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SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

REPORTS AND

FINANCIAL STATEMENTS FOR

THE YEAR ENDED

30 SEPTEMBER 1995

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NEVILLE RUSSELL

Chartered Accountants

Raffety House

2-4 Sutton Court Road

Sutton Surrey SM1 4TN

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SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

DIRECTORS:

Mr D Dryer  
Rev J Grindell  
Rev S Gordon  
Rev G Sinden

BANKERS:

Barclays Bank PLC  
543 Norwood Road  
West Norwood  
London, SE27 9DW

SOLICITORS:

Lewis & Dick  
443 Kingston Road  
Ewell  
Surrey, KT19 0DG

AUDITORS:

Neville Russell  
Raffety House  
2-4 Sutton Court  
Road, Sutton  
Surrey, SM1 4TN

REGISTERED CHARITY:

No. 219763

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DIRECTORS' REPORT  
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The directors have pleasure in presenting their report and the financial statements for the year ended 30 September 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

PRINCIPAL ACTIVITY

The principal activity of the Company is to operate as a Charity undertaking Missionary and Relief Work in the Third World.

Like many other Christian organisations, SIM has continued to suffer from the effects of economic recession. This has created deficits which were not covered by legacy income as previously, and it was necessary to carry forward into the 1994/5 financial year a deficit of £62,500 on our General and Ethnic Focus Funds.

We are encouraged to see that support for our UK missionaries has increased over the past year, which has assisted our overall position. Income for General Fund, which includes the cost of running the UK office, fell by some 15% in 1994/5 but, after cutting back in various ways, we were able to cover our expenses. The care of missionaries at Home and on Home Assignment and expenses for the Ethnic Focus Ministry has also added an additional deficit of £10,000 in 1994/5.

As the financial climate in the UK appears to be improving, we are hopeful that we will be able to balance our budget in the coming year.

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### FINANCIAL RESULTS AND STATE OF AFFAIRS

These are as shown in the financial statements attached on pages 5 to 12.

### DONATIONS

Donations totalling £3,595 have been made in the year to other UK charities having an interest in related activities.

### FIXED ASSETS

Details of the changes in fixed assets are set out in note 9. The properties which are stated at a book value of £874,567 are insured for £1,065,176. The directors do not consider that they would be justified in incurring professional fees in order to obtain an accurate market valuation, since most properties have been purchased recently. The directors have given due consideration to the requirements of the Statement of Standard Accounting Practice No. 12 "Accounting for Depreciation". The directors will continue their policy of maintaining the buildings in good repair and condition and therefore are of the opinion that the Standard's requirements with regard to the depreciation of buildings is in the case of the Charity inappropriate.

### DIRECTORS

The following were directors for the whole of the period from 1 October 1994 to the date of this report unless otherwise stated.

D Dryer  
J Grindell  
S Gordon  
G Sinden

In accordance with the Memorandum and Articles of Association Rev G Sinden retires from office and being eligible offers himself for re-election.

### AUDITORS

Messrs Neville Russell have signified their willingness to continue in Office and their re-appointment as Auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



B N FREED  
Secretary

Ullswater Crescent  
Coulston  
Surrey CR5 2HR

(A company limited by guarantee and not having a share capital)

## HOME DIRECTOR'S REPORT

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**THE PURPOSE OF SIM IS TO GLORIFY GOD BY EVANGELISING THE UNREACHED AND MINISTERING TO HUMAN NEEDS, DISCIPLINING BELIEVERS INTO CHURCHES EQUIPPED TO FULFIL CHRIST'S COMMISSION.**

Missionary work seemed so simple when we read about the church at Antioch sending out Paul and Barnabas. They just got on a boat and went - no visa problems, everyone in that part of the world spoke Greek, and the Roman empire provided an atmosphere of peace over an area considerably larger than present-day Europe. But even then the first missionaries got into hot water!

In the early days of the twentieth century missionaries went to Africa, or India, or China and stayed for five to seven years before coming home for a "furlough", and they worked in that area for the rest of their lives. Today life is much more complicated. Countries concerned do not automatically give visas. Some demand at least a university degree before issuing a visa for a missionary. Some missionaries have been evacuated because of wars. However, communication between home and field is faster - with planes, not ships; E-mail not letters; satellites not telegraph.

It is not easy to keep a church enthusiastic about world mission. Churches with a long history of being missionary-minded may gradually grow lukewarm. Even the most committed churches are always within one generation of losing the vision. Others assume mission reflects the colonialist era and is irrelevant today. Often people are caught up with the great needs of their own congregation or suggest we should just send money and not people. It is hard to find people committed to pray for world mission - it's harder still to find those willing to actually go and serve in other cultures. So is the battle worth it? Yes, it is! Rekindling a vision for world mission in the church is worth it! Here are three reasons:

World mission is important to God - God has no higher priority than that of reaching people of all nations. If we want the Lord God to bless our church, we must be active in His priorities.

The task is far from finished - There are at least four billion people who have not yet heard the Good News. Half of those have little chance of hearing the gospel, but there are also hundreds of millions of people who call themselves Christians but who are weak in their faith or are taught dangerous theology. We in SIM are working in close partnership with SIM-related churches in Africa, Asia and South America, but we've still not fulfilled Christ's urgent command to make disciples in ALL nations.

There's another world coming - A church with a passion for world mission is a church willing to sacrifice. We believe that life is short in comparison with eternity, and what we do for the cause of Christ will last throughout all time. Every day we praise the Lord for congregations of true world Christians. Are YOU longing for a revival of passion for world mission in your church? We need thousands of churches with a renewed vision for God's world and more missionaries willing to sacrifice for this most important and urgent command.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
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SIM INTERNATIONAL (UK)

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(A company limited by guarantee and not having a share capital)

We have audited the financial statements on pages 5 - 12 which have been prepared following the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 company's affairs at 30 September 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Neville Russell*

NEVILLE RUSSELL  
Chartered Accountants  
and Registered Auditors

Raffety House  
2-4 Sutton Court Road  
Sutton Surrey SM1 4TN

Date: 29/1/1996

SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

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	Notes	1995	1994
<u>INCOME</u>		£	£
Donations		1,306,465	1,223,204
Covenanted Gifts		186,468	185,158
Gift Aid Donations		161,080	133,783
Legacies		10,673	57,012
Donations through other SIM offices		79,344	100,306
Donor Agency Gifts	4	428,714	497,671
Other Income	6	<u>53,651</u>	<u>14,722</u>
Total Income	3	£2,226,395	£2,211,856
 <u>EXPENDITURE</u>			
Missionary support		1,416,176	1,353,593
Mission Projects and Ministries	4	488,814	637,967
Administration		233,294	246,207
Promotion		<u>60,463</u>	<u>86,300</u>
		<u>2,198,747</u>	<u>2,324,067</u>
Surplus(deficit) on Mission activities		27,648	(112,211)
Interest & Investment Income	5	24,212	30,229
Personal Gifts Received		36,526	40,632
Transferred		<u>36,526</u>	<u>40,632</u>
<u>NET SURPLUS(DEFICIT)</u>		<u>-</u>	<u>-</u>
<u>FOR THE YEAR</u>	14	51,860	£(81,982)
		=====	=====
Transferred to Asset Fund		39,692	(6,773)
Transferred to Designated Funds		29,811	(15,570)
Transferred to Ethnic Focus Fund		(12,500)	(37,500)
Transferred to Special Project Funds		(7,689)	(15,500)
Transferred to General/Project Fund		<u>2,546</u>	<u>(6,639)</u>
		£51,860	£(81,982)

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The company's turnover and expenses all relate to continuing operations. The company has no recognised gains or losses other than the surplus for the year, which has been calculated on the historical cost basis.

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SIM INTERNATIONAL (UK)

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BALANCE SHEET

30 SEPTEMBER 1995

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	Notes	£	1995	£	1994	£
TANGIBLE						
<u>FIXED ASSETS</u>	9		881,287		776,677	
FIXED ASSETS						
<u>INVESTMENTS</u>	10		29,253		30,242	
<u>CURRENT ASSETS</u>						
Debtors	11	171,154		114,288		
Short term deposit		150,808		255,015		
Bank and deposit						
balances and cash		316,155		401,748		
National Savings Bank		<u>1,435</u>		<u>1,357</u>		
		£639,552		£772,408		
<u>CURRENT LIABILITIES</u>						
Creditors	12	<u>285,853</u>		<u>366,948</u>		
Net current assets			<u>353,699</u>		<u>405,460</u>	
NET ASSETS			£1,264,239		£1,212,379	
			=====		=====	
<u>REPRESENTED BY:</u>						
Asset fund	14		786,368		746,676	
Designated funds	14		526,469		496,658	
Ethnic Focus fund	14		(50,000)		(37,500)	
Special Project						
funds	14		23,758		31,447	
General fund/						
Project fund	14		<u>(22,356)</u>		<u>(24,902)</u>	
			£1,264,239		£1,212,379	
			=====		=====	

The above financial statements were approved by the Board on  
29 January 1996, and signed on their behalf by:-



D Dryer, Director



(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 1995

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1. COMPANY STATUS

SIM International (UK) is a Company limited by guarantee and not having a share capital. It is a Registered Charity No. 219763.

2. ACCOUNTING POLICIES

Accounting Convention: The financial statements are prepared under the historical cost convention. In view of the charitable nature of the Company's activities the statutory formats and headings have been adapted where necessary in order to give a true and fair view.

Income: The income of the Company is credited to the Income and Expenditure Account on the following bases:-

- (a) Covenanted gifts, ordinary donations, legacies, dividends and income from the sales of literature and other publicity materials - amount received during the period.
- (b) Tax repayments in respect of tax reclaimed on covenanted donations and investment interest - included for the period ending on 30 September 1995.
- (c) Gift Aid repayments have been claimed for the period ended 30 September 1995.
- (d) Rents and deposit interest - on a receivable basis for the financial period.

Profits on sales of property and investments: Profit on sales of property and investments are credited to the Income and Expenditure Account on a receivable basis.

Depreciation of fixed assets: Depreciation of fixed assets has been calculated on a reducing balance basis at rates appropriate to the assets concerned.

No provision for depreciation has been made in respect of the freehold and long leasehold properties as recommended by SSAP 12 as the directors do not consider its application to be appropriate to the Company's circumstances.

Foreign Currencies: Revenue and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling at the time when the transactions occur. Assets and liabilities are translated at rates of exchange ruling at the balance sheet date. Exchange differences are included in administration expenses.

Pension Costs: Contributions payable to The Evangelical Missionary Alliance pension scheme are charged to the income and expenditure account in the period to which they relate.

SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1995 (continued)

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3. INCOME

Income is attributable to the principal activity, the financing and co-ordination of mission activity.

A geographical analysis of income is given below:

	<u>1995</u>	<u>1994</u>
	£	£
UK	1,749,637	1,731,844
Donor agencies (Northern Europe)	397,414	379,706
Other SIM offices	<u>79,344</u>	<u>100,306</u>
	£2,226,395	£2,211,856
	=====	=====

4. DONOR AGENCY GIFTS

The amounts shown under income as Donor Agency Gifts and under expenditure as Mission Projects and Ministries comprise both donations received by SIM International (UK) and donations remitted for Mission Projects from supporting agencies in Europe.

5. INTEREST AND INVESTMENT INCOME

	<u>1995</u>	<u>1994</u>
	£	£
Interest on Bank Deposits	20,284	25,152
Investment Income - Listed	<u>3,928</u>	<u>5,077</u>
	£24,212	£30,229
	=====	=====

6. OTHER INCOME

	<u>1995</u>	<u>1994</u>
	£	£
Profit on redemption of investments/sale assets	41,550	2,160
Service and administration charges	1,375	574
Literature sales	3,877	5,303
Video Income	406	612
Rents received	<u>6,443</u>	<u>6,073</u>
	£53,651	£14,722
	=====	=====

SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1995 (continued)

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7. SURPLUS/DEFICIT ON MISSION ACTIVITIES FOR THE YEAR

	<u>1995</u>	<u>1994</u>
This is stated after charging:	£	£
(Profit) loss on exchange	(10,827)	3,561
Depreciation of tangible fixed assets	2,240	2,560
Auditor's remuneration	5,300	5,500
(Gain) on sale of fixed assets	(41,550)	(2,160)
	=====	=====

The directors received no remuneration for their services.

8. STAFF COSTS

	<u>1995</u>	<u>1994</u>
	£	£
Wages	264,596	260,779
Social Security costs	22,028	19,094
Other pension costs	<u>13,319</u>	<u>7,820</u>
	£299,943	£287,693
	=====	=====

The average number of persons employed by the Company during the year was as follows:

	<u>1995</u>	<u>1994</u>
Management	5	5
Administration (including 7 part time employees)	8	8
UK missionary staff	<u>30</u>	<u>31</u>
	43	44
	==	==

The Company is a member of The Evangelical Missionary Alliance pension scheme, which is a defined contribution scheme, for the majority of personnel including missionaries serving overseas. The aim is to augment pensions available and provide benefits which may be transferred on return to UK. The cost for UK personnel for the year is shown above and represents contributions payable by the Company to the Fund. The assets of the scheme are held separately from those of the Company in an independently administered fund.

SIM INTERNATIONAL (UK)

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NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1995 (continued)

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9. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Long Leasehold Property</u>	<u>Equipment</u>	<u>Total</u>
<u>Cost</u>				
	£	£	£	£
At 30 September 1994	497,030	271,962	74,078	843,070
Additions	165,587		1,275	166,862
Disposals	(41,490)	(18,522)	-	(60,012)
At 30 September 1995	£621,127	£253,440	£75,353	£949,920
	=====	=====	=====	=====
<u>Depreciation</u>				
At 30 September 1994	-	-	66,393	66,393
Charge for the year	-	-	2,240	2,240
Disposals	-	-	-	-
At 30 September 1995	-	-	68,633	68,633
	=====	=====	=====	=====
<u>Net Book Value</u>				
At 30 September 1994	£497,030	£271,962	£7,685	£776,677
	=====	=====	=====	=====
At 30 September 1995	£621,127	£253,440	£6,720	881,287
	=====	=====	=====	=====

Depreciation rate

At 30 September 1995

25%

As stated in Note 2 above, depreciation is not provided on freehold or long leasehold properties. If depreciation had been provided at the rate of 2% on a reducing balance basis the charge would have been £11,647 for the year and the book value would have been reduced by accumulated depreciation of £67,990.

The Company acts as bare trustee for an associated charity in Switzerland and holds the title to a residential property in France on their behalf. This property is not reflected in these accounts.

Included in the Freehold Properties are two properties not legally owned by the Company. The Company has financed part of the cost of each in return for an Equity share in the properties.

SIM INTERNATIONAL (UK)  
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 1995 (continued)

10. FIXED ASSETS - INVESTMENTS

	Listed	
	<u>1995</u>	<u>1994</u>
At Cost:	£	£
1 October 1994	30,242	40,285
Disposal	<u>(989)</u>	<u>(10,043)</u>
	£29,253	£ 30,242
	=====	=====

The market value of the Company's listed investments at 30 September 1995 was £41,496 (30 September 1994 - £40,902).

It is the Company's policy to hold its investments on a long term basis and these are therefore represented within the designated funds.

11. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Due from other SIM offices	57,256	52,233
Other debtors	17,124	14,955
Prepayments and accrued income	94,718	40,479
Missionaries - personal funds (see Note 13)	<u>2,056</u>	<u>6,621</u>
	£171,154	£114,288
	=====	=====

12. CREDITORS

	<u>1995</u>	<u>1994</u>
	£	£
Due to other SIM offices	43,853	145,444
Other taxation	3,467	3,502
Social Security costs	3,290	3,976
Other creditors	123,071	104,288
Missionaries - personal funds (see Note 13)	92,297	90,637
Accruals and deferred income	19,425	16,951
Deferred Covenants	<u>450</u>	<u>2,150</u>
	£285,853	£366,948
	=====	=====

## SIM INTERNATIONAL (UK)

(A company limited by guarantee and not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1995 (continued)

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13. MISSIONARIES' PERSONAL FUNDS

Personal gifts are not treated as income of the Company, but are held on a trust basis. The figures involved are:-

	<u>1995</u>	<u>1994</u>
	£	£
Balance at the beginning of year	84,016	85,543
Personal gifts received	36,526	40,633
Allowances, transfers etc	<u>545,341</u>	<u>515,007</u>
	665,883	641,183
Less: payments from personal accounts	<u>575,642</u>	<u>557,167</u>
Balance at the end of the year:	£90,241	£84,016
(see Notes 11 & 12)	=====	=====

14. FUNDS

	<u>Asset</u>	<u>Designated</u>	<u>Ethnic</u>	<u>Special</u>	<u>General/</u>	<u>Total</u>
	<u>Fund</u>	<u>Funds</u>	<u>Focus</u>	<u>Project</u>	<u>Project</u>	<u>Funds</u>
	£	£	£	£	£	£
Balance at the beginning of the year	746,676	496,658	(37,500)	31,447	(24,902)	1,212,379
Net Income (Expenditure) for the year	<u>39,692</u>	<u>29,811</u>	<u>(12,500)</u>	<u>(7,689)</u>	<u>2,546</u>	<u>51,860</u>
Balances at year end	£786,368	£526,469	(50,000)	£23,758	£(22,356)	£1,264,239
	=====	=====	=====	=====	=====	=====

The Asset Fund represents amounts set aside for the replacement of fixed assets.

The Designated Funds represent amounts set aside for the future use of Mission members.

The Project Fund represents funds held to maintain the property situated at Hounslow.

The Special Project Funds represent amounts set aside for use other than for the benefit of Mission members.

15. CAPITAL COMMITMENTS

At 30 September 1995 Capital Expenditure contracted for but not provided for in the financial statements amounted to NIL (1994 NIL).