsidiary of Council for World Mission. The balance represents the cost of acquisition loan and related interest.

COUNCIL FOR WORLD MISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

17. COMMITMENTS	2006 £	2005 £
The company has the following commitments in the forthcoming year under non-cancellable operating leases for plant and machinery which expire		
In two to five years	<u>12,052</u>	<u>9,045</u>

At the balance sheet date there has been no capital expenditure authorised but not provided for

18 POST BALANCE SHEET EVENTS

CWM Christian centre

The property was sold to a 3rd party in early 2007 for R8 5m (sale date prevailing exchange value £612k) The property had been professionally valued in January 2006 at R6m, and had originally cost CWM R5 7m (£507k) to buy the sole interest in the holding company by means of a long term loan

The CWM Christian Centre Directors intend to wind up the South African Company in 2007, to repay the long term loan to CWM and to distribute the remaining assets to CWM, as CWM is the sole shareholder

The death of a Trustee

The leadership of the member church, Ekalesia Kelisiano Tuvalu, has informed the CWM family of the death of a valued member of their community, who was also a Trustee of CWM Mr Simeona Iosia died on 24th April 2007 The CWM family records with sadness the loss of a colleague and friend He will be greatly missed

It is anticipated that an alternative Trustee for Ekalesia Kelisiano Tuvalu will be appointed at the Trustee meeting in June 2007