

Registered Charity Number 1097842  
Company Number 4758640

**COUNCIL FOR WORLD MISSION (UK)**  
**TRUSTEES' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# COUNCIL FOR WORLD MISSION (UK)

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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### Reference and administrative details

<b>Name</b>	Council for World Mission (UK)
<b>Registered Charity Number</b>	1097842
<b>Company Number</b>	4758640
<b>Principal Office</b>	32-34 Great Peter Street London SW1P 2DB
<b>Registered Office</b>	as above ( <i>to March 2016</i> ) ( <i>From April 2016</i> ) BWB Secretarial Limited 10 Queen Street Place, London EC4R 1BE
<b>Governing Instrument</b>	Council for World Mission was registered as a charity in succession to its unincorporated predecessor on 5 June 2003 and as a company limited by guarantee on 9 May 2003. The governing document is the Articles of Association as amended by special resolutions dated 25 July 2003, June 13, 2012 (which added "(UK)" to its name) and August 24, 2012.
<b>Trustees and Directors</b>	<p><u>Retired from 25 June 2016</u> Rev Norbert Donovan Stephens (Chair of Trustees) - Caribbean Region Rev Richard Chimfwembe - Africa Region Rev Sandra Joy Turner - Europe Region Miss Peta Eredaban Gadabu - Pacific Region Bishop Paul Shishir Sarker - South Asia Region</p> <p><u>Appointed on 22 June 2016</u> Mrs Jennifer Joy Flett- Pacific Region MD Dr (Mrs) Elizabeth John Zachariaiah – South Asia Region</p> <p><u>Appointed on 25 June 2016</u> Rev Mukondeleli Edward Ramulondi (Chair of Trustees) - Africa Region Mrs Rose Althea Weddeburn - Caribbean Region Prof Victor Wan Chi Hsu - East Asia Region Rev Thomas Jeffrey Williams - Europe Region</p> <p><i>All Trustees are directors of the company during their periods of service.</i></p>
<b>Senior Management Personnel</b>	<p>The Charity's Trustees delegate day-to-day management of the Charity to its chief executive officer Rev Dr Collin Cowan (General Secretary) and other senior management:- Ms Ching Khim Veronica Chua - Deputy General Secretary, Finance &amp; Administration Dr Yvonne Dorothy Dawkins - Deputy General Secretary, Programme (from 23/01/2017) Rev Dr Peter Cruchley - Mission Secretary, Mission Development (from 25/04/2016) Mr Sudipta Singh - Mission Secretary, Research &amp; Capacity Development</p>

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Rev Kuzipa Nalwamba – Mission Secretary, Communications  
(from 1 August 2016 to 25 Apr 2017)

Rev Sindiso Jele – Mission Secretary, Africa region (from 1  
April 2016)

Ms Karen Francis – Mission Secretary, Caribbean region

Rev Julie Sim – Mission Secretary, East Asia region (from 18  
April 2016)

Rev Wayne Hawkins – Mission Secretary, Europe region

Rev Fei Taulealeausumai – Mission Secretary, Pacific region  
(until 31 July 2016)

#### **Auditors**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

#### **Bankers**

Royal Bank of Scotland  
Victoria, London SW1E 6RA  
HSBC  
The Peak, 333 Vauxhall Bridge Road, Victoria London SW1V  
1EJ

#### **Investment Advisers**

Cambridge Associates Limited  
80 Victoria Street, Cardinal Place, London SW1E 5JL

#### **Fund Managers**

- 1 Heronbridge Investment Management LLP
- 2 Legal & General Investment Management
- 3 Northern Trust Asset Managers
- 4 Sarasin and Partners LLP
- 5 Neuberger Berman
- 6 Jupiter Asset Managers
- 7 Man Group
- 8 TCI Fund Management Limited
- 9 Kiltarn Partners LLP
- 10 Tybourne Capital Management (HK) Limited
- 11 Somerset Capital Management
- 12 Comgest Asset Management
- 13 BlueCrest Capital Management
- 14 Ruffer LLP
- 15 Franklin Templeton Investments
- 16 AQR Capital Management
- 17 Standard Life Investments
- 18 Aviva Investors
- 19 Wellington Management Company
- 20 Savills Investment Management
- 21 Lothbury Investment Management
- 22 Payden & Rygel Investment Management
- 23 Schroders Plc
- 24 Royal London Asset Management

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**Solicitors**

Bates Wells & Braithwaite LLP  
10 Queen Street Place, London EC4R 1BE

**Sole Membership**

CWM Ltd is the sole Member of Council for World Mission (UK) and it has the same objects.

The member churches of CWM Ltd are:

**Africa Region**

Church of Jesus Christ in Madagascar  
Churches of Christ in Malawi  
United Church of Zambia  
United Presbyterian Church in Southern Africa  
United Congregational Church of Southern Africa

**Caribbean Region**

Guyana Congregational Union  
United Church in Jamaica and the Cayman Islands

**East Asia Region**

Gereja Presbyterian Malaysia  
Presbyterian Church in Taiwan  
Presbyterian Church in Singapore  
Hong Kong Council of the Church of Christ in China  
Presbyterian Church of Korea  
Presbyterian Church of Myanmar

**Europe Region**

Congregational Federation  
Presbyterian Church of Wales  
Protestant Church in the Netherlands  
Union of Welsh Independents  
United Reformed Church

**Pacific Region**

Congregational Christian Church in Samoa  
Congregational Christian Church in America Samoa  
Ekalesia Kelisiano Tuvalu  
Nauru Congregational Church  
Presbyterian Church of Aotearoa New Zealand  
United Church in Papua New Guinea  
Congregational Union of New Zealand  
Kiribati Uniting Church  
United Church in Solomon Islands  
Maohi Potestant Church

**South Asia Region**

Church of Bangladesh  
Church of South India  
Church of North India  
Presbyterian Church of India

The member bodies (member churches) are committed to one another and to Christian mission and they meet in full Assembly once in four years; the June 2016 Assembly meeting was held on Jeju Island, Republic of Korea. The Assembly selects Trustees to serve Council for World Mission (UK) and directors of the Singapore company CWM Ltd with some overlapping membership, for the sake of co-ordination, but at the same time including an independent element among the Trustees of Council for World Mission (UK) to ensure proper fulfilment of the Trustee body's fiduciary responsibilities as stewards of the Charity's historic assets and current charitable income. The Trustee Body comprises six (6) Trustees, one from each of the geographical regions through which CWM Ltd operates. The six Trustees who served since June 2016 were elected for a four-year term during the quadrennial Assembly from 18 to 23 June 2016 in Jeju Island, Republic of Korea.

# **COUNCIL FOR WORLD MISSION (UK)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Charity's Trustees work in close association with CWM Ltd. CWM Ltd is an international charitable organization limited by guarantee, registered in Singapore under registration number 201206146Z with its office address at 60 Paya Lebar Road #11-14, Paya Lebar Square, Singapore 409051. CWM Ltd is regulated by the Singapore Commissioner of Charities and is the sole member of Council for World Mission (UK).

#### **Audit, Finance and Investment Committees**

The Charity is served by specialist members of an Audit Committee, a Finance Committee and an Investment Committee who assist the Trustees in discharging their oversight and governance responsibilities.

The Audit Committee supports Trustees and management to ensure the Charity is a financially sound and efficient organisation which makes full and effective use of resources in support of the charitable objectives of this Charity. It advises the General Secretary and the Trustee Body on the adequacy of risk management and financial governance processes. It gives particular attention to the annual audited report, internal controls and legal compliance issues. The Committee highlights material items of concern and monitors follow-up on recommendations arising from audits, reviews and risk assessments. The Finance Committee assists the Trustees in reviewing financial performance, accounting policies and business continuity issues while the Investment Committee supports the Trustees in advising on the organisation's investment portfolio and performance of fund managers.

# COUNCIL FOR WORLD MISSION (UK)

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#### 1. Objectives of the Charity

The Council for World Mission (UK) is a charity registered in England and Wales, which acts to fulfil the commitment of a partnership of 32 protestant churches worldwide known as Council for World Mission (CWM).

The object of the Charity for the public benefit is "to spread the knowledge of Christ throughout the world", that is to say, "to further the work of Christian mission throughout the world". To this end, the Charity 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
- be involved in any activities which further its objective

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.

In 2009 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

The Charity traces its origin to the Council for World Mission, which 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.

With the birth of CWM a new ideology and understanding of doing God's mission was embraced, which saw a movement from the donor-recipient model of mission, embedded in the Western approach, to a joint ownership and mutual sharing of resources of people, ideas and money, grounded in the biblical principle of giving and receiving. Accordingly, the Charity 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 32 member church churches have backgrounds in the Reformed tradition. Many are united churches, combining several church traditions.

The Charity'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, the Charity exists to facilitate resource-sharing for mission by the partnership. Amongst other things, it facilitates the exchange of Partners-in-mission (missionaries) between churches; shares ideas and best practices for mission strategies of member churches; strengthens leadership of churches through theological and mission training; and builds up communication networks between and among the members, regions and global office. Particular emphasis is placed upon helping men, women and youth to make their full contribution to Church life and community development; and upon helping member Churches in each of its six regions to act in a united way, looking at issues they have in common. The impact, on the mission of the church and on community transformation, of engaging with these activities is wide ranging across the world.

# COUNCIL FOR WORLD MISSION (UK)

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#### 3. Membership

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 mission of Jesus Christ worldwide;
- 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.

As stated above, most of the current 32 member churches (*listed on page 3*) have backgrounds in the Reformed tradition. Many are united churches, combining several church traditions. 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 group accounts. However, through the submission of their accounts, to CWM, they must demonstrate their ability to receive and evaluate the use of shared resources distributed through the worldwide partnership for stated and agreed objectives.

#### 4. Governance and Role of Council for World Mission (UK)

Council for World Mission (UK) discharges the responsibilities of the Charity in the United Kingdom and finances its mission internationally, in accordance with its Objects, through CWM Ltd, which operates from the global office in Singapore and work discharged to staff in the six regions at the present time.

The Trustees meet at least once a year to receive the report and review the work of CWM Ltd, the Singapore based charity aimed at translating vision into achievable aims, monitoring and evaluating achievement and determining future programmes. At such meetings, in accordance with good governance and best practice, the Trustee Body reviews the financial report of CWM Ltd, deliberates on its proposed budget for the ensuing year and decides on a grant to enable the Singapore-based charity to carry out the mission through their respective member churches and projects. Theologically the Council's 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. Trustees of Council for World Mission (UK), however, assess the proposed programme and budget against the Charity's objects and their Trustee responsibilities.

The Charity, having grown from the London-based bodies, retained its office in London from 1977 and Secretariat Staff remained based there until 2011. In accordance with decisions of the Trustee Body Meeting of June 2011, the headquarters was transferred to Singapore in 2012 with a small subsidiary office remaining in London. The activities of the Charity are carried out by CWM Ltd, primarily through the member churches both separately and in partnership with each other. Below is a more detailed account of the work of CWM Ltd which accords with the object of Council for World Mission (UK) and for which funds are granted and accounted for annually.

##### 4.1 CWM Ltd's Quadrennial Assembly

CWM Ltd held its quadrennial assembly in Jeju Island from 18 to 23 June 2016 where a total of 129 delegates from CWM Ltd's member churches attended the 6-day event together with CWM Ltd's directors and staff. More than eighty (80) ecumenical partners and members of local churches in South Korea joined us for the first two (2) days for local immersion and exposure experience and also for the opening worship. The Presbyterian Church of Korea (PCK) co-hosted the Assembly with the CWM Ltd Secretariat.

It was a joyous occasion at the Assembly when CWM Ltd officially welcomed its newest member church, the Maohi Protestant Church (MPC) in Tahiti, to the CWM Ltd family, bringing its total membership to 32. The London Missionary Society's missionary first stepped foot on the shores of Tahiti in 1797 and it is apt that CWM Ltd welcomed MPC during the Quadrennial Assembly together with the other 31 member churches.

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At the Assembly, the decision of the CWM Ltd's Council in June 2015, in Pago Pago, was implemented with the appointment of twelve (12) directors through election as the previous board of 31 members finished their term and retired from office. As there was no Singaporean among the twelve (12) elected directors, a thirteenth (13<sup>th</sup>) director from Singapore was appointed to meet the regulatory requirements of the Singapore Authorities, which requires that at least one of the directors of a company incorporated in Singapore must be a Singaporean. Six (6) new Trustees for Council for World Mission UK were also appointed, with four (4) from among the board of directors of CWM Ltd and two (2) independent Trustees. The new Trustees and the new CWM Ltd board assumed office on 25 June 2016 except for the Singaporean director who came into office on 10 July 2016.

With the retirement of the Audit, Investment, Finance and Staffing committees and the Programme Reference Group, new members were appointed to these committees with new 4-year term from the 3<sup>rd</sup> quarter of 2016.

The theme of the Assembly was "Healing, Hope in Action", which is in line with CWM Ltd's theme for the period 2016 to 2019. Through different sermons and bible study sessions, an assembly statement was developed at the end of the Assembly.

#### **5. Policies and Activities**

The Charity encourages member churches of CWM Ltd. to be actively involved in mission partnership with others, particularly to empower men, women and youth for mission, and encouraging the principle that every church be both a receiver and a giver within a special programme strategy, aimed at accompanying the members in pursuit of their mission in the various contexts where they function.

Staff are engaged in the global office to implement these priorities, standing in solidarity with the members, as they explore ways to contribute to personal development and community transformation.

Each member church is involved in setting out its strategic mission plan, appropriate to its local context, and charitable 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, the Charity 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. Member Churches are encouraged to make financial contribution to the Charity as part of their partnership and participation.

The Charity, through CWM Ltd, encourages and supports its members to take seriously the matter of ecumenical engagements and solidarity engagements at all levels. Hence, a number of solidarity engagements and partnerships with ecumenical organisations were ongoing in 2016 under the leadership of the General Secretary of CWM Ltd.

#### **5.1 Global mission in local contexts**

In 2015 the Charity, through CWM Ltd, adapted the Framing the Global Mission Agenda for 2016-2019 with nine (9) identified themes reflecting pressing issues that are affecting God's creation, providing biblical basis, theological underpinning and missiological implications. Six (6) programme areas were designed giving expression to these nine (9) themes. This strategy will culminate in 2019 and pave the way for planning the future beyond that timeline.



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Listed below are the nine (9) themes and six (6) programme areas.

#### Nine (9) Themes:

- a. Economic Justice;
- b. Climate Change;
- c. Evangelism;
- d. Human Trafficking;
- e. Inclusive Communities;
- f. Militarisation & Conflicts;
- g. Worship & Discipleship;
- h. Interfaith Relations & Ecumenism; and
- i. Children & Young People.

#### Six (6) Programme Areas:

- a. Mission Support Programme (MSP);
- b. Capacity Development Programme (CDP);
- c. Partners-in-Mission (PIM);
- d. Leadership Formation (LEAF);
- e. Discernment & Radical Engagement (DARE); and
- f. Cutting Edge Mission Initiatives (CEMI).

Some of the applications of these themes and programmes are described below, identifying specific highlights of the year.

#### **5.1.1 Mission Support Programme**

Enabling members to develop missional congregations is the central focus of the current strategy. The Mission Development team, working with regional staff and in conjunction with the other programme teams, lead this through the following programmes and activities: Mission Support Programme (MSP) grant; Face the Facts, which was previously known as Team Visits; A New Face; and Roving Faculty.

##### **5.1.1.1 Mission Support Programme (MSP) Grant**

The Mission Support Programme grant, which began in 1998, provides support for member churches in developing and implementing 3 to 5 year strategic mission programmes in their contexts. The current phase (MSP4) commenced in 2014. Unlike previous phases of the programme which did not have any time limit nor specific objectives as long as it is mission-related, this phase focuses on enabling members to develop missional congregations, and will be time limited so that members need to successfully access the resources by 2019 or forfeit the opportunity.

Given the varying capacities and circumstances of each member body, they are all at different stages of the programme, and so at the end of 2016 we have one (1) member church still in MSP1, eleven (11) member churches in MSP2, fifteen (15) member churches in MSP3; four (4) in MSP4; and the newest member church, Maohi Protestant Church (MPC) not in any MSP but will start on MSP4 in 2017.

As part of the implementation of the agreement in 2011 to focus efforts on member churches that were facing difficulties with their mission programmes and in accessing CWM Ltd's resources, a new grant monitoring and reporting process was implemented and both the mission development and the finance teams in Singapore have been working closely with six (6) member churches on their financial accounting and reporting during 2016 as part of journeying with them in their mission programme progress. Another four (4) member churches have been identified for follow up in 2017.

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Four (4) MSP grants were approved in 2016: Church of South India (CSI) for MSP4 – an extensive missional congregation programme to build missional congregations, which includes: enhancing capacities, equipping pastors, Christian education, a Christian Youth Pilgrimage, Eco Justice Mission and Just and Inclusive Communities - £251,046; Hong Kong Council of the Church of Christ in China (HKCCCC) for MSP4 – A Compassionate Church for Others - £98,438; United Reformed Church (URC) for combining MSP3 & MSP4 – a four-year Christian Education Programme aimed at building discipleship and missional congregations - £238,262; and the Union of Welsh Independents (UWI) for de-designation of MSP3 – an Education and Training project comprising a four-year bible reading scheme - £22,000.

#### **5.1.1.2 Roving School of Theology for Transformation**

The work of theological reflection is not only indispensable to contextualized missional engagement, it is further sharpened when conducted in active consultation with varied and dissonant voices in our globalized community. CWM's Roving School of Theology for Transformation is a programme to accompany member churches as critical partners in mission and to address the need for theological training which enables mission engagement. The first of such programme was conducted in Guyana from 3 to 13 November 2016. A total of 22 participants from CWM member churches (UCJCI and GCU) and representatives from the Caribbean and North America Council for Mission (CANACOM) attended the 10 day programme, where they were exposed to critical theological education covering areas such as Calling vs. Vocation; gender justice and partnership; interconnectedness of mission and worship; ecumenism, outreach and interfaith relationships; contextual theology; Christian education; Mission in the context of Empire; The Church's Role in Healing and Wholeness in Communities; Theological Foundations for Transformational Ministry; Understanding our Communities – challenges and assets; and Leading Healthy, Faithful Change in Communities. As part of their coursework assignments, participants were asked to implement, in collaboration with their denominational leadership, a three week programme based on Church-community partnership; advocacy; bible studies; social outreach; and Mobilisation and Empowerment Programmes. Participants will provide their feedback in May 2017 on challenges, successes, considerations and merits for the replication of the project in other contexts.

#### **5.1.2 Capacity Development Programme (CDP)**

In 2016, CWM Ltd continued to focus on the more holistic, sustainable and long-term capacity development of its member churches through the three components of the Capacity Development Fund: 1) Academic Accompaniment Programme; 2) Member Church Initiative for Capacity Development; and 3) Management Initiative for Capacity Development.

##### **5.1.2.1. Developing Capacities through the Member Churches Initiative**

This programme facilitates capacity development initiatives in member churches through the offering of opportunities for personnel engaged in mission to undertake short-term, skills-oriented training or learn from experiences. Highlights for 2016 included the following:

- a. The Churches of Christ in Malawi (CCM) organised their first Pastoral Council Special Training as a follow-up to the successful CCM Pastors Conference held at Chilema Ecumenical Training Centre in July 2015. The training provides a platform to foster unity among the CCM's pastors who offer leadership to their flock as discussed with CWM on 27 Oct 2016. Funding was also given for training of six (6) students to study at the Zomba Theological College as part of human resource development.
- b. The United Church of Zambia (UCZ) supported the development of its staff in the areas of human resource capacity development; nursing; reprography; and front office management.
- c. The Uniting Presbyterian Church in South Africa (UPCSA), through its annual REVIVE empowerment seminar, equipped its leadership and management to address and arrest issues within its congregations that have adverse impact on the life of the Church so as to enable them to be engaged in programmes and projects that are linked to capacity building.

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- d. The Presbyterian Church of Malaysia (Gereja Presbyterian) (GPM) organised a youth adult exposure camp to allow youths to understand Presbyterianism and to experience personal evangelism with the aim of raising their commitment to go for full-time theological training. All GPM's seminary students in local non-Presbyterian seminaries attended the Reformed Theology Course conducted by GPM's ministers in cooperation with the seminaries. The "Understanding Presbyterianism and its shepherding" programme, which started in 2015, was ongoing in 2016. It aims to equip and train 960 elders and deacons by 2020 in Presbyterianism and leadership.
- e. The Hong Kong Council of the Church of Christ in China (HKCCCC) organised training courses for more ministers and church members on "Building Life Affirming Communities" and arranged visits to campuses which have been carrying projects on this theme.
- f. The Presbyterian Church of Singapore (PCS) conducted a Synod Training and Exposure Programme (STEP) workshop to equip and inspire young adults in tertiary education to serve in PCS' churches.
- g. The Presbyterian Church of Taiwan (PCT) continued with its efforts to expand and enhance urban indigenous ministries, addressing urgent urban indigenous people's needs through ongoing research, consultations, workshops, youth camps and prayer gatherings to facilitate interaction between rural and urban indigenous congregations and to improve mutual understanding and acceptance.
- h. Through the Capacity Development Fund, the Protestant Church of the Netherlands (PCN) supported the learning community of pioneers through training and pioneering conferences through development of materials (articles and films) within the learning community
- i. The Presbyterian Church of Aotearoa New Zealand (PCANZ) held a week-long discipleship camp for close to 60 young adults aged 18-30 in 2016 as part of its effort to go further in building capacity among young people to contribute to the leadership of the Church. It also organised women assemblies to develop the capacity of women in the PCANZ with focus on talks on leadership, networking, theology, mission and women's issues.
- j. The Church of North India (CNI) continued to strengthen its Christian leadership where selected candidates of CNI were supported through the Capacity Development Fund to build their capacity to carry out the mission of the Lord in a more efficient and effective way.
- k. The Church of South India (CSI) supported the tuition fees of eight (8) Master in Theology students as part of its efforts to build theological capacity of its clergy and its long-term human resource capacity development plan for the Church.
- l. The Presbyterian Church of India (PCI) conducted HIV and AIDS awareness campaigns and programmes jointly with NGOs, States' AIDS Control societies and global organisations to educate all levels of PCI on these issues. The PCI also used the Capacity Development Fund to support small Exchange and Exposure programme for women.

##### **5.1.2.2 Academic Accompaniment Programme (AAP)**

The AAP facilitates advanced learning within and between CWM Ltd's member churches by offering opportunities for further education in other contexts. Such opportunities provide for the building-up and upgrading of theological faculty; developing new leadership; and acquisition of specific skills for emerging challenges in mission.

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Twenty-seven (27) AAP scholarships were awarded in 2016 to members of the Congregational Christian Church in American Samoa (CCCAS); the Kiribati Protestant Church (KUC); the Ekalesia Kelisiano Tuvalu (EKT); the Church of North India (CNI); the Union of Welsh Independents (UWI); and the Church of South India (CSI) for nine (9) pursuing Doctorates; sixteen (16) for Master's; and two (2) in Bachelor degrees.

#### **5.1.2.3 Special Academic Accompaniment Programme (SAAP)**

In 2016, CWM Ltd sponsored three (3) students, one (1) each from three (3) member churches – the Uniting Presbyterian Church in South Africa (UPCSA); the United Church of Zambia (UCZ); and the United Church in Solomon Islands (UCSI) for Master's and PhD studies in the Protestant Theological University in the Netherlands (one (1) student); and the KwaZulu-Natal in South Africa (two (2) students). These programmes work on a split-location scheme where students spend time at the campus and back home, which is beneficial for students as it provides opportunities for students to return to their home countries for part of their studies to enable them to continue to serve their churches back home and enhances contextual learning as students do their research in their home location.

#### **5.1.3 Leadership Formation Programme (LEAF)**

As part of its strategy to influence a new generation of leaders for the advancement of God's transformative mission, a new area of focus, called the Leadership Formation Programme (LEAF) was formulated which includes the existing Face to Face (F2F) and the Training-in-Mission (TIM) programmes in addition to programmes such as Youth Forum which will be held in 2017; youth initiatives from the regions; and training of young women.

##### **5.1.3.1 Face to Face (F2F) Programme**

This is a 7 week programme, which aims to expose participants to different contexts in order to stimulate their theological reflection and develop their sensitivity to other cultures. Participants are students preparing for ministry and the programme prepares them for multicultural ministry. In 2016, F2F was held in two (2) locations – India and the Netherlands – with each location providing opportunities for the participants to explore definitive themes as set out in CWM's global agenda, such as Migration and Human Trafficking in the Netherlands; and building life-affirming communities in India. A total of 25 students participated in the two F2F in 2016.

##### **5.1.3.2 Training in Mission (TIM) Programme**

The Charity, through CWM Ltd., has been investing in equipping the young people of its member churches for ministry and mission since 1981. The TIM Programme is one its vehicles to train and empower youths. It aims to facilitate future leadership through development of participants by sending them to different regions over a period of 7 months to learn about mission in theory and practice, through classes, exposure visits, projects and hands-on work in various contexts.

In 2016, ten (10) young people from the Guyana Congregational Union (GCU); United Church in Jamaica and the Cayman Islands (UCJCI); Presbyterian Church of Korea (PCK); Presbyterian Church of Myanmar (PCM); Church of Jesus Christ in Madagascar (FJKM); United Congregational Church of South Africa (UCCSA); Uniting Presbyterian Church in South Africa (UPCSA); Congregational Union of New Zealand (UCNZ); Kiribati Uniting Church (KUC); and Congregational Christian Church in Samoa (CCCS) participated in TIM from 2 May to 26 November 2016 when they spent time in Taiwan, Fiji, Kiribati and New Zealand.

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#### **5.1.4 Cutting Edge Mission Initiatives (CEMI)**

To discern emerging mission issues and develop appropriate responses, the Cutting Edge Mission Initiatives (CEMI) programme area seeks to create a platform to engage with "mission from the margins" and to create space for emerging missiological thinking and practice. Activities under CEMI include the New International Financial & Economic Architecture (NIFEA); partnership with Ecumenical Loan Fund (ECLOF) International; Prophets from the South; and a pioneering project on A More Able Church.

##### **5.1.4.1 New International Finance & Economic Architecture (NIFEA) Colloquia**

This was first initiated by the World Communion of Reformed Churches (WCRC), CWM Ltd. participated in framing a strategy for engagement with corporate structures such as the World Bank and the International Monetary Fund (IMF). It is a call for a new finance and economic architecture. As a follow up to the strategy, CWM Ltd organised a series of NIFEA colloquia for its member churches in three (3) of its six (6) regions, namely Africa, East Asia and South Asia from 2015. In 2016, two (2) colloquia were organised in Africa completing the 3-session colloquium for the African region; while East and South Asia combined to hold their second (2<sup>nd</sup>) colloquium from 25 to 30 November 2016 in Kuala Lumpur, West Malaysia with delegates sharing encouraging testimonies, reports and actions taken since their first (1<sup>st</sup>) colloquium in 2015, in responding to challenges of poverty, inequality and ecological destruction that are prevalent in the Asian regions. The member churches are determined to embrace a holistic engagement on social, economic, political and ecological challenges towards eradication of poverty. The remaining three (3) regions: Caribbean, European and Pacific regions will have their colloquia in 2017.

##### **5.1.4.2 A More Able Church Project**

In its efforts to build inclusive communities, CWM Ltd. seeks to challenge traditions, structures, beliefs or theology governing attitudes and practices of non-engagement with others based on disability, ethnicity, sexuality, religion, gender etc. One of its strategies for doing this is to encourage pioneering projects on these issues, the first of which is on A More Able Church, addressing the issue of disability and how to engage and include people with disability in the church communities. A call for project proposals was made to member churches in the last quarter of 2016 with the aim of enabling member churches to engage with issues, attitudes and theologies that lead to the exclusion of people living with disabilities and to dismantle them. Thirteen (13) applications were received from twelve (12) member churches and three (3) were selected by a panel of assessors comprising CWM Ltd's staff and independent experts on disabilities from Singapore and the UK. The selected applications were submitted by:

- a. The Church of South India (CSI) with its project to develop models for inclusive churches, open leadership roles to people with disabilities; and address discriminatory practices and theologies.
- b. The Presbyterian Church of Taiwan (PCT) whose project aims to give people with disabilities a platform through performing arts to address the issues they face and sensitise the wider church to these issues.
- c. The United Reformed Church (URC) with a project to monitor the experiences of people with disabilities in the church and to develop strategies for their inclusion in leadership.

# **COUNCIL FOR WORLD MISSION (UK)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **5.1.5 Partners-In-Mission (PIM) Programme**

The sharing of people across member churches and the ecumenical community is fundamental to the Charity's way of working. A mission from everywhere to everywhere is made possible by the significant number of individuals who have offered themselves to serve on the mission field, locally and abroad; and the support of churches, willing to send and receive them. The relevance of this programme is best attested to by those who participated therein, particularly, the receiving churches and the partners themselves. In a variety of ways persons are being invited to share in the ministry of member churches. This dynamic interchange of personnel represents the human face of the Charity in a variety of contexts across the world. We are inspired by those who have responded to the call to serve and are heartened by the quality of the work on the mission field; the extent to which learning and growth are taking place among the partners in mission; and the significant ways in which the ministry and mission of churches are being enriched and expanded.

Thirty-one (31) partners in mission were still in service as at 31 December 2016, contributing to the receiving churches with their skills and knowledge.

In September 2015, leaders of member churches gathered in Hong Kong over a 2-day consultation to contribute to the strategic development of the PIM Programme. The consultation looked at the programme, evaluating its impact on the life and mission of member churches. It created space for the sharing of best practices employed by member churches in sharing and receiving mission partners and provided opportunities for concerns to be articulated and insights offered. The church leaders affirmed the sharing of people as "one of the greatest gifts we can give to each other" as a partnership of churches in mission. A follow-up consultation will be held in April 2017 to review the PIM Programme and to strategise for the future.

#### **5.2 Justice and Witness**

CWM Ltd continued to affirm its vision of "Fullness of Life through Christ for all Creation" and its advocacy for justice in its programmes in 2016, some of which are highlighted below.

##### **5.2.1 Climate Justice Workshop**

This was organised in partnership with the Pacific Conference of Churches (PCC) in Fiji from 1 to 3 September 2016 with twenty-three (23) participants from the Solomon Islands, Samoa, Nauru, Cook Islands, Tuvalu, Tonga Tahiti and Fiji. Ten (10) TIM participants also took part in this workshop, which sought to create awareness and discussion around issue of Climate Change and Climate Justice by understanding the urgency of this issue; a refresher understanding of the Climate Change in the Pacific and Post Paris Agreement; and to identify the relationship between leadership, governance and management on issue of Climate Change. At the end of the workshop, roles were re-defined for Christians as stewards and care-takers of planet earth. The inclusion of young people in the Workshop provided opportunity for validation of their views and opinions in response to Climate Justice.

##### **5.2.2 Migration and Human Trafficking**

Eleven (11) ordinands (students of Theology who have not yet been ordained) from six (6) member churches and ecumenical partners (the St Andrews Cathedral in Singapore; the Guyana Presbyterian Church; and the United Theological College in Bangalore) were given the opportunity, as part of a F2F programme in the Netherlands from 2 April to 14 May 2016, to learn and live together as well as to reflect and work together as they explore and discuss issues of migration and human trafficking. Participants were guided as they engaged in theological reflection, learned Dutch culture, experienced work placements in migrant communities and worked alongside trafficked and undocumented people to develop worship and study resources.

# **COUNCIL FOR WORLD MISSION (UK)**

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#### **5.2.3 Production of Resource Materials**

CWM Ltd. continued to be involved in collaboration with its member churches and ecumenical partners, in the production of resource materials for use in member churches. One such material produced in 2016 was that entitled "Free to be Freeing", which is a resource for local congregations in Europe to grapple with human trafficking and migration. The resource drew on people's real experiences and made connections with the Bible. Using themes of vulnerability, deprivation of freedom, abuse of trust and exploitation and forced labour, writers involved reflected on real people's experiences and invited local congregations to respond in appropriate and tangible ways in their own location and contexts.

#### **5.4 Engagement with Member Churches**

An important facet of the work of CWM is in accompanying member churches in their journey towards building missional congregations. This is done through engagement by Mission Secretaries in the regions through official visits; participation in CWM's programmes; and tapping on CWM's resources – ideas, people and funding.

CWM Ltd's Mission Secretaries organised consultation sessions with individual member churches on programmes and financial management and reporting as well as being involved in different programmes with member churches. Examples of some of these programmes included a residential conference on creative worship and discipleship from 30 November to 2 December 2016 in Manchester, UK for the member churches in the European region; another residential conference on inclusive communities from 5 to 7 October 2016 in Birmingham, UK for three (3) of CWM Ltd's member churches in Europe; a workshop on Mission Audit, Strategy Planning and Capacity Development was held with 53 participants from CWM Ltd's member churches in the Caribbean to expose and train them on mission audit and development of strategic plan.

#### **5.5 Activities in the General Secretary's Office**

##### **5.5.1 Ecumenical Partnership and Solidarity Engagements**

Partnership within the world church is one of CWM Ltd's major tenets. CWM Ltd. Engages in partnership and participation with international ecumenical mission organisations by sharing people, ideas and resources. Many of CWM Ltd's programmes include ecumenical participation as a matter of principle and its member churches and staff also take part in programmes of other ecumenical organisations. Through such participation, CWM Ltd seeks to engage with and support its ecumenical partners in contributing to the development of missional thought and action in the wider church. Some of such partnerships, the majority of which are on ongoing basis, include the New International Financial & Economic Architecture (NIFEA), the ECLOF International loan, partnership with the World Communion of Reformed Churches (WCRC) on justice issues; and partnership with the World Council of Churches (WCC) on interfaith engagement, evangelism and economic justice.

##### **5.5.1.1 Partnership with World Council of Churches (WCC)**

CWM Ltd. and WCC have agreed to work collaboratively in areas such as interfaith engagement, evangelism, discipleship and economic justice. CWM Ltd. collaborated with WCC and WCRC in a multi-disciplinary conference from 22 to 25 February 2016 in Hungary on Mission in Secularised Contexts with participation from three (3) of CWM's member churches. The Conference facilitated the study, analysis and reflection of participants on how mission and evangelism could be understood and practised in a relevant and meaningful way in a secularised landscape. A joint meeting was also held at the end October 2016 by CWM Ltd's staff with WCC to discuss collaboration plans for 2017, which will include joint evangelism work; and the World Mission Council meeting in 2018.

# **COUNCIL FOR WORLD MISSION (UK)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **5.5.1.2 Partnership with Ecumenical Church Loan Fund (ECLOF) International**

CWM Ltd has supported ECLOF with a USD1m loan to partner ECLOF in accompanying individual entrepreneurs with small loans to assist them to set up small businesses aimed at building economic sustainability. CWM Ltd's part is in the provision of the loan to ECLOF to enable it to expand its reach, especially in countries such as the Republic of Zambia and Jamaica where CWM Ltd has member churches. As of 2016, the USD1m from CWM Ltd has been used to benefit 3,300 individuals in Jamaica, Kenya and Tanzania with 50% of the loans given to women to start their own businesses.

#### **5.5.1.3 Partnership with World Communion of Reformed Churches (WCRC)**

Mindful of the special role that WCRC plays in offering critical theological reflection on social issues and its strong justice stance, CWM Ltd. works with WCRC's justice desk through provision of support and collaboration to effectively engage on justice issues, particularly on climate, economic and gender justice. A meeting was held with WCRC in November 2016 to review and reaffirm commitment on collaboration on justice issues.

#### **5.5.2 Communication**

Communication continued to be a vital aspect of the Charity's ministry and a new communication team was appointed in 2016 comprising a Mission Secretary for Communication and a Communication Associate. The team worked on the communication aspects for the Assembly, producing a video on the Assembly; revamping the CWM's website and coordinated the production of the CWM Ltd's prayer-cum-devotion book for 2017. A communication planning event was held from 7 to 11 November 2016 in Johannesburg to draw up the communication and branding strategies for implementation in future years. The Charity recognised that more work would still need to be done to improve communication.

#### **5.5.3 Human Resource Management**

A new human resource manager joined CWM Ltd in September 2016, who has been assisting and advising the General Secretary on human resource matters, including recruitment of staff to execute all aspects of the mission.

#### **5.5.4 Looking Ahead**

Three (3) offices will be in place in 2017 for CWM Ltd with Singapore as the main office where the majority of the CWM Ltd's secretariat will be stationed and two (2) satellite offices in the UK (Council for World Mission UK with four (4) staff) and in Africa (four (4) staff). The African and European regions will be served by staff from these two (2) satellite offices – Africa and UK respectively. The East and South Asia regions will be served by staff located in the Singapore office although a review is ongoing to consider having a representative office in South Asia. Representative offices will continue to be maintained in the Caribbean and the Pacific to serve member churches in these regions. The Pacific regional office in Auckland would, however, be closed in the first quarter of 2017 to make way for a new regional office in Suva, Fiji to bring the office nearer to the majority of the member churches in the Pacific. This will facilitate better and more engagement with member churches.

The new set up, which is endorsed and approved by the Board, will enable CWM Ltd to function with greater efficiency and effectiveness in the foreseeable future and it is anticipated that this new way of working will give way for more persons to participate in the life of CWM Ltd and facilitate a better sense of ownership of decisions and directions.



# COUNCIL FOR WORLD MISSION (UK)

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### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 5.6 Grants

Grants are the instrument through which some of the activities described above have been carried out. 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 distribution-at this time is from the Mission Support Programme. This grant allocation to member churches is budgeted and committed on a three to five-year planning basis but the level of cash flow draw down on the 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 Charity's Spending Policy is adhered to (see section 7.2).

A new grant monitoring and reporting system was approved by the Board in 2016 and will be implemented in 2017 to enable member churches to access CWM Ltd's resources and account for them in a timely and appropriate manner, as part of good stewardship and accountability to meet regulatory requirements in both the UK and Singapore.

#### 6. Financial Review

##### 6.1 Unrestricted Funds

The Charity's main source of income is investment income, which represents about 95% of total unrestricted income during the year. 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 and this makes the Charity's immediate activities less vulnerable to large variations in 'total return' from investments.

The invested funds largely originated from a gift from the sale of the Hong Kong hospital site in 1996. The Investment Committee monitors the performance of these funds on a quarterly basis. In 2016, the portfolio returned +12.6% and UK inflation was moderate with Retail Price Index (RPI) at 2.5% so the real return was 10.1%. A significant contribution to this real return was from currency fluctuation.

Over 10 years since the inception of the diversified investment structure, the portfolio had earned an annualised real return (i.e. net of UK inflation measured by RPI of 2.9%) of 3.9% at the end of 2016 (3.4% in £ as of end 2015 with a UK RPI of 2.9%). This is below the long-term annualised return of 5% (net of RPI) required to sustain the Charity's spending policy. CWM's investment advisers commented while that the realised volatility of the portfolio has fallen within the range expected by their initial modelling, it is predicted that the investments are not likely to generate the 5% return in the next 10 years.

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

The Charity, 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 2016 was 0.73% (2015: 0.91%). The Charity 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 our investment managers range between 0.004 % and 0.07% depending upon the type of investment instrument and fee basis

# **COUNCIL FOR WORLD MISSION (UK)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **6.2 Restricted Funds**

The Charity 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 worldwide 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's guidelines.

#### **7. Investment, Spending Policy and Reserves**

The Charity's principal source of income is from its investment portfolio. It does not undertake public fund-raising activity. The unrestricted reserves of the Charity were increased substantially in 1996 when the charity 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 the Charity's aims and objectives, leaving a current balance of funds of £167.2m made up of £159.9m of Unrestricted Funds, £0.7m of Restricted Funds and £6.6m 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 fund managers' performance took place in 2014 leading to a change in almost all the fund managers except Schroders and Sarasin and Partners LLP. This change commenced in 2015 and continued into 2016. While there was a major change of fund managers, the investment strategy remained unchanged, which is a multi-manager strategy with a wide range of diversified investments, which are 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 had been 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. However, this policy was temporarily revised to 6% by the Board of Directors/Trustees with effect from year 2013 up to the period of 2016. CWM Ltd has since returned to the 5% spending policy; however, a review of the policy is under consideration, taking into account the anticipated returns from investments and funding requirements for the Charity's activities.

# COUNCIL FOR WORLD MISSION (UK)

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 7.3 Reserves Policy

The General Funds of the Charity is made up of its invested 'capital base', from which the mission activities of the Charity 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 1997) 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 the Charity is 'sitting on' excessive reserves for the charity. This is not the case. Whilst the Charity 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 5.2, depending upon member churches' stage in planning, monitoring and evaluating the grants they already have. Note 13 to the financial statements shows £9.2m (2015: £10.0m) of grants designated for distribution to member churches when they are ready. These funds remain in the investments total in the meantime.

Endowed and Restricted Funds at year end stood at £6.6m (2015: £6.1m) and £0.7m (2015: £0.6m) respectively, as highlighted in Note 12 to the financial statements. The Trustees took the view that the proceeds from the sale of Ipalo House in 2015 will be ringfenced for purchase of new properties.

#### 7.4 Ethical Investment 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 Charity 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.

The Charity has determined that investments in tobacco, alcohol, armaments, pornography or gambling do not reflect our values and therefore ensures investments are not made in companies with 5% or more of turnover in these areas. 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, our policy is that not more than 10% of our 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 Charity 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, the Charity 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

# COUNCIL FOR WORLD MISSION (UK)

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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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.

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 CWM Ltd, and through CWM Ltd to regions and member churches in six geographical regions 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 partnership of CWM Ltd.

#### **9. Recent Developments**

Following the decision of the Trustees to retain the assets in the UK, a small office with relevant staff has been maintained in London. The duties of Company Secretary and Charity Contact was assigned to BWB Secretarial Limited in 2016. A revised management structure in 2016 has brought financial affairs within the purview of the Deputy General Secretary for Finance and Administration of CWM Ltd, with the retention of the office in UK. A significant part of the responsibility of the UK based staff, under the leadership of the Deputy General Secretary for Finance and Administration of CWM Ltd, is to maintain and manage the assets of the Charity.

#### **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'. The public benefit requirements benefit requirements have been met by the activities described in Section 5.

The Charity'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 are located guided by the vision "fullness of life through Christ for all creation".

#### **11. Auditors**

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

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

Insofar as each of the Trustees of the Charity 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 Charity'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 Charity's auditor is aware of that information.

#### **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.

# COUNCIL FOR WORLD MISSION (UK)

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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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 Charity 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;
- observe the methods and principles in the Charities SORP;
- 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; and
- 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 Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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

07 JUN 2017

and signed as authorised on their behalf by:

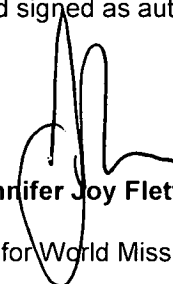


**Rev Mukondeleni Edward Ramulondi**, moderator

Council for World Mission (UK)

Company number: 4758640 England & Wales

Charity number: 1097842



**Mrs Jennifer Joy Flett**, Trustee

Council for World Mission (UK)

Company number: 4758640 England & Wales

Charity number: 1097842

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

We have audited the financial statements of Council for World Mission UK for the year ended 31 December 2016 set out pages 25 to 41.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 based on the work undertaken in the course of our audit

- the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report have been prepared in accordance with applicable legal requirements.

**COUNCIL FOR WORLD MISSION (UK)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

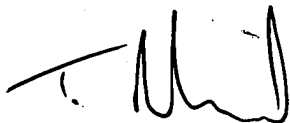
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**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual Report

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees annual report.



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

Date: 14 JUNE 2017

**COUNCIL FOR WORLD MISSION (UK)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 Funds £	Total 2015 Funds £
<b>Income and endowments from:</b>						
Donation and legacies	2.1	448,394	-	-	<b>448,394</b>	190,918
Investment income	2.2	3,500,006	156,768	24,135	<b>3,680,909</b>	3,977,576
Other – profit on sale of fixed assets		-	-	-	-	10,966,778
<b>Total</b>		<b>3,948,400</b>	<b>156,768</b>	<b>24,135</b>	<b>4,129,303</b>	<b>15,135,272</b>
<b>Expenditure on:</b>						
Raising funds	2.3	1,073,250	11,809	1,818	<b>1,086,877</b>	1,314,535
Charitable activities						
Grants payable	2.3	5,195,145	700	1,832	<b>5,197,677</b>	6,882,615
Functional costs	2.3	458,269	80,733	103,338	<b>642,340</b>	535,889
Settlement of defined benefit pension scheme	15	(159,528)	-	-	<b>(159,528)</b>	(250,000)
<b>Total</b>		<b>6,567,136</b>	<b>93,242</b>	<b>106,988</b>	<b>6,767,366</b>	<b>8,483,039</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(2,618,736)</b>	<b>63,526</b>	<b>(82,853)</b>	<b>(2,638,063)</b>	<b>6,652,233</b>
Net gains on investments		17,515,482	33,905	576,238	<b>18,125,625</b>	2,079,845
<b>NET INCOME</b>		<b>14,896,746</b>	<b>97,431</b>	<b>493,385</b>	<b>15,487,562</b>	<b>8,732,078</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>14,896,746</b>	<b>97,431</b>	<b>493,385</b>	<b>15,487,562</b>	<b>8,732,078</b>
<b>Reconciliation of funds:</b>						
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>145,133,598</b>	<b>599,252</b>	<b>6,153,935</b>	<b>151,886,785</b>	<b>143,154,707</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>160,030,344</b>	<b>696,683</b>	<b>6,647,320</b>	<b>167,374,347</b>	<b>151,886,785</b>

All income and expenditure derives from continuing activities.  
The statement of financial activities includes all gains or losses recognised in the year.

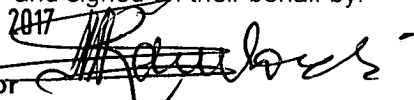


**COUNCIL FOR WORLD MISSION (UK)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Fixed assets:</b>			
Tangible fixed assets	5	593,708	606,637
Investments	6	<u>156,688,280</u>	<u>139,891,098</u>
		<u>157,281,988</u>	<u>140,497,735</u>
<b>Current assets:</b>			
Investments	7	6,757,650	13,437,409
Debtors	8	2,515,043	672,249
Cash at bank and in hand		<u>3,196,708</u>	<u>348,349</u>
		<u>12,469,401</u>	<u>14,458,007</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	9	<u>(1,645,913)</u>	<u>(1,064,031)</u>
<b>Net current assets</b>		<u>10,823,488</u>	<u>13,393,976</u>
<b>Total assets less current liabilities</b>		<u>168,105,476</u>	<u>153,891,711</u>
Creditors: amounts falling due after more than one year	10	<u>(731,129)</u>	<u>(1,488,243)</u>
<b>Net assets excluding pension liability</b>		<u>167,374,347</u>	<u>152,403,468</u>
<b>Defined benefit pension liability</b>	15	<u>-</u>	<u>(516,683)</u>
<b>Total net assets</b>		<u>167,374,347</u>	<u>151,886,785</u>
<b>The funds of the charity:</b>			
Endowed funds	12	6,647,320	6,153,935
Restricted funds	12	696,683	599,252
<b>Unrestricted funds:-</b>			
- Designated funds	13	9,244,727	10,032,197
- General funds	13	<u>150,785,617</u>	<u>135,101,401</u>
<b>Total unrestricted funds</b>	13	<u>160,030,344</u>	<u>145,133,598</u>
<b>Total charity funds</b>	14	<u>167,374,347</u>	<u>151,886,785</u>

Included in total funds above are cumulative unrealised gains on listed investments and investment properties of £20,676,607 (2015: £15,192,887).

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

07 JUN 2017   
 Moderator  
 Rev Mukondeleli Edward Ramulondi

Company No: 4758640

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. PRINCIPAL ACCOUNTING POLICIES**

**a) Accounting convention**

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The charity meets the definition of a public benefit entity under FRS 102. The functional currency of Charity is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity operates.

The company has taken advantage of the exemptions in FRS 102 from the requirements to present a Cash Flow Statement.

Having reviewed the financial position (including the significant liquid cash and investment reserves held) 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) Recognition of income**

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 estate accounts have been approved or a distribution authorised by the executors. Investment income is recognised in the period when the charity has earned unconditional entitlement to monies. Donations and grants received for specific purposes are treated as restricted funds.

**c) 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.

**d) Expenditure**

Expenditure on raising funds comprises investment management costs and expenditure in relation to the generation of donations and legacy income. Charitable activities include 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 however funds may be designated to the value of any conditional commitment. CWM UK 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 (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**e) 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.

**f) 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.

**g) Unlisted investments**

All unlisted investments are programme related investments / social investments and are included in the financial statements at cost subject to being converted into the presentational currency at the balance sheet date where the investments are held in another currency.

**h) Current asset investments**

Current asset investments represent those investments held in cash or low risk investments equivalent to cash to enable the company to meet its commitments in respect of grants approved not yet paid.

**i) 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. The element of unrestricted funds represented by unrealised gains on investments is separately disclosed as a revaluation reserve being the difference between the current market value of these investments and historic cost.

*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.

*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.

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**j) Valuation of investments**

Listed 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. Investment properties are recorded at the Trustees' estimate of market value at the year-end by reference to changes in house price indices, sale prices recently achieved in the same location and periodic professional valuations. Both listed investments and investment properties are carried at fair value through the Statement of Financial Activities.

**k) Pensions**

During 2014 CWM UK began the process of winding up the previous defined benefit pension scheme with The Pensions Trust and there were no existing staff members in the Final Salary scheme with effect from 1 April 2014. During the year an interim payment representing approximately 95% of the final liability was made to an insurance company towards settlement of the scheme. The expected cost of the settlement including all unavoidable costs to closure have been provided for at 31 December 2016.

In addition CWM makes discretionary payments to retired missionaries who served prior to the inception of a pension scheme or where service prior to July 1977 was not otherwise pensionable. These payments are funded from an endowment fund entitled CWM Fund for Retired Missionaries.

**l) 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.

**m) Financial instruments**

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

**n) Critical accounting judgements and key sources of estimation uncertainty**

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Valuation of investment properties – The charity's land and buildings are stated at their estimated fair value based on professional valuations or management estimates as disclosed in note 6.

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**2.1 DONATIONS AND LEGACIES**

	<b>2016</b> £	<b>2015</b> £
Donations	135,196	148,088
Legacies	313,198	42,830
	<u>448,394</u>	<u>190,918</u>

**2.2 INVESTMENTS**

	<b>2016</b> £	<b>2015</b> £
Rental income	90,098	110,696
Dividends from listed investments	3,487,457	3,772,204
Income from social investments	73,422	74,221
Income from current asset investments	21,366	12,441
Other investment income	8,566	8,014
	<u>3,680,909</u>	<u>3,977,576</u>
Less: investment managers' fees	<u>(1,086,877)</u>	<u>(1,314,535)</u>
<b>TOTAL</b>	<u><b>2,594,032</b></u>	<u><b>2,663,041</b></u>

Included in investment managers' fees is £63,587 paid to CWM's investment advisors (2015: £41,550).

**2.3 EXPENDITURE**

	Unrestricted £	Restricted / Endowment £	<b>2016</b> <b>Total</b> £	<b>2015</b> <b>Total</b> £
Direct costs	-	184,071	184,071	204,404
Investment managers' fees	1,073,250	13,627	1,086,877	1,314,535
Grants payable	5,195,145	2,532	5,197,677	6,882,615
<b>Support costs</b>				
Finance, office and administration	351,291	-	351,291	246,509
Servicing of CWM UK properties	64,562	-	64,562	45,014
<b>Governance costs</b>				
Investment and Audit Committees	3,216	-	3,216	4,632
Audit fees	39,200	-	39,200	35,330
<b>Total</b>	<u>6,726,664</u>	<u>200,230</u>	<u><b>6,926,894</b></u>	<u><b>8,733,039</b></u>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**2.4 STAFF COSTS**

**Analysis of staff costs**

	2016	2015
	£	£
Total staff costs are as follows:		
Salaries and wages	137,436	97,210
Social security costs	15,383	10,540
Pension costs	13,622	22,114
	<u>166,441</u>	<u>129,864</u>

The average number of employees analysed by function was:

	2016	2015
	Number	Number
Support and governance of the charity	<u>2</u>	<u>2</u>

No employee earned over £60,000 during the year (2015: nil). The key management personnel of the charity comprise only the Trustees. No Trustee received any remuneration or reimbursed expenses during the year (2015: nil). Expenses related to Trustee meetings were met by CWM Ltd.

**2.5 NET EXPENDITURE**

	2016	2015
	£	£
This is stated after charging:		
Depreciation	13,784	10,520
Auditor's remuneration – external audit services	30,600	30,200
Operating leases rentals	<u>87,487</u>	<u>2,204</u>

**3. GRANTS PAYABLE**

During the year the company made grants to the following programmes. During 2016, CWM Ltd (Singapore) took over responsibility for all grant making programmes and so all grants during the current year were made to CWM Ltd. All grants made during the year are made to institutions. Periodic grants are made to CWM (Singapore) Ltd to meet payroll, office and administration expenses under supervision of the General Secretary, these are described as 'Core' below. A description of these programmes is given in note 13 to the financial statements:-

	2016	2015
	£	£
Mission Support Programme 2	-	29,302
CWM Ltd (Singapore) - Mission Support Programme 4	587,746	347,301
CWM Ltd (Singapore) - Capacity Development Funds	134,066	88,043
CWM Ltd (Singapore) - Core	4,378,561	5,384,922
CWM Ltd (Singapore) - CWM Regions	94,772	766,092
Scholarship grants written back	<u>-</u>	<u>(12,053)</u>
	<u>5,195,145</u>	<u>6,603,607</u>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. TAXATION**

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

**5. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Fixtures & Fittings £	Total £
<b>Cost</b>			
At 1 January 2016	648,101	9,376	<b>657,477</b>
Additions	-	855	<b>855</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>648,101</u>	<u>10,231</u>	<u><b>658,332</b></u>
<b>Depreciation</b>			
At 1 January 2016	50,400	440	<b>50,840</b>
Charge for year	10,080	3,704	<b>13,784</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>60,480</u>	<u>4,144</u>	<u><b>64,624</b></u>
<b>Net book value 31 December 2016</b>	<u><b>587,621</b></u>	<u><b>6,087</b></u>	<u><b>593,708</b></u>
<i>Net book value 31 December 2015</i>	<u><i>597,701</i></u>	<u><i>8,936</i></u>	<u><i>606,637</i></u>
Land and buildings are categorised as follows:			
	<b>2016</b>	<b>2015</b>	
	£	£	
Leasehold	<b>277,734</b>	<b>284,046</b>	
Freehold	<u><b>309,887</b></u>	<u><b>313,655</b></u>	

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>6. FIXED ASSET INVESTMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Summary</b>		
Managed investments (note 6.1)	<b>149,468,122</b>	<b>134,151,196</b>
Social investments (note 6.2)	<b>4,475,158</b>	<b>3,669,902</b>
Investment properties (note 6.3)	<b>2,745,000</b>	<b>2,070,000</b>
	<b><u>156,688,280</u></b>	<b><u>139,891,098</u></b>

<b>6.1 Managed Investments</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Market value as at 1 January	<b>134,151,197</b>	<b>132,921,636</b>
Additions at cost	<b>69,454,824</b>	<b>42,175,792</b>
Disposals	<b>(70,509,280)</b>	<b>(42,182,944)</b>
	<b><u>133,096,741</u></b>	<b><u>132,914,484</u></b>
Gains on investments	<b>16,371,381</b>	<b>1,236,713</b>
<b>Managed investments at 31 December</b>	<b><u>149,468,122</u></b>	<b><u>134,151,197</u></b>

The historical cost of quoted investments was £132,633,537 (2015: £119,846,350). Quoted investments are held with 24 investment managers in a mixture of funds investing in property, UK and overseas equities and bonds with some direct holdings in UK equities and Gilts through Sarasin & Partners. Decisions in relation to investments are made after taking advice from the charity's investment advisers Cambridge Associates.

<b>6.2 Social investments</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
As at 1 January	<b>3,669,902</b>	<b>2,881,612</b>
Additions	<b>70,950</b>	<b>703,441</b>
Repayment of capital	<b>(39,465)</b>	<b>(42,915)</b>
	<b><u>3,701,387</u></b>	<b><u>3,542,138</u></b>
Net gains on translation	<b>773,771</b>	<b>127,764</b>
<b>Total social investments at 31 December</b>	<b><u>4,475,158</u></b>	<b><u>3,669,902</u></b>

Included in social investments is an investment of £3,652,119 (2015: £2,974,705) in the share capital of Oikocredit, a worldwide co-operative society. This investment was entered into in the year 2000 as a programme-related investment. The value of this investment at 31 December 2016 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. In additions, social investments includes £812,876 relating to a 5 years unsecured loan of \$1m at an interest rate of 3% made to ECLOF International via CWM Ltd. The loan agreement is in the name of CWM Ltd however monies have been remitted by CWM UK who also receive interest and repayment of capital advanced. The loan has therefore been recognised as a Social Investment in the financial statements of CWM UK.



**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>6.3 Investment Properties</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At start of the year	2,070,000	2,457,187
Addition	250,000	-
Disposals	-	(533,000)
Revaluation	425,000	145,813
	<u>2,745,000</u>	<u>2,070,000</u>

Investment properties are valued at open market value using information from qualified surveyors and management estimates developed from past sales prices and changes in house price indices.

<b>7. CURRENT ASSET INVESTMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Royal London Cash Management GBP	-	8,186,037
Royal London Cash Management USD	-	5,001,372
Royal London Short Term Money Market Fund Y	3,562,937	-
Royal London Cash Plus Fund Y	2,944,713	-
CAF Cash Tier 2 Investment	250,000	250,000
	<u>6,757,650</u>	<u>13,437,409</u>

<b>8. DEBTORS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other debtors	360,999	75,189
Prepayments	27,943	68,067
Accrued income and prepayments	2,126,101	528,993
	<u>2,515,043</u>	<u>672,249</u>

<b>9. CREDITORS: Amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	11,124	4,516
Balances owing to CWM Ltd (Singapore)	1,345,557	631,513
Grants payable	161,438	228,670
Other creditors	52,130	88,199
Accruals	75,664	111,133
	<u>1,645,913</u>	<u>1,064,031</u>

<b>10. CREDITORS: Amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Balances owing to CWM Ltd (Singapore)		
Due within 2 to 5 years	<u>731,129</u>	<u>1,488,243</u>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**11. RELATED PARTY TRANSACTIONS**

Each of the Trustees of Council for World Mission (UK) is a Trustee of CWM Ltd. The grant payable to CWM Ltd is also shown in the note 3 and the amount outstanding at the year end is shown in notes 9 and 10 above.

**12. ENDOWMENT AND RESTRICTED FUNDS**

	<i>Balance 1 January 2016 £</i>	<i>Income £</i>	<i>Raising funds £</i>	<i>Expenditure £</i>	<i>Investment Gains £</i>	<b>Balance 31 December 2016 £</b>
<b>Permanent Endowment Funds</b>						
Capital Only (Notes 12.1 and 12.4)	<u>6,153,935</u>	<u>24,135</u>	<u>(1,818)</u>	<u>(105,170)</u>	<u>576,238</u>	<u><b>6,647,320</b></u>
<b>Restricted Funds</b>						
<i>Permanent Endowment Funds</i>						
Income Only (Note 12.2)	233,081	146,715	(11,052)	(80,166)	-	<b>288,578</b>
Income Only (Note 12.3)	<u>366,171</u>	<u>10,053</u>	<u>(757)</u>	<u>(1,267)</u>	<u>33,905</u>	<u><b>408,105</b></u>
	<u>599,252</u>	<u>156,768</u>	<u>(11,809)</u>	<u>(81,433)</u>	<u>33,905</u>	<u><b>696,683</b></u>
<b>TOTAL</b>	<u><b>6,753,187</b></u>	<u><b>180,903</b></u>	<u><b>(13,627)</b></u>	<u><b>(186,603)</b></u>	<u><b>610,143</b></u>	<u><b>7,344,003</b></u>

Income / investment gains include investment income together with realised and unrealised gains 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 costs to support retired missionaries.

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**12.1 Permanent  
Endowment Funds –  
Capital Only**

	<i>Balance 1 January 2016</i>	<i>Income</i>	<i>Raising funds</i>	<i>Expenditure</i>	<i>Investment Gains</i>	<i>Balance 31 December 2016</i>
	£	£	£	£	£	£
Miss M L Barrett – pref. Kavutalam, etc, Sth India	115,464	-	-	-	13,887	129,351
Harold Granger- Education of Missionaries children etc.	2,858,818	-	-	-	271,563	3,130,381
CWM Missionaries Support Fund	2,127,270	-	-	-	198,784	2,326,054
Sir James Tyler – conditional	62,122	-	-	-	9,764	71,886
Mrs H M Reid, GP training for the child of missionary	1,831	-	-	(1,831)	-	-
Funds with balances less than £10,000	16,011	-	-	-	840	16,851
<b>Sub-total</b>	<b>5,181,516</b>	<b>-</b>	<b>-</b>	<b>(1,831)</b>	<b>494,838</b>	<b>5,674,523</b>
Retired missionaries (note 12.4)	972,419	24,135	(1,818)	(103,339)	81,400	972,797
<b>Total</b>	<b>6,153,935</b>	<b>24,135</b>	<b>(1,818)</b>	<b>(105,170)</b>	<b>576,238</b>	<b>6,647,320</b>

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

	<i>Balance 1 January 2016</i>	<i>Income</i>	<i>Raising funds</i>	<i>Expenditure</i>	<i>Balance 31 December 2016</i>
	£	£	£	£	£
Miss M L Barrett – pref. Kavutalam, etc, Sth India	33,988	4,117	(310)	-	37,795
Harold Granger- Education of Missionaries children etc.	105,368	80,516	(6,065)	(41,524)	138,295
CWM Missionaries Support Fund	50,505	58,938	(4,440)	(38,384)	66,619
Sir James Tyler – conditional	42,959	2,895	(218)	-	45,636
Mrs H M Reid, GP training for the child of missionary	43	-	-	(43)	-
Funds with balances less than £10,000	218	249	(19)	(215)	233
	<b>233,081</b>	<b>146,715</b>	<b>(11,052)</b>	<b>(80,166)</b>	<b>288,578</b>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**12.3 Restricted Funds**

	<i>Balance 1 January 2016 £</i>	<i>Income £</i>	<i>Raising funds £</i>	<i>Expenditure £</i>	<i>Investment Gains £</i>	<b>Balance 31 December 2016 £</b>
Ivy Phyllis Read-Scholarship fund	21,011	556	(42)	(824)	1,876	<b>22,577</b>
Robert Cochrane-work in India	83,960	2,313	(174)	-	7,801	<b>93,900</b>
Widows and orphans	225,770	6,220	(469)	-	20,978	<b>252,499</b>
Candidate training	17,574	484	(36)	-	1,633	<b>19,655</b>
D E Quick Legacy	443	-	-	(443)	-	<b>-</b>
Funds with balances less than £10,000	17,413	480	(37)	-	1,618	<b>19,474</b>
	<u>366,171</u>	<u>10,053</u>	<u>(758)</u>	<u>(1,267)</u>	<u>33,906</u>	<u><b>408,105</b></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. CWM decided to apply £103,339 in 2016. At 31 December 2016 the unapplied total return was £288,787

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

	<b>£</b>
Value of unapplied total return at 1 January 2016	288,409
Investment return	103,717
Value applied during 2016	(103,339)
	<u>288,787</u>
Value unapplied total return at 31 December 2016	288,787
Permanent capital	<u>684,010</u>
	<u><b>972,797</b></u>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**13. UNRESTRICTED FUNDS**

	General funds £	Designated funds £	Total £
Balance 1 January 2016	135,101,401	10,032,197	<b>145,133,598</b>
New designations	(140,000)	140,000	-
Designations written back	205,658	(205,658)	-
Surplus/(deficit) for the year	<u>15,618,558</u>	<u>(721,812)</u>	<b><u>14,896,746</u></b>
Balance 31 December 2016	<u>150,785,617</u>	<u>9,244,727</u>	<b><u>160,030,344</u></b>

**13.1**

	Balance at 1 January 2016 £	New designation £	Designations released £	Balance at 31 December 2016 £
Mission Support Programme 2	493,076	-	-	493,076
Mission Support Programme 3	3,080,345	-	-	3,080,345
Mission Support Programme 4	4,652,699	140,000	(587,746)	4,204,953
Partnership in Transforming Mission	189,658	(189,658)	-	-
Capacity Development Funds	1,600,419	-	(134,066)	1,466,353
Regional Empowerment Programme (phase 1)	<u>16,000</u>	<u>(16,000)</u>	-	-
	<u>10,032,197</u>	<u>(65,658)</u>	<u>(721,812)</u>	<u>9,244,727</u>

- *Mission Support Programme (MSP2).* 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 (MSP3).* MSP is the successor programme to the MPSF. The commitment of funds was made with the period 2006 - 2012 in mind but the programme is on-going. These funds are ring-fenced in favour of the member churches. The Trustees have power to determine a definitive timeline for use of these funds
- *Mission Support Programme (MSP4).* The commitment of funds was made with the period 2015 -2019 in mind but the programme is on-going. MSP4 is different in that it is specifically geared to enabling members to develop missional congregations and as such can be applied for before the completion of MSP3. It is also different in that any unclaimed funds remaining at the end of the programme in 2019 will not be retained, but will be rolled over into future CWM programmes.
- *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 2012 there was no new Partnership in Transforming Mission applications, although there were some in development. The current phase will end by 31 December 2016.
- *Capacity Development Funds* The objective is to assist churches to plan and implement short term skills oriented training or learning from experience that are part of the church's long term capacity development plan. This will run until 2019.

In all cases these funds will be utilised once previous grants have been accounted for by the recipient.

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	Unrestricted Funds	Designated Funds	Endowment and Restricted Funds	Total Funds
	£		£	£
<b>Fund balances at 31 December 2016 are represented by:-</b>				
Tangible fixed assets	593,708	-	-	593,708
Investments	149,344,277	-	7,344,003	156,688,280
Current assets	3,224,674	9,244,727	-	12,469,401
Current liabilities	(2,377,042)	-	-	(2,377,042)
<b>TOTAL NET ASSETS</b>	<b>150,785,617</b>	<b>9,244,727</b>	<b>7,344,003</b>	<b>167,374,347</b>

**15. PENSION SCHEMES**

**Defined benefit pension scheme**

CWM UK previously operated a defined benefit pension scheme. This was a separate Trustee administered fund. The Trustees at a meeting in February 2014, agreed to buy out of the pension scheme and transfer the liabilities to a reputable and trustworthy insurance company. On 17 July 2015, CWM UK made a payment of £2.5m into the CWM Final Salary Scheme to enable a total payment of £6.07m to be made to Aviva Annuity UK Limited. The payment of £6.07m was estimated to represent approximately 95% of the projected cost of securing the bulk annuity policy in respect of all members of the CWM Final Salary scheme.

During 2016 the data verification work was undertaken by The Pensions Trust along with Aviva so that The Pensions Trust and Aviva were content that the correct benefits were being covered by the Aviva policy. Aviva has now issued individual annuities to the Members and beneficiaries of the Scheme and will direct payments of benefits to those individuals. The Trustee has no further liability to provide benefits and the Trustee is in the process of winding up the CWM Scheme.

During the year a final payment of £335k was paid to The Pensions Trust made up of the settlement representing a final balance due to Aviva of £454k, £171k of closure costs less assets still held in the scheme of £290k. The difference the final settlement amount and the balance provided at the end of December 2015 (£182k) has been released as a credit to expenditure.

**Unfunded scheme**

Discretionary pensions amounting to £101,505 in 2016 (2015: £110,383) were paid from the Retired Missionaries Fund to missionaries previously employed by CWM UK and not part of the defined benefit scheme described above. The Retired Missionaries Fund is expected to have sufficient funds to meet any commitments made to these individuals.

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. ULTIMATE PARENT ENTITY**

The Charity's ultimate parent entity is CWM Ltd, 60 Paya Lebar Road, #11-14 Paya Lebar Square, Singapore 409051, Singapore. CWM Ltd is a registered company [UEN 201206146Z] limited by guarantee accorded with International Charitable Organisation status in Singapore. CWM Ltd carries out most of the direct charitable activities previously undertaken by Council for World Mission (UK) supporting the worldwide partnership of churches to carry out God's mission locally. CWM Ltd is the sole member of Council for World Mission (UK).

**17. PRIOR PERIOD STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 Funds £
<b>Income and endowments from:</b>				
Donations and legacies	190,918	-	-	190,918
Investments	3,796,576	154,750	26,250	3,977,576
Other – profit on sale of fixed assets	10,966,778	-	-	10,966,778
<b>Total</b>	<b>14,954,272</b>	<b>154,750</b>	<b>26,250</b>	<b>15,135,272</b>
<b>Expenditure on:</b>				
Raising funds:	1,290,149	20,849	3,537	1,314,535
Charitable activities				
Grants payable	6,603,607	275,873	3,135	6,882,615
Functional costs	331,485	90,885	113,519	535,889
Settlement of defined benefit pension scheme	(250,000)	-	-	(250,000)
<b>Total</b>	<b>7,975,241</b>	<b>387,607</b>	<b>120,191</b>	<b>8,483,039</b>
<b>OPERATING (DEFICIT) / SURPLUS</b>	<b>6,979,031</b>	<b>(232,857)</b>	<b>(93,941)</b>	<b>6,652,233</b>
Gains on investments	2,054,053	1,398	24,394	2,079,845
<b>Net income / (expenditure)</b>	<b>9,033,084</b>	<b>(231,459)</b>	<b>(69,547)</b>	<b>8,732,078</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>9,033,084</b>	<b>(231,459)</b>	<b>(69,547)</b>	<b>8,732,078</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>	<b>136,100,514</b>	<b>830,711</b>	<b>6,223,482</b>	<b>143,154,707</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>145,133,598</b>	<b>599,252</b>	<b>6,153,935</b>	<b>151,886,785</b>

**COUNCIL FOR WORLD MISSION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**18. LEASING COMMITMENTS**

The Council for World Mission (UK) is committed to making the following aggregate minimum payments under operating leases which expire as follows:

	Land and buildings	
	2016	2015
	£	£
Less than one year	85,256	63,495
Between one and five years	<u>57,146</u>	<u>111,116</u>

This relates to a lease on administrative office space in Ipalo House taken out at the end of 2015.

**19. COMPANY INFORMATION**

The charity is a private limited company (registered number 4758640), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 10 Queen Street Place, London EC4R 1BE