

BMS WORLD MISSION

Annual report & financial statements

Year ended 31 October 2003

Baptist Missionary Society Registered Charity Number 233782

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Members of the Board of Trustees

The trustees who held office during the year were:

Rev Don Currie
 Mrs Gillian Davies (from 21 May 2003)
 Rev Martin Hodson (from 21 May 2003)
 Mr John Howes (Treasurer)
 Miss Joan Maple
 Mrs Elizabeth Martin
 Rev Peter Morgan (to 16 April 2003)
 Rev David Morris (to 29 January 2003)
 Rev Carol Murray
 Mr Martin Pearse (Chairman)
 Rev Peter Dewi Richards
 Mrs Maureen Russell
 Rev Roger Short
 Rev Jeffrey Taylor (President)
 Mrs Corinna Woods
 Rev Dr Alistair Brown (General Director)

Executive Directors

Rev Dr Alistair Brown (General Director)
 Mr Mark Craig (Communications)
 Rev David Kerrigan (World Mission)
 Mr David Locke (Finance & Administration)
 Rev Alan Pain (International Mission Centre)

Auditors

BDO Stoy Hayward LLP
 Emerald House
 East Street
 Epsom
 Surrey
 KT17 1HS

Solicitors

Ashton Graham Solicitors
 Electric House
 Lloyds Avenue
 Ipswich
 IPI 3HZ

Bankers

Barclays Bank
 125 Broadway
 Didcot
 OX11 8AW

Investment Managers

Carr Sheppards Crosthwaite
 2 Gresham Street
 London
 EC2V 7QN

Actuaries

Bacon & Woodrow
 Actuaries & Consultants
 Albert House
 South Esplanade
 St Peters Port, Guernsey
 Channel Islands
 GY1 1AW

Principal offices

Baptist Missionary Society
 PO Box 49, Baptist House
 129 Broadway, Didcot, OX11 8XA
 Telephone: 01235 517700

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E-mail: mail@bmsworldmission.org
Website: www.bmsworldmission.org
Registered Charity Number: 233782

The Board of Trustees of the Baptist Missionary Society (also known as 'BMS World Mission' and 'BMS') have pleasure in presenting their report and financial statements for the year ended 31 October 2003. The financial statements have been prepared in accordance with the Trust deed and requirements of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in October 2000.

1 Charity objects

The object of the charity is to enable the Baptist churches in the British Isles to respond to the call of God by sharing with all God's people in making known the gospel of Jesus Christ throughout the world, principally beyond the British Isles.

Our purpose and activities are described in our mission statement:

As a leading Christian mission organisation, we aim to share life in all its fullness with the world's peoples by:

- Enabling them to know Christ
- Alleviating suffering and injustice
- Improving the quality of life

With people as our primary agent of change – motivating, training, sending and resourcing them.

2 Governance

i Governing document

The governing document of the charity is the constitution, which was last revised on 4 May 2003.

ii Restrictions to governing powers

The constitution provides instructions as to the object, membership, annual meetings, trustee appointments, property, dissolution of the charity and revision of the constitution. There are no other specific restrictions to daily operations of the charity.

iii Appointment of new trustees

New trustees are elected by General Committee and serve normally for a maximum period of three years. The nominations committee reviews those nominated as potential trustees to ensure they have the necessary skills to contribute to the charity's development before they are put forward for consideration by General Committee.

3 Organisation structure

Trustees are the final and top-level decision makers for the charity. The Board numbers 14 experienced and committed people who meet approximately eight times per annum. The Executive Directors attend meetings of the Board but do not vote (with the exception of the General Director).

Because of the size of the charity, staff are employed to carry out the policies set by the trustees. Within BMS there are currently five main departments each with its own director:

- General Directorate (Rev Dr Alistair Brown) – Providing overall leadership for BMS with major emphasis on management, strategic thinking and representation.
- Department of Finance & Administration (David Locke) – Responsible for all the support functions for BMS including accounting, investments, administration and IT.
- Department for World Mission (Rev David Kerrigan) – Responsible for BMS mission work overseas. Key roles include recruitment and placement of mission personnel and relationships with overseas partner bodies.

- Department for Communications (Mark Craig) – Responsible for the BMS corporate communications portfolio, including marketing strategy, design, publications, PR and website.
- BMS International Mission Centre, Birmingham (Rev Alan Pain) – Responsible for the delivery of training for BMS mission personnel and others. Most of that training is pre-mission service but there are plans for developing life-long training programmes.

Most departments also have managers and co-ordinators. With the directors they constitute the senior staff team. Each department has its own internal systems, most with regular meetings of senior staff and all staff.

4 Related organisations and companies

i Baptist House

The charity has a 50 per cent share in Baptist House Limited. The 50 per cent share of assets and liabilities of this joint arrangement with the Baptist Union of Great Britain have been included under the appropriate headings of the Balance Sheet. In the Statement of Financial Activities external income is shown in the category 'Other income' and all costs relating to the arrangement are allocated to the appropriate cost heading within the 'Resources expended' section.

ii Overseas partner organisations

The charity works overseas with partner organisations, providing funding by way of grants and/or the provision of personnel. Details of these partners and grants can be found at Note 5.

5 Activities during the year

i Activities and achievements during the year

At the end of the year, BMS had 142 (2001/2002: 137) fully supported mission personnel of whom 13 (2001/2002: 13) were in training. This has been further supplemented during the year by 89 (2001/2002: 74) supported partner workers, 47 (2001/2002: 36) volunteers and 140 (2001/2002: 112) others involved through short-term teams. As last year, the growth in this last category reflects the commitment the charity has made to provide more opportunities for short-term service through expanding the Summer and Church team programmes.

In addition through our Emergency Relief Fund we were able to make £191k (2001/2002: £235k) of grants towards overseas relief programmes. This has been done in close co-ordination with partner organisations and churches in order to ensure the resources effectively reach the people in most need.

ii Change in activities during the year

No major changes to charitable activities were made during the year.

iii Material transactions during the year

No unusually large or material transactions were made during the year.

iv Post year end events

No material post year events have occurred that would influence this report or financial statements.

v Volunteers

The trustees are very grateful to the essential support given to the charity by many volunteers. These include volunteers serving overseas, the area, church and charity representatives and others who serve on the charity's committees and consultative bodies. The hard work of BMS Birthday Scheme secretaries raised £309k (2001/2002: £287k) while the BMS Stamp Bureau contributed a further £8k (2001/2002: £9k).

vi Effectiveness of fund raising activities

During the year, the charity received donations from churches and individuals totalling £4.5m (2001/2002: £4.3m) representing a three per cent increase over the previous year.

We are pleased at the effectiveness of our fundraising activities in that our fundraising costs represent 6p in every £ received by the charity as donations (including legacy income). This compared favourably with other charities in the sector.

6 Plans for the future

The Board of Trustees is overseeing the implementation of an agreed three-year strategy for 2003 – 2005. Over that period three major areas of development have been identified, and these are:

Mission development

This area seeks to develop a mission theology and practice which fully addresses the aims articulated within the BMS Mission Statement, focusing increasingly on areas with the most significant needs.

Support base development

This recognises that mission is only possible when it is effectively supported. BMS World Mission therefore aims to develop a relationship-based approach to interacting with existing and potential supporters and workers. This will focus attention on two-way engagement and seek to encourage both active and engaged support.

6 Plans for the future (continued)

Organisational development

This will involve continuing to develop BMS World Mission as an organisation that is effective and responsive in identifying and meeting a wide range of existing and emerging mission needs.

Those major areas of development inform the strategic and operational plans of BMS World Mission for each of the next two years. They present challenges but also hold the promise of exciting times ahead as BMS seeks to engage in practical and purposeful ways with the mission needs of an increasingly struggling world and aims to engage its supporters in a sense of partnership in mission.

7 Grant making policy

In the year the charity awarded grants of £1.1m (2001/2002: £1.1m). The trustees' policy is that grants are made against a budget, approved by the Board of Trustees and managed by the Department for World Mission. The policy of the charity is to give grants on the basis that they are subject to annual review and only renewed on the basis of meeting set criteria.

8 Investment policy

i Investment powers

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

ii Investment selection

The trustees have considered the most appropriate policy for investing funds and use an investment manager to invest ethically in a mixture of equities, treasury bonds and cash. The investment objective for the general funds has been defined so as to achieve a balance of income and capital growth from a benchmark comprising of an asset allocation of 45 per cent in UK equities, 5 per cent in global equities, 45 per cent in bonds (UK and overseas) and 5 per cent in cash.

iii Investment performance during the year

New investment managers, Carr Sheppards Crosthwaite, were appointed to manage the charity funds with effect from 1 November 2002. Investment performance is monitored on a calendar quarterly basis. The return on investment of free reserves for the nine months to 30 September 2003 (the quarter nearest to the financial year end) was 5.4% against the above benchmark of 6.4%. If all the funds under management by the investment managers are considered, the benchmark targets were achieved. Given that this was a year of transition and involved the restructuring of the investment portfolio, the trustees are pleased with the progress to date.

9 Reserve policy and levels

As explained the charity carries out a variety of both long-term and short-term programmes. In many cases our commitment to our mission personnel is long-term. The trustees have examined the requirement for free reserves which are those unrestricted reserves not invested in fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of our work, this should equate to between 9 and 12 months of budgeted expenditure equating to a range of £4.4m to £5.9m. This will provide us with the flexibility and resilience to cover any short-term funding crisis or a medium-term recession.

The free reserves at 31 October consists of £4.5m. The trustees plan to maintain a ten-year financial plan to manage the budget so that the target level of reserves is achieved and maintained. Such plans will take into account the long-term funding status of the charity's pension scheme. At the financial year-end under the FRS17 valuation method, after allowing for the net pension liability, the revised level of the charity's free reserves is equal to £2.6m, the equivalent of 5 months of budgeted expenditure.

10 Risk management

i Review of risks

The trustees actively review on a regular basis the major risks which the charity faces. Working with the management team they have reviewed and approved an assessment of risks faced by the charity.

ii Systems to mitigate risks

For each significant risk identified an appropriate action plan over a three-year time scale has been effected. The trustees believe that a review of financial, operational and business risks combined with this plan will help establish a system that will mitigate the significant risks.

11 Auditors

On 31 December 2003, BDO Stoy Hayward, the charity's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the trustees appointed BDO Stoy Hayward LLP as its successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

12 Statement of trustee responsibilities

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the trustees are required to:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent;
- c state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements and
- d prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity, and to enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under S44 of the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees confirm that they have complied with these responsibilities in respect of these financial statements.

Signed on behalf of the Board:

Chairman

19 February 2004

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BMS WORLD MISSION

We have audited the financial statements of BMS World Mission for the year ended 31 October 2003 on pages 7 to 20. These financial statements have been prepared under the accounting policies set out on pages 10 to 11.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our report has been prepared pursuant to the requirements of the Charities Act 1993 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 1993 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 October 2003 and of its incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Signed:

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Emerald House
East Street
Epsom
Surrey
KT17 4AF

19 February 2004

	<i>Notes</i>	Unrestricted Funds £000	Restricted Income Funds £000	Endowment Funds £000	Totals 2003 £000	Totals 2002 £000
Incoming resources						
Donations and gifts	2	3,383	1,080	-	4,463	4,319
Legacies		1,381	6	-	1,387	1,532
Grants		-	213	-	213	232
<i>Activities in furtherance of the charity's objects:</i>						
Resource sales		71	-	-	71	77
Investment income	3	197	42	-	239	266
Other income		268	-	-	268	520
Incoming resources		5,300	1,341	-	6,641	6,946
Resources expended						
<i>Cost of generating funds:</i>						
Fund raising & publicity	4	368	-	-	368	284
Net incoming resources available for Charitable application		4,932	1,341	-	6,273	6,662

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2003

Charitable expenditure:

Costs of activities in furtherance of the charity's objects:

Grants to mission partners	5	500	611	-	1,111	1,121
Mission programmes	6	3,662	1,349	-	5,011	4,755
Management & administration	7	46	-	-	46	114
Total charitable expenditure		4,208	1,960	-	6,168	5,990
Total resources expended		4,576	1,960	-	6,536	6,274
Net incoming/(outgoing) resources before transfers		724	(619)	-	105	672
Transfers between funds	8	(466)	465	1	-	-
Net incoming/(outgoing) resources		258	(154)	1	105	672
Net gains/(losses) on investment assets		57	4	56	117	(640)
Net movement in funds		315	(150)	57	222	32
Fund balances at 1 November		10,769	1,419	988	13,176	13,144
Fund balances at 31 October		11,084	1,269	1,045	13,398	13,176

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 10 to 20 also form part of these financial statements.

BALANCE SHEET

For the year ended 31 October 2003

	<i>Notes</i>	2003 £000	2002 £000
Fixed assets			
Tangible assets	<i>9</i>	6,875	6,940
Investments	<i>10</i>	5,270	5,907
		<u>12,145</u>	<u>12,847</u>
Current assets			
Stock		15	14
Debtors	<i>11</i>	1,314	438
Short term deposits		324	402
Cash at bank and in hand		204	151
		<u>1,857</u>	<u>1,005</u>
Creditors: amounts falling due within one year	<i>12</i>	(604)	(676)
			<u>329</u>
Net current assets		1,253	
			<u>13,176</u>
Net assets		<u>13,398</u>	<u>13,176</u>
Funds	<i>8</i>		
Endowment		1,045	988
Restricted		1,269	1,419
Unrestricted			
Designated funds		6,530	6,594
General funds (free reserves)		4,554	4,175
		<u>13,398</u>	<u>13,176</u>

The financial statements on pages 7 to 20 were approved by the trustees on 19 February 2004 and signed on their behalf by:

Chairman:

Treasurer:

Date: 19 February 2004

The notes on pages 10 to 20 also form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 October 2003

	<i>Note</i>	2003 £000	2002 £000
Net cash (outflow)/inflow from operating activities	17	(849)	87
Returns on investments and servicing of finance			
Investment income		239	266
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(198)	(624)
Proceeds from sale of tangible fixed assets		29	717
Purchase of investments		(1,434)	(2,861)
Proceeds from sales of investments		1,860	3,017
		<u>257</u>	<u>249</u>
Cash (outflow)/inflow before increase in liquid resources and financing		(353)	602
Management of liquid resources			
Decrease/(increase) in short term deposits		78	(48)
		<u>(275)</u>	<u>554</u>

The notes on pages 10 to 20 also form part of these financial statements.

ended 31 October 2003

1 Accounting Policies

a Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity has complied with the requirements of the Charities Act 1993 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) issued in October 2000.

b Fund accounting

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

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

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

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

Investment income and gains are allocated to the appropriate fund.

c Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In accordance with this policy, legacies are included when an entitlement arises during the year and the charity agrees the final estate accounts within two months of the year end. Where estate accounts have not been agreed but a material entitlement has been notified within this time period an estimate of the entitlement is shown in a note to the accounts but not included in the statement of financial activities.

d Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Some have been apportioned on the proportion of floor area occupied by the activity whereas others have been apportioned on staff numbers or time used for the activity.

- Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Grants to mission partners are monies paid to partners for the support of their mission activities. Grants approved (where a constructive obligation has been entered into) but not remitted at 31 October 2003 have been treated as sundry creditors.
- Mission programmes costs comprise the expenditure, other than grants, made overseas including the support of missionary personnel together with costs not allocated to specific countries. It also includes the support costs of overseas work.
- Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

e Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

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

ended 31 October 2003

Buildings	over 50 years
Computer	over 3 years
Furniture and fittings	over 3 years

f Freehold land and buildings

Land and buildings are shown at original historical cost, probate value or subsequent valuation prior to the implementation of FRS 15 Tangible Fixed Assets. The transitional arrangements of FRS15 have been adopted where properties held at 31 October 2000 were revalued prior to that date. The charity is not continuing its revaluation policy in relation to such assets.

g Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

h Joint arrangement

The charity has entered into a joint arrangement with the Baptist Union of Great Britain for the management of Baptist House, its headquarters building. Under the terms of this arrangement, the property is legally vested in corporate representatives of the two bodies and management of the property assigned to a management committee nominated by the two charities. The arrangement was undertaken to enable two unincorporated charities to jointly own and manage one property. The charity accounts for this arrangement by recognising its share of the relevant assets and liabilities, income and expenditure arising from this arrangement in the Balance Sheet and Statement of Financial Activities respectively. Transactions between the charity and the joint arrangement are eliminated on incorporating these amounts into the accounts of the charity.

i Stock

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

j Pension costs

The charity has continued to account for pension costs in accordance with SSAP24. Contributions to the charity's defined benefit contribution pension scheme are charged to the Statement of Financial Affairs evenly over the expected service lives of employees remaining. FRS 17 Retirement Benefits was issued in November 2000 but will not be mandatory for the charity until the year ended 31 October 2005.

k Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the Balance Sheet date. Any gain or loss on exchange is taken to the Statement of Financial Activities at that time.

2. Contributions and donations

	2003	2002
	£000	£000
General work	3,592	3,435
Medical work		
Birthday scheme	309	287
Other	120	118
	<hr/> 429	<hr/> 405
Agriculture and development	292	228
Emergency relief fund	150	251
	<hr/> 4,463	<hr/> 4,319

3 Investment income

2003	2002
£000	£000

NOTES TO THE FINANCIAL STATEMENTS

For the year

ended 31 October 2003

UK investment dividends	192	230
Interest on cash deposits	39	27
Bank and other interest	8	9
	239	266

4 Fund raising and publicity

	2003	2002
	£000	£000
Salaries and office costs	225	221
Other publicity expenditure	143	63
	368	284

During the year there has been an increase in the costs of fundraising and publicity. This reflects additional activity which has contributed to maintaining an above inflationary increase in donation income.

5 Grants payable

	Emergenc y Relief	Agricuture & Developmen t	Medical Work	Partner Resourcing	Total 2003
	£000	£000	£000	£000	£000
<i>Overseas Partners</i>					
<i>Bangladesh</i>					
Bangladesh Baptist Church Sangha	3	-	21	30	54
<i>India</i>					
Baptist Union of North India	-	-	-	24	24
Bengal Baptist Union	-	-	-	8	8
Church of North India Dioceses	-	28	-	6	34
Ludhiana Hospital	7	-	2	-	9
Baptist Convention of Indonesia	-	-	-	16	16
Manara Book Ministries, Jordan	5	-	-	-	5
Lebanese Society for Education & Social Development	-	-	-	12	12
<i>Nepal</i>					
Multipurpose Community Development Service	-	12	-	-	12
United Mission to Nepal	-	38	3	7	48
International Nepal Fellowship	-	5	-	-	5
<i>South Central Asia</i>					
Partner	22	18	-	-	40
<i>Sri Lanka</i>					
Partner 1	4	-	-	-	4
Partner 2	5	-	-	1	6
Partner 3	4	8	-	8	20
<i>Thailand</i>					
Burma Border Consortium	15	-	-	-	15
Karen Baptist Convention	-	-	3	3	6
Thailand Baptist Missionary Fellowship	-	18	5	4	27
Evangelical Baptist Church in Angola	28	6	8	83	125
<i>Democratic Republic of the Congo</i>					

NOTES TO THE FINANCIAL STATEMENTS

For the year

ended 31 October 2003

Baptist Community of the River Congo	5	17	64	83	169
Evangelical Medical Institute, Kinshasa	-	-	5	2	7
Faculty of Theology, Kinshasa	-	-	-	3	3
Midibart	-	-	-	5	5
<i>Mozambique</i>					
Mozambique Baptist Convention	16	-	-	-	16
ABIAH	-	-	-	5	5
North Africa, Partner	-	14	-	-	14
Baptist Convention of South Africa	-	-	-	15	15
Baptist Union of Uganda	22	6	-	10	38
Baptist Convention of Zambia	10	-	-	-	10
National Baptist Convention of Zimbabwe	-	6	-	5	11
Brazil, Baptist Conventions	-	4	-	25	29
Federation of Baptist Churches in El Salvador	-	-	-	4	4
Nicaragua Baptist Convention	-	10	-	2	12
Baptist Union of Trinidad & Tobago	-	5	-	5	10
Albania Baptist Union	-	3	-	2	5
Union of Baptists in Belgium	-	-	-	47	47
Croatian Baptist Union	-	-	-	37	37
Federation of Evangelical Baptist Churches of France	-	-	-	20	20

5 Grants payable (continued)

	Emergency Relief	Agriculture & Development	Medical Work	Partner Resourcing	Total 2003
	£000	£000	£000	£000	£000
Hungarian Baptist Aid	7	-	-	-	7
Baptist Union in Italy	-	-	-	8	8
Kosova, Love in Action	-	-	-	14	14
Other grants	3	-	-	15	18
Overseas Individuals	-	-	-	14	14
International organisations					
All Africa Baptist Fellowship	-	-	-	4	4
Amity Christian Foundation (China)	-	-	-	9	9
Baptist World Aid	16	-	-	5	21
European Baptist Federation	-	-	-	5	5
Operation Mercy	20	-	-	-	20
SAT-7	-	-	-	28	28
UK organisations					
Churches' Commission on Mission	-	-	-	13	13
Global Connections	-	-	-	9	9
Other grants	-	-	-	10	10
Individuals	-	-	-	4	4
	-	-	-	-	-
	192	198	111	610	1,111

ended 31 October 2003

6	Mission programmes	2003	2002
		£000	£000
	Missionaries' overseas costs	1,564	1,393
	Department for World Mission	535	496
	Building, equipment and transport costs	93	144
	Missionary training	501	479
	Overseas personnel training	60	49
	Missionaries' retirement costs	167	146
	Supplementary services	338	309
	Education and recruitment	912	951
	Central costs	841	788
		<u>5,011</u>	<u>4,755</u>

7	Management and administration	2003	2002
		£000	£000
	Salaries and office costs	27	83
	Audit fee	16	15
	Other management and administration expenses	3	16
		<u>46</u>	<u>114</u>

The allocation of these costs was reviewed during the year and changes made in accordance with the guidance and best practice contained in the SORP.

8	Statement of funds						
		Balance at 1.11.02	Incoming Resources	Resources Expended	Realised and Unrealised Gains	Transfers	Balance at 31.10.03
		£000	£000	£000	£000	£000	£000
	<i>Endowment funds</i>						
	Cyril Edwards Trust	346	-	-	24	-	370
	Jane Mursell Trust	374	-	-	25	-	399
	Joy Bushon Sircar Trust	194	-	-	5	-	199
	Other endowment funds	74	-	-		1	77
					2		
		<u>988</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>1</u>	<u>1,045</u>

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

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

ended 31 October 2003

The income of the Joy Bushon Sircar Trust is to be used to benefit specific educational and church work in the Barisal area of Bangladesh. The Trust is invested in US dollar securities which have been converted into sterling at the rate ruling at 31 October 2003

	Balance at 1.11.02 £000	Incoming Resources £000	Resources Expended £000	Realised and Unrealised Gains £000	Transfers £000	Balance at 31.10.03 £000
<i>Restricted funds</i>						
Emergency relief fund	148	150	196	-	-	102
Angola and Democratic Republic of Congo medical fund	633	27	85	4	(11)	568
Medical	-	435	742	-	307	-
Agriculture and development	-	491	709	-	218	-
Restricted fixed assets reserve	393	-	-	-	(4)	389
Ivy Sullivan Trust	198	9	34	-	-	173
Other restricted funds	47	229	194	-	-	37
					(45)	
	1,419	1,341	1,960	4	465	1,269

The emergency relief fund represents funds set aside for relief and disaster response around the world primarily where the charity is involved.

The Angola and Democratic Republic of Congo medical fund is available for medical work in Angola and the Democratic Republic of Congo.

The transfers to the medical and agricultural and development fund are from general reserves to cover the excess of that expenditure over income received.

The restricted fixed assets reserve represents the value of properties which have been left to the charity with restricted use.

The funds of the Ivy Sullivan Trust are available for the provision of housing for retired missionaries whose health has suffered during their services abroad.

8 Statement of funds (continued)

	Balance at 1.11.02 £000	Incoming Resources £000	Resources Expended £000	Realised and Unrealised Gains £000	Transfers £000	Balance at 31.10.03 £000
<i>Unrestricted Funds</i>						
<i>Designated</i>						
Fixed assets reserve	6,547	4	-	-	(64)	6,487
Other designated funds	47	-	4	-	-	43

NOTES TO THE FINANCIAL STATEMENTS

ended 31 October 2003	For the year					
	6,594	4	4	-	(64)	6,530
<i>General funds</i>						
(Free reserves)	4,175	5,296	4,572	57	(402)	4,554
	10,769	5,300	4,576	57	(466)	11,084

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

9 Tangible fixed assets

	Land and Buildings £000	Furniture and Equipment £000	Motor Vehicles £000	Total £000
<i>Cost</i>				
1 November	6,951	857	-	7,808
Additions	52	122	24	198
Disposals	-	(11)	(24)	(35)
31 October	7,003	968	-	7,971
<i>Depreciation</i>				
1 November	215	653	-	868
Charge for year	112	126	-	238
Disposals	-	(10)	-	(10)
31 October	327	769	-	1,096
<i>Net book value</i>				
31 October 2003	6,676	199	-	6,875
31 October 2002	6,736	204	-	6,940

10 Fixed asset investments

2003	2002
£000	£000

ended 31 October 2003

Analysis of movements in the year

Market value 1 November	4,911	5,707
Add acquisitions at cost	1,434	2,861
Less disposals at balance sheet value	(1,794)	(3,026)
Net gains on revaluation for the year	51	(631)
	<u>4,602</u>	<u>4,911</u>
Cash deposits	668	996
Market value at 31 October	<u>5,270</u>	<u>5,907</u>
<i>Historical cost at 31 October</i>	<i>5,123</i>	<i>5,846</i>

*Analysis of investments held at 31 October**UK listed investments*

Direct investments	3,294	2,809
Indirect investments	950	1,908
	<u>4,244</u>	<u>4,717</u>

Non-UK listed investments

Indirect investments	358	194
	<u>358</u>	<u>194</u>

Cash deposits	668	996
	<u>5,270</u>	<u>5,907</u>

Of which investments exceeding 5% of total portfolio:

CUTM Income Trust for Charities	830	848
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11 Debtors

	2003	2002
	£000	£000
Trade and other debtors	243	216
Prepayments	55	47
Prepaid pension contributions	464	-
Accrued income	552	175
	<u>1,314</u>	<u>438</u>

Other debtors include secured loans of £50,500 and an unsecured loan of £14,721 not due for repayment within the next year; all other debts are due within one year.

12 Creditors: amounts falling due within one year

	2003	2002
	£000	£000
Loans	13	16
Trade creditors and accruals	284	275
Other creditors	208	291
Grants approved but not paid	99	94
	<u>604</u>	<u>676</u>

ended 31 October 2003

13 Staff costs

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

	2003 £000	2002 £000
Allowances and salaries	2,385	2,225
Pension contributions	318	267
National Insurance contributions	140	125
Relocation payments	5	17
	<u>2,848</u>	<u>2,634</u>

No employee earned in excess of £50,000 during the year.

Average number of employees:

Missionaries	131	126
Other employees	73	71
	<u>204</u>	<u>197</u>

During the year the following employees had secured loans from the charity:

	Amount of loan At 1.11.02 £	Amount of loan At 31.10.03 £	Purpose of loan
Mr D Clark	15,000	15,000	House purchase
Mr M J Quantick	35,500	35,500	House purchase

Loans for house purchase are repayable on or before resignation or retirement from the service of the charity. The interest on these loans is fixed by the charity's Treasurer at 1 November each year and is based on the average rate of interest on the charity's investments in fixed interest stocks and short-term deposits.

14 Trustees' remuneration

No emoluments were paid to the trustees, with the exception of the General Director, Rev Dr Alistair Brown, who is employed by the charity and is remunerated on the same basis as other employees but receives no remuneration for his duties as a trustee. The constitution makes particular provision for the General Director to be an employee of the charity and the Charity Commission has given formal assent to this. Dr Brown's emoluments during the year were £39,528 (2002 - £36,894). He was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £2,972 (2002 - £1,901). Other trustees were reimbursed for their incidental expenses in attending committee meetings.

During the year a total of £12,107 (2002 - £9,288) was reimbursed to 16 trustees (2002 - 17) in respect of committee expenses. One trustee had close family members who were employed as missionaries during the year. One trustee was a previous employee of the charity and has rights within the BMS Pension Scheme.

15 Pension costs

The charity has continued to account for pension costs in accordance with SSAP 24. Contributions to the charity's defined benefit contribution pension scheme are charged to the Statement of Financial Affairs evenly over the expected service lives of employees remaining. FRS 17 Retirement Benefits was issued in November 2000 but will not be mandatory for the charity until the year ended 31 October 2005.

a BMS Pension scheme

ended 31 October 2003

The charity operates a final salary defined benefit scheme for its permanent employees, which is not contracted out of the State Earnings Related Pension Scheme. The assets of the scheme are held separately from those of the charity and are invested by the scheme's trustee, the Baptist Missionary Society Pension Trust Limited, in consultation with their investment managers. The contributions are determined on the advice of a qualified actuary on the basis of a triennial valuation, the most recent valuation being as at 31 December 2000.

15 Pension costs (continued)

a BMS Pension scheme (continued)

The valuation of the scheme as at 31 December 2000 showed the market value of the assets to be £16,837,000, which after the deduction of the market level adjustment gave an actuarial valuation of £14,874,000 representing 132% of the value of past service liabilities. The charity's contributions to the scheme are 10% of members' pensionable salaries. During the year ended 31 October 2003 the charity made payments totalling £782,113 (including a one-off payment of £500,000) to the scheme (2002 £267,483).

b FRS 17 Retirement benefits

The charity operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 December 2000 and updated to 31 October 2003 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31.10.03	At 31.10.02	At
31.10.01	%	%	%
Rate of increase in salaries	4.3	3.8	3.7
Rate of increase in pensions in payment	2.7	2.4	2.3
Discount rate	5.5	5.6	5.5
Inflation assumption	2.8	2.3	2.2

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31/10/2003 %	Value at 31/10/2003 £000	Long-term rate of return expected at 31/10/2002 %	Value at 31/10/2002 £000	Long-term rate of return expected at 31/10/2001 %	Value at 31/10/2001 £000
Equities	8.0	9,599	7.5	8,924	6.5	10,505
Bonds	5.3	3,376	4.6	2,577	5.5	3,540
Cash	3.5	735	3.5	610	4.1	240
Total market value of assets		13,710		12,111		14,285
Present value of scheme liabilities		(15,691)		(13,882)		(13,581)
(Deficit)/surplus in the scheme		(1,981)		(1,771)		704
Related deferred tax liability		-		-		-
Net pension (liability)/asset		(1,981)				704

NOTES TO THE FINANCIAL STATEMENTS

ended 31 October 2003

For the year

	_____	<u>(1,771)</u>	_____	
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Analysis of the amount chargeable to charitable expenditure

	2003 £000	2002 £000
Current service cost	443	431
Past service cost	-	-
Total operating charge	443	431

Analysis of the amount creditable to pension finance income

Expected return on pension scheme assets	(802)	(875)
Interest on pension scheme liabilities	759	729
Net return	(43)	(146)

15 Pension costs (continued)

b FRS 17 Retirement benefits (continued)

Analysis of amounts recognisable within of the Statement of Financial Activities gains and losses categories

Actual return less expected return on pension scheme assets	415	(2,877)
Experience gains and losses arising on the scheme liabilities	280	(731)
Changes in assumption underlying the present value of the scheme liabilities		1,149
	(1289)	
Actuarial loss on defined benefit scheme	(594)	(2,459)

Movement in surplus during the year

	2003 £000	2002 £000
Surplus in scheme at beginning of the year	(1,771)	704
Movement in year:		
Current service cost	-	-
Contributions	(443)	(431)
	784	269
Past service costs	-	-
Other finance income		146
	43	
Actuarial loss	(594)	(2,459)
Deficit in scheme at end of the year	(1,981)	(1,771)

History of experience gains and losses

ended 31 October 2003

	y/e 31/10/03	y/e 31/10/02
Difference between the actual and expected return on scheme assets:		
amount (£'000)	415	(2,877)
percentage of scheme assets	3%	(24)%
Experience gains and losses on scheme liabilities:		
amount (£'000)	280	(731)
Percentage of the present value of the scheme liabilities	2%	(5)%
Total amount recognised in statement of total gains and losses:		
amount (£'000)	(594)	(2,459)
percentage of the present value of scheme liabilities	(4)%	(18)%

16 Analysis of net assets between funds

Fund balances at 31 October are represented by:

	Unrestrict ed Funds £000	Designated Funds £000	Restrict ed Funds £000	Endowme nt Funds £000	Total 2003 £000	Total 2002 £000
Tangible fixed assets	-	6,486	389	-	6,875	6,940
Investments	3,301	44	880	1,045	5,270	5,907
Current assets	1,857	-	-	-	1,857	1,005
Current liabilities	(604)	-	-	-	(604)	(676)
	4,554	6,530	1,269	1,045	13,398	13,176

It is considered that each fund is held in a form appropriate to any restrictions applying.

17 Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities

	2003 £000	2002 £000
Net incoming resources	105	672
Investment income	(239)	(266)
Profit from sale of fixed assets	(4)	(302)
Depreciation	238	256
(Increase)/decrease in stocks	(1)	11
Increase in debtors	(876)	(96)
Decrease in creditors	(72)	(188)
Net cash (outflow)/inflow from operating activities	<u>(849)</u>	<u>87</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year

ended 31 October 2003

18 Reconciliation of net cash flow to movement in net funds

	2003 £000	2002 £000
(Decrease)/increase in cash in the year	(275)	554
Cash (inflow)/outflow from (decrease)/increase in liquid resources	(78)	48
Movement in net funds in the year	(353)	602
Net funds at 1 November 2002	1,549	947
Net funds at 31 October 2003	1,196	1,549

19 Analysis of net funds

	At 1 November 2002 £000	Cash flows £000	At 31 October 2003 £000
Cash at bank and in hand		53	204
Cash held in investment portfolio	151		
Short term deposits	996	(328)	668
	402		324
		(78)	
	1,549		1,196
	(353)		