

**Registered Charity Number** 1097842  
**Company Number** 4758640



**COUNCIL FOR WORLD MISSION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

THURSDAY



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**COUNCIL FOR WORLD MISSION  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**Legal and Administrative Details**

<b>Name</b>	Council for World Mission (CWM)
<b>Registered Charity Number</b>	1097842
<b>Company Number</b>	4758640
<b>Principal and Registered Office</b>	Ipalo House 32-34 Great Peter Street London SW1P 2DB
<b>Governing Instrument</b>	Council for World Mission 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.
<b>Trustees and Directors</b>	Details of those who acted as Trustees during the period are set out on page 2. All Trustees are directors of the company.
<b>Secretariat</b>	Details of those who served in the roles of the Secretariat during the period are set out on page 3.
<b>Auditors</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
<b>Bankers</b>	Royal Bank of Scotland, Victoria, London SW1E 6RA HSBC plc, Westminster, London, SW1H 0NJ
<b>Investment Advisers</b>	Cambridge Associates Limited 80 Victoria Street, Cardinal Place London SW1E 5JL
<b>Fund Managers</b>	Sarasin & Partners LLP Schroder Investment Management Limited ILF Ltd (subsidiary of Blackrock Financial Management Inc) Cordea Savills (Charities Property Fund) Cazenove Fund Management Limited GMO UK Limited Lothbury Investment Management Payden & Rygel Global Ltd Royal London Capital Management Natixis Global Associates JM Finn & Co (Japan ETF's)
<b>Solicitors</b>	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

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## **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

<b>Region/Country</b>	<b>Trustee</b>
<b>Africa Region</b>	
Church of Jesus Christ in Madagascar	Mrs Iveline Ramahefarivo
Churches of Christ in Malawi	Mr Joseph Milner
United Church of Zambia	Mrs Enah Nsofu
Uniting Presbyterian Church in Southern Africa	Rev Dr Jerry Pillay
United Congregational Church of Southern Africa	Rev Dr Moiseralele Dibeela*
<b>Caribbean Region</b>	
Guyana Congregational Union	Miss Jennifer McCalman*
United Church in Jamaica and the Cayman Islands	Mrs Janet McConnell
<b>East Asia Region</b>	
Gereja Presbyterian Malaysia	Rev Joo Yee Sim
Presbyterian Church in Taiwan	Rev Dr Hau-Sheng Chng
Presbyterian Church in Singapore	Rev Henry Hong
Hong Kong Council of the Church of Christ in China	Rev Shing Yit So*
Presbyterian Church of Korea	Rev Kyung-In Kim
Presbyterian Church of Myanmar	Rev Dr Lal Engzau
<b>Europe Region</b>	
Congregational Federation	Rev Sandra Turner
Presbyterian Church of Wales	Mrs Carol Clay
Protestant Church in the Netherlands	Rev Evert Overeem*
Union of Welsh Independents	Mrs Gwyneth Jones
United Reformed Church	Rev Dr John Parry
<b>Pacific Region</b>	
Congregational Christian Church in Samoa	Rev Dr Iutisone Salevao
Congregational Christian Church in American Samoa	Rev Samuel T Tialavea
Ekalesia Kelisiano Tuvalu	Mr Tuafafa Latasi
Nauru Congregational Church	Mrs Winnie Tsitsi
Presbyterian Church of Aotearoa New Zealand	Mrs Olinda Woodroffe (Resigned 18/03/2011)
Presbyterian Church of Aotearoa New Zealand	Rev Feildaiga Janette Taule'ale'ausumai Davis (Appointed 20/06/2011)
United Church in Papua New Guinea	Mr Biango Buia
Congregational Union of New Zealand	Ms Teresa Ngai*
Kiribati Protestant Church	Rev Bureieta Karaiti (Resigned 20/06/2011)
Kiribati Protestant Church	Rev Mareweia Riteti (Appointed 20/06/2011)
United Church in Solomon Islands	Mr Bobai Amon
<b>South Asia Region</b>	
Church of Bangladesh	Mrs Janet Sarker
Church of South India	Rev Moses Jayakumar
Church of North India	Rev Enos Das Pradhan*
Presbyterian Church of India	Rev Lalramliana Pachuau

\* These Trustees are current members of the smaller 'Officers' group of Trustees

The Trustees were appointed for a three year term during the triennial Assembly of 2009 in Chennai, India. The first Trustee meeting for these Trustees was held near London in November 2009. The next Trustee meeting will be held in June 2012 in Pago Pago, American Samoa

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**The Officers Group**

Moderator	Rev Dr Moiseralele Dibeela - Africa
Treasurer	Rev Shing Yit So – East Asia
Deputy Moderator	Rev Dr Enos Das Pradhan – South Asia
Deputy Moderator	Miss Jennifer McCalman - Caribbean
Deputy Moderator	Ms Teresa Ngai - Pacific
Deputy Moderator	Rev Evert Overeem - Europe
General Secretary	Rev Dr Collin Cowan

The Officers chair meetings and Committees of CWM and undertake 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

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**Women's Representatives**

United Church in Solomon Islands	Mrs Joy Jino
Church of North India	Mrs Meenakshi Das

**Youth Representatives**

Congregational Christian Church in American Samoa	Miss Menorah Sopoaga
Gereja Presbyterian Malaysia	Mr Yoshua Chua

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**The Secretariat**

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

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Rev Dr C Cowan	General Secretary
Rev P Woods	Secretary for Mission Programme
Rev R Turner	Secretary for Personnel and Training
Mrs E Joy	Secretary for Mission Education
Mr T Trimble	Director of Finance
Mr S Cox	Director of Communications
Ms M Dallamora	Director of Operations

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Rev Collin Cowan was appointed on 1 January 2011. Mrs E Joy completed her term on 31 January 2011. Mr S Cox resigned on 31 July 2011. Ms M Dallamora resigned on 4 November 2011. Mr T Trimble resigned 31 Dec 2011.

**Audit and Investment Committees**

In addition, the Trustees annually 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 2011

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## **1. Objectives of the Charitable Company**

The Council for World Mission (CWM) is a community of 31 protestant churches worldwide

The object of CWM for the public benefit 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

At the June 2009 Trustee meeting, the objects of the charity were further clarified by new vision and mission statements,

- Vision "fullness of life through Christ for all creation"
- Mission "called to partnership in Christ to mutually challenge, encourage and equip churches to share in God's mission "

## **2. Historical Background**

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, CWM 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

CWM 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) Property assets of the two first-named societies were held by the London Missionary Society Corporation and Colonial Missionary Society Corporation which remain as dormant companies controlled by the charity

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

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New member churches which have a connection with CWM may be admitted by the Trustees. Members may withdraw from membership upon giving eighteen months' written notice.

Member churches are all independent organisations that 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, CWM became an incorporated charity. 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 held in June 2006 and the third was hosted by the Church of South India in 2009. Four people from every member church attend the triennial Assembly gathering (participants include men, women and 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 CWM.

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. The 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 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.

An Audit Committee is appointed by the Trustees to assist them in fulfilling their responsibilities. It supports Trustees and management to ensure CWM is a financially sound and efficient organisation which makes full and effective use of resources in support of CWM's charitable objectives. It advises the General Secretary and Secretary for Finance on the adequacy of risk management and financial governance processes. It gives particular attention to the annual financial statements, internal controls, accounting policies, legal compliance and business continuity issues. The Committee highlights material items of concern and monitors follow-up on recommendations arising from audits, reviews and risk assessments.

CWM, having grown from the London Missionary Society and other UK-based bodies, retained its office in London from 1977 and Secretariat Staff of CWM have remained based there. However, the Trustee Body Meeting of June 2011 resolved to site the headquarters in Singapore from 2012. Hitherto CWM has had no offices in other parts of the world, but it is planned that offices shall be established in each of CWM's six regions. 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 global Secretariat.

**Trustee training** At every Trustee Body meeting, time is set aside for Trustee training of current significance. The Trustees are currently reviewing the governance structure of CWM and will discuss the subject at the next Trustee Body Meeting to be in Singapore in November 2012.

In accordance with good governance and best practice, the Trustees absent themselves from discussions relating to donations that are proposed for their respective churches and projects.

## **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 principles 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 is very different, and so the mission plans are specific to each local context. To assist churches in formulating, monitoring and evaluating their plans, CWM provides specific expertise and also facilitates regional gatherings of its members to constructively challenge and encourage each member church to share and develop their ideas using input from both nearby and distant contexts.

During 2011 Regional Roundtables were held in all six CWM regions enabling member churches to come together and learn from each other as they shared the achievements, challenges and difficulties that they had experienced in their mission programmes. In every meeting each church made a presentation based on its monitoring and evaluation reports enabling a rich process of sharing. When a church is ready to move on to a new phase in its mission programme it makes a presentation drawing on its learning from past experience and an appreciation of its present context, and what these suggest should be its new mission priorities and how they plan to implement them. During 2011 five member churches embarked on new phases of their mission programmes.

These activities are incorporated within the headings of 'grants' and 'Mission Programme' in note 2.2 to the financial statements.

In 2011 we reviewed the Mission Support Programme and are currently updating the guidelines in the light of the review. A new phase of the programme (MSP4) will be launched in 2013 and from here on the programme will focus on enabling member churches to develop missional congregations in line with CWM's current strategy. Following CWM's restructuring the programme will be led by the Mission Enabling team (previously Mission Programme unit) working closely with CWM's Regional offices who will assume responsibility for the Regional roundtable meetings. To support the development of missional congregations CWM will produce a new mission audit resource and facilitate team visits to each member church to evaluate the development of missional congregations and share experience.

#### **5.1.1 Covenanting for Justice**

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 called upon churches to covenant together for justice in the economy and the earth (the Accra confession), which emphasised that working to create a more just and sustainable world economy is essential to the integrity of Christian faith. Building on this, representatives from CWM, the World Council

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of Churches (WCC) and the World Alliance of Reformed Churches (WARC) – now the World Communion of Reformed Churches (WCRC) - formed an alliance to explore how the confession should be put into practice in mission. This resulted in the start of a major and wide-ranging 'Covenanting for Justice' movement that will equip churches to address economic and ecological justice issues more effectively.

*Oikotree - putting justice at the heart of faith* is the fruit of this alliance, an ecumenical space in which a movement of those seeking to live faithfully in the midst of economic injustice and ecological destruction can take shape. Sponsored by CWM, WCRC and the WCC it is open to individuals, local churches, people's movements and all who share a concern for justice and the healing of the nations. Launched in December 2008, it works through a user-generated, networking website – [www.oikotree.org](http://www.oikotree.org) - and events to equip advocates and develop resources, steered by a Facilitating Group appointed by the three sponsoring bodies. We continue to promote and develop this as a key mission response to the critical issues of our time.

CWM's contribution to costs for these activities is incorporated within the heading of 'Mission Programme' in note 2.2 to the Financial Statements.

In 2012 this work will move to the new Justice and Witness team, who will lead CWM's work in this area, continuing the collaboration with the WCC and WCRC and finding new ways to promote *Oikotree*.

## **5.2 Mission Personnel, Sharing and Training Programmes**

The Personnel and Training Unit has continued to enable the work of CWM through focus on the three core areas of work:

- 1 Supporting and enabling the sharing of people
- 2 Enabling human resource development and capacity building through scholarships and grants
- 3 Providing opportunities for learning about mission issues and culture through cross cultural exposures

### **5.2.1 Missionary Sharing**

Currently there are approximately 61 missionaries serving through CWM at this time. Missionaries are involved in a variety of activities i.e. Theological education, pastoral ministry, programmes involved with the counselling and care of HIV/AIDS victims, project administrators and community workers. One of our missionaries has been serving as a dental officer with the Kiribati Protestant Church. Her work is focused on some of the outer islands which make dental care relatively inaccessible given the distances. We also have a team of teachers engaged in high school education in Samoa and American Samoa. The churches value their input especially as there is a shortage of teachers. Over the year we have also continued to enable opportunities for the missionaries serving in regions to meet and share together in a residential setting. These gatherings also afford an opportunity for rest, reflection and recreation. One such gathering was held for those missionaries serving in the Africa and South Asia regions in 2011.

### **5.2.2 Experience Enlargement**

Experience Enlargement grants continue to provide an opportunity for partner churches to organize visits and exchanges where learning and exposure takes place. Over the year women's groups from three member churches participated in cultural exchanges additionally teams from three other member churches participated in visits where they were examining project management procedures and denominational reorganization strategies that would be of benefit.



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**5.2.3 Scholarship and leadership development programmes**

Currently there are approximately 50 scholarship/bursary holders drawn from many member churches, undertaking their studies at 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. Scholarships are also used to develop the next generation of theological tutors within church related schools, colleges and seminaries. Studies are often undertaken in cross-cultural environments and wide ranges of different courses are undertaken. Additionally 6 churches benefited from 7 Leadership Development Grants facilitating short term training for approximately 25 persons.

**5.2.4 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. The intent is to stimulate theological reflection, encourage sensitivity to people of other cultures and motivate people to become involved in mission. The program has also evolved and seeks to engage participants in reflection on social justice issues from a theological perspective. Approximately 10 students are brought together over a period of 7 weeks. In 2011 three Face-to-Face programmes took place in the locations listed.

- The Fiji Islands hosted by Pacific Theological College,
- India jointly by Aizwal Theological College, Aizwal and Bishop's College in Kolkata and
- Zambia hosted by the United Church of Zambia Theological College

A total of 28 ordinands took part. The program continues to provide a variety of encounters. Personal reflections from participants clearly speak to the eye-opening experience that their encounters bring. The local coordinators have also made reference to the impact on the communities visited by participants.

**5.2.5 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. In 2011 we had a small complement of 6 participants. The aim is to introduce clergy to a ministry context other than their own, to stimulate theological reflection and to gain new insights through their cross-cultural encounters. The program was hosted by the Guyana Congregational Union. Orientation over the first week included insights into Guyanese, life, history culture and the role of the church within that context. The participant is then linked with a local minister to share in the varied experiences of ministry within the context.

**5.2.6 Training in Mission**

TIM is a key CWM programme that has been running since 1981 to train young adults, aged between 20 and 30 for a life-time service to Christ and his Church. In 2010 the program was managed by the now discontinued Mission Education Unit. Personnel and Training was asked to provide support and management over 2011 prior to a review in 2012. It takes place annually and lasts for 10 months. Currently the first five months of the training is located in Johannesburg, South Africa and the second half in Madurai, India. The programme works through an action-reflection model of learning and the participants are engaged both in classroom based theological studies and practical mission placements. A detailed evaluation is undertaken at the end of every year. Following the programme the participants return home to share their experiences and learning with their churches and local communities. Many go on to work or volunteer with Church and community projects. Since 1981 more than 300 young people have been part of this dynamic programme. From time to time, contact is made with former participants, and this research has established that many of them are now holding responsible leadership positions within the Church at national and international levels. In 2011, 12 participants representing all CWM regions completed the programme successfully.

**5.3 2012 programmes**

In 2012 there will be significantly reduced activity in all program areas. This is primarily because of the implementation of a new strategic focus, the formation of new departments and the discontinuing of current departments. The support of missionaries and scholarship holders will continue and the program areas mentioned above will be reviewed and reshaped in part for a re launch in 2013.

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**5.4 Communication**

Communication remains a vital aspect of CWM's ministry and we are conscious of the diverse, independent communities, each with their own structures, vision and priorities, that constitute this partnership. Against this background, our approaches to communication must be of a cutting edge nature so as to engage member churches with the issues of the day, particularly, the new CWM strategic priorities and the many developments taking place in the areas of relocation as well as governance and management reviews.

Historically, CWM has tended to view communication as a support service to its programme activities, disseminating information and news through selected communication channels and producing a variety of printed promotional materials. While these are important, they are just a few links in a much bigger communication chain. We have determined that there is need for a more holistic approach to communication, in which reports, story-telling and prophetic witness are woven together into one strategic engagement with our member churches, regions, ecumenical partners and staff for greater visibility and impact. During 2012 we intend to give consideration to focusing the communication ministry to reflect these dimensions as well as to work in collaboration with the regions to ensure that advocacy becomes a deliberate feature of our communication ministry and strategy.

A new communications team will be assembled during 2012 to lead this vital ministry. With gratitude we record our appreciation for the sterling contribution of the team, led by Steve Cox and supported by Kenwyn Pearce, Angeline Leung, Zoe Spearett and Jade Lyons. They have established an admirable record of service that has located CWM on the world scene. As we look to the future we must ask how might this record of service be improved and more importantly, how might CWM become more vital and relevant an instrument of God for the communication of hope in the midst of despair and the affirmation of life in the arenas of robbery, destruction and death.

Set out below are the key activities that characterized the ministry and mission of the communications unit during 2011.

**5.4.1 Inside Out quarterly magazine**

This long-established magazine has been well received by member churches and those outside of CWM's partnership of churches. It attempts to share mission stories from the CWM global community, as well as highlighting key issues of social, economic and political injustice. Each issue concentrates upon a special theme that provides new insight and learning for member churches and to those with a passionate interest in mission.

With the strategic reviews and the development of a new strategy to inform and guide the work of CWM, much interest was given to the areas of change, highlighting reflections from the outgoing and incoming General Secretaries, issues to do with the relocation of CWM Secretariat from London to Singapore, the four missional priorities to inform our work and Assembly 2012 in American Samoa. Among the other issues that have received significant focus are the work of missionaries from member churches, facilitated by CWM, issues of politics, corruption, social dislocation, inclusivity and the churches at work to alleviate poverty and restore hope among its people.

While Inside Out continues to receive favourable, anecdotal comments, we are clear that there remains much to be done to improve the quality of this production, positioning it as a strategic engine of communicating the narratives of our members and highlighting justice-related issues of global significance. Given the commitment of CWM to give expression to its vision, "Fullness of life, through Christ, for all creation", Inside Out must be used as a medium through which CWM's engagement with this vision is articulated and its impact on the lives of people communicated and celebrated. We intend to pay special attention to story-telling and critical reflection on social issues in the series to come.

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**5.4.2 CWM Website (cwmission.org)**

CWM website continues to focus upon key mission news and features from around the world. The improvement to the site, undertaken in 2010, which included the application of a more visual home page, has assisted and encouraged visitors to go to the page of their choice. The stories from our member churches and individuals remain a point of interest for a wide cross section of persons.

Prayer Post is a notable success and continues to offer a space for prayer needs and concerns. Through this medium issues of struggle and dislocation for communities around the world, have been highlighted by our communications team and have generated considerable interest that helped people from all parts of the global community of Christians to connect with their sisters and brothers in their time of need.

We will retain this feature of our website ministry and look for ways to attract a wider participation both in terms of news sharing and, consequently, readership.

**5.4.3 CWM e-newsletter**

Every week, CWM issues a weekly newsletter that updates our member churches with the latest news from the global Christian community as well as our member church bodies. In 2011, the mailing list of subscribers was further increased, each able to access this vital tool of information completely free of charge. Our team remained vigilant in 2011 to keep the newsletter topical and informative, and to provide member churches with access to global news.

**5.4.4 Information and Communication Technology (ICT)**

With the decision to relocate to Singapore, we are projecting that our server will be relocated to an external data centre, that our documents, to be used in Singapore, will be scanned and taken electronically, that all our computers will be encrypted, and that a new IT company will be identified in Singapore to work alongside Solsis for smooth handover and transition. The updating of existing database software started in 2010 and was projected to complete in 2011 but this was placed on hold in consideration of the move to Singapore and the different regulatory framework and requirements that may surface there.

**5.4.5 Mobile Phones & Telephony**

The ICT review, which looked at the use of mobile phones and the telephony system at Ipalo House in 2010, resulted in a change of mobile hand devices from Blackberry to HTC and all synchronised with the computer network to allow for access to emails, contacts and calendars. Review of Skype and landline conference calls continues, with a strong emphasis upon Skype video as well as audio conference calls. We have managed to increase our use of the Skype facilities during 2011 and in so doing our interest in and commitment to reducing travel costs as well as CWM's carbon footprint remains a focal point of consideration.

**5.4.6 Design, Print & Production**

In 2010, CWM explored and initiated some cost-effective measures of producing printed materials, and also implemented a more consistent approach to material design and production. The plethora of uncoordinated, individual designs and logos that existed a few years ago has now been eliminated. We now expect that all printed material will carry the branding of CWM - image, profile and colours. We need to continue exploring cost-effective ways of producing printed material, likely utilizing facilities in locations such as India, Samoa and Africa. We celebrate the progress made and commit to continue our efforts at improvements.

**5.4.7 Mailing**

We continue to address the key question of mailing and distribution costs for all our publications, not least Inside Out. While it is encouraging to note the increase in subscribers, CWM is very conscious of the escalating costs of postage across the world associated with success. Discussions took place with our mailing company, and cost reductions were agreed for 2011. Notwithstanding this cost remains uncomfortably high and there is need to consider a more creative methodology, especially with the projected establishment of regional offices in all the regions during 2012.

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## **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 CWM programmes specifically include ecumenical participation as a matter of principle, and CWM participants also take part in the programmes of other ecumenical mission organisations. These activities are incorporated in the headings within which they arise, in note 2.2 to the financial statements.

## **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 recognised that in the past they had been under-utilised 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 in regions tackling issues in common together and learning from each other. A major review consultation for this important programme took place in May 2007 which affirmed the value of the Regional model and drew up principles for the future and appropriate allocation of resources. Since the consultation this activity has gained new momentum and major co-operative mission ventures are developing within regions. The shared learning outcomes are enthusiastically promoted at regional round tables (see S5.1) and globally at Trustee Body meetings.

This activity is incorporated within the heading of "grants" in note 2.2 to the financial statements.

## **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 e.g. 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  
Regional Empowerment  
Programme

CWM helps Churches to develop their priorities for mission, based on a three to five year strategic plan and allocates resources to the member church to assist with implementation of that mission plan. This is the main Fund grant.

Helping regions to tackle issues that churches within that region share in common. In November 2011 a consultation established the framework for this and we expect to see the unspent balance of the Regional Empowerment Fund disbursed to the Regions during 2012 and 2013.

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.

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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, and information about designated funds is given in note 13.1 of the accounts. The major grant programme fund distributions of CWM at this time are from the Mission Support Programme and its predecessor grant, Mission Programme Support Fund. These grant allocations to member churches are budgeted and committed on a three to five year planning basis but the level of cash flow draw down on those grants in any one year is circumstantial, based on a member church's readiness to receive and their evaluation of previous grants rather than on availability of funds. 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's main source of income is investment income, which represents over 85% of total unrestricted income. Other important sources of income are financial contributions from Churches and individuals, and legacy income.

The stability of the income and capital value base of the invested portfolio are paramount in supporting ongoing sustainable levels of expenditure. The Charity has 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 to large variations in 'total return' from investments than other Charities.

The invested funds largely originated from the sale of the Hong Kong hospital site, 'gift of grace', in 1996. The Investment Committee monitors the performance of these funds on a quarterly basis. In 2011 the return on the portfolio was -3.3% in £ Sterling and UK inflation was high with the Retail Price Index increasing 4.8%. So the real return for the year was -8.1%. Over almost 8 years since the inception of a new diversified investment structure, the portfolio has earned an annualised real return (i.e. net of UK inflation measured by RPI) of 2.5%. This is below the long-term annualised return of 5% (net of RPI) required to sustain CWM's spending policy. Nevertheless this annualised return can still be expected to fluctuate significantly. During the last 8 years the annualised real return has been both above (7.3% at the end of 2007) and now below the 5% target. CWM's investment advisers comment that the volatility experienced over recent years falls within the range predicted by their initial modelling on which the spending policy is based.

As an organisation with global grant commitments, CWM is affected when exchange rates fluctuate widely. Therefore, the diversified investment portfolio is composed of investments denominated in a range of main currencies. 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.

CWM being aware of the total level of fees for this large investment portfolio monitors the ratio of investment fees as a percentage of the funds invested as a more helpful measure than absolute values. The expense ratio for 2011 was 0.66% (2010 0.53%). 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. Total expense ratios for CWM's managers range between 0.19% and 1.21% depending upon the type of investment instrument and fee basis.

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**6.2 Restricted Funds**

CWM and its predecessor entities (listed in section 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 in Note 12 to 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. Investment, Spending Policy and Reserves**

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 £128.6m made up of £122.7m of Unrestricted Funds, £0.6m of Restricted Funds and £5.3m of Endowment Funds.

**7.1 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 at least annually to ensure that the capital value of each portion of the portfolio remains within pre-determined percentage ranges.

**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 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 (£87m in 1994) 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.

The fact that the total unrestricted funds shown in this year's financial statements are still well above £100m may give an impression that CWM is 'sitting on' excessive reserves for the charity. This is not the case. Whilst CWM plans to spend or distribute the full spending policy allocation (see section 7.2) on an annual basis, there is a time lag in the distribution of substantial grants, as described in section 5.7, depending upon member churches' stage in planning, monitoring and evaluating the grants they already have. Note 13.1 to the financial statements shows £6.9m of grants designated for distribution to member churches when they are ready. These funds remain in the investments total in the meantime.

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## **7.4 Ethical Investments Policy**

The Investment Policy is to invest, balancing risk and return using socially responsible criteria where possible. The balance of investments chosen is intended to 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.

The CWM 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.

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 CWM 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 such as microcredit institutions and hold a substantial investment in a socially responsible institution, Oikocredit (see note 6.2 to the accounts).

## **8. Risk Review**

The Trustees have 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 Trustees' Report. The 31 Trustees take a proactive interest in the range of programmes of CWM and have divided themselves into 'advisory groups' so that each group can focus upon evaluation and development of specific areas of mission activity.

A wide ranging strategic review began in 2006 and after extensive global consultation the review was completed with a report presented to the Trustees in July 2009. Following this, the Trustees approved a new Vision and Mission statement for the organisation and created a Strategic Planning Group to propose to the Trustees in July 2010 the strategy for the next nine years and objectives for the next three years.

In June 2011 the Trustees resolved to relocate the Secretariat and global office of CWM to Singapore and to establish offices in each of CWM's six Regions, whilst retaining CWM as a registered company and charity in the UK. Assets held by CWM in the UK will only be transferred overseas in order to fulfil the objects of CWM's work as a charitable organization. CWM will still be capable of receiving gifts and legacies for its charitable purposes and will report on their stewardship to UK authorities. The Trustees will ensure that all UK liabilities, including those for staff pensions and maintenance of UK properties, will be met from CWM's resources. CWM has now been established as a company in Singapore with objects and powers that mirror the CWM constitution in the UK. Steps are being taken to secure charity status for the company with the Singapore Charity Council. Thus both entities in the UK and Singapore are intended to retain CWM's legal status as a charitable company in both jurisdictions. The UK and Singapore entities are intended to work in accord with each other, with the UK trustees able to exercise independent judgment when deciding to transfer funds or retain them in UK in order to meet the charity's financial obligations and fulfil its objects. As such CWM will be retained as a going concern in the UK.

## **10. Public benefit statement**

The Trustees confirmed that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

CWM's charitable purpose is enshrined in its objects "to spread the knowledge of Christ throughout the world". The Trustees ensure this is carried out for the benefit of those living in the parts of the world where the member bodies of CWM are located guided by the CWM vision "fullness of life through Christ for all creation".

## **11. Statement as to disclosure of information to auditors**

Insofar as each of the trustees of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **12. Auditors**

The auditors Crowe Clark Whitehill LLP, Chartered Accountants have indicated their willingness to continue in office.

## **13. Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.



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Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

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

This report has been prepared under the special provisions of the Companies Act 2006 available to small companies.

Approved by the Trustees on 13.06.2012

and signed as authorised on their behalf by

  
**Rev Dr Moiserale Dibeela**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COUNCIL FOR WORLD MISSION**

We have audited the financial statements of Council for World Mission for the year ended 31 December 2011 set out pages 18 to 40

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

We read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the trustees' report.



Tim Baines  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
London

23 July 2012

**COUNCIL FOR WORLD MISSION**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2011 Funds £	Total 2010 Funds £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income						
Church contributions, legacies & donations	2 5	390,152	-	-	390,152	295,440
Investment income	2 4	4,087,343	134,424	34,464	4,256,231	3,474,695
<b>Total Incoming Resources</b>		<b>4,477,495</b>	<b>134,424</b>	<b>34,464</b>	<b>4,646,383</b>	<b>3,770,135</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Voluntary income costs	2 1	79,123	-	-	79,123	59,747
Investment management costs	2 1	863,288	23,751	6,089	893,128	798,070
<b>Charitable activities</b>						
Grants payable	2 1	1,296,309	3,574	-	1,299,883	1,830,343
Functional programme costs	2 1	3,363,368	418,311	178,390	3,960,069	4,032,004
Governance costs	2 1	484,662	-	-	484,662	345,516
<b>Total Resources Expended</b>		<b>6,086,750</b>	<b>445,636</b>	<b>184,479</b>	<b>6,716,865</b>	<b>7,065,680</b>
<b>NET OUTGOING RESOURCES</b>		<b>(1,609,255)</b>	<b>(311,212)</b>	<b>(150,015)</b>	<b>(2,070,482)</b>	<b>(3,295,545)</b>
(Losses)/Gains in foreign exchange		(6,206)	-	-	(6,206)	149,941
Gains on unquoted investments		-	-	-	-	2,296
(Losses)/Gains on managed investments		(7,501,725)	(47,883)	(543,701)	(8,093,309)	12,412,912
Actuarial (loss) / gain on defined benefit pension scheme		(437,000)	-	-	(437,000)	195,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(9,554,186)</b>	<b>(359,095)</b>	<b>(693,716)</b>	<b>(10,606,997)</b>	<b>9,464,604</b>
<b>TOTAL FUNDS AT 1 JANUARY</b>		<b>132,258,262</b>	<b>999,034</b>	<b>6,016,208</b>	<b>139,273,504</b>	<b>129,808,900</b>
<b>TOTAL FUNDS AT 31 DECEMBER</b>		<b>122,704,076</b>	<b>639,939</b>	<b>5,322,492</b>	<b>128,666,507</b>	<b>139,273,504</b>

All incoming resources and resources expended derive from continuing activities (see note 18)  
The statement of financial activities includes all gains or losses recognised in the year

**COUNCIL FOR WORLD MISSION**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	5	5,396,261	5,517,625
Investments	6	121,536,892	131,657,607
		<u>126,933,153</u>	<u>137,175,232</u>
<b>Current assets</b>			
Current asset investments	7	5,220,094	6,636,339
Debtors	8	698,900	501,171
Cash at bank and in hand		420,164	215,243
		<u>6,339,158</u>	<u>7,352,753</u>
<b>Creditors:</b>			
Amounts falling due within one year	9	(3,082,909)	(3,476,207)
<b>Net current assets</b>		<u>3,256,249</u>	<u>3,876,546</u>
<b>Total assets less current liabilities</b>		<u>130,189,402</u>	<u>141,051,778</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(501,895)	(1,123,274)
<b>Net assets excluding pension liability</b>		<u>129,687,507</u>	<u>139,928,504</u>
<b>Defined benefit pension liability</b>	15	(1,021,000)	(655,000)
<b>Total net assets including pension liability</b>		<u>128,666,507</u>	<u>139,273,504</u>
<b>Funds</b>			
Endowed funds	12	5,322,492	6,016,208
Restricted funds	12	639,939	999,034
<b>Unrestricted funds:-</b>			
- Designated funds	13	6,884,124	7,418,204
- Other charitable funds	13	115,819,952	124,840,058
<b>Total unrestricted funds</b>	13	<u>122,704,076</u>	<u>132,258,262</u>
<b>Total funds</b>	14	<u>128,666,507</u>	<u>139,273,504</u>

The financial statements were approved and authorised for issue by the Trustees on 13.06.12 and signed on their behalf by

  
**Moderator**  
**Rev Dr Moiserale Dibeela**

**COUNCIL FOR WORLD MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) and applicable accounting standards

Having reviewed the financial position and future plans for the charity, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements

**b) Member Churches**

The 31 member churches affiliated to the CWM 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. CWM makes direct allocations to its member churches

**c) 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. Donations 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 as earned. Donations and grants received for specific purposes are treated as restricted funds

**d) Property income**

Property income represents rent receivable in respect of properties owned during the year and is accounted for during the period to which it relates. It is then allocated to the appropriate fund

**e) Recognition of resources expended**

Costs of generating funds comprise investment management costs and expenditure in relation to the generation of donations and legacy income

Charitable activities includes grants payable in furtherance of the charitable objects

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 recipient 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 included within Designated Reserves. The Council is not registered for Value Added Tax and any irrecoverable VAT is charged to the appropriate heading

Governance costs are the expenses incurred by the charity in meeting their statutory and constitutional requirements and include Trustees' expenses, external audit fees and a proportion of management time

**COUNCIL FOR WORLD MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

**f) Allocation of costs**

Costs are allocated within charitable activities according to the nature of the cost. Wherever possible costs are attributed directly to specific activities. Certain shared costs including support costs are apportioned to activities using a variety of bases including estimated time spent and number of employees.

**g) Tangible fixed assets and depreciation**

Fixed assets for charity 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.

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their estimated useful lives.

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

Freehold buildings	- 50 years
Freehold land	- Nil
Leasehold property	- over the life of the lease
Fixtures and fittings	- between 20% and 33 1/3% per annum on cost

CWM's administrative freehold property is held primarily for use in CWM's charitable activities and so is included within functional freehold property in the financial statements.

**i) Fixed asset investments**

CWM holds shares in unquoted companies directly. Unlisted investments are stated at market value or at cost if the difference between this and market value is not considered material. Programme related investments / social investments are included in the financial statements at cost. All other funds for investment held by nominees are managed by investment managers and are stated at market value as determined by investment managers as at 31 December 2011. Any gain or loss on revaluation is calculated by reference to the previously stated market value and is taken to the SOFA.

**j) 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. These constitute the liquid resources.

**k) 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 within the objects of the charity.

**COUNCIL FOR WORLD MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

**k) Funds accounting**

*Permanent Endowment 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.

**l) 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.

**m) 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.

**n) Pensions**

- i) CWM 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 incoming resources 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.

- ii) In addition CWM 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 funded from an endowment fund entitled CWM Fund for Retired Missionaries.

**o) 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. Transactions in foreign currencies are translated at the rate ruling on date of the transaction.

**COUNCIL FOR WORLD MISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**2. ANALYSIS OF INCOMING AND OUTGOING RESOURCES**

**2.1 2011 analysis of resources expended and allocation of support costs**

	Generate voluntary income	Investment management fees	Grants	Functional programme Costs					Total functional programme costs	Governance costs	2011 Total
	£	£	£	Mission Programme	Commun- ications	Mission Education	Mission Theology, Reflection and Research	Mission Personnel	£	£	£
Programme costs											
Administration	-	753,968	762,215	377,836	419,846	257,820	339,915	1,478,550	2,873,967	-	4,390,150
and finance	17,719	106,317	106,317	84,136	84,136	84,136	139,618	84,136	476,162	339,774	1,046,289
Office overheads	-	-	-	11,853	20,195	11,853	23,707	20,195	87,803	-	87,803
Thematic	-	-	-	-	-	-	-	-	-	-	-
engagement with											
constituencies											
Meeting of	-	-	-	29,698	17,536	17,536	39,596	17,536	121,902	89,245	211,147
Trustees											
Investment and	-	3,003	-	-	-	-	-	-	-	4,545	7,548
Audit Committees											
Audit fees	-	-	-	-	-	-	-	-	-	51,098	51,098
(internal and											
external)											
Servicing of all	61,404	-	-	31,198	51,169	31,809	62,291	54,844	231,311	-	292,715
CWM's properties											
Final allocation	-	-	427,777	(427,777)	-	-	-	-	(427,777)	-	-
Restricted funds	-	23,751	3,574						418,311	-	445,636
Endowment funds	-	6,089	-	-	-	-	-	-	178,390	-	184,479
	<u>79,123</u>	<u>893,128</u>	<u>1,299,883</u>						<u>3,960,069</u>	<u>484,662</u>	<u>6,716,865</u>



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**2.2 2010 analysis of resources expended and allocation of support costs**

	Generate voluntary income	Investment management fees	Grants	Functional programme Costs					Total functional programme costs	Governance costs	2010 Total
	£	£	£	Mission Programme £	Commun- ications £	Mission Education £	Mission Theology £	Mission Personnel £	£	£	£
Programme costs											
Administration	13,528	683,520	1,171,473	519,216	358,669	542,238	177,516	1,612,396	3,210,035		5,065,028
and finance		81,166	81,166	58,400	58,400	58,400	113,767	58,400	347,367	223,894	747,121
Office overheads	-	-	-	21,870	37,260	21,870	43,740	37,260	162,000	-	162,000
Thematic	-	-	41,683	-	-	-	41,683	-	41,683	-	83,366
engagement with constituencies											
Meeting of Trustees	-	-	-	38,158	21,986	21,986	41,324	21,986	145,440	89,339	234,779
Investment and Audit Committees	-	3,531	-	-	-	-	-	-	-	3,620	7,151
Audit fees (internal and external)	-	-	-	-	-	-	-	-	-	28,663	28,663
Servicing of all CWM's properties	46,219	-	-	27,091	43,250	25,627	51,388	45,633	192,989	-	239,208
Final allocation	-	-	531,788	(531,788)	-	-	-	-	(531,788)	-	-
Restricted funds	-	23,553	4,233	-	-	-	-	-	254,836	-	282,622
Endowment funds	-	6,300	-	-	-	-	-	-	209,442	-	215,742
	<u>59,747</u>	<u>798,070</u>	<u>1,830,343</u>						<u>4,032,004</u>	<u>345,516</u>	<u>7,065,680</u>

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**2.3 Analysis of staff costs**

	2011 £	2010 £
Total staff costs are as follows		
Salaries and wages	1,217,037	1,014,262
Social security costs	92,226	114,016
Pension costs	311,754	146,636
	<u>1,621,017</u>	<u>1,274,914</u>

**Staff numbers**

	2011 Number	2010 Number
The number of higher paid employees was		
£70,000 - £80,000	1	1
£80,000 - £90,000	2	1
£90,000 - £100,000	<u>2</u>	<u>2</u>

CWM provides four 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 to the above four higher paid employees under a defined benefit scheme.

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

	2011 Number	2010 Number
Furthering of the objects of the charity	19	20
Support and governance the charity	<u>6</u>	<u>6</u>
	<u>25</u>	<u>26</u>

**2.4 INVESTMENT INCOME**

	2011 £	2010 £
Rental income	256,988	184,881
Investment listed on a recognised stock exchange	3,909,127	3,197,595
Other unlisted securities	55,339	65,198
Cash and settlements pending, held as part of the investment portfolio	-	1,165
Any other investments (cash investments)	18,747	11,470
Miscellaneous income	<u>16,030</u>	<u>14,386</u>
	4,256,231	3,474,695
Less Investment managers' fees	<u>(893,128)</u>	<u>(798,070)</u>
<b>TOTAL</b>	<u><b>3,363,103</b></u>	<u><b>2,676,625</b></u>

Included in investment managers fees is £38,788 paid to CWM Investment advisors (2010 £45,267)

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<b>2.5 Voluntary income</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Donations	<b>228,579</b>	<b>242,679</b>
Legacies	<b>161,573</b>	<b>52,761</b>
	<b>390,152</b>	<b>295,440</b>
Less Costs of generating voluntary income	<b>(79,123)</b>	<b>(59,747)</b>
<b>TOTAL</b>	<b>311,029</b>	<b>235,693</b>

  

<b>2.6 NET OUTGOING RESOURCES FOR THE YEAR</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation	<b>81,651</b>	<b>51,120</b>
Auditors' remuneration – external audit services	<b>24,600</b>	<b>23,400</b>
Operating leases payable	<b>117,782</b>	<b>127,144</b>

**Trustee remuneration**

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

**Trustee expenses**

Expenses for flights, subsistence, and office expenses of £176,092 (2010 £244,625) have been reimbursed to 31 (2010 31) Trustees. There was one trustee meeting in 2011 and two in 2010. The 2011 meeting was held in Durban, South Africa. 2010 meetings were held in Hong Kong and Cayman islands.

**3. GRANTS PAYABLE**

During the year the company made grants to the following programmes. A description of these programmes is given in note 13 to the financial statements -

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Mission Support Programme	<b>149,859</b>	<b>-</b>
Mission Programme Support Funds	<b>384,221</b>	<b>383,473</b>
Partnership in Transforming Mission	<b>-</b>	<b>220,000</b>
Regional Empowerment Funds	<b>-</b>	<b>375,000</b>
Solidarity and Action	<b>22,000</b>	<b>53,000</b>
Allocations to Ecumenical Organisations	<b>206,135</b>	<b>140,000</b>
	<b>762,215</b>	<b>1,171,473</b>

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**3. GRANTS PAYABLE (continued)**

**2011**  
**£**

The primary grant programme of CWM is the Mission Programme Support Fund. Grant 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 based on a member church's readiness to receive grants and their evaluation of previous grants, rather than on availability of grants.

**Mission Programme Support Fund 2 (MPSF2)**

<u>Nauru Congregational Church</u>	
Nauru Mission Programme	81,343
<u>Presbyterian Church of Myanmar</u>	
PCM Mission Programme	48,516
<u>Ekalesia Kelisiano Tuvalu</u>	
Advance payment	20,000
	<hr/> 149,859

**Mission Support Programme (MSP)**

<u>Presbyterian Church of Korea</u>	
Walk together, live together as God's people	22,000
<u>Presbyterian Church in Singapore</u>	
Corporate witness of the Good News of the Gospel to Society	125,430
<u>Presbyterian Church of Wales</u>	
Examining our past to discover our present	236,791
	<hr/> 384,221

**Ecumenical Projects**

World Communion of Reformed Churches – Strategic partnership 2011	100,000
World Council of Churches-CWM grant for specific programmes	80,000
Individual Programmes endorsed by CWM Member Churches	
<u>Protestant Church in the Netherlands</u>	
Protestant church polity in changing contexts	10,000
<u>Presbyterian Church of Wales</u>	
Welsh-medium Youth Project in Flintshire	10,000
<u>Presbyterian Church of Korea</u>	
Life-giving community based on Just Peace, women's conference	6,135
	<hr/> 206,135

**4. TAXATION**

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

**COUNCIL FOR WORLD MISSION**  
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**5. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Fixtures & Fittings £	Total £
<b>Cost</b>			
At 1 January 2011	5,899,735	410,888	6,310,623
Additions	-	442	442
Disposals	(40,155)	-	(40,155)
At 31 December 2011	5,859,580	411,330	6,270,910
<b>Depreciation</b>			
At 1 January 2011	392,501	400,497	792,998
Charge for year	76,636	5,015	81,651
Disposals	-	-	-
At 31 December 2011	469,137	405,512	874,649
<b>Net book value 31 December 2011</b>	<b>5,390,443</b>	<b>5,818</b>	<b>5,396,261</b>
<i>Net book value 31 December 2010</i>	<i>5,507,234</i>	<i>10,391</i>	<i>5,517,625</i>

Land and buildings are categorised as follows

	2011 £	2010 £
Freehold	5,270,453	5,385,911
Long leasehold	119,990	121,323
	<b>5,390,443</b>	<b>5,507,234</b>

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

In addition, CWM provides 11 retired missionaries with housing at below market rent. Each missionary is required to pay make a contribution equivalent to 10% of their income in any year. The difference between contributions received and CWM's estimate of market rent for these properties was £58,403 during the year to 31 December 2011. The net book value of land and buildings that were rented out at 31 December 2011 was £2.47 mil. This included 36.8% of Ipalo House.

CWM owns £1 share capital in Holtwhites Management Company Limited which is a property management company that manages properties held by the charity. CWM exerts no control or influence over either company and as such does not recognise the share holding as an investment. There were no transactions with either company in the year (2010: £Nil) and no balances are owed to or from either company (2010: £Nil).

**6. FIXED ASSET INVESTMENTS**

	2011 £	2010 £
<b>Summary</b>		
Managed investments (note 6.1)	118,727,913	128,709,845
Unquoted investments (note 6.2)	2,808,979	2,772,054
	<b>121,536,892</b>	<b>131,481,899</b>

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<b>6.1 Managed Investments</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Market value as at 1 January	<b>128,885,553</b>	116,951,064
Additions at cost	<b>15,459,039</b>	18,544,762
Disposals at opening market value	<b>(17,523,370)</b>	(18,883,662)
	<b>126,821,222</b>	116,612,164
(Losses)/Gains on managed investments	<b>(8,093,309)</b>	12,273,389
<b>Market Value at 31 December</b>	<b>118,727,913</b>	128,885,553

The historical cost of quoted investments was £ 103,539,614 (2010 £101,081,286). Quoted investments include non UK based quoted investments with a market value of £65,849,302 (2010 £65,677,113). The following investments are material in the context of CWM's portfolio: US Core Equity Fund - £14,213,942, Schroders Institutional Europe Fund - £8,029,237, and Cazenove Absolute Return Trust for Charities Accumulation Units - £9,212,544.

<b>6.2 Unquoted Investments</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Charities Ordinary Investment Fund Income Shares</b>		
As at 1 January	-	103,173
Disposal	-	(105,467)
Realised Gain on disposal of unquoted investments	-	2,296
As at 31 December	-	-
<b>Other unquoted shares</b>		
As at 1 January	<b>2,772,054</b>	2,652,307
Dividends re-invested	<b>48,843</b>	53,603
Repayment of capital	<b>(17,175)</b>	-
	<b>2,803,722</b>	2,705,910
Less: Unrealised gain on exchange	<b>5,257</b>	66,144
As at 31 December	<b>2,808,979</b>	2,772,054
<b>Total unquoted investments</b>	<b>2,808,979</b>	2,772,054

Included in 'other unquoted shares' is an investment in the share capital of Oikocredit, a worldwide co-operative society. Oikocredit acts as a bridge between the rich and the poor, by facilitating the provision of microcredit to disadvantaged groups of people, as an effective tool for sustainable development and the alleviation of poverty. This investment was entered into in the year 2000 as a socially responsible investment (a programme-related investment). The value of this investment at 31 December 2011 of £4,806,048 represents the historical cost of share capital purchased (including reinvested dividends). Share capital is held in US dollars and Euro and translated into sterling at the year end.

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<b>7.</b>	<b>CURRENT ASSET INVESTMENTS</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Royal London Cash Management 'Portfolio 1'	<b>2,664,415</b>	4,085,840
	Royal London Cash Management USD	<b>2,305,679</b>	2,300,499
	CAF Cash Tier 2 Investment	<b>250,000</b>	250,000
		<b>5,220,094</b>	<b>6,636,339</b>
<b>8</b>	<b>DEBTORS</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Other debtors	<b>128,658</b>	120,913
	Other debtors-CDT Development Centre	<b>5,185</b>	46,556
	Rent debtors	<b>46,721</b>	15,568
	Accrued income and prepayments	<b>518,336</b>	318,134
		<b>698,900</b>	<b>501,171</b>
<b>9.</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Taxation and social security	<b>39,724</b>	29,385
	Other creditors	<b>2,915,067</b>	2,911,305
	Accruals	<b>128,118</b>	535,517
		<b>3,082,909</b>	<b>3,476,207</b>
<b>10.</b>	<b>CREDITORS Amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<i>Other creditors</i>		
	Due within 2 to 5 years	<b>501,895</b>	1,123,274
	The balance represents the long-term proportion of grants committed		

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**11. CREDITORS**

Included in Other creditors in notes 9 and 10 are the following amounts due to member churches (constituent bodies) and CWM Regions. Each body is represented on the CWM board of trustees.

	£
<i>Member churches</i>	
Congregational Federation	
Protestant Church in the Netherlands	150,594
Union of Welsh Independents	120,778
United Reformed Church	100,000
	60,725
Congregational Federation	
Church of Jesus Christ in Madagascar (FJKM)	261,459
United Church in Jamaica and the Cayman Islands	4,079
Church of Bangladesh	8,684
Church of North India	117,294
Presbyterian Church of India	98,928
Gereja Presbyterian Malaysia	87,767
Presbyterian Church of Korea	237,760
Presbyterian Church in Singapore	125,943
Presbyterian Church in Taiwan	184,940
Nauru Congregational Church	176,243
Congregational Christian Church in American Samoa	99,439
United Church in Papua New Guinea	142,742
United Church in Solomon Islands	94,243
<i>CWM Regions</i>	
CWM Africa Region	232,097
	<u>2,303,715</u>



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**12. ENDOWMENT AND RESTRICTED FUNDS**

	Balance 1 January 2011	Gross Incoming Resource s	Cost of Generating Income	Outgoing Resources	Investment losses	Balance 31 December 2011
	£	£	£	£	£	£
<b>Permanent Endowment Funds Capital Only (Notes 12 1 and 12 4)</b>	<u>6,016,208</u>	<u>34,464</u>	<u>(6,089)</u>	<u>(178,390)</u>	<u>(543,701)</u>	<u>5,322,492</u>
	£	£	£	£	£	£
<b>Restricted Funds</b>						
Permanent Endowment Funds Income Only (Note 12 2)	443,086	120,755	(21,336)	(385,163)	-	157,342
Restricted Funds Income Only (Note 12 3)	<u>555,948</u>	<u>13,669</u>	<u>(2,415)</u>	<u>(36,722)</u>	<u>(47,883)</u>	<u>482,597</u>
	<u>999,034</u>	<u>134,424</u>	<u>(23,751)</u>	<u>(421,885)</u>	<u>(47,883)</u>	<u>639,939</u>
<b>TOTAL</b>	<u>7,015,242</u>	<u>168,888</u>	<u>(29,840)</u>	<u>(600,275)</u>	<u>(591,584)</u>	<u>5,962,431</u>

Outgoing resources comprise £

Funds issued directly to third parties for purposes of the fund	3,574
Expenditure allocated from fund to CWM operational expenditure for purpose: including the unfunded pension scheme	597,151
	<u>600,725</u>

Incoming resources / investment gains 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

The Permanent Endowment comprised three main items at the beginning of the year (see Note 12 1 and 12 2 and 12 4)

- 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), and
- The CWM Missionaries Support Fund, for maintenance and support of missionaries, and
- The CWM Retired Missionaries Fund, for paying pensions and other support costs of retired missionaries

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**12. ENDOWMENT AND RESTRICTED FUNDS (continued)**

**12.1 Permanent Endowment Funds – Capital Only**

	Balance 1 January 2011 £	Gross Income £	Cost of Generating Funds £	Outgoing Resources £	Investment losses £	Balance 31 December 2011 £
Miss M L Barrett – pref Kavutalam, etc, Sth India	97,490	-	-	-	(10,801)	86,689
Harold Granger- Education of Missionaries children etc	2,499,164	-	-	-	(230,471)	2,268,693
CWM Missionaries Support Fund	1,859,742	-	-	-	(171,504)	1,688,238
Sir James Tyler – conditional	49,735	-	-	-	(7,844)	41,891
Mrs H M Reid, GP training for the child of missionary	10,806	-	-	-	(1,270)	9,536
Funds with balances less than £10,000	18,786	-	-	-	(1,089)	17,697
	<u>4,535,723</u>				<u>(422,979)</u>	<u>4,112,744</u>
Retired missionaries (note 12.4)	1,480,485	34,464	(6,089)	(178,390)	(120,722)	1,209,748
	<u>6,016,208</u>	<u>34,464</u>	<u>(6,089)</u>	<u>(178,390)</u>	<u>(543,701)</u>	<u>5,322,492</u>

**12.2 Permanent Endowment Funds – Income Only (Restricted fund)**

	Balance 1 January 2011 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Balance 31 December 2011 £
Miss M L Barrett – pref Kavutalam, etc, Sth India	19,635	3,084	(545)	-	22,174
Harold Granger- Education of Missionaries children etc	348,452	65,797	(11,625)	(348,453)	54,171
CWM Missionaries Support Fund	33,121	48,962	(8,651)	(33,122)	40,310
Sir James Tyler – conditional	37,284	2,239	(396)	(1,956)	37,171
Mrs H M Reid, GP training for the child of missionary	2,959	362	(64)	-	3,257
Funds with balances less than £2,000	1,635	311	(55)	(1,632)	259
	<u>443,086</u>	<u>120,755</u>	<u>(21,336)</u>	<u>(385,163)</u>	<u>157,342</u>

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**12. ENDOWMENT AND RESTRICTED FUNDS (continued)**

**12.3 Restricted Funds**

	Balance 1 January 2011 £	Gross Income £	Cost of Generating Income £	Outgoing Resources £	Investment Gains £	Balance 31 December 2011 £
Ivy Phyllis Read-Scholarship fund	16,466	434	(77)	-	(1,518)	15,305
Robert Cochrane-work in India	65,797	1,732	(306)	-	(6,068)	61,155
Widows and orphans	176,940	4,658	(823)	-	(16,317)	164,458
Candidate training	12,000	302	(53)	-	(1,307)	10,942
D E Quick Legacy	267,601	6,096	(1,077)	(36,040)	(21,354)	215,226
Funds with balances less than £10,000	17,144	447	(79)	(682)	(1,319)	15,511
	<u>555,948</u>	<u>13,669</u>	<u>(2,415)</u>	<u>(36,722)</u>	<u>(47,883)</u>	<u>482,597</u>

**12.4 CWM Fund for Retired Missionaries – Total Return**

CWM has continued to use the power, granted by the Charity Commission in an order of 2007, to deplete the unapplied total return of this fund in paying pensions to retired missionaries who had served prior to the inception of a pension scheme or where service prior to July 1977 was not otherwise pensionable. The book value in December 1992 of the assets which subsequently composed the Fund is deemed to be the permanent capital held on trust for investment (£684,010). All increases in value of the permanent capital, whether arising from interest or dividends or capital gain on disposal, redemption or revaluation of the assets are held on trust for application. Having received actuarial advice in 2007 from HSBC Actuaries and Consultants Limited as to the likely call upon this fund over the coming years for the known beneficiaries, CWM decided to apply £178,390 in 2011. At 31 December 2011 the unapplied total return was £525,738. The Trustees confirm that they believe there has been no material variance in the liabilities in the scheme.

**CWM Fund for Retired Missionaries  
(Total Return)**

	£
Value of unapplied total return at 1 January 2011	796,475
Movement on investments	(92,347)
Value applied between 1 January and 31 December 2011	(178,390)
Value unapplied total return at 31 December 2011	525,738
Permanent capital	684,010
	<u>1,209,748</u>

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13. UNRESTRICTED FUNDS	General Funds £	Designated Funds £	Total £
Balance 1 January 2011	124,840,058	7,418,204	132,258,262
Deficit for the year	(9,020,106)	(534,080)	(9,554,186)
Balance 31 December 2011	<u>115,819,952</u>	<u>6,884,124</u>	<u>122,704,076</u>

An analysis of designated funds is given in Note 13.1 below

**13.1 Designated Funds**

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

	<i>Balance at 1 January 2011 £</i>	Funds Released £	<b>Balance at 31 December 2011 £</b>
Mission Programme Support Fund	1,299,786	(149,859)	<b>1,149,927</b>
Mission Support Programme	4,337,760	(384,221)	<b>3,953,539</b>
Partnership in Transforming Mission	189,658	-	<b>189,658</b>
Regional Empowerment Programme (phase 1)	16,000	-	<b>16,000</b>
Regional empowerment programme (phase 2)	1,575,000	-	<b>1,575,000</b>
	<u>7,418,204</u>	<u>(534,080)</u>	<u><b>6,884,124</b></u>

Designated funds are set aside for the following purposes

- *Mission Programme Support Fund (MPSF2)* CWM helps Churches to develop their priorities for mission, based on a three to five year strategic plan and allocates resources to the member church to assist with implementation of that mission plan. This is the main grant for member churches, and is usually issued in three annual instalments. The designated fund balance contains both remaining instalments for some member churches and full allocated balances for those member churches which are still completing and evaluating the use of the previous grant - MPSF1
- *Mission Support Programme (MSP)* MSP is the successor programme to the MPSF. The commitment of funds was made with the period 2006-2011 in mind but the programme is on-going
- *Partnership in Transforming Mission (PTM)* PTM is a programme encouraging cross regional cooperation between member churches responding to new mission challenges, for which the trustees designated £750,000 in 2006. In 2011 there was no new Partnership in Transforming Mission applications, although there were some in development
- *Regional Empowerment Programme/Fund* helps regions to tackle issues that churches within that region share. In our current restructuring Regions are to be integrated into the global structure and so in 2011 no new Regional Empowerment Fund applications were received pending decisions on the details of how this will happen. In November 2011 a consultation established the framework for this and we expect to see the unspent balance of the Regional Empowerment Fund disbursed to the Regions during 2012 and 2013

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**14. ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	Unrestricted Funds £	Designated Funds £	Endowment and Restricted Funds £	Total Funds £
<b>Fund balances at 31 December 2011 are represented by:-</b>				
Tangible fixed assets	5,396,261	-	-	5,396,261
Investments	112,690,337	2,884,124	5,962,431	121,536,892
Current assets	2,339,158	4,000,000	-	6,339,158
Current liabilities	(3,082,909)	-	-	(3,082,909)
Long-term liabilities	(501,895)	-	-	(501,895)
Defined benefit pensions liability	(1,021,000)	-	-	(1,021,000)
<b>TOTAL NET ASSETS</b>	<b>115,819,952</b>	<b>6,884,124</b>	<b>5,962,431</b>	<b>128,666,507</b>

**15. PENSION SCHEME**

CWM 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 CWM, being invested by The Pensions Trust.

The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent triennial valuation was prepared as at 30 September 2009, which showed a funding deficit of £711,000. Since 1 January 2011 CWM has been contributing 11.6% of salaries pa to provide future service benefits. The "past service shortfall" funding deficit of the scheme of £711,000 is being addressed by CWM paying an additional £8,000 per month with effect from 1 January 2011 (due to end on 30 September 2019). CWM also pay all the costs of running the scheme and these are met through the payment of an additional £4,250 per month.

The best estimate of contributions to be paid to this scheme for the year to 31 December 2012 were -

Employer's normal contribution £61,000  
Employer's additional contribution £147,000

FRS17 updated valuations are produced on an annual basis and the deficit on this pension scheme as at 31 December 2010 under FRS17 of £655,000 has increased to £1,021,000 as at 31 December 2011, as shown on the Balance Sheet. The deficit has increased mainly due to the decrease in the net discount rate assumption which has acted to increase the liabilities.

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**15. PENSION SCHEME (Continued)**

**Financial assumptions**

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

<b>Financial assumptions</b>	<b>At 31 Dec 2011 per annum</b>	<b>At 31 Dec 2010 per annum</b>
Discount rate	<b>4.70%</b>	5.40%
Rate of increase in salaries	<b>4.40%</b>	4.90%
Rate of increase of pensions		
- LPI 5%	<b>2.40%</b>	2.85%
- LPI 2.5%	<b>1.90%</b>	2.15%
Rate of revaluation of deferred pensions in excess of the GMP	<b>2.90%</b>	3.40%
Inflation assumption	<b>2.90%</b>	3.40%
Expected return on the scheme assets	<b>6.07%</b>	7.46%
<b>Demographic assumptions</b>		
Mortality	SAPS Tables, Year of Birth, Long cohort with a 1% pa minimum improvement	SAPS Tables, Year of Birth, Long cohort with a 1% pa minimum improvement
Cash commutation allowance	Allowance	Allowance
Withdrawal allowance	Allowance	Allowance

**Fair value of assets**

	<b>Value at 31 December 2011 £'000s</b>	<b>Proportion</b>	<b>Value at 31 December 2010 £'000s</b>	<b>Proportion</b>
Equities	<b>1,686</b>	<b>64%</b>	1,714	66%
Bonds	<b>745</b>	<b>28%</b>	692	26%
Property	<b>192</b>	<b>7%</b>	179	7%
Other	<b>28</b>	<b>1%</b>	29	1%
<b>Total value of assets</b>	<b>2,651</b>	<b>100%</b>	2,614	100%

**Expected long-term rate of return (per annum)**

	<b>Year beginning 1 January 2011</b>	<b>Year beginning 1 January 2010</b>
Equities	<b>8.0%</b>	8.4%
Bonds	<b>4.9%</b>	5.2%
Property	<b>7.0%</b>	8.4%
Other	<b>0.5%</b>	0.5%
<b>Overall Return</b>	<b>7.03%</b>	7.46%

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**15 PENSION SCHEME (continued)**

**Amounts recognised in the balance sheet**

	Value at 31 December 2011 £'000s	Value at 31 December 2010 £'000s
Fair value of scheme assets	2,651	2,614
Present value of funded obligations	(3,672)	(3,269)
<b>Net pension liability</b>	<b>(1,021)</b>	<b>(655)</b>

**Amounts recognised in the SOFA**

	Year ending on 31 December 2011 £'000s	Year ending on 31 December 2010 £'000s
Expected return on scheme assets	185	175
Current service cost	(143)	(141)
Interest cost	(176)	(182)
<b>Recognised in total resources expended</b>	<b>(134)</b>	<b>(148)</b>
Net actuarial (losses) / gains recognised in year	(437)	195
Net cumulative actuarial (losses)**	(1,568)	(1,131)

\*\* includes net cumulative actuarial gain / (loss) since year ending 30 June 2003

**Changes in present value of defined benefit obligation**

	Year ending on 31 December 2011 £'000s	Year ending on 31 December 2010 £'000s
<b>Opening defined benefit obligation</b>	<b>3,269</b>	<b>3,188</b>
Service cost	143	141
Interest cost	176	182
Contributions by employees	29	33
Actuarial losses / (gains)	247	(102)
Benefits paid	(192)	(173)
<b>Closing defined benefit obligation</b>	<b>3,672</b>	<b>3,269</b>

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**15 PENSION SCHEME (continued)**

**Changes in fair value of scheme assets**

	Year ending on 31 December 2011 £'000s	Year ending on 31 December 2010 £'000s
<b>Opening fair value of scheme assets</b>	<b>2,614</b>	<b>2,362</b>
Expected return	185	175
Actuarial (losses) / gains	(190)	93
Contributions by employer	205	124
Contributions by employees	29	33
Benefits paid	(192)	(173)
<b>Scheme assets at the end of the year</b>	<b>2,651</b>	<b>2,614</b>
<b>Actual return on scheme assets</b>	<b>(5)</b>	<b>268</b>

**History of defined benefit scheme**

	Years ending on 31 December				
	2011 £'000s	2010 £'000s	2009 £'000s	2008 £'000s	2007 £'000s
Defined benefit obligation	(3,672)	(3,269)	(3,188)	(2,335)	(2,643)
Fair value of scheme assets	2,651	2,614	2,362	2,087	2,669
<b>(Deficit) / surplus</b>	<b>(1,021)</b>	<b>(655)</b>	<b>(826)</b>	<b>(248)</b>	<b>26</b>
<b>Experience (losses) / gains on scheme liabilities</b>					
Amount	4	(40)	2	(10)	84
Percentage of the present value of scheme liabilities	0.1%	1.2%	0.1%	0.4%	3.2%
<b>Actual return less expected return on scheme assets</b>					
Amount	(190)	93	146	(764)	(74)
Percentage of scheme assets	7.2%	3.6%	6.2%	36.6%	2.8%



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**16 RELATED PARTY TRANSACTIONS**

All member churches and regions of CWM are represented on the board of trustees and so are related parties of CWM. The grants approved during 2010 for each member church are listed in note 3. Grants approved but not paid out to member churches at 31 December 2011 are listed in note 11.

<b>17. COMMITMENTS</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
At 31 December CWM had the following annual commitments under non-cancellable operating leases for plant and machinery expiring:		
In two to five years	<u><b>7,401</b></u>	<u><b>127,144</b></u>

At the balance sheet date there was no capital expenditure authorised but not provided for.

**18 POST BALANCE SHEET EVENTS**

As stated in the trustees' report, at the trustee meeting in June 2011 it was resolved to site the headquarters of the charity in Singapore from 2012 and a formal decision to relocate the charity to Singapore will be approved by the trustees on June 2012. While the intention of the trustees is to transfer the headquarters of CWM to this new office the activities of the company and charity are on-going. Both the company and charity registered in UK will remain in being in future years. Assets held by them will only be transferred overseas in order to fulfil the objects of the charity. Council for World Mission will still be capable of receiving gifts and legacies for its charitable purposes and will report on their stewardship to UK authorities. The trustees will ensure that all UK liabilities, including those for staff pensions and maintenance of UK properties, will be met from CWM's resources.

A company which mirrors CWM's constitution and objects has been registered in Singapore and steps are being taken to secure for it charity status under Singapore's Charity Council. The UK and Singapore entities are intended to work in concord, but the UK trustees will be able to exercise independent judgment when deciding to release funds or retain them in UK in order to meet its financial obligations and fulfil the charity's objects.