

611250

SIM INTERNATIONAL (UK)

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

REPORTS AND

FINANCIAL STATEMENTS FOR

THE YEAR ENDED

30 SEPTEMBER 1994

=====

NEVILLE RUSSELL

Chartered Accountants

Raffety House

2-4 Sutton Court Road

Sutton Surrey SM1 4TN

=====



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

Pothecary & Barrett  
White Horse Court  
25c North Street  
Bishops Stortford  
Herts, CM23 2LD

AUDITORS:

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

REGISTERED CHARITY:

No. 219763

INDEX:

=====

Page

=====

Directors' Report  
Home Director's Report  
Auditors' Report  
Income & Expenditure Account  
Balance Sheet  
Notes to Financial Statements

1 - 2  
3  
4  
5  
6  
7 - 12

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

DIRECTORS' REPORT

=====

The directors have pleasure in presenting their report and the financial statements for the year ended 30 September 1994.

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 been suffering the effects of economic recession but, assisted by a number of legacies, we have balanced our books for the last two financial years. However, in the year ended 30 September 1994 we suffered shortfalls not covered by matching legacy income, and as a result have carried forward into the 1994/5 financial year a deficit of £65,000 on our General and Home Care Funds.

Over the past three years support for our UK missionaries has fallen by approximately 10%, creating severe strains on our overall budget. Our General Fund, which includes the cost of running the UK office, has been under strain for some time and, despite cutting back in various ways, our expenses still exceed our income. The care of our UK-based missionaries and those on Home Assignment as well as our Ethnic Focus Team has also added to the overall deficit.

As the financial climate in the UK appears to be improving, we are hopeful that we will be able to balance our budget once again, over the next couple of years.

SIM INTERNATIONAL (UK)

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

### FINANCIAL RESULTS AND STATE OF AFFAIRS

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

### DONATIONS

Donations totalling £4,200 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 £768,992 are insured for £1,097,990. The directors do not consider that they would be justified in incurring professional fees in order to obtain an accurate market valuation. 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 1993 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 Mr Gordon 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  
Coulson  
Surrey CR5 2HR

HOME DIRECTOR'S REPORT

=====

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

In many Western countries a significant percentage of people claim to have experienced an evangelical conversion, but why are so many Christians making so little difference? Believers acting as salt and light should stimulate the nations towards godliness.

It seems that Christ's commission in Matthew 28:19-20 has become the "GREAT OMISSION". Christ commanded us not only to go, but also to make disciples in every nation who will actually obey everything Jesus commanded. Looking at the evidence, we have barely begun to fulfil the great commission. "Missions" includes cross-cultural evangelism, but it is much more than that. While we praise the Lord that the church has been expanding geographically and in numbers, we have much to learn about helping new believers progress towards maturity in Christ.

Maybe our most strategic task is to stimulate the development of national leaders who are able to disciple believers to obey everything Jesus commanded. Whilst it is one thing to understand the great commission as a command to teach others to be like Jesus, it is another thing to become like Christ ourselves.

As Christians, are we seeking to act like Jesus in all we think, value and do? Are we known to the world by our love for one another, or are we sometimes critical and uncaring towards each other? The SIM family consists of more than 1,900 missionaries, some 4 million members of SIM-related churches and thousands of men, women and young people who pray and give so that Christ may be glorified on the field. If we all demonstrate vital Christian maturity, we can increase our effectiveness significantly.

God has used SIM to plant more than 8,000 churches with about four million believers. Our hearts overflow with praise to the Lord for such blessing, but what are we doing to disciple new believers in their quest to become more like Jesus? Let us not be satisfied when we have a church that is merely self-governing, self-supporting and self-propagating. Our goal is to equip the church to fulfil Christ's commission.

The SIM family includes tens of thousands of individuals and supporting churches from Saskatoon to Sydney, from Stuttgart to Singapore, who pray and give so that others may go.

If we all catch a fresh vision of what it means to be disciples of Jesus, the foundations of hell will be shattered, revival will break out and Christ's commission will be obeyed throughout the whole earth.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
=====

SIM INTERNATIONAL (UK)

=====

(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 1994 and of its deficit 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 6/2/1995  
2-4 Sutton Court Road  
Sutton Surrey SM1 4TN

Date:

## SIM INTERNATIONAL (UK)

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

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1994  
=====

<u>INCOME</u>	Notes	<u>1994</u>		<u>1993</u>	
		£	£	£	£
Donations			1,223,204		1,199,169
Covenanted Gifts			185,158		205,926
Gift Aid Donations			133,783		77,679
Legacies			57,012		102,664
Donations through other SIM offices			100,306		161,766
Donor Agency Gifts	4		497,671		558,895
Other Income	6		<u>14,722</u>		<u>72,839</u>
Total Income	3		£2,211,856		£2,378,938
 <u>EXPENDITURE</u>					
Missionary support		1,353,593		1,241,514	
Mission Projects and Ministries	4	637,967		838,734	
Administration		246,207		268,059	
Promotion		<u>86,300</u>		<u>109,941</u>	
			<u>2,324,067</u>		<u>2,458,248</u>
Deficit on Mission activities			(112,211)		(79,310)
Interest & Investment Income	5		30,229		38,047
Personal Gifts Received		40,632		53,384	
Transferred		<u>40,632</u>		<u>53,384</u>	
			-		-
<u>NET DEFICIT</u>					
<u>FOR THE YEAR</u>	14		£(81,982)		£(41,263)
=====					
Transferred to Asset Fund			(6,773)		70,657
Transferred to Designated Funds			(53,070)		21,716
Transferred to Project Fund			(2,613)		3,829
Transferred to Special Project Funds			(15,500)		(169,161)
Transferred to General Fund			<u>(4,026)</u>		<u>31,696</u>
			£(81,982)		£(41,263)

=====

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

=====

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

BALANCE SHEET  
30 SEPTEMBER 1994  
=====

	Notes	£	1994	£	£	1993	£
TANGIBLE							
<u>FIXED ASSETS</u>	9		776,677			790,603	
FIXED ASSETS							
<u>INVESTMENTS</u>	10		30,242			40,285	
<u>CURRENT ASSETS</u>							
Debtors	11	114,288			252,365		
Short term deposit		255,015			207,045		
Bank and deposit							
balances and cash		401,748			365,271		
National Savings Bank		<u>1,357</u>			<u>1,277</u>		
		772,408			825,958		
<u>CURRENT LIABILITIES</u>							
Creditors	12	<u>366,948</u>			<u>362,485</u>		
Net current assets			<u>405,460</u>			<u>463,473</u>	
NET ASSETS			£1,212,379			£1,294,361	
			=====			=====	
<u>REPRESENTED BY:</u>							
Asset fund	14		746,676			753,449	
Designated funds	14		459,158			512,228	
Project fund	14		3,000			5,613	
Special Project							
funds	14		31,447			46,947	
General fund	14		<u>(27,902)</u>			<u>(23,876)</u>	
			£1,212,379			£1,294,361	
			=====			=====	

The above financial statements were approved by the Board on  
6 February 1995, and signed on their behalf by:-



D Dryer, Director

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1994

=====

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

The financial statements have been prepared in accordance with applicable accounting standards.

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 suffered on covenanted donations and investment interest - claims for the period ending on 30 September 1994.
- (c) Gift Aid repayments have been claimed for the period ended 30 September 1994.
- (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 Company's 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 1994 (continued)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>1994</u>	<u>1993</u>
	£	£
UK	1,731,844	1,827,975
Donor agencies (Northern Europe)	379,706	389,197
Other SIM offices	<u>100,306</u>	<u>161,766</u>
	£2,211,856	£2,378,938
	=====	=====

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>1994</u>	<u>1993</u>
	£	£
Interest on Bank Deposits	18,839	18,848
Investment Income - Listed	<u>11,390</u>	<u>19,199</u>
	£30,229	£38,047
	=====	=====

6. OTHER INCOME

	<u>1994</u>	<u>1993</u>
	£	£
Profit on redemption of investments/sale assets	2,160	58,838
Service and administration charges	574	709
Literature sales	5,303	7,501
Video Income	612	323
Rents received	<u>6,073</u>	<u>5,468</u>
	£14,722	£72,839
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 1994 (continued)

7. DEFICIT ON MISSION ACTIVITIES FOR THE YEAR

	<u>1994</u>	<u>1993</u>
This is stated after charging:	£	£
Profit on exchange	3,561	1,748
Depreciation of tangible fixed assets	2,560	7,206
Auditor's remuneration	5,500	5,500
Loss (Gain) on sale of fixed assets	(2,160)	(58,838)
	=====	=====

The directors received no remuneration for their services.

8. STAFF COSTS

	<u>1994</u>	<u>1993</u>
	£	£
Wages	260,779	241,495
Social Security costs	19,094	19,383
Other pension costs	<u>7,820</u>	<u>9,171</u>
	£287,693	£270,049
	=====	=====

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

	<u>1994</u>	<u>1993</u>
Management	5	5
Administration (including 7 part time employees)	8	9
UK missionary staff	<u>31</u>	<u>29</u>
	44	43
	==	==

The Company operates 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)

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

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 1994 (continued)9. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Freehold Property</u>	<u>Long Leasehold Property</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
	£	£	£	£	£
At 30 September 1993	497,030	271,962	74,078	24,700	867,770
Additions	-	-	-	-	-
Disposals	-	-	-	(24,700)	(24,700)
At 30 September 1994	£497,030	£271,962	£74,078	£ -	£843,070
<u>Depreciation</u>					
At 30 September 1993	-	-	63,833	13,334	77,167
Charge for the year	-	-	2,560	-	2,560
Disposals	-	-	-	(13,334)	(13,334)
At 30 September 1994	£ -	£ -	£66,393	£ -	£66,393
<u>Net Book Value</u>					
At 30 September 1993	£497,030	£271,962	£10,245	£11,366	£790,603
	=====	=====	=====	=====	=====
At 30 September 1994	£497,030	£271,962	£7,685	£ -	£776,677
	=====	=====	=====	=====	=====

## Depreciation rates

At 30 September 1994

25%

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 £10,239.89 for the year and the book value would have been reduced by accumulated depreciation of £61,194.87.

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 is one property not legally owned by the Company. The Company has financed part of the cost in return for an Equity share in the property.

## SIM INTERNATIONAL (UK)

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

NOTES TO THE FINANCIAL STATEMENTS  
30 SEPTEMBER 1994 (continued)10. FIXED ASSETS - INVESTMENTS

	Listed	
	<u>1994</u>	<u>1993</u>
At Cost:	£	£
1 October 1993	40,285	40,285
Disposal	(10,043)	-
	£ 30,242	£ 40,285
	=====	=====

The market value of the Company's listed investments at 30 September 1994 was £40,902 (30 September 1993 - £55,859).

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

The unlisted investment held at 1 October 1992 was transferred to a trust fund in 1992/3 at cost being £153,314.

11. DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Due from other SIM offices	52,233	60,927
Other debtors	14,955	16,058
Prepayments and accrued income	40,479	168,152
Missionaries - personal funds	<u>6,621</u>	<u>7,228</u>
(see Note 13)		
	£114,288	£252,365
	=====	=====

12. CREDITORS

	<u>1994</u>	<u>1993</u>
	£	£
Due to other SIM offices	145,444	137,536
Other taxation	3,502	2,600
Social Security costs	3,976	3,391
Other creditors	104,288	103,017
Missionaries - personal funds (see Note 13)	90,637	92,771
Accruals and deferred income	16,951	19,551
Deferred Covenants	<u>2,150</u>	<u>3,619</u>
	£366,948	£362,485
	=====	=====

## SIM INTERNATIONAL (UK)

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 1994 (continued)

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>1994</u>	<u>1993</u>
	£	£
Balance at the beginning of year	85,543	92,320
Personal gifts received	40,633	53,384
Allowances, transfers etc	<u>515,007</u>	<u>481,375</u>
	641,183	627,079
Less: payments from personal accounts	<u>557,167</u>	<u>541,536</u>
Balance at the end of the year: (see Notes 11 & 12)	£84,016	£85,543
	=====	=====

14. FUNDS

	<u>Asset Fund</u>	<u>Design- ated Funds</u>	<u>Project Fund</u>	<u>Special Project Funds</u>	<u>General Fund</u>	<u>Total Funds</u>
	£	£	£	£	£	£
Balance at the beginning of the year	753,449	512,228	5,613	46,947	(23,876)	1,294,361
Net Expenditure for the year	<u>(6,773)</u>	<u>(53,070)</u>	<u>(2,613)</u>	<u>(15,500)</u>	<u>(4,026)</u>	<u>(81,982)</u>
Balances at year end	£746,676	£459,158	£3,000	£31,447	£(27,902)	£1,212,379
	=====	=====	=====	=====	=====	=====

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.

Capital Commitments

At 30 September Capital Expenditure contracted for but not provided for in the financial statements amounted to NIL (1993 NIL).