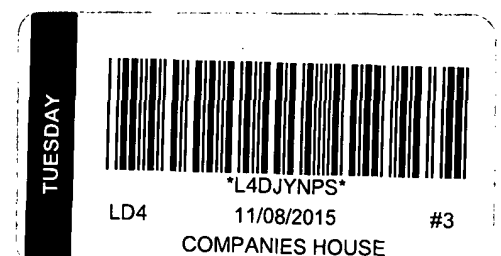


Registered Charity Number 1097842
Company Number 4758640

**COUNCIL FOR WORLD MISSION (UK)
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**



**COUNCIL FOR WORLD MISSION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Legal and Administrative Details

Name	Council for World Mission (UK)
Registered Charity Number	1097842
Company Number	4758640
Principal and Registered Office	Ipalo House 32-34 Great Peter Street London SW1P 2DB
Governing Instrument	Council for World Mission was registered as a company limited by guarantee on 9 May 2003, Company number: 4758640 and registered as a charity on 5 June 2003, Charity no: 1097842. The governing documents are the Memorandum and Articles of Association as amended by special resolutions dated 25 July 2003, June 13, 2012 and August 24, 2012.
Trustees and Directors	Details of those who acted as Trustees during the period are set out on pages 3. All Trustees are directors of the company during their periods of service.
Secretariat	Details of those who served in the roles of the Secretariat during the period are set out on page 3.
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	Sarasin & Partners LLP Schroder Investment Management Limited ILF Ltd (subsidiary of Blackrock Financial Management Inc) Cordea Savills (Charities Property Fund) Lothbury Investment Management Payden & Rygel Global Ltd Royal London Capital Management Natixis Global Associates JM Finn & Co (Japan ETF's) Neuberger Berman Management LLC Jubilee Absolute Return Fund PCC Ltd Franklin Templeton Investment management Ltd BlueCrest AllBlue Ltd
Solicitors	Bates Wells & Braithwaite LLP 10 Queen Street Place, London EC4R 1BE

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Legal and Administrative Details (continued)

Member Churches and Trustees

CWM has 31 member churches which are organised into six geographical regions.

Six Trustees were elected for a four year term during the quadrennial Assembly on 22 June, 2012 in Pago Pago, American Samoa. The Trustees met on 14 February 2014 in London, on 26 June 2014 in Singapore and on 8 and 11 November 2014 in Blantyre, Malawi.

Africa Region

United Church of Zambia

Rev Richard Chimfwembe

Caribbean Region

United Church in Jamaica and the Cayman Islands

Rev Norbert Donovan Stephens (Chair of Trustees)

East Asia Region

Gereja Presbyterian Malaysia

Rev Joo Yee Sim

Europe Region

Congregational Federation

Rev Sandra Turner (previously held office, re-appointed 22/6/2012)

Pacific Region

Nauru Congregational Church

Miss Peta Eredaban Gadabu

South Asia Region

Church of Bangladesh

Bishop Paul Sarker (appointed 22/6/2012)

The Secretariat

The day to day running of the charity is in the hands of the Secretariat, headed by the General Secretary (who is the Chief Executive Officer) and the Management team. They, along with programme and administrative staff, are responsible for implementing the policy decisions of the Trustees.

Rev Dr Collin Cowan
Rev Kyung-In Kim
Rev Philip Woods
Rev Randolph Turner
Mr Sudipta Singh
Rev Dr Tan Yak-Hwee
Dr William Temu

General Secretary
Deputy General Secretary
Programme Secretary, Mission Enabling
Programme Secretary, Justice and Witness
Programme Secretary, Empowerment & Training
Programme Secretary, Reflection and Research
Finance Secretary

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CWM Ltd Sole Member of CWM UK

With the reorganization of CWM the charity was governed in the first half of 2012 by 31 Trustees/Directors and an Officers' Group of six. Since then the charity, renamed CWM UK has been governed by six Trustees/Directors. The CWM UK Trustees/Directors work in close association with CWM Ltd which is an international charitable organization since from June 2013 with the same objects. CWM Ltd, limited by guarantee, has the Singapore registration number 201206146Z and its office address is 400 Orchard Road, 23-05 Orchard Towers, Singapore 238875. CWM Ltd is regulated by the Singapore Commissioner of Charities.

Audit and Investment Committees

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

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

1. Objectives of the Charitable Company

The Council for World Mission (UK) (*hereinafter CWM (UK)*) is a charity registered in England and Wales which acts to fulfil the commitment of a partnership of 31 protestant churches worldwide known as Council for World Mission (CWM).

The object of CWM (UK) 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 charitable company has the power to:

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

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

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

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

2. Historical Background

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

CWM grew out of the London Missionary Society (founded 1795), the Commonwealth (Colonial) Missionary Society (founded 1832) and the (English) Presbyterian Board of Missions (founded 1847). Property assets of the two first-named societies were held by the London Missionary Society Corporation and Colonial Missionary Society Corporation which remain as dormant companies controlled by the charity.

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

3. Membership of CWM

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

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

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

4. Governance of CWM

The charitable company, whose name was extended in June 2012 by the addition of "(UK)" to its title, continues to function on behalf of the CWM partnership of 31 member Christian churches worldwide. The wording of CWM's Objects was slightly redefined at the same time to make it clear the partnership is engaged in Christian mission. By amendments to the articles of association, the member Churches entrusted the running of this charitable company to six Director/Trustees, one from each of CWM's global regions. The 31 Churches formed the company in Singapore (CWM Ltd) which is now the sole Member of CWM (UK).

CWM (UK) discharges the responsibilities of the charity in the United Kingdom and finances the international work, in accordance with its Objects, through CWM (Ltd) from the global office in Singapore and the six CWM regions.

The principal guiding forum is the quadrennial Assembly gathering. The most recent Assembly was held in Pago Pago, American Samoa, in June 2012. Four people from every member church attend the quadrennial Assembly gathering (participants include men, women and youth representation). These Assembly gatherings give tremendous opportunities to promote unity amongst the CWM global family, giving a wide cross-section of the constituencies an opportunity to contribute to strategic direction. The Assembly creates a melting pot of ideas, inspiration and experiences which assist in discerning God's will for the global family of CWM.

During Assemblies, elections take place for the CWM (UK) Trustee Body for the following four year period and for the Council (board of directors) of CWM Ltd. The six Trustees of CWM (UK) each come from a different CWM Region and two are 'independent' Trustees, not being members of the Council of CWM Ltd. One representative of each member church is elected to serve on the Board of CWM Ltd. Special attention is paid to ensure as far as possible that women and youth are put forward for election so that these elements of constituencies of the member churches are represented.

The 31 Directors of CWM Ltd then meet at least once a year, translating the previous Assembly's vision into achievable aims, designating those who are responsible and deciding upon the desired timeframe. In addition it monitors and evaluates achievement and determines future programmes for action. There is also an 'Executive' of 12 Directors which has delegated authority to act in between Council Meetings where necessary. The inclusive structure of the Council allows each member church to be represented in the business meetings of CWM, where financial decisions are taken, where policy is shaped, and where practice is monitored. In accordance with good governance and best practice, Directors of CWM Ltd absent themselves from discussions relating to donations that are proposed for their respective churches and projects. Theologically the Council 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 CWM (UK), however, assess the proposed programme and budget against the

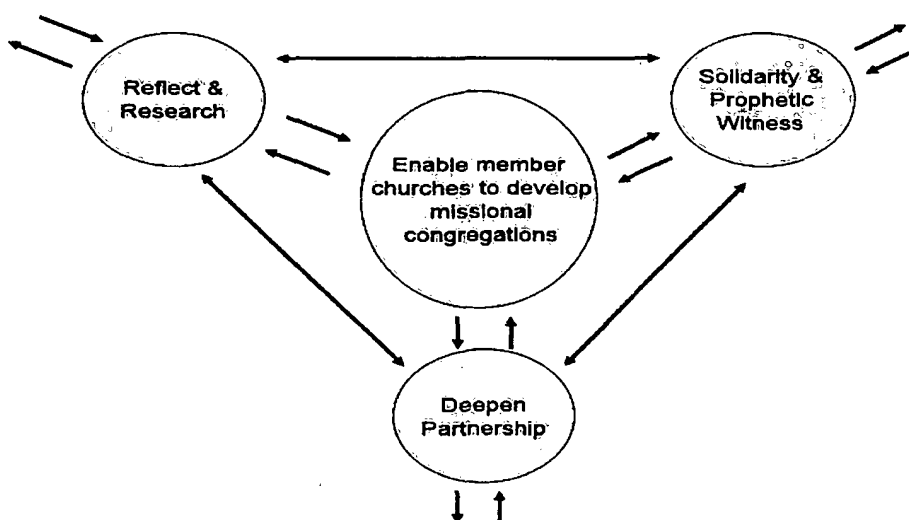
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charity's objects and their trustee responsibilities. At every Trustee Body meeting, time is set aside for Trustee training of current significance.

CWM, having grown from the London Missionary Society and other UK-based bodies, retained its office in London from 1977 and Secretariat Staff of CWM remained based there. However, in accordance with decisions of the Trustee Body Meeting of June 2011 the headquarters was transferred to Singapore in 2012. Hitherto CWM has had no office in other part of the world, but the six regions of CWM are now establishing offices to more effectively accompany the members within the region in carrying out their mission. The activities of CWM are carried out by the member churches both separately and in partnership with each other. Some activities are initiated and/or facilitated by the global Secretariat and some by regional secretaries.

5. Policies and Activities

CWM encourages its member churches to be actively involved in mission partnership with others, particularly to empower women and youth for mission, and encouraging the principle that every church be both a receiver and a giver. CWM Ltd has embarked on a special programme strategy, aimed at accompanying the 31 members in the pursuit of the mission in the various contexts where they function. The diagram below shows the priorities being pursued and how they interlink to facilitate a holistic response to the social challenges being encountered by peoples throughout the world.



Staff are engaged in the global office, supported by a network of regional colleagues, to implement these priorities, standing in solidarity with the members as they explore ways to contribute to personal development and community transformation. This strategy will culminate in 2019 and pave the way for planning the future beyond that timeline.

Listed below are the specific ways in which resources are galvanized to give expression to the strategy. To do this, opportunities are provided for:

- a) Mission Enabling
- b) Empowerment and Training (including Leadership development and gender/youth empowerment)
- c) Justice and Witness
- d) Reflection and Research
- e) Networking and Communication
- f) Meeting and exchanging of experience and ideas
- g) Partners in Mission (sharing of people for the work of mission)
- h) Sharing financial resources

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- i) Regional integration
- j) Encouraging churches to live out CWM family ideals
- k) CWM to demonstrate its belonging within the world church

Some of the applications of these principles are described below, identifying specific highlights of the year.

5.1 Global mission in local contexts

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

5.1.1 Mission Enabling

Enabling members to develop missional congregations is the central focus of CWM's current strategy. The Mission Enabling team, working with CWM's regional staff and in conjunction with the other programme teams lead on this through the following programmes and activities: Mission Support Programme; Mission Toolkit; Team Visits; Member Church Assistance and Partnerships in Transforming Mission. In 2014 the team also began to develop a new programme area, in conjunction with the World Council of Churches (WCC), focusing on reclaiming evangelism, which will be launched in 2015.

5.1.1.1 Mission Support Programme (MSP)

The Mission Support Programme which began in 1998 provides support for CWM members in developing and implementing 3-5 year strategic mission programmes in their contexts. Its latest phase (MSP3) commenced in 2006. 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 2014 we have one member church still in MSP1, 13 member churches in MSP2, and 17 member churches in MSP3.

In 2011 it was agreed to focus efforts on those members that were facing difficulties with their mission programmes, and this led to working more closely with nine member churches during 2014 as part of our Member Church Assistance programme. We also convened a meeting of Finance Officers from our Pacific Region churches to work with them on developing their financial management capacities.

Two MSP grants were agreed in 2014: CCM – adopting a revised budget for their Restructuring Programme; and PCW for the next phase of their 'Equipping the Church – Equipping Leadership' programme, which builds on the successful completion of the pilot phase approved in 2013.

The next phase of the Mission Support Programme (MSP4) was launched in June 2014, with an allocation of £5 million to be shared amongst the 31 members based on a needs assessment formula that takes into account many contextual factors from the size of the church to the challenges of its context. Unlike previous phases of the programme, this phase will focus 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. To support this phase of the programme we have developed a Mission Toolkit, which can be accessed on the CWM website (<http://cwmission.org/missiontoolkit/>) and downloaded and adapted for local use.

5.1.1.2 Team Visits

In line with CWM's mission statement (Called to partnership in Christ to mutually challenge, encourage and equip churches to share in God's mission) the Mission Enabling team is supporting a programme of Team Visits that will see each CWM member body receive a visit by a team of up to six people (normally one person from each of CWM's six regions) during the period 2014-2018 to: 1) benchmark where members are with the development of missional congregations; 2) share with each other experiences and different approaches to the development of such transformative, life affirming communities; and 3) reflect and cross fertilize the outcome of the visits for the benefit of the whole CWM family. In 2014 Team Visits were organized to four member churches (NCC, CF, GPM and UCZ), followed by a debriefing event for the Team Visit leaders, and a Team Visit leaders

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training event was held for the next phase of the programme, which will see at least six member bodies visited during 2015.

5.1.1.3 Partnership In Transforming Mission (PTM)

Following on from the monitoring and evaluation meeting of the Partnership in Transforming Mission (PTM) programme in 2013, a meeting was held with the three churches – Congregational Union of New Zealand (CUNZ), Hong Kong Council of the Church of Christ in China (HKCCCC), and the Congregational Christian Church in Samoa (CCCS) who are collaborating together on responses to youth suicides to monitor progress, and to facilitate a workshop to develop a peer education programme for use by them in their ongoing work.

5.1.2 Empowerment and Training

The Empowerment and Training Unit aims to develop the capacities of its 31 member-churches to prophetic engagement in God's Mission, through the sharing of knowledge and experiences among the communities, congregations, member churches and regions. The Empowerment and Training Unit administers the following capacity development programmes:

5.1.2.1 Academic Accompaniment Programme (AAP)

AAP aims to facilitate advanced learning within and between its members by offering opportunities to gain further education in other contexts. These opportunities will be used to build up or to upgrade a theological faculty; to develop new leaders; and to acquire specific skills for emerging challenges of mission. In 2014, CWM has awarded 18 AAP funds to students who are undertaking the following: four (4) Bachelor of Divinity, ten (10) Master of Theology, three (3) Doctors of Theology and one (1) Doctor of Philosophy.

5.1.2.2 Special Academic Accompaniment Programme (SAAP)

The SAAP aims to promote academic excellence in theological education in partnership with selected renowned institutions. In 2014, CWM signed Memorandum of Understanding with the following institutions: Tainan Theological College and Seminary in Taiwan; Protestant Theological University in The Netherlands; University of KwaZulu-Natal in South Africa; and United Theological College – Bangalore in India.

In 2014, three (3) students were enrolled under the SAAP – Tainan Theological College and Seminary Programme.

5.1.2.3 Emergency Scholarships

In 2014, three (3) Emergency Scholarships were provided to three students as one-time support for the continuing of their studies.

5.1.2.4 Member Church Initiative for Capacity Development

Created by the CWM Council and was made available to the member churches from 2014 to 2019, this Programme aims to facilitate capacity development in churches by providing opportunities for people engaged in mission to undertake short-term, skills orientated training, and/or learning from experiences.

In 2014, the member-churches were able to access the annual fund from their allocated budget. Nineteen on the 31 member-churches have submitted their seven (7)-year Capacity Development Plan. Of this, twelve (12) have been granted with the annual fund while the rest are currently on review by the Empowerment and Training Programme Secretary.

5.1.2.5 Training in Mission Programme (TIM)

TIM is a youth training programme that aims to enhance the skills and experiences of young leaders through theoretical study of mission and experiential learning. Participants attend classes; engage in exposure visits, projects and hands-on work in various contexts. The programme also facilitates the development of future leaders for the church. In 2014, TIM was held in three countries: India, Fiji and Kiribati.

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5.1.2.6 Face to Face (F2F) Programme

This programme, designed primarily for Ordinands, aims to expose participants to a context other than their own, to stimulate theological reflection and sensitivity to people of other cultures, thereby deepening theological insights; and equipping Ordinands for future ministry in a multicultural context. In 2014, three Face to Face Programmes were implemented in: Fiji, India and Zambia.

5.1.2.7 A New Faith and Culture Exposure (ANF) Programme

ANF introduces clergy to a ministry context different to their own to stimulate theological reflection and to gain cross-cultural perspectives. Such exchanges aim to enable ministers to work in a multicultural context and prepare to work with a church's international partners. In 2014, ANF was held in Jamaica.

5.1.2.8 General Scholarships

This Programme aims to facilitate advanced learning within and between CWM church members, to build up a theological faculty; to develop new leaders; and to acquire specific skills for emerging challenges.

Though the General Scholarship was discontinued from 2013, the Empowerment and Training Unit is still managing a total of 11 scholarship students who are currently finishing their Master or Doctorate in Theology studies.

5.1.2.9 Youth in Mission Programme

Youth in Mission Programme aims to encourage churches to engage their youth in the outworking of the mission priorities of the church by introducing a new generation to God's mission and how it is understood in a particular context. This also aims to draw on the insights of youth in the evaluation and/or development of a church's mission programme and to enable them to play in a fuller part in the life of the church.

Although discontinued in middle of 2014, a Youth in Mission grant was provided to Union of Welsh Independents to support its project for the Music Youth.

5.1.2.10 Review and Planning Meeting

This activity aims for the Empowerment and Training Unit, and Programme partners to come together and to learn together from the past programme implementation, and to plan for upcoming programmes. This was attended by 13 Programme partners and was held from 27 April to 1 May 2014 in Taiwan.

5.1.2.11 Discerning the Signs of the Times: Mission in the Midst of Empire - A Global Bible Study Book (a CWM Publication)

This Project aims to provide a platform to ground the CWM Theology Statement in Biblical faith and unpack it theologically, with the end goal of coming up with a CWM publication. This was attended by 18 Biblical scholars and was held from 16 to 21 November 2014 in Durban, KwaZulu-Natal, South Africa.

5.1.3 Justice and Witness

The Justice and Witness unit focused its work in four areas in 2014: a) working with the Oikotree facilitating on planning for a transformative education workshop, b) planning and executing a conference on advocacy with and for people with disabilities as a component of the inclusive community programme, c) managing and coordinating an action reflection programme intended to provide exposure to the realities of globalization and empire and d) beginning the mapping of CWM's carbon footprint with a view to creating a bench mark for carbon emissions and moving CWM towards being "greener" in its operations.

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5.1.3.1 Covenanting for Justice

The roots of the idea "covenanting for justice" is found in the 2004 Accra confession of the then WARC (World alliance of Reformed Churches) now WCRC (World Communion of Reformed Churches). Efforts to keep the principles of covenanting for justice alive found their roots in the formation of the Oikotree movement, which is intended to be a joint collaboration between CWM, WCC and WCRC. Launched in December 2008, it works through a user-generated, networking website "www.oikotree.org" and events to equip advocates and develop resources, steered by a Facilitating Group appointed by the three sponsoring bodies. We continue to promote and develop this as a key mission response to the critical issues of our time.

The Oikotree Facilitating group along with the Transformative Education working group met in April 2014 to plan for the 2015 Oikotree Workshop on Transformative Education in Matanzas, Cuba, 3-9 February 2015. Theme: Searching for Oikos Sophia Praxis, a transformative education. About 36-40 representatives coming from Africa, Asia, Europe, Latin America, North America, Pacific and the Caribbean region will be participating in the workshop.

5.1.3.2 Inclusive community

The programme focus on advocacy and engagement with people with disabilities came out of the awareness that people with disabilities still remain significantly marginalized within societies. They represent the single largest minority grouping globally and represent on average 15-20% of country populations globally. The program focus is to invite and challenge member churches to be more intentional in how people with disabilities are welcomed and to engage with them in advocacy in their societies.

We followed through on the initial exploratory seminar of 2013 to organize and execute a conference involving some 70 participants and resource persons in July 2014 in Malaysia. The conference was held under the theme "*Moving beyond Accommodation towards Affirmation and Advocacy with and for People with Disabilities*". The conference provided practical engagement and option for participants. A conference statement was drafted and a booklet of guideline affirmations for member churches was also produced.

5.1.3.3 Face the Facts

The program had its second run and included two ecumenical participants from S. Korea and Germany. It remains hosted by The Peoples Forum on Peace for Life in the Philippines. Participants were given an intense exposure to the realities of life for the urban poor as the exposure included sleeping in an urban poor community. Additionally they were exposed to the challenges of human trafficking and land loss through illegal mining. The program was intended to create an awareness of these issues and to recognize similarities and connections in their own context.

Included in the program this year was a workshop that gave some additional options to the support organizations and communities but also provided practical learning for participants.

5.1.3.4 Faith and Ecology

We completed a "market place" of web resources on the issues of climate change for member churches to access a variety of sources from one site. Additionally planning began on shaping a consultation for affected member churches and countries i.e. Kiribati, Tuvalu, Bangladesh to ensure that CWM through its processes of mission support planning and capacity development plans enable these churches to face and contend with the issues related to their communities in real and practical ways.

5.1.4 Reflection and Research

The purpose of the programme area is to facilitate missiological research and reflection that supports and accompanies member churches in their quest to, clarify theological understanding, seek God's liberating presence, deepen understanding of and engage with God's mission in the 21st century. The following are the programme highlights for the year 2014:

5.1.4.1 Theological Engagement

In the face of the changing landscape of the 21st century, such as the rise of neo-colonialism, the increasing environmental threat, human trafficking and the growth of Christianity in the non-Western world, means that a new paradigm of mission is necessary and is in fact emerging. Therefore, CWM seeks to engage with the various

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institutions, exploring what is being produced in such areas within the institutions and regions so as to live out mission in the context of 'empire.' The joint theological consultation draws upon the expertise of missiologists, mission educators and theological students to explore the many facets of missiology and consequently, to promote modules and programmes for the context.

- a) A joint Theological Consultation was held in Cambridge, UK, from 8-14 November 2014. The participants come from the churches of the Europe and Africa Regions. Issues that were discussed were migration and disability. The participants came out with a Mission Studies curriculum and also syllabi for migration and disability studies.
- b) Joint Theological Consultation 2015 – South Asia & Caribbean to be held in South Asia. By the end of 2015, all the regions would have participated in theological consultations. And with the collection and collation of syllabi, we seek to produce a booklet with these teaching materials for those who are engaged in teaching mission studies, whether in the institutions or the church in 2016.

5.1.4.2 Shaping of Spirituality for Mission

Theological engagement is not confined to theological institutions and also printed materials. This means that there are other expressions to doing theology and spirituality in the light of the issues of 'empire' and justice. In other words, CWM seeks to encourage and raise the awareness of arts such as music, poetry and art as medium of expressions of doing theology.

A Workshop on Liturgical Music of 21st Century. An International Proclamation through the Art of Music was held in Kingston, Jamaica in May 16-23, 2014. Expert participants came from different parts of the world and with their expertise, they composed liturgies, prayers, lyrics and music score under the themes of justice, violence, peace, creation for different age group of people. After the workshop, some participants continued to compose more materials which are in the process of being collated and edited. The due date for all materials to be submitted to the programme area is end March 2015. An editorial board is being formed for the production of these resources for CWM. The anticipated date for publication is early 2016.

5.1.4.3 Collection, Collation and Production of Materials

The histories, stories and experiences of our member churches are critical in the sharing of information, and in the carrying out of their mission and indirectly, CWM's mission as well. Hence, this ongoing process of research, collection and collation and production of materials is being carried out by the Reflection and Research Programme Area. Publications have been produced and there are others in the pipeline.

- a) **CWM Prayer Books.** The Prayer Book profiles stories from our member churches, partners-in-mission and ecumenical partners for prayers and concerns. It also seeks to connect with each other in prayer in every place and at all times.
 - i) The CWM Prayer Book was produced quarterly (Jan-Mar, Apr-Jun, Jul-Sept, Oct-Dec) for 2014. They were well-received by our member churches and partners-in-mission who shared their stories for prayers and concerns.
 - ii) A Prayer book, "Sundays with CWM. Working and Waiting with God 2015" was produced in place of the Quarterly prayer book. It covers all the Sundays of 2015 as well as some Christian holy days. The prayer books were sent to member churches in early 2015 for their reflection and prayer for the CWM family.
- b) **Bible Study Materials.** There is a requirement to produce bible studies to articulate some aspects of CWM Theology Statement "Mission in the Context of Empire" for biblical and theological engagement. The Bible studies seek to raise awareness among the member churches and hopefully for members to be challenged and work together for the sake of common good. The following are bible study materials which were started during the year.
 - i) "Radicalizing Biblical Studies" – bible study for young people (to be completed in June 2015)
 - ii) "Hope in the Time of Empire" – bible study for adults (to be completed in March 2015)
 - iii) "Water" – bible study for children (in process)
- c) **Missional Stories.** Missional stories of past and present of member churches and their partners-in-mission are stories of heroism, struggle, at times despair and dedication. Through the narration of these stories, people are moved to think and act. There is power in story-telling and stories because unless one articulates one's own story, someone else will interpret it and claim the merit of the story. Their stories are critical in offering us a vision of hope for the CWM and world-at-large.

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To achieve such an end, visits have been made to interview women, both clergy and lay who are very instrumental in the life of their churches and visits were made to UCJCI and HKCCCC in May 2014. A visit was made to interview women from the Protestant Church in the Netherlands (PKN) in Utrecht in November 2014 when the Programme Secretary was on her way to the theological consultation in Cambridge, UK.

The stories collected from HKCCCC and GPM (collected in 2013) were in Chinese Mandarin or Cantonese and are in the process of translation into English. To further enhance this area of work, a workshop for the training of persons, including regional secretaries who are interested in the collection, collation and writing of oral missional stories/histories is in its embryonic stage of planning. This workshop is being planned for late May 2015, in Durban, Africa.

5.1.4.4 Roving Faculty

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. The CWM will form a team of Roving Faculty who will visit and sojourn in locales of theological institutions and worshipping communities in order to facilitate insights and inputs towards raising mutual learning platforms. To this end, CWM aims to work with selected member churches to hone a theological missional curriculum that will address perceived and felt concerns of the communities it partners.

The first meeting of Working Group was held in October 2014 in Singapore to work on the draft of proposed idea of curriculum. The members suggested that the idea be shared for input at the Round Table Meetings in 2015 when representatives from CWM member churches are present. However, the concept of Roving Faculty will be discussed in 2016 because of other programme priorities for 2015.

5.1.5 General Secretariat Programmes

5.1.5.1 Partners in Mission (PiM)

The sharing of people across member churches and the ecumenical community is fundamental to who we are and how we work. 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 participate therein, particularly, the receiving churches and the partners themselves. Member churches are increasingly recognising the partners in mission programme as a crucial tool in pursuit of their mission. In a variety of ways persons are being invited to share in the ministry of member churches, be it in pastoral ministry, as medical personnel, teachers in public education institutions or lecturers/professors in theological institutions. We are heartened by the quality of the work of those on the 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.

2014 saw the establishment of a term limit for all persons serving as Partners in Mission, facilitated by CWM. The decision being the result of a discernment process that began in 2010. The term limit agreed is up to a maximum of nine years. This limit to tenure is hoped to enable maximisation of the partners in mission programme, allowing for mutual learning and sharing, dynamic movement within the programme and proper readjustment for persons when they shall have returned to their homes. Conversations and discussions on strategy of implementation of the decision is currently taking place.

During the year in review there were 57 partners in mission serving through CWM. A gathering of those serving in Zambia, South Africa, Madagascar and Botswana took place. Visits were made to some of the partners in Europe, by the Coordinator of the programme, and opportunities for face to face conversation with the General Secretary were enabled in such places as Zambia and South Africa as part of official visits to the churches.

5.1.5.2 Communication

Communication remains a vital aspect of CWM's ministry and we are conscious of the diverse, independent communities, each with their own structures, vision and priorities, that constitute this partnership. Against this background, our approaches to communication must be of a cutting edge nature so as to encourage member churches to engage with the issues of the day, particularly, the new CWM strategic priorities and the many social issues calling for a compassionate and justice-focused response by the Christian community.

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Historically, CWM has tended to view communication as a support service to its programme activities, disseminating information and news through selected communication channels and producing a variety of printed promotional materials. While these remain important, they are just a few links in a much bigger communication chain. We have determined that there is need for a more holistic approach to communication, in which reports, story-telling and prophetic witness are woven together into one strategic engagement with our member churches, regions, ecumenical partners and staff for greater witness, visibility and impact. Since 2012 we began a process focusing the communication ministry to reflect these dimensions as well as to work in collaboration with the regions to ensure that advocacy becomes a deliberate feature of our communication ministry and strategy. The staffing setbacks experienced in 2013 continued to face the Council and this meant that this process did not move forward as fast as we desired. The targets we set for 2014, were met only in part:

- a) A communications strategy in line with our communications policy has been created, presented to all committees and approved.
- b) Social media has been revived and strengthened – we now have active Facebook, Twitter, Instagram, and Pinterest pages with growing members.
- c) Hard copies of the 2013 Annual Report were distributed.
- d) The new CWM website is now live and is being actively updated.

The first CWM Communications Consultation took place 19th-20th January 2015 in Singapore and was a very successful time of sharing and learning on the theme: Communications as a tool for engagement and advocacy as we consider mission in the context of empire. This consultation, whose major aim was to build relationships with the larger community of Christian communicators worldwide, allowing us to use new communication ideas and tools for advocacy and to mutually challenge, encourage, and equip each other to share in God's mission.

5.1.5.3 Engagement with member churches

An important facet of the work of CWM is the official visits to and engagement with member churches by the General Secretary. The visitations lend insight into the life and work of the church and provide opportunities to address, with the member church, issues pertinent to them and to the direction of CWM. During this past year official visits were made to a third of the 31 member churches with at least one church in all six regions. Such visits proved inspirational and revealed that many great things are taking place on the ground, in the context where the members live and exercise God's mission, but also discerned that some churches were struggling to make sense of their context and to meet the levels of accountability that our standards require. We have identified 9 such churches to which special attention will be given and interventions made.

5.1.5.4 Ecumenical Involvement

CWM encourages and supports ecumenical engagement at all levels. To this end the Ecumenical Involvement programme gives expression to our ecumenical commitment as it invites our members to involve their ecumenical partners in the development and implementation of their mission priorities. In 2014, a small taskforce was established to examine the nature and impact of our ecumenical engagement, using our policy on ecumenical engagement as the background. The outcome of that work was presented at the June 2014 Council. The important consideration is that as a mission organisation committed to working ecumenically, CWM is in a position to discriminate regarding those ecumenical causes it supports and that any collaborative engagement is constantly reviewed to ensure and or determine ways in which the engagement gives life to or strengthens the outworking of our primary focus.

5.1.5.5 Partnership within World Church

Partnership within the World Church is one of CWM's major tenets. CWM engages in partnership and participation with other international ecumenical mission organisations, by sharing people, ideas and resources. Many CWM programmes specifically include ecumenical participation as a matter of principle, and CWM participants also take part in the programmes of other ecumenical mission organisations. Through the partnership within the world church, CWM also seeks to engage with and support our ecumenical partners in contributing to the development of mission thought and action in the wider church.

Positive engagements that were undertaken in this period include:

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- a) continued collaboration with the World Communion of Reformed Churches (WCRC), the World Council of Churches (WCC), and the Lutheran World Federation (LWF) in looking at the formulation of A New International Financial and Economic Architecture (NIFEA).
- b) a joint meeting between staff from CWM and WCC was initiated resulting in the identification of some strategic programme areas for collaborative engagement
- c) Increased momentum in the relationship with WCRC with the exploration of ways of working together, especially in the areas of youth engagement and development
- d) partnering with ECLOF International in social investment
- e) engagement with the World Association for Christian Communication (WACC), the World Student Christian Federation (WSCF), the National Council of Churches in India (NCCI), the National Council of Churches in the Philippines (NCCP), the International Congregational Fellowship (ICF) and Peace for Life.

5.1.5.5 Regional Integration

Regional integration is a strategy to accompany the member churches in the process of developing missional congregations. The overview, agreed by the Trustee Body in June 2011, stated that: "we need to work more closely with our members, which gathering as Regions we are better placed to do". The thinking behind this concept was to ensure that contextual issues, cultural nuances, and the urgency for response requiring the presence of someone who could readily identify with, and respond to the challenges and opportunities for mission, was in place. It was also recognised that there were new energy and mission impulse, which CWM had resourced through Regional Empowerment Fund, to be harnessed. The understanding was that the programme staff in the global office and those in the regions would collaborate in a collegial and congenial manner to listen and respond to the urgings of members.

A taskforce was appointed at June 2014 Council to look into the process of Regional Integration; to examine challenges and setbacks in the process; to give consideration to the most appropriate governance structure that will best facilitate and enable this process of accompaniment, and to bring recommendations to the June 2015 Council that will strengthen and enable the process to achieve the primary objective.

5.2 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 of CWM (UK) at this time is from the Mission Support Programme and its predecessor grant, Mission Programme Support Fund. 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 CWM Spending Policy is adhered to (see section 7.2).

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6. Financial Review

6.1 Unrestricted Funds

The Charity's main source of income is investment income, which represents over 95% of total unrestricted income. Other important sources of income are financial contributions from Churches and individuals, and legacy income.

The stability of the income and capital value base of the invested portfolio are paramount in supporting ongoing sustainable levels of expenditure. The Charity has a strong capital base, low fixed costs, and the majority of expenditure is planned discretionary expenditure. This makes the Charity's immediate activities less vulnerable to large variations in 'total return' from investments than other Charities.

The invested funds largely originated from the sale of the Hong Kong hospital site, 'gift of grace', in 1996. The Investment Committee monitors the performance of these funds on a quarterly basis. In 2014 the return on the portfolio was 4.4% in £ Sterling and UK inflation was moderate with the Retail Price Index increasing 1.6%. So the real return for the year was 2.8%. Over almost 9 years since the inception of a new diversified investment structure, the portfolio has earned an annualised real return (i.e. net of UK inflation measured by RPI) of 3.6%. This is below the long-term annualised return of 5% (net of RPI) required to sustain CWM's spending policy. Nevertheless this annualised return can still be expected to fluctuate significantly. At the end of 2007, the situation was rather different. At that time, in an almost 4 year period since the inception of the new diversified structure, the portfolio had earned an annualised return of 10.8% gross (ie 7.3% net of inflation (UK RPI of 3.5%)) and was therefore comfortably exceeding the minimum annualised return target of 5%. In unrealised terms the portfolio sterling value reduced by 25% in 2008 in common with similar investment portfolios. However the portfolio performed in line with the sum of its managers' benchmarks since 2009.

Since May 2005, the annualised real return was 6.7% gross (3.6% net of inflation) but below the 5% target. CWM's investment advisers comment that the volatility experienced over recent years falls within the range predicted by their initial modelling on which the spending policy is based.

As an organisation with global grant commitments, CWM is affected when exchange rates fluctuate widely. Therefore, the diversified investment portfolio is composed of investments denominated in a range of main currencies. CWM maintains a balanced and conservative diversified investment portfolio over time, and the Investment Committee monitors the performance of all investment managers on a quarterly basis, and changes asset allocations or managers when appropriate to do so.

CWM, being aware of the total level of fees for this large investment portfolio, monitors the ratio of investment fees as a percentage of the funds invested as a more helpful measure than absolute values. The expense ratio for 2014 was 0.83% (2013: 0.63%) CWM evaluates and discloses investment fees on a total expense basis rather than on a pure management fee basis. This ensures that additional expenses charged by investment managers such as custody arrangements are included. Total expense ratios for CWM's managers range between 0.14% and 2.22% depending upon the type of investment instrument and fee basis

6.2 Restricted Funds

CWM and its predecessor entities (listed in section 2 of the Trustees' report) have been given custody of a large number of legacies or gifts for a range of specific 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 guidelines.

7. Investment, Spending Policy and Reserves

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

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a current balance of funds of £143.2m made up of £136.1m of Unrestricted Funds, £0.8m of Restricted Funds and £6.2m of Endowment Funds.

7.1 Investment Policy

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

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

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

7.2 Spending Policy

The Spending Policy 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 has been temporarily revised to 6% by the Board of Directors/Trustees with effect from year 2013 up to the period of the next Assembly in 2016. A thorough review of the policy will take place with a view to presenting a recommendation to the Directors/Trustees with regards to a realistic and prudent spending policy as of 2017. The Executive has now agreed that as of 2017 we should return to the 5% spending policy and the plans and budgets for 2017-2019 reflect this.

7.3 Reserves Policy

The General Funds of CWM make up its invested 'capital base' from which the mission activities of CWM are funded. It is the intention of the Trustees to use this invested 'capital base' to secure the long-term future of the joint activities of the member churches around the world. The Reserves Policy is, therefore, to maintain at least the base level of uncommitted General Funds (£87m in 1994) as a capital base in perpetuity, in a way that preserves the purchasing power into the future, when combined with the Investment Policy and Spending Policy.

The fact that the total unrestricted funds shown in this year's financial statements are still well above £100m may give an impression that CWM is 'sitting on' excessive reserves for the charity. This is not the case. Whilst CWM plans to spend or distribute the full spending policy allocation (see section 7.2) on an annual basis, there is a time lag in the distribution of substantial grants, as described in section 5.7, depending upon member churches' stage in planning, monitoring and evaluating the grants they already have. Note 13.1 to the financial statements shows £10.5m (2013:£4 m) of grants designated for distribution to member churches when they are ready. These funds remain in the investments total in the meantime.

7.4 Ethical Investments Policy

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

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

CWM has determined that investments in tobacco, alcohol, armaments, pornography or gambling do not reflect our values and therefore ensures investments are made in UK companies with less than 5% 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.

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

With regard to Socially Responsible Criteria, the CWM takes an active interest in the impact of its shareholdings upon Society by ensuring that its votes are cast on important issues at UK company Annual General Meetings and by constructing its investment portfolio to include a high proportion of geographically diverse equity and bond investments as a means of investing in the regional economies of its diverse constituent bodies. In addition to the market investments, CWM has proactive engagement in organisations and activities which are beneficial to wider constituencies such as microcredit institutions and hold a substantial investment in a socially responsible institution, Oikocredit (see note 6.2 to the accounts).

8. Risk Review

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

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

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

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

9. Future Developments

With the decision of the Trustees to retain the assets in the UK, there is need to retain a small office with relevant staff in the UK. This matter is under consideration and should be finalised in 2015. It is anticipated that the Finance Secretary of CWM Ltd will remain the responsible officer for the management of all financial affairs.

10. Public benefit statement

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

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

11. Statement as to disclosure of information to auditors

Insofar as each of the trustees of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each trustee has taken all of the steps that

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he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

12. Auditors

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

13. Statement of Trustees' Responsibilities

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

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

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

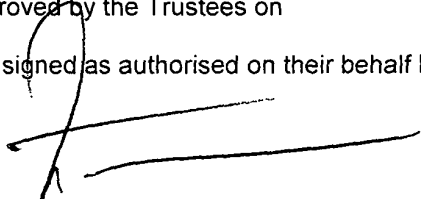
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

and signed as authorised on their behalf by:



Rev Norbert Donovan Stephens, moderator

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COUNCIL FOR WORLD MISSION UK

We have audited the financial statements of Council for World Mission UK for the year ended 31 December 2014 set out pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Trustees' Report 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

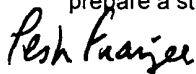
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Pesh Framjee
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor, London

16 July 2015

COUNCIL FOR WORLD MISSION

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2014 Funds £	Total 2013 Funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income						
Church contributions, legacies & donations	2.4	313,234	-	-	313,234	336,194
Investment income	2.3	4,956,044	169,824	30,243	5,156,111	4,836,938
Total Incoming Resources		5,269,278	169,824	30,243	5,469,345	5,173,132
Resources expended						
Costs of generating funds						
Investment management costs	2.1	1,104,127	19,937	3,548	1,127,612	875,835
Charitable activities						
Grants payable	2.1	4,737,051	-	-	4,737,051	5,922,463
Functional costs	2.1	564,921	86,176	142,814	793,911	885,868
Settlement of defined benefit pension scheme	15	2,729,000	-	-	2,729,000	-
Governance costs	2.1	61,591	-	-	61,591	57,237
Total Resources Expended		9,196,690	106,113	146,362	9,449,165	7,741,403
NET OUTGOING RESOURCES		(3,927,412)	63,711	(116,119)	(3,979,820)	(2,568,272)
Gains / (losses) on foreign exchange		363,329	-	-	363,329	(80,376)
Gains on investments		2,220,874	9,671	98,297	2,328,842	13,994,802
Actuarial (loss) / gain on defined benefit pension scheme		(158,000)	-	-	(158,000)	128,000
NET MOVEMENT IN FUNDS		(1,501,209)	73,382	(17,822)	(1,445,649)	11,474,154
TOTAL FUNDS AT 1 JANUARY		137,601,723	757,329	6,241,304	144,600,356	133,126,202
TOTAL FUNDS AT 31 DECEMBER		136,100,514	830,711	6,223,482	143,154,707	144,600,356

All incoming resources and resources expended derive from continuing activities.
The statement of financial activities includes all gains or losses recognised in the year.

COUNCIL FOR WORLD MISSION

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	5	3,245,279	3,330,472
Investments	6	<u>138,260,435</u>	<u>139,958,432</u>
		<u>141,505,714</u>	<u>143,288,904</u>
Current assets			
Current asset investments	7	7,110,141	6,532,529
Debtors	8	406,372	618,566
Cash at bank and in hand		<u>318,711</u>	<u>563,679</u>
		<u>7,835,224</u>	<u>7,714,774</u>
Creditors:			
Amounts falling due within one year	9	<u>(2,650,137)</u>	<u>(5,292,948)</u>
Net current assets		<u>5,185,087</u>	<u>2,421,826</u>
Total assets less current liabilities		<u>146,690,801</u>	<u>145,710,730</u>
Creditors: amounts falling due after more than one year	10	<u>(36,094)</u>	<u>(255,374)</u>
Net assets excluding pension liability		<u>146,654,707</u>	<u>145,455,356</u>
Defined benefit pension liability	15	<u>(3,500,000)</u>	<u>(855,000)</u>
Total net assets including pension liability		<u>143,154,707</u>	<u>144,600,356</u>
Funds			
Endowed funds	12	6,223,482	6,241,304
Restricted funds	12	830,711	757,329
Unrestricted funds:-			
- Designated funds	13	10,496,843	3,935,174
- General funds	13	<u>125,603,671</u>	<u>133,666,549</u>
Total unrestricted funds	13	<u>136,100,514</u>	<u>137,601,723</u>
Total funds	14	<u>143,154,707</u>	<u>144,600,356</u>

Included in total funds above are cumulative unrealised gains on investments of £26,523,836 (2013: £26,495,228).

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


Moderator
Rev Norbert Donovan Stephens

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. PRINCIPAL ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the inclusion of investments at market value in accordance with the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) and applicable accounting standards.

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

b) Member Churches

There are 31 member churches affiliated to the CWM. These are wholly autonomous bodies individually constituted within their country of origin. On this basis the member churches are not considered to be branches of this company and their transactions are not consolidated in these financial statements.

c) Recognition of incoming resources

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

d) Property income

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

e) Recognition of resources expended

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

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

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

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. PRINCIPAL ACCOUNTING POLICIES (continued)

f) Allocation of costs

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

g) Tangible fixed assets and depreciation

Fixed assets for charity use are capitalised at cost, where acquired, or market value as determined by the Trustees where donated. They are stated in the financial statements at cost or original value less depreciation.

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

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

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

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

i) Fixed asset investments

CWM holds shares in unquoted companies directly. Programme related investments / social investments are included in the financial statements at cost. All other funds for investment held by nominees are managed by investment managers and are stated at market value as determined by investment managers as at 31 December. Any gain or loss on revaluation is calculated by reference to the previously stated market value and is taken to the SOFA.

j) Current asset investments

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

k) Funds accounting

Funds held by the company are:-

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

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. PRINCIPAL ACCOUNTING POLICIES (continued)

k) Funds accounting

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

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

l) Valuation of investments

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.

m) Operating lease commitments

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

n) Pensions

n) Pensions

- i) On 21 February 2014, CWM UK gave instruction to The Pensions Trust to buy out of the defined benefit scheme with the appropriate insurance companies. This is after a consultation with Pensions Trust in view of CWM UK having relocated to Singapore and the fact that there would not be any new CWM UK staff joining the UK scheme. There were no existing staff members in the Final Salary scheme with effect from 1 April 2014. The expected cost of the settlement has been provided for at 31 December 2014 as the charity was demonstrably committed to withdrawing from the scheme at that date.

Other movements on the scheme during the year are accounted for in accordance with FRS 17 Retirement Benefits.

- ii) In addition CWM pays discretionary pensions to retired missionaries who served prior to the inception of a pension scheme or where service prior to July 1977 is not otherwise pensionable. This scheme is funded from an endowment fund entitled CWM Fund for Retired Missionaries.

o) Foreign currencies

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

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2.1 OUTGOING RESOURCES

	Unrestricted	Restricted / Endowment	2014 Total	2013 Total
	£	£	£	£
Direct costs	20,254	228,980	249,234	268,325
Investment managers' fees	1,083,873	23,495	1,107,368	875,835
Grants payable	4,737,051	-	4,737,051	5,915,357
Support costs				
Finance, office and administration	311,795	-	311,795	388,461
Servicing of all CWM's properties	253,126	-	253,126	229,082
Governance costs				
Meeting of Trustees	5,648	-	5,648	-
Investment and Audit Committees	13,543	-	13,543	7,797
Audit fees	42,400	-	42,400	49,440
				-
2014 Total	6,467,690	252,475	6,720,165	7,741,403

2.2 Staff costs

Analysis of staff costs

	2014 £	2013 £
Total staff costs are as follows:		
Salaries and wages	90,898	135,712
Social security costs	10,126	12,758
Pension costs	46,542	79,333
	147,566	227,803

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

	2014 Number	2013 Number
Support and governance of the charity	2	2
	2	2

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2.3 INVESTMENT INCOME	2014	2013
	£	£
Rental income	202,065	212,157
Gains on sales of properties	-	271,018
Dividends from listed investments	4,880,626	4,271,574
Income from unlisted investments	55,614	61,629
Interest from current asset investments	8,882	7,732
Other investment income	8,924	12,828
	<hr/>	<hr/>
	5,156,111	4,836,938
Less: investment managers' fees	(1,107,378)	(875,835)
	<hr/>	<hr/>
TOTAL	4,048,733	3,961,103

Included in investment managers' fees is £40,510 paid to CWM's investment advisors (2013: £52,218).

2.4 Voluntary income	2014	2013
	£	£
Donations	180,136	162,475
Legacies	133,098	173,719
	<hr/>	<hr/>
	313,234	336,194

2.5 NET OUTGOING RESOURCES FOR THE YEAR	2014	2013
	£	£
This is stated after charging:		
Depreciation	45,333	45,736
Auditor's remuneration – external audit services	30,600	33,000
Operating leases rentals	8,073	8,073
	<hr/>	<hr/>

3. GRANTS PAYABLE

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

	2014	2013
	£	£
Mission Support Programme 2	18,511	466,352
Mission Support Programme 3	108,282	394,925
Capacity Development Funds	111,538	-
CWM (Singapore) Ltd	5,292,976	3,377,890
Grants Payable: Beyond CWM	-	1,170,896
Grants to CWM Regions	759,047	588,838
Regional Empowerment Funds written back	(1,493,189)	-
Scholarship grants written back	(60,114)	(83,544)
	<hr/>	<hr/>
	4,737,051	5,915,357

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. GRANTS PAYABLE (continued)

The primary grant programme of CWM to its member churches is fulfilled through the Mission Support Programme 2 and the Mission Support Programme 3. Grant allocations to member churches are budgeted and committed on a five year planning basis and so the level of drawdown on those grants in any one year is based on a member church's readiness to receive grants and their evaluation of previous grants, rather than on availability of grants.

2014
£

Mission Support Programme 2 (MSP2)

Churches of Christ in Malawi
Restructuring grant

18,511

18,511

Mission Support Programme 3 (MSP3)

Presbyterian Church of Wales
Equipping Leaders

108,282

108,282

Capacity Development Fund grants

Uniting Presbyterian Church in Southern Africa	9,258
United Congregational Church of Southern Africa	8,586
United Church of Zambia	9,409
The United Church in Jamaica and Cayman Island	9,742
Hong Kong Council of the Church of Christ in China	9,777
Presbyterian Church of Myanmar	9,602
Gereja Presbyterian Malaysia	9,618
Protestant Church in the Netherlands	9,696
United Reformed Church	8,569
Union of Welsh Independent	7,904
Church of North India	9,635
Presbyterian Church of North India	9,742

111,538

Funding global headquarters in Singapore

Early in 2012 headquarters staff transferred from London to Singapore and were in due course transferred to the payroll of CWM (Singapore) Ltd. Periodic grants are made to CWM (Singapore) Ltd to meet payroll, office and administration expenses under supervision of the General Secretary.

Scholarship grants

Grants no longer required of £60,114 (2013:£83,544) were written back as a credit to expenditure. No new scholarship grants were approved during the year.

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4. TAXATION

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

5. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2014	3,850,831	1,600	3,852,431
Additions	-	-	-
Transfer to investment properties	(45,498)	-	(45,498)
At 31 December 2014	<u>3,805,333</u>	<u>1,600</u>	<u>3,806,933</u>
Depreciation			
At 1 January 2014	521,559	400	521,959
Charge for year	45,333	400	45,733
Transfer to investment properties	(6,038)	-	(6,038)
At 31 December 2014	<u>560,854</u>	<u>800</u>	<u>561,654</u>
Net book value 31 December 2014	<u>3,244,479</u>	<u>800</u>	<u>3,245,279</u>
<i>Net book value 31 December 2013</i>	<u><i>3,329,272</i></u>	<u><i>1,200</i></u>	<u><i>3,330,472</i></u>
Land and buildings are categorised as follows:			
	2014	2013	
	£	£	
Freehold	3,117,957	3,161,779	
Long leasehold	126,522	167,491	
	<u>3,244,479</u>	<u>3,329,270</u>	

6. FIXED ASSET INVESTMENTS

	2014 £	2013 £
Summary		
Managed investments (note 6.1)	132,921,636	134,599,677
Unquoted investments (note 6.2)	2,881,612	2,709,568
Investment properties (note 6.3)	2,457,187	2,649,187
	<u>138,260,435</u>	<u>139,958,432</u>

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

6.1 Managed Investments	2014	2013
	£	£
Market value as at 1 January	134,599,677	124,669,884
Additions	8,579,177	29,495,744
Disposals	(12,267,861)	(32,773,267)
Performance fees deducted	(130,697)	-
	130,780,296	121,392,361
Net gains on managed investments	2,141,340	13,207,316
Market Value at 31 December	132,921,636	134,599,677

The historical cost of quoted investments was £107,350,762 (2013: £108,863,872). Quoted investments are held with 12 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.

The following investments are material in the context of CWM's portfolio: Schroder Emerging Markets Fund - £13,374,816, Neuberger Berman Socially Responsive Fund - £12,659,616, Schroder Europe Fund - £12,027,406, Schroder Institutional Pacific Fund - £8,383,398, All Blue Ltd Absolute Return Fund - £8,752,241, Lothbury Property Fund - £8,286,141, CF Ruffer Absolute Return Fund £7,172,225 and I shares MSCI Japan ETF - £7,527,287.

6.2 Unquoted Investments

	2014	2013
	£	£
As at 1 January	2,709,568	2,722,458
Dividends re-invested	49,590	52,715
Repayment of capital	(34,320)	(12,701)
	2,724,838	2,762,472
Net gains / (losses)	156,774	(52,904)
Total unquoted investments at 31 December	2,881,612	2,709,568

Included in unquoted investments is an investment of £2,789,169 in the share capital of Oikocredit, a worldwide co-operative society. Oikocredit acts as a bridge between the rich and the poor, by facilitating the provision of microcredit to disadvantaged groups of people, as an effective tool for sustainable development and the alleviation of poverty. This investment was entered into in the year 2000 as a socially responsible investment (a programme-related investment). The value of this investment at 31 December 2014 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.

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

6.3 Investment Properties	2014	2013
	£	£
At start of the year	2,649,187	-
Transfers from tangible fixed assets	45,498	1,889,764
Disposals	(425,000)	-
Revaluation	187,502	759,423
	<u>2,457,187</u>	<u>2,649,187</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.

7. CURRENT ASSET INVESTMENTS	2014	2013
	£	£
Royal London Cash Management GBP	1,356,900	3,450,044
Royal London Cash Management USD	5,503,240	2,832,485
CAF Cash Tier 2 Investment	250,000	250,000
	<u>7,110,141</u>	<u>6,532,529</u>

8. DEBTORS	2014	2013
	£	£
Other debtors	62,803	130,608
Prepayments	38,025	93,581
Accrued income and prepayments	305,544	394,377
	<u>406,372</u>	<u>618,566</u>

Other debtors include an amount of approximately £40,000 due in greater than a year.

9. CREDITORS: Amounts falling due within one year	2014	2013
	£	£
Other taxation and social security	5,780	11,807
Grants payable	2,484,589	5,056,106
Other creditors	56,556	49,861
Accruals	103,212	175,174
	<u>2,650,137</u>	<u>5,292,948</u>

10. CREDITORS: Amounts falling due after more than one year	2014	2013
	£	£
<i>Grants payable</i>		
Due within 2 to 5 years	<u>36,094</u>	<u>255,374</u>

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

11. CREDITORS:

Included in Other creditors in notes 9 and 10 are the following amounts due to member churches (constituent bodies). Where a trustee who served following that meeting is connected to a church this is indicated (*) below:

	£
<i>Member churches</i>	
Protestant Church in the Netherlands	4,305
Presbyterian Church of Wales	108,744
Union of Welsh Independents	64,829
United Reformed Church	79,117
Church of Jesus Christ in Madagascar	261,460
United Congregation Church in Southern Africa	199,907
Churches of Christ in Malawi	102,499
Uniting Presbyterian Church of Southern Africa	105,126
Church of Bangladesh*	27,671
Church of North India	6,132
Presbyterian Church of India	100,393
Presbyterian Church of Myanmar	72,371
Presbyterian Church in Singapore	1,642
Hong Kong Council Church of Christ in China	15,420
Presbyterian Church of Taiwan	187,364
Presbyterian Church of Korea	241,613
Congregational Christian Church in America Samoa	99,436
Congregational Christian Church in Samoa	92,125
Nauru Congregational Church*	196,242
Kiribati Protestant Church	220,655
Ekelesia Kelisiano Tuvalu	124,337
United Church in Solomon Islands	94,243
	<hr/>
	2,405,631

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. ENDOWMENT AND RESTRICTED FUNDS

	Balance 1 January 2014	Gross Incoming Resources	Cost of Generating income	Other Outgoing Resources	Investment Gains	Balance 31 December 2014
	£	£	£	£	£	£
Permanent Endowment						
Funds Capital Only						
(Notes 12.1 and 12.4)	<u>6,241,304</u>	<u>30,243</u>	<u>(3,548)</u>	<u>(142,814)</u>	<u>98,297</u>	<u>6,223,482</u>
Restricted Funds	£	£	£	£	£	£
Permanent Endowment						
Funds Income Only (Note						
12.2)	147,771	151,906	(17,833)	(82,926)	-	198,918
Restricted Funds income						
Only (Note 12.3)	609,558	17,918	(2,104)	(3,250)	9,671	631,793
	<u>757,329</u>	<u>169,824</u>	<u>(19,937)</u>	<u>(86,176)</u>	<u>9,671</u>	<u>830,711</u>
TOTAL	<u>6,998,633</u>	<u>200,067</u>	<u>(23,485)</u>	<u>(228,990)</u>	<u>107,968</u>	<u>7,054,193</u>

Incoming resources / investment gains include investment income together with realised and unrealised profits and losses on investment assets held directly by the funds, or on pooled assets allocated to the funds.

The Permanent Endowment comprised three main items at the beginning of the year (see Note 12.1 and 12.2 and 12.4):

- The Harold Granger Fund, which was set up to provide for the education of missionaries' children. Following the introduction of a new Charity Commission Scheme of 1995, the income not required for this purpose in any one year may be used for other defined CWM programme purposes (i.e. restricted purposes); and
- The CWM Missionaries Support Fund, for maintenance and support of missionaries; and
- The CWM Retired Missionaries Fund, for paying pensions and other costs to support retired missionaries.

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. ENDOWMENT AND RESTRICTED FUNDS (continued)

**12.1 Permanent
Endowment Funds –
Capital Only**

	Balance 1 January 2014 £	Gross Income £	Cost of Generating Funds £	Other Outgoing Resources £	Investment Gains £	Balance 31 December 2014 £
Miss M L Barrett – pref. Kavutalam, etc, Sth India	112,667	-	-	-	2,226	114,893
Harold Granger- Education of Missionaries children etc.	2,802,794	-	-	-	44,703	2,847,497
CWM Missionaries Support Fund	2,085,688	-	-	-	33,265	2,118,953
Sir James Tyler – conditional	60,156	-	-	-	1,565	61,721
Mrs H M Reid, GP training for the child of missionary	7,855	-	-	(2,974)	78	4,959
Funds with balances less than £10,000	20,222	-	-	(4,388)	141	15,975
	<u>5,082,382</u>	<u>-</u>	<u>-</u>	<u>(7,362)</u>	<u>81,978</u>	<u>5,163,998</u>
Retired missionaries (note 12.4)	1,151,922	30,243	(3,548)	(135,452)	16,319	1,059,484
	<u>6,241,304</u>	<u>30,243</u>	<u>(3,548)</u>	<u>(142,814)</u>	<u>98,297</u>	<u>6,223,482</u>

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

	Balance 1 January 2014 £	Gross Income £	Cost of Generating Income £	Other outgoing Resources £	Balance 31 December 2014 £
Miss M L Barrett – pref. Kavutalam, etc, Sth India	26,883	4,124	(485)	-	30,522
Harold Granger- Education of Missionaries children etc.	47,340	82,835	(9,724)	(47,343)	73,108
CWM Missionaries Support Fund	35,227	61,641	(7,236)	(35,227)	54,405
Sir James Tyler – conditional	37,962	2,900	(340)	-	40,522
Mrs H M Reid, GP training for the child of missionary	132	144	(17)	(132)	127
Funds with balances less than £10,000	227	262	(31)	(224)	234
	<u>147,771</u>	<u>151,906</u>	<u>(17,833)</u>	<u>(82,926)</u>	<u>198,918</u>

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. ENDOWMENT AND RESTRICTED FUNDS (continued)

12.3 Restricted Funds

	Balance 1 January 2014	Gross Income	Cost of Generating Income	Outgoing Resources	Investment Gains	Balance 31 December 2014
	£	£	£	£	£	£
Ivy Phyllis Read-Scholarship fund	19,619	579	(68)	-	313	20,443
Robert Cochrane-work in India	78,396	2,317	(272)	-	1,251	81,692
Widows and orphans	210,812	6,230	(732)	-	3,362	219,672
Candidate training	16,409	485	(57)	-	262	17,099
D E Quick Legacy	268,064	7,826	(919)	(3,250)	4,224	275,945
Funds with balances less than £10,000	16,258	481	(56)	-	259	16,942
	<u>609,558</u>	<u>17,918</u>	<u>(2,104)</u>	<u>(3,250)</u>	<u>9,671</u>	<u>631,793</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 £135,452 in 2014. At 31 December 2014 the unapplied total return was £375,474.

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

	£
Value of unapplied total return at 1 January 2014	467,912
Movement on investments	43,014
Value applied between 1 January and 31 December 2014	(135,452)
Value unapplied total return at 31 December 2014	375,474
Permanent capital	684,010
	<u>1,059,484</u>

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

13. UNRESTRICTED FUNDS	General funds £	Designated funds £	Total £
Balance 1 January 2014	133,666,549	3,935,174	137,601,723
New designations	(6,800,000)	6,800,000	-
Deficit for the year	(1,262,878)	(238,331)	(1,501,209)
Balance 31 December 2014	<u>125,603,671</u>	<u>10,496,843</u>	<u>136,100,514</u>

13.1 Designated Funds

	Balance at 1 January 2014 £	Funds (written back) / new designations £	Funds released £	Balance at 31 December 2014 £
Mission Support Programme 2	540,889	-	(18,511)	522,378
Mission Support Programme 3	3,188,627	-	(108,282)	3,080,345
Mission Support Programme 4	-	5,000,000	-	5,000,000
Partnership in Transforming Mission	189,658	-	-	189,658
Capacity Development Funds	-	1,800,000	(111,538)	1,688,462
Regional Empowerment Programme (phase 1)	16,000	-	-	16,000
	<u>3,935,174</u>	<u>6,800,000</u>	<u>(238,331)</u>	<u>10,496,843</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.
- *Mission Support Programme (MSP4).* The commitment of funds was made with the period 2015 - 2019 in mind but the programme is on-going.
- *Partnership in Transforming Mission (PTM).* PTM is a programme encouraging cross regional cooperation between member churches responding to new mission challenges, for which the trustees designated £750,000 in 2006. In 2012 there was no new Partnership in Transforming Mission applications, although there were some in development.
- *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.
- *Regional Empowerment Programme* The aim of this programme is the establishment of six regions to effectively engage member churches in each region. The aims of the Regional Empowerment Programme are now realised through the regional offices and the remaining balance will be written off or utilised next year.

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

COUNCIL FOR WORLD MISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Endowment and Restricted Funds £	Total Funds £
Fund balances at 31 December 2014 are represented by:-				
Tangible fixed assets	3,245,279	-	-	3,245,279
Investments	128,475,551	2,667,196	7,117,688	138,260,435
Current assets	-	7,829,647	5,577	7,835,224
Current liabilities	(2,581,065)	-	(69,072)	(2,650,137)
Long-term liabilities	(36,094)	-	-	(36,094)
Defined benefit pensions liability	(3,500,000)	-	-	(3,500,000)
TOTAL NET ASSETS	125,603,671	10,496,843	7,054,193	143,154,707

15. PENSION SCHEMES

Defined benefit pension scheme

CWM UK operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 September 2012 and updated to 31 December 2014 by a qualified actuary, independent of CWM UK. The major assumptions used by the actuary are shown below.

On 21 February 2014, CWM UK gave instruction to The Pensions Trust to buy out of the defined benefit scheme with the appropriate insurance companies. This is after a consultation with Pensions Trust in view of CWM UK having relocated to Singapore and the fact that there would not be any new CWM UK staff joining the UK scheme. There were no existing staff members in the Final Salary scheme with effect from 1 April 2014. The expected cost of the settlement being £3.5m has been provided for at 31 December 2014 as the charity was demonstrably committed to withdrawing from the scheme at that date.

The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent triennial valuation was prepared as at 30 September 2011, which showed a funding deficit of £1,640,000. Until 31 March 2014, CWM UK paid contributions at the rate of 11.6% of pensionable earnings plus £4,250 per month in respect of scheme expenses and £8,000 per month in respect of the recovery plan. With effect from 1 April 2014, the employer pays contributions at the rate of £4,500 per month in respect of scheme expenses and £24,275 per month in respect of the recovery plan. The scheme closed to future accrual of benefits with effect from 1 April 2014. The best estimate of contributions to be paid to this scheme for the year to 31 December 2015 is £345,300 however this does not take into account the buyout.

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equity-type assets and property is based on the rate of return on bonds with an allowance for out-performance.

Expected long-term rate of return (per annum)

	Year beginning 1 January 2014	Year beginning 1 January 2013
Equity-type assets	7.60%	7.00%
Bonds	3.97%	3.48%
Property	6.60%	6.00%
Cash	0.50%	0.50%
Overall Return	6.47%	5.91%

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15. PENSION SCHEME (Continued)

Financial assumptions

The assumptions used in determining the scheme deficit are shown below:

Financial assumptions	At 31 Dec 2014 per annum	At 31 Dec 2013 per annum
Discount rate	3.40%	4.60%
Rate of increase in salaries	n/a	4.50%
Rate of increase of pensions		
- CPI 5%	2.10%	2.60%
- CPI 2.5%	1.70%	2.10%
Allowance for revaluation of deferred pensions	3.10%	3.50%
Inflation assumption – RPI	3.10%	3.50%
Inflation assumption – CPI	2.10%	2.60%

The mortality assumptions adopted at 31 December 2014 imply the following life expectancies:

Demographic assumptions		
Male retiring age 65 in 2014	23.3	23.0
Female retiring age 65 in 2014	24.9	25.0
Male retiring age 65 in 2034	25.1	25.2
Female retiring age 65 in 2034	26.4	26.9

Fair value of assets

	Value at 31 December 2014 £'000s	Value at 31 December 2013 £'000s
Equities	1	1,940
Bonds	3,282	777
Property	238	212
Other	70	47
Total value of assets	3,591	2,976

None of the fair values of the assets shown above include any of CWM UK's own financial instruments or any property occupied by, or other assets used by, CWM UK.

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15 PENSION SCHEME (continued)

Present value of scheme liabilities, fair value of assets and deficit

	Value at 31 December 2014 £'000s	Value at 31 December 2013 £'000s
Fair value of scheme assets	3,591	2,976
Present value of scheme liabilities	(4,362)	(3,831)
Provision for settlement of scheme	(2,729)	-
Net pension liability	(3,500)	(855)

Total expense recognised in the SOFA

	Year ending 31 December 2014 £'000s	Year ending 31 December 2013 £'000s
Expected return on scheme assets	195	156
Current service cost	(77)	(73)
Provision for settlement of scheme	(2,729)	-
Interest cost	(172)	(161)
Recognised in total resources expended	(2,783)	(78)

Amounts to be recognised in total recognised gains and losses

	Year ending 31 December 2014 £'000s	Year ending 31 December 2013 £'000s
Difference between expected and actual return on scheme assets	329	203
Experience gains and losses arising on scheme liabilities	-	6
Effects of change in demographic and financial assumptions	(487)	(81)
Net actuarial gains and losses	(158)	128
Net cumulative actuarial losses since adoption of FRS17	(1,697)	(1,539)

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15 PENSION SCHEME (continued)

Changes in present value of scheme liabilities

	Year ending on 31 December 2014 £'000s	Year ending on 31 December 2013 £'000s
Opening scheme liabilities	3,831	3,718
Service cost	77	73
Interest cost	172	161
Contributions by employees	1	4
Actuarial losses	487	75
Benefits paid	(206)	(200)
Closing scheme liabilities	4,362	3,831

Changes in fair value of scheme assets

	Year ending on 31 December 2014 £'000s	Year ending on 31 December 2013 £'000s
Opening fair value of scheme assets	2,976	2,659
Expected return	195	156
Actuarial gains	329	203
Contributions by employer	296	154
Contributions by employees	1	4
Benefits paid	(206)	(200)
Scheme assets at the end of the year	3,591	2,976
Actual return on scheme assets	524	359

Amounts for the current and previous four years

	2014 £'000s	2013 £'000s	2012 £'000s	2011 £'000s	2010 £'000s
Present value scheme liabilities	(4,362)	(3,831)	(3,718)	(3,672)	(3,269)
Fair value of scheme assets	3,591	2,976	2,659	2,651	2,614
Deficit	(771)	(855)	(1,059)	(1,021)	(655)
Experience (losses) / gains on scheme liabilities:					
Amount	-	6	(5)	4	(40)
Actual return less expected return on scheme assets:					
Amount	329	203	18	(190)	93

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15. PENSION SCHEME (continued)

Unfunded scheme

Discretionary pensions amounting to £135,450 in 2014 were paid from the Retired Missionaries Fund to missionaries previously employed by CWM 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.

16. RELATED PARTY TRANSACTIONS

During the year grants were made to a number of Regional Offices and Churches where a trustee was a member. These are set out in the creditors and grant payable note to the financial statements.

17. POST BALANCE SHEET EVENTS

Transfer of Assets to CWM Ltd

The Due Diligence report which was commissioned by the Trustees was conducted by BDO Advisory Pte Ltd and the report received by the Trustees at its meeting in June 2014. The report was a favourable one and paved the way for the transfer of unrestricted assets to Singapore. However in a meeting held in Malawi in November 2014 the Trustees decided to retain the assets in the UK for the time being and to make annual grants to the Singapore charity to carry out the charitable objects of CWM (UK).

Ipalo House

In light of the fact that sections of Ipalo House remain unoccupied due to its lack of appeal to prospective tenants and the state of the building and the cost of renovation and or redevelopment; the Trustees decided to divest with the property.

Accordingly the charity's solicitors were requested to preside over the sale ensuring that all due diligence in keeping with Charity Regulations in England and Wales were observed. Cluttons was subsequently recruited and commissioned to advertise and attain the best possible sale price for the property. Such negotiations are in their final stages at the point of preparing their report.

The trustees have accepted the price of £13.6 million as a price for the said property and the sale was completed following the end of the financial year.

Buyout of Staff Pension Scheme

The Trustees at their February 2014 meeting concurred that the prudent way forward, regarding the defined benefits pension scheme, was to sell it to a reputable and trustworthy insurance company. Discussions are already underway with The Pensions Trust to guide management in the implementation of this decision. The expected cost to CWM is in the order of £3.5 million. The trustees are informing themselves of the development and are ready to sign off once the professional advice is settled.