

Annual Report & Accounts

**Trustees' Annual Report and Financial Statements 2021
Scripture Gift Mission (Incorporated)**

**Company number 145932
Charity number 219055**

LIFEWORDS
www.lifeworlds.global

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REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011; the Companies Act 2006; the Memorandum and Articles of Association; and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES & ADVISORS

Charity Number:	219055
Company Number:	145932
Operating Name:	Lifewords
Registered Office:	1A The Chandlery 50 Westminster Bridge Road LONDON SE1 7QY
Independent Auditor:	Mazars LLP 2 nd Floor, 6 Sutton Plaza Sutton Court Road Sutton SM1 4FS
Principal Banker:	Royal Bank of Scotland plc Drummond House, 1 Redheughs Avenue EDINBURGH EH12 9RH
Investment Manager	BNY Mellon Fund Managers Ltd Client Service Centre, PO Box 366 DARLINGTON DL1 9RF

Key management personnel: Trustees and Directors

The Trustees of the charity are the Directors for the purposes of company law and throughout this report are referred to as "the Board" or "the Trustees". Board members serving during the year were as follows:

Directors and Trustees	David Morgan	(Chair until 18 March 2021, retired 1 July)
	Robin Baker	
	Liz Heyburn	(Chair from 18 March 2021)
	Mark Hurley	
	Jo Jowett	
	Bev Thomas	
Company Secretary	Eduardo Juan Harris	

Key management personnel: Executive Team

Creative & Communications Director	Steve Bassett
Finance & Operations Director	Eduardo Juan Harris
Global Bible Resources Director	Jarek Jankowski

AIMS, OBJECTIVES & ACTIVITIES

The Charity is an inter-denominational Christian organisation, formed to take the Christian Gospel worldwide by the creation and predominantly free distribution of Scripture products and programmes. This is achieved through an International and UK Office in London, which also has close links with legally separate organisations in Australia, Brazil, Canada, India, Indonesia, Kenya, and USA. Our Global Bible Resources programme is managed and run from Poland. Orders from USA are processed from the UK or Poland.

AIMS

Working with partners around the world and with the church at large, the Charity works so that everyone, everywhere may have the opportunity to experience the Bible's life words as good news for their lives, and for the world. We do this by creating opportunities for life words to be shared and lived out. All our programmes, resources, literature, and digital tools invite people to explore the Bible for themselves – and to share life words with others. We build bridges across languages and cultures, creating new ways into the Bible's good news for all.

Our aims are achieved by:

- Creation and free (or for donation) distribution of Bible literature, providing ways into the Bible in many languages and for different audiences and cultures.
- Partnerships with a wide range of organisations to provide specialist Bible-based programmes, training, and resources for communities-at-risk.
- Provision of digital tools and resources to engage younger generations with the Bible's life words on a regular/daily basis, as a way of life and practice.
- Ongoing research and development of new resources and programmes to engage specific communities and cultures with the Christian Scriptures, for positive change.
- Engagement with individuals, churches, trusts, and other organisations – providing ways for people to support the work of the Charity around the world.

The Trustees confirm that they have complied with their duty per the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit.

STRATEGIC OBJECTIVES FOR 2021

Alongside widespread distribution of resources, and provision of programmes with partners, in 2021 our strategic objectives were:

- Globally, to resource churches and individuals for personal evangelism, outreach, and pastoral care, through provision of Bible resources in 20+ key strategic languages. Increase the range of resources available in our 22 key languages: fund translation and production of key booklets in more languages.
- To ENGAGE with Churches and new/existing audiences; DELIVER excellent projects *'in print, in person, and online'* (especially new resources and digital projects); ELEVATE supporter relations; and RAISE funds, profile and support.

In particular, we aimed to:

- Encourage UK churches to share the Bible with their local communities and continue to engage existing UK supporters as 'sharers' of life words, as prayer partners, and financial donors. We will in part achieve this through implementation of our Church Engagement Strategy.
- Provide ways into the Bible (and specifically to the way of Jesus) for young people and young adults in the UK and global culture, so that they might experience life words as good news that makes a difference in their lives and in the world.

- Globally, extend the reach of our existing Bible programmes and increase the impact in local communities, by:
 - Equipping more partner organisations to use Pavement Project with children-at-risk through ‘training trainers’, plus a tablet app and other online developments.
 - Maintaining delivery of our Bible resources in a range of relevant languages – recognising our core competence in printed resources, whilst upgrading existing and developing more digital outputs to augment print.
 - Continuing to work towards achieving our ‘50 languages’ goals of producing at least two core titles (print & digital versions) in fifty languages by 2023. This in addition to any needs that come to us as language priorities outside the ‘list’.
 - Delivering and developing NINE BEATS/Ninefold Path as part of reaching global youth/young adult culture.
 - Continuing with ‘training trainers’ for Pavement Project in the locations where we are currently based; continuing to develop online, taking the learning from 2020 to embed app and online training and counselling in addition to in-person counselling as protocols allow.
 - Expanding digital reach, content creation and outreach to add to our youth/teen material.
 - Reviewing existing marketing/communications & supporter engagement – implementing any change/adjustments, adding capacity where required.
 - Implementing Church Engagement strategy, increasing presence /profile within UK churches.
 - Continuing to work to increase income generation, nurture existing trusts and individual donors and approach new funders and funding sources. Prioritising development of UK networks for impact and support.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR

Providing ways into the Bible

2021 was a real rollercoaster of a year. Out of the depths of 2020’s Covid lockdowns came the early promise of churches meeting together in person again, the easing of lockdowns and the slow return to a more familiar landscape. However, this brief opening was soon dashed, as the threats and challenges of new variants meant plans were once again put in flux.

Over Christmas 2020 we had reminded ourselves that many – like the magi of Scripture – were looking for Jesus, perhaps asking “*Where is the one who has been born king of the Jews?*” (Mt 2:2, NIV). How timely then, that we began 2021 affirming that for Lifewords, our mission is to provide the light, like that star the magi tracked, that points towards Jesus, to light up where and how he can be found. Through Bible resources, programmes, projects, and missional activities, we invite people to follow where the Bible leads – confident it will lead them to discover Jesus, and to live their lives in the afterglow of that meeting.

So, we regrouped and endeavoured to continue to offer a mix of Bible resources in print, in person and online. It has not been easy – as the impact of the pandemic deepened, finances have tightened, we have had to continually adapt our work, and we have faced uncertainty like everyone. And yet, we are grateful to share encouragements with you.

Ways into the Bible – ‘core’ audiences

Literature

Throughout the pandemic, partners continued to use Lifewords resources online and where possible, in live contexts - sharing the Bible through church events, personal evangelism, and outreach work; with families, refugees, and the elderly; with exploited women, at-risk children and people with disability; and through chaplains in hospitals and prisons, drop-in centres and schools – bringing God’s Word in the midst of trauma.

Overall, in 2021 Lifeworlds freely provided a total of 540,000 copies of printed resources (individuals, churches, and organisations) around the world (2020: 553,000). This comprised 228,000 via our global Resources programme, 258,000 in the UK and 54,000 in Australia, New Zealand, Indonesia and Kenya. Overall, we reached 61 countries in 49 languages [2020: 52 countries in 44 languages].

Our Global Bible Resources programme run from Poland reported growing distribution and widening scope. We responded to needs of people around the world with strategically chosen resources in a core of 22 key global languages – as well as in other languages with specific needs. Even as new threats emerged, nonetheless in 2021 we still freely fulfilled 2,324 orders (3,242 in 2020) generating 228,000 physical resources for 60 countries in 48 languages. The total volume was about 6% higher than in 2020. Also, the scope of all our global distribution (from Poland and UK/the rest of the world) was wider than a year ago.

The growing distribution and higher number of countries is a result of more regions resuming postal services and thus becoming available for deliveries after lockdowns, while the higher number of languages resulted from new Bible resources published during the year. In 2021 the global ordering website attracted 87k unique visitors (314k page views). The average age of new people ordering resources on the global website in 2021 was 34.5, with 53% of those placing orders being women.

2021 saw 67 new global resources – the most intensive and fruitful year since the turn of the century in terms of product development. 2021 was the first year of the ‘50 languages’ project. During the year the Poland office printed 39 new global resource titles (including 26 new titles and two revisions) and produced 28 animations. On top of that we advanced work on 18 other animations, to be published early in 2022. In many cases, the new resources are first Lifeworlds products published in the languages in this century. The languages covered in 2021 for printed resources include (New): Amharic, Bulgarian, Czech, Dari, German, Gujarati, Hausa, Indonesian, Javanese, Sundanese Marathi, Pashto, Persian, and Swahili. (Revisions): Polish, Russian. There were also reprints in English, French, Persian, Polish, Portuguese Brazilian, and Ukrainian.

“I work on the street, and I need to evangelize my clients with quality material. I've known you for years and I can't find anything similar with quality for individual evangelization.” (Brazil)

“I am among the members of the biblical group of Madagascar, we did an evangelization with college, high school in our city, and after we will distribute the leaflets to the students.” (Madagascar)

“Arabic-speaking people from the border with Belarus come to our country... I have a family near the border with Belarus. Your booklets may be useful. I want to prepare myself for the possibility of sharing the Word of God and the Gospel, even if only by means of material help. Thank you for your help and the materials.” (Polish person ordering Lifeworlds booklets for refugees)

UK

Church engagement/networking

We started implementing our church engagement strategy, moving from research and digital connecting to the beginning of in-person meetings. Visits with churches and networks in Manchester, Malvern, Newcastle and Oxford took place as restrictions slowly eased later in the year. We were encouraged by positive reaction to our range of resources, literature, projects, and programmes. Responses to a survey sent to churches and supporters will also inform future action.

Easter

An Easter campaign re-promoted four resources covering print, digital and downloadable formats, each one highlighting part of the Bible narrative so that together they told the whole story. We re-launched *Witness: Easter voices* and *One Friday*. Five new digital animations were added to our promotion of *Day Three: Believe the Women* (featured on Premier Radio), and we updated *The Easter Journey* to release it as a booklet for the first time. With churches largely in restricted mode, we expected online take-up along with perhaps reduced physical distribution. Encouragingly Easter distribution during January - April reached 27k – up 4k on 2020.

"Thank you so much for sharing. I can't express the amount of love that I have for the Saviour, and this Palm Sunday will definitely grow my love for Him only exponentially! Thank you!" (anon., UK)

Christmas

Christmas resources included an updated version of *The True Light* (with supporting animation), *Meet the Cast* (our 'family favourite' for children's groups, schools' events, and family services), and *OUTSIDE/IN*, with font size increased to RNIB (Royal National Institute of Blind People) standards: accompanying animations featured a British Sign Language version. A planned version in Makaton (an alternative communication system) was postponed due to Covid, but we intend to follow through on this in 2022. These additions to the range were in line with our goal to improve accessibility, especially in the area of D/deaf access.

Across the full range, 74,902 Christmas resources were ordered in the UK (up from 66,695 in 2020).

1,400 prisoners in Bristol received *Outside/In* from us through an organisation called Sixty-One.

Christ Church Tunbridge Wells said that they ordered samples of all the Christmas resources they could find to see what was on offer and there was nothing that compared with *Outside/In*: *"We found it to be so inclusive. Everyone reading it, no matter what their background, life circumstances or understanding of faith, is welcomed into the Christmas story. There is no Christian jargon, the text is well spaced out with beautiful images. We looked at lots of other options and are really pleased to have chosen 'Outside In'."* (Naomi Hutchison)

Digital

Our Life-changing Words app attracted 19,523 new users – more than tripling our 2020 result (6,234). The total number of all-time installs has grown from 47,329 in 2020 to 66,852 by the end of 2021. In 2021 we recorded 18,967 shares from the app and 74,844 responses/votes from both the app and LCW emails. On 31 December we had 25,633 active email subscribers receiving LCW verses daily, in 202 countries. This is about 1k less than at the end of 2020. Email subscriptions have been gradually declining since the introduction of the LCW app, but the tail-off is much slower than expected. LCW widget (another form of using the LCW) was displayed on various websites 472,787 times during 2021. During the year the LCW website attracted 33k unique visitors (73k page views). The total outcome of the LCW project in 2021 was very encouraging and inspiring in our work on the new LCW app planned for 2022 (which will offer even more features).

2021 was the best year in the Lifewords' history for our digital distribution. In 2021, two million people around the world watched our booklet animations. We actively promoted 31 animations in 16 languages. Our Facebook posts reached over 8m people, and the animations were played over 2 million times. It means we have more than doubled the scope achieved in 2020 (885k). Between January and December 2021, we recorded 193,543 reactions and 9,469 shares - much better than expected. The most popular language was Indonesian, closely followed by Hindi and Swahili. Apart from animations promoted on Facebook, we recorded 4,517 plays of 38 animations in 19 languages on YouTube.

Maria (Poland): *I still believe in a beautiful other side of life. The Good Father will not let suffering be both sides of our life.*

Sonia (Brazil): *What a beautiful video, so real, so congratulations I loved it.*

Eliana (Brazil): *Lord, who can change my life story, only [you] Lord can help me. I accept you with all my heart.*

Jadwiga (Poland): *It touches all the senses: God bless the people who made it available.*

Modeste (Zambia): *I have accepted this invitation without a doubt.*

Olga (Colombia): *We open the doors of our hearts and he is our healing father.*

Lifewords UK digital

In 2020 Lifewords' Facebook page likes (people who have liked the page and now follow Lifewords on Facebook) went up by 44% and through 2021 growth in following and page likes across all our platforms continued to steadily increase. Facebook now has c.2K page likes and follows, with page views rising by

62%. Page likes has also increased by 67% (i.e. the frequency of new people liking/following the Facebook page has gone up). Our peak was early July, with some paid-for promotion for our 'Together Again' campaign. Instagram following also went up by 1.2% (310). The Instagram following has stayed consistent, without any unfollows. Our next goal is to expand beyond our existing audience, where dynamic and interactive content will help to gain momentum for extended reach.

Other resources

Ways into the Bible - unique mission opportunities

Pavement Project

Though a challenging year, it was exciting, with partners, trainers, workers and children encouraging us that we are still responding to their needs. With continued obstacles to travel and in-person counselling, we decided to develop online training resources for workers, based on the positive experiences from online counselling of children in 2020. We tested this in April in Portuguese and Spanish, through 12 online training sessions, involving 14 trainers (8 in the training process) from Brazil, Mozambique, Ecuador, Chile, and Paraguay.

46 workers participated in the training sessions, from 26 new organisations in seven countries: Brazil, Bolivia, Chile, Ecuador, El Salvador, Mozambique and Cape Verde. The workers' learning was successful (91% certified) and the response of the 102 children they counselled showed an 85% increase in their self-esteem, with positive decisions around relationships, future and walking with Jesus.

Following this we trained all Portuguese and Spanish speaking trainers in new training resources so that in 2022 they will confidently start training people and helping organisations/churches to serve children better.

A Worker's Guide was finalised along with other worker's resources for the app in 10 languages, including four Indian languages (Hindi, Malayalam, Tamil & Kannada) plus English, Portuguese, Spanish, French, Bahasa, Arabic, Lingala, Wolof, Creole, Kechi and Telegu.

The app development started in the second half of the year: in 2022 we will release an app that is more modern with greater durability, offer a better data collecting system, works in 10 languages and 5 extra languages for the children's resources only. This will allow us to reach children in need in many territories through the trainers we have been training and certifying around the world.

"Agustín is 14 and lives with his family in a neighbourhood of scarce resources . . . he told me of the fear he felt for his father and grandfather to be contaminated with Covid. "Do you know when you spin a roulette wheel? That's how I feel, not knowing what's going to happen". I told Agustín the stories of God's love ... at the end of [our] virtual encounter, Agustín told me that ... he felt like 'a swing', adding "God will do his part protecting me, but I have to do mine too". Oh, if I could [take the] Green Bag in every home where there is a child afraid of the coronavirus and bring them hope ..." (Leticia Ramirez, Mexico)

"... an excellent convergence between psychological tools and the Word of God. For years, I tried to prepare similar material... but nothing like what came to me through the Green Bag. I am so grateful to God that in learning to use this tool, I have had renewed hope of what we can do, even in the midst of the pandemic. Infinite gratitude to the Lord." (Fabiola Nogales, new trained worker in Chile)

It is vital to attend to our workers themselves in this stressful time. In August, we held the 3rd 'Caring for the Caregivers' workshop with 14 workers from 11 partner organisations from the five regions of Brazil.

"I feel privileged to participate in this project, so welcoming. It is great to have a team that supports us." (Elaine, Rio de Janeiro, Southeast)

"Pavement Project was a trigger, guided me, directed me ... to take the theology course. Lifeworlds in my life has made a difference." (Geovani, Brasília, Midwest)

Online ministry continues to be effective, as children and trainers/workers report:

"God lights up my walk, He gives me light of life."

"I am like a sunflower. The sunflower is always towards the sun, so am I now, always towards God and his care, I feel happy because I believe that God takes care of me and will always be for me." (from children counselled)

It was a year of two significant milestones. We celebrated 21 years of Pavement Project with many volunteers, board members and supporters live online, sending messages of affection and congratulations. It was seen by over 700 people. We also marked 25 years since, after nearly a century of working actively with partners in Brazil, Lifewords finally established national representation in Brazil - facilitating access to quality publications and faithful biblical content, and initiating transformation programmes, not only for Brazil, but for several countries in Latin America. Thousands have had their personal encounter with Jesus through a Lifewords publication, or through counselling with Pavement Project's 'green bag'.

BRAZIL

As well as working on Pavement Project for Brazil, Latin America and the rest of the world, our office in Rio de Janeiro facilitates Lifewords wider ministry and in 2021 we were delighted to launch *Choose Life* for the first time outside of Africa.

Since the beginning of 2021, partners at the MEAP project in Piauí have been using *Choose Life* to help children make good choices. All the children participate a lot, by talking about the content and relating their own experiences. The children understand well the concepts taught, for example in response to The Good Samaritan:

"We need to help and have compassion for others."

"We shouldn't help, thinking that people will see or help us too."

"When we love others, we will feel God's love for us too."

(via Débora, missionary of MEAP Piauí)

AUSTRALIA

Covid impact was immense through 2021. Churches, ministries, chaplains and partners were all affected by more than 5 months of forced closures and government mandated lockdown. This had a significant effect on our distribution, events, and donations, though government support brought some short-term financial relief. Despite this, we accomplished missional objectives in four key areas:

Printed Bible resources: Despite Covid lockdowns, 5,455 replica WW1 Active Service Gospels were shared at Cadet groups, schools, churches, war memorial locations, and events in late 2021. 1,280 Christmas products were distributed. Though our "lightest" Christmas ever, there was still demand for older titles for church and events audiences. 2,420 of the *Little Book* series were shared, mostly in the last quarter as prison chaplains and hospital chaplains were allowed back into their respective places of ministry. One key supporter funded the reprint of 1,600 large print of *Words of Comfort* in the King James/Authorised version - helping the elderly connect to their own faith journey and to Scriptures they recognise from their youth.

In 2021 the impact of our Easter offerings was in some very unique settings. *Day Three: Believe the Women* received several pieces of feedback for how helpful this has been in seeing a God of love.

"I've never seen a Bible product written from the perspective of "Believe the women". This is unique and affirming, as God values women. We've been able to share this among women in our DV shelters, in our street ministries and even within our own church..." (Lee-Anne, Mission Director)

The Ninefold Path – formation & leadership groups: 98 Church Leaders trained with 120 other group participants in online Ninefold Path Learning Lab. In April-May, September-October, and November-

December, over 30 pastors and ministry leaders participated in weekly Zoom Sessions. Mark Scandrette and Dan Hardie facilitated. Numerous leaders went on to facilitate their own groups.

"These are perfect resources for our ministry. I was so excited to receive the package as I know there are people suffering and needing some hope and healing. These are the best quality we've found and will be used widely." (Marina, Chaplain at Royal Darwin and Palmerston Regional Hospitals)

Support raising: the impact of Covid meant that our Annual Appeal and Christmas Appeal were significantly down. However, Lifewords continued to receive some of the Government support package aimed at helping business and charities during the pandemic.

Research & development: Insight into Australia's Youth spiritual research: We have been involved with the Converge Oceania network on a research project on youth engagement with Scripture and Christianity. Although hampered by Covid lockdowns, the research is now resumed and will be useful data for many of the partners.

Bible for Indigenous People: Working with David Glasgow and Indigenous Leaders on providing Scripture translations for tribal groups. Our booklet style has been requested as the format for first products in certain language groups.

AFRICA (Kenya)

2021 saw a third wave of Covid-19 in Kenya. New lockdown measures contributed greatly to an increase in online interactions, with many requests for digital resources especially the Swahili animation of *Finding Hope*. We had a significant increase in the number of visits on our social media pages.

Tragedy occurred when staff member Judy Murugi died of Covid at just 29, leaving husband Nixon and two babies (see 'in memoriam' below). This took a great toll, but by the grace of God, and support both locally and globally from Lifewords, the team was able to continue.

Bible Resources: 29,430 printed literature items were distributed in English, Swahili and local languages.

"While in Lodwar, I shared You Matter and Finding Hope with children of Canopy School from class 6 to 8 of the boarding section. It was wonderful and a joyful time as they read together. There was a time of prayer, committing their lives to Jesus and time of fellowship." (evangelist, Northern Kenya)

2,000 copies of *Little Book of Character* went to the Kenya Defense Force to equip soldiers on the Somalia / Kenya Border. An estimated 29,000 military in Kenya experience serious mental issues.

"The Little Book of Character has encouraged and equipped those on the Somali border to face challenges in the field with hope in the presence and intervention of God." (Col. Lelei)

Choose Life: 300 children from 10 churches in Western Kenya 'graduated' after going through *Choose Life* for a full year. 15,000 copies of *Choose Others* booklets were printed, and 500 *Choose Life* manuals.

Pavement Project: Counselling sessions continued despite the pandemic, with over 3,000 children counselled.

Partnerships: FOBA Kenya, FOCUS, VIVA Network and ICM Kenya offered great opportunities for Lifewords visibility through participation in their events. Through such interactions, we developed 24 new partners, mainly involved with Bible Resources distribution in 2021.

INDONESIA

Lifewords continued sharing good news with ex-refugees, farmers, fishermen, students, teachers, pastors, evangelists, people of other faiths, unreached people groups, prisoners, and many thousands of children in the world's largest Muslim nation of Indonesia.

The work revolves mainly around *The Visible Story* training for pastors, Sunday School teachers, Bible students and church leaders; training to use our 'flip card' Bible story resource in 'one minute evangelism' with children; distribution of booklets (more than 10,000 in 2021 including *Why Me?*, *Who Cares About Me?*, *Little Book Series*, *Finding Hope*, *An Invitation*); and 'mobile mission' in multiple areas, bringing the Bible to unreached people groups, areas of low literacy and poverty, and training and equipping church pastors with vital resources. Also, *Finding Hope* animations in Bahasa were being viewed in increasing numbers – something we will monitor in 2022.

Also, Lifewords 'Kids Ministry' re-opened, reaching several new places such as a church in Naibonat Timor that allows us to use their premises for Lifewords activities. Parents ask us to start Lifewords Kids Ministry in their villages and – responding to the need – we plan to launch work in two of them in 2022. West Kalimantan: Despite flooding, new children attended every week, typically listening to Bible stories from Lifewords booklets, playing games and other activities. Kalimantan churches and Pelita Dunia Seminary were very supportive with volunteers - and the seminary delegated one full-time worker.

To respond to serious social problems caused by the pandemic (closed businesses, lost jobs) and to offer spiritual and practical help, Lifewords Indonesia joined hands with Damaris Foundation offering food aid to many street children and homeless people. 500 people were reached in October alone. Beside food packages, people hear the Good News and receive Lifewords booklets. In Manado, North Sulawesi, 100 leaders/pastors were trained in the use of *The Visible Story* and flip cards to reach children with the gospel. Most of the children were affiliated to the local Sunday School, but some were from Buddhist/Muslim backgrounds. The connection with leaders/pastors is a key part of the work in Indonesia.

Gunar Sahari was a featured speaker for the online International Mission Conference, discussing "How Asian missions can be modified after the indigenous principle" with 400 influential participants.

INDIA

As a second Covid wave raged, Lifewords joined other mission organisations to help the pandemic situation. We led a voluntary team lending emotional support to families suffering from Covid and the loss of loved ones. Lifewords resources (*Finding Hope* and *Living with Loss*) were used in sharing the love & hope of Christ. We served other teams by providing provisions for needy families and children's homes, and by raising funds for meals for patients waiting in ambulances for hours to find beds in hospitals, etc.

Thousands of children were orphaned during the second wave and there were many messages in WhatsApp for adopting these children. This was an opportunity for traffickers to prey on the vulnerable. Lifewords along with two other child rights organisations, was able to bring the issue to the notice of the Child Welfare Committee and help stop the illegal adoption messages, helping to protect children.

In partnership with Deborah Rise Movement, Lifewords organised Freedom Sunday Service on 20th September with focus on prevention of trafficking of girls & child labour. 46 participants from different parts of India attended.

Our Christmas resources were again used to share the gospel, including with 400 Engineering college students in Anantapur (Andhra Pradesh) and 200 students of an International School in Bangalore.

In Pavement Project we completed translation, proofreading and typesetting of the new App resource in four Indian languages - Hindi, Malayalam, Tamil and Kannada.

There has been a 66% increase in addiction of games, pornography and related mental health issues among children & youth in India. In partnership with Bible Education Services & Hope International School, we conducted two webinars (in Malayalam & Tamil) for teenagers and parents on game addiction. More than 200 young people joined for both the webinars. To help further, we set up a 24/7 helpline along with our partners. Five Pavement Project workers from Kerala were given special training to give necessary counselling through the helpline.

Ways into the Bible - Reaching and engaging new generations

VerseFirst

We are continually looking at ways to develop this youth digital engagement project. On Instagram, our Easter designs were positively received. The official NIV Bible account reposted our 'It is finished' post on their social media accounts and 'liked' all of our images. They continue to engage frequently with our content. Our 'It is finished' post reached over 84.7k people and was the most popular post with 1.7k likes and almost 2k interactions (likes, saves, shares, comments). On Facebook, post engagement rose significantly, with our overall posts reaching 152,559 people. The 'It is finished' post also did well on Facebook with 689 likes, 55 comments and 78 shares. Post interaction has gone up by 76.7%, along with an increase in our Facebook story engagement with an average of 80 people responding or reacting to our stories in part due to a slight increase in the 25-34 age group following and new Facebook layout encouraging people to view 'stories'.

Our follower stats continue to shift towards a younger audience with our larger bracket following now residing within the 25-34 age range (up slightly from 39.9% at the end of 2020 to 40.5% by the end of 2021). VerseFirst page views have gone up by 43% to 137 visits in the last quarter of the year, and our Facebook following and pages likes both stand at 7,732. Our average post account reach averaged at 8,354 with 3,019 of that reach being non-followers, by the end of 2021. This shows that we have a consistent algorithm, especially with content being pushed to new audiences. In 2022 we will seek to reach the younger end of the audience.

NINE BEATS

In September, we took part in a 'virtual celebration of the counter-cultural values of Jesus found in the beatitudes', curated by Shane Claiborne / Red Letter Christians. International ministries (including Stu G's beatitudes project, Danielle Strickland, 24/7 Prayer, Common Hymnal, etc.) provided about one hour long contributions. It was a good partnership for which we ran 3 items: *Liturgy from Wild Goose festival, USA* with reflections on the beatitudes through prayer, story, and song. *Between a story and a dream: how the beatitudes touch our lives: music, story, spoken word and thought-provoking conversation/reflection*, from Birmingham, UK; and, *The Ninefold Path: a manifesto for life: the impact of an experiential journey through the Beatitudes.*

"Thanks for inviting 'strangers' like me to join in your intimate sharing and be blessed." (Dianne Wheeler)
"I love it. I am crying out for the truth to be shared. For our loss to be mourned; For human trafficking to stop. For child abuse to end. For families to be repaired, for relationships to grow, for the financially rich who feel empty in their heart, for people who do not have enough to feel fed. (...) For the body of Christ which is arising." (Bô Kim)

Later in the year, Mark Scandrette released his book *'The Ninefold path – Hidden wisdom of the beatitudes'* (IVP). Mark wrote our *Ninefold Path Notebook* (with Danielle Welch) and *Learning Lab Leaders Guide*, so his new book is a valued companion to our own resources. Readers will find links to and extracts from our original resources' themes.

Other online learning labs included: Formation Experience in Australia – (see above); Learning Lab Coaching session with Helen Stacey (Oxford); Westmont College, USA – (16 students, 18-22yrs); Ecuador teaching trip including Ninefold Path material – Mark Scandrette.

"It is very exciting and stimulating to see people - some with a faith background and some without - discovering for themselves what God is like and how they can live well. Thank you for starting us off on this path!" (Judith Layzell, Wellspring Aldershot)

"... an opportunity to really focus on the way of life that Jesus invites us into ... introducing me to recognizing the ways in which to participate in the kingdom of God, in the here, as well as the not yet. Spaces that offer me time to reassess and consider what the Jesus way really is..." (Participant, anon)

"The sense of creative conversation ... is palpable ...To watch the Collective at work is to see something more than inspiring musicians and writers in impressive collaboration, though there's certainly that; it's also to glimpse a joyful Christian exploration where every emotion and every individual has their place." (Extract from URC Reform magazine feature by Laurence Wakeling)

FINANCIAL REVIEW

Income was £1,419,717, a decrease of £121,351 (-8%) on the previous year [2020: decrease of £441,181]. This reflects lower donations and grants (a decrease of £39,350 on 2020) and lower legacy income (a decrease of £73,751 on 2020). The financial statements show that 62% of income came from donations and grants [2020: 60%], 35% from legacies [2020: 37%], and 3% from literature sales, investments and other income [2020: 3%]. Total expenditure was £1,372,784 – a decrease of £121,050 (-8%) on the previous year [2020: decrease of £317,147]. The Charity spent 93% of total expenditure on developing, producing, and delivering products and programmes in the UK and overseas [2020: 92%]. 7% was spent on raising funds [2020: 8%].

During the past financial year there was a surplus on ordinary activities of £46,833 [2020: surplus of £47,234]. The net movement in funds in 2021, which includes other recognised gains and losses, produced a surplus on the total funds of £1,185,716 [2020: deficit of £800,330]. This surplus includes FRS102 actuarial gains on the defined benefit pension scheme of £976,000 [2020: actuarial losses of £843,000].

Reserves policy

The Board has a formal reserves policy which is to hold in reserve sums to cover nine months' planned expenditure (currently calculated at £1.5m) in order to respond to any (unforeseen) change in circumstances and levels of income. Through the approval and management of appropriate budgets the Charity also ensures it is in a position to maximise investment opportunities. Free reserves at 31 December 2021 (calculated as net assets, excluding restricted funds, the pension reserve, property & fixed assets and stock) were £2,065,701 [2020: £1,905,191]. This is above the reserves policy level (taking into account legacies recently notified, and also plans for future use of Ministry Development funds) and is considered adequate to meet the needs of the Charity.

Investment policy and review

The Trustees pursue an investment policy on behalf of the Charity which provides a balance between income and capital growth, with a medium level of risk over the longer term, thereby enabling the Trustees to meet their objectives in respect of the requirements of the charity. Designated funds have been invested in the Newton Growth & Income Fund for Charities in line with the above policy. The performance of the Newton Fund during the year was 19.2% against the comparative index of 13.3 [2020: performance of 2.2% against comparative index performance of 1.1%]. During the year the Fund outperformed its comparative index by 5.9% [2020: outperformed by 1.1%]. The fund remains ahead of the index over three, five and ten years. At the end of the year the investments in the Newton Fund showed cumulative unrealised gains of £544,098 [2020: unrealised gains of £408,498]. The Trustees are satisfied with the current return on capital.

Pension fund

The Charity has two pension schemes. One is a defined contribution scheme with Aegon which is currently open to new members and meets the requirements of auto-enrolment. The second is a defined benefit scheme invested with Legal & General and administered by Barnett Waddingham LLP, which has been closed to new members since 25 March 2003 and closed to new accrual since 23 May 2012; and which, for the purposes of FRS102, showed a funding deficit of £1,702,000 [2020: deficit of £2,829,000]. The corresponding asset / liability does not result in an immediate cash flow impact on the Charity. In September 2014 the Trustees put in place a contingent asset security agreement with the trustees of the defined benefit pension scheme (on a property currently valued at the book value of £730,699) to strengthen the employer covenant and to give the pension trustees greater financial security over the assets of the employer. A full triennial actuarial valuation of the pension fund as of 6 April 2022 is currently under way. If necessary, the Recovery Plan will be adjusted to take account of the result of this valuation. Contributions to the pension scheme are met through additional contributions from the Charity. The pension liability is therefore excluded from the free reserves calculation. Details of the retirement benefit schemes are disclosed in Note 19 to the financial statements.

PLANS FOR FUTURE PERIODS

Our overarching approach will be to work towards ensuring that the mission and work of Lifeworlds remains sustainable, fruitful and transformative. As we navigate the impact of Covid across the organisation and its supporters, responding to the challenges across finances, income generation, supporter audiences, church activities, capacity and global mission and Bible work, we will be assessing and working on those priorities and outcomes that nurture the best collaborative partnerships, most appropriate infrastructure, best content/delivery and most effective engagement with the Bible.

In 2022 we will do that in part by maintaining the ongoing development, growth and delivery of our core, regular mission offerings:

Bible Resources: In line with our Scripture Gift Mission heritage of a core range of Bible literature in multiple languages that equips hundreds of thousands of Christians all over the world in their witness, evangelism, discipleship, and proclamation of the Gospel, we will again continue to deliver Bible resources in relevant languages, whilst adding to this range and investing in digital delivery to augment print. We will continue our project to refresh our existing library and extend the range of languages year-on-year and achieve our initial target of at least two core titles (print & digital versions) in fifty languages by 2023.

Digital: Continue to apply learning of the migration to online experienced through the pandemic. Both in ensuring accessibility of existing resources and in working to create new, authentic digital engagement with Scripture. We will invest in digital development and invite supporters to partner in a new initiative to produce new 'digital-first' engagement and innovation with Scripture with youth and teen content creators.

Marketing/comms: Respond to capacity and mission needs by assessing and making any necessary change/adjustments. Looking to increase ministry profile and impact of resources – working to extend profile of/through church-focused and culture-facing resources/programmes/projects/initiatives.

Church engagement: Continue networking as churches and opportunities open up. Keep working to increase presence, profile and positioning within UK churches across marketing, communications, promotions, events and church partnerships.

Bible Engagement projects: Refine our larger scale projects and programmes (Bible Resources, Pavement Project and NINE BEATS), ensuring the most fit-for-purpose shape and seeking to identify partners, both practical and financial. **Pavement Project** will continue to develop the learning from the experience of 2020/21 to embed app and online training and counselling in addition to renewed in-person counselling when possible/safe. The 'train-the-trainers' model will continue, with growth in other territories anticipated. **NINE BEATS** similarly will apply the online learning and resume 'live' events to further connect with churches and the culture at large.

Funding: Continue to seek new funding sources, nurture existing trusts and individual donors and to approach new funders for the ministry across traditional, 'core' and new digital and 'entrepreneurial' donors. Again, we will prioritise the development of UK networks for impact and support, and work with other Lifeworlds organisations outside the UK to better engage more people in this work of sharing the Bible around the world.

We will also explore such new opportunities, partnerships and mission contexts in the UK and around the world as we either initiate ourselves or identify as 'missional imperatives'.

In memoriam (2020/21)

We lament the passing of staff and workers around the world: Judy Murugi, Kenya – a tragic loss at just 29 years of age, leaving behind husband Nickson and two babies, 2-year-old Sifa and 3-month old Nissi; Vivian Subramoney – ex-Chair of SGM Lifeworlds South Africa and Pavement Project Coordinator for South Africa (Vivian's son also died of Covid around the same time); Martha Hernandez and Fabiola Ruiz in

Puebla, Mexico, mother and daughter, and Marcia de Janon in Colombia - three Pavement Project workers; Dennis, typesetter in India, passed away In July. Choose Life Trainer Jane Wamaitha from Nyumbani Children's home passed away.

We thank God for all those friends and colleagues around the world who were called Home in 2021. Their contribution to the ministry will have eternal impact.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing document

Scripture Gift Mission (Incorporated) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association dated 30 December 1916, and altered by subsequent special resolutions, the most recent being dated 23 June 2011. Anyone over the age of 18 can become a member of the Company and there are currently 64 members [2020: 69], each of whom agrees to contribute £1.05p in the event of the winding up of the Company.

Organisation

The Board administers the Charity and meets at least four times a year. To facilitate effective operations, the Board has established an International Executive Team to lead the Mission and who have authority, within terms of delegation from the Board, for operational matters including finance, employment, and programme-related activity. The International Executive Team consists of the international directors: Steve Bassett (Creative & Communications), John Harris (Finance & Operations), Jarek Jankowski (Global Bible Resources), Clenir dos Santos (Pavement Project), and Dan Hardie (Australia/New Zealand). The day-to-day operations in the UK are overseen by Steve Bassett & John Harris with Jarek Jankowski in constant contact.

The Charity is the leading member of the Lifewords global family of organisations. The other members are separately incorporated companies in their respective countries. In 2021, there were agency agreements with member organisations in Australia, Brazil, Canada, Kenya, India, Indonesia, and USA. Our Global Bible Resources programme is managed and run from Poland. Orders from USA are processed from the UK or Poland.

Appointment of trustees

Trustees are appointed by the Board or by Ordinary Resolution of members for a three-year term and are eligible for re-election on two successive occasions only. A trustee cannot serve for a period of more than nine years, save with approval by unanimous vote from the Board.

Trustee induction and training

An introductory pack for potential trustees is in use. A programme of preliminary meetings with the Executive Team and Board members (including the Chair) precedes an invitation to attend a Board meeting, prior to an invitation to join the Board. Trustees are offered the opportunity to attend trustee training courses such as those provided by the National Charity Voluntary Organisation (NCVO).

Related parties

The Charity has two wholly owned dormant subsidiary companies in which the share capital is unpaid. Only Lifewords Ltd is likely to be used for the purpose of servicing future commercial needs. This company remained dormant during 2020.

The Finance Director and Company Secretary acts as trustee for the charity Radstock Trust CIO which gave grants to the Charity during the year totalling £350,000 [2020: £332,000].

Jadan Reeves-Bassett, son of the Creative Director, was paid £1,125 for design services [2020: £7,725].

The aggregated total amount of donations received without conditions from key management personnel during the year was £363 [2020: £128].

Pay policy for senior staff

The Trustees consider the Board of Trustees (who are the Company Directors) and the senior staff with International Office responsibilities, comprise the key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in Note 9 of the financial statements.

The pay of all staff, including senior staff, is reviewed annually and normally increased in line with (CPI) inflation, if funds allow. If funding is under pressure, preference is given to lower-paid staff when making any pay awards. Senior staff pay is benchmarked against pay levels in similar organisations (religious/Christian charities of a similar turnover and size) using information from Third Sector pay surveys (published by ACEVO and Global Connections). The remuneration benchmark is the mid-point of the range paid for similar roles. Salaries were last benchmarked in September 2019.

Fundraising practice

The Charity is committed to ensuring all fundraising activities are carried out in an ethical and godly manner. The Charity is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. We proactively monitor revisions to this code to ensure all our fundraising activities remain fully compliant. We confirm that we received no complaints regarding our fundraising activities or practices during this year or the previous year. We do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. In 2021 the Charity did not contract the services of professional fundraisers as defined by section 58 of the Charities Act 1992. We encourage all feedback, whether positive or negative, and we regularly monitor and analyse what people tell us to make sure we are continuously improving our procedures. If we become aware of any vulnerable people on our database, we ensure that they do not receive any appeals and ensure that any requests for details to be updated or deleted from our database are handled quickly. We have signed up to receive suppressions under the Fundraising Preference Service.

Risk management

The Trustees acknowledge that they have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. Board members are also cognisant of the requirement and responsibility for safeguarding the assets of the Charity and have taken steps towards the implementation of an ongoing process of risk assessment.

The risk management strategy includes:

- An annual review of the risks the Charity may face
- The establishment of systems and procedures to mitigate identified risks
- The implementation of procedures designed to minimise any potential impact on the Charity should these risks materialise

The key risks facing the charity are identified as (a) reliance on legacy income; (b) deficit position of the charity's Defined Benefit Pension Scheme; (c) loss of key management personnel; and (d) loss or damage to reputation (and subsequent loss of support). The Trustees and senior staff have sought to address these risks in 2021 through ongoing review of long-term financial strategy; ongoing management of the Pension Scheme; ongoing development of local Boards and personnel in the associated organisations outside the UK (increasing capacity and reducing the risk of losing key personnel in the UK); and ongoing oversight of creative development, particularly in new areas, with a view to safeguarding reputation.

Brexit

Following the United Kingdom's withdrawal from the European Union on 31 January 2020 and the end of the Implementation Period on 31 December 2020, the Trustees have considered the economic impact Brexit may have on the Charity in setting strategic plans and have taken steps to address risk with appropriate budgetary restraint and other measures. Forecasting models show that although Brexit may slow the Trustees' progress towards achieving its objectives, the going concern of the Charity is not believed to be under threat.

COVID-19

The surge of variants like Delta and Omicron stunted the anticipated return to a more 'usual' operational outlook. Adaptation, innovation and application therefore continued to mark our approach throughout 2021. Long-term impact on our supporter base, funding and new opportunities is a factor that we are both monitoring and seeking to mitigate/plan for. The position continues to be kept under constant review and the Trustees will as required take necessary steps to ensure the Charity continues as a going concern.

Ukraine

The war in Ukraine has already shaped 2022, affected millions and has led to an increase in economic uncertainty around the world. The trustees will continue to monitor the situation and take necessary steps to minimise any adverse effects. Our hearts and prayers go out to all those who have had to leave their homes, whose families and lives have been devastated. For the loss of life and livelihood. For the trauma and sorrow. Of course, it has also re-shaped our work and our next annual report will share stories of how we have endeavoured to respond to the situation.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity Trustees (who are also the Directors for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company. In preparing the 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 2019 (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK 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 in business.

The Trustees are responsible for keeping proper accounting records that 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 the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware, and that they have taken all reasonable steps as charity trustees to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf by:

Liz Heyburn
Chair of the Board
Date: 31 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCRIPTURE GIFT MISSION (INCORPORATED)

Opinion

We have audited the financial statements of Scripture Gift Mission (Incorporated) (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime, and take advantage of the small companies' exemption in preparing the Trustees' Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we

considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations.
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.
- Our audit procedures in relation to fraud included but were not limited to:
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

**Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP**

Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 13 June 2022

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Notes	Unrestricted Funds		Restricted Funds	Total 2021	Total 2020
		General Fund Revaluation Reserve	Designated Funds			
Income		£		£	£	£
Donations and grants		414,242	-	465,731	879,973	919,323
Legacies		494,866	-	-	494,866	568,617
		909,108	-	465,731	1,374,839	1,487,940
Investment income	3	20,978	-	-	20,978	17,517
Other income	4	23,900	-	-	23,900	35,611
Total income		953,986	-	465,731	1,419,717	1,541,068
Expenditure	5					
Costs of raising funds		100,497	-	-	100,497	122,623
Expenditure on charitable activities						
Providing Bible resources		605,598	-	400,555	1,006,153	1,108,298
Enabling programmes for communities-in-need		119,119	25,000	101,272	245,391	241,707
Strengthening capacity of branches & partners		20,743	-	-	20,743	21,206
		745,460	25,000	501,827	1,272,287	1,371,211
Total expenditure		845,957	25,000	501,827	1,372,784	1,493,834
Net income/(expenditure) before gains and losses		108,029	(25,000)	(36,096)	46,933	47,234
Realised & unrealised gains on property assets	11	27,183	-	-	27,183	-
Realised & unrealised gains/(losses) on investment assets	12	135,600	-	-	135,600	(4,564)
Net income/(expenditure)		270,812	(25,000)	(36,096)	209,716	42,670
Other recognised gains and losses						
Remeasurement gains/(losses) on defined benefit pension	19	976,000	-	-	976,000	(843,000)
Net movement in funds		1,246,812	(25,000)	(36,096)	1,185,716	(800,330)
Reconciliation of funds						
Funds brought forward 1 January 2021		(459,517)	500,000	89,033	129,516	929,846
Funds carried forward 31 December 2021		787,295	475,000	52,937	1,315,232	129,516

All income and expenditure in each of the above two years are derived from continuing activities. There are no other recognised gains or losses relating to either year.

BALANCE SHEET
at 31 December 2021

		2021	2020
Fixed assets	Notes	£	£
Tangible assets	10	873,493	898,628
Investment property	11	-	43,500
Investments	12	985,711	850,111
Total fixed assets		1,859,204	1,792,239
Current assets			
Debtors	14	407,873	506,143
Stock		25,100	22,164
Short-term deposits		151,799	151,189
Cash at bank and in hand		722,270	578,508
Total current assets		1,307,042	1,258,004
Liabilities			
Creditors: amounts falling due within one year	15	(149,014)	(91,727)
Net current assets		1,158,028	1,166,277
Net assets excluding pension liability		3,017,232	2,958,516
Defined benefit pension scheme liability	19	(1,702,000)	(2,829,000)
Total net assets		1,315,232	129,516
Represented by:			
Restricted funds	16	52,937	89,033
Unrestricted funds	16		
General fund		1,583,795	1,426,776
Designated funds		1,380,500	1,405,500
Revaluation reserve (property investment)		-	37,207
Pension scheme reserve deficit	19	(1,702,000)	(2,829,000)
Total unrestricted funds		1,262,295	40,483
Total charity funds		1,315,232	129,516

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The notes on pages 25 to 34 form part of these financial statements.

Approved by the Trustees on 31 May 2022 and signed on their behalf by:

Liz Heyburn
Chair of the Board
Date: 31 May 2022

STATEMENT OF CASH FLOWS
at 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net income/(expenditure) as per SOFA		1,185,716	(800,330)
Adjustments for:			
Depreciation	10	32,736	32,813
(Gains)/losses on investments	11/12	(162,783)	4,564
Investment income	3	(20,978)	(17,517)
Decrease in debtors	14	98,270	370,392
Inventories	BS	(2,936)	1,862
Increase in creditors	15	57,287	8,580
Net cash provided by / (used in) operating activities		1,187,312	(399,636)
Cashflows from investing activities			
Purchase of property plant and equipment	10	(7,601)	(3,652)
Proceeds on disposal of investments	11	70,683	-
Investment income	3	20,978	17,517
Net cash provided by investing activities		84,060	13,865
Cashflows from financing activities			
Movement in defined benefit pension scheme	19	(1,127,000)	738,000
Net cash (used in) / provided by financing activities		(1,127,000)	738,000
Change in cash and cash equivalents in the reporting period	20	144,372	352,229
Cash and cash equivalents at the beginning of the reporting period	20	729,697	377,468
Cash and cash equivalents at the end of the reporting period	20	874,069	729,697

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee having no share capital. At the accounting date there were 64 members [2020:69]. Each member undertakes to contribute such amount as may be required in the event of the winding up of the Charity up to a maximum of £1.05 (one guinea) each.

2 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The trustees have reviewed detailed cash flow projections to 30 June 2023 and have agreed detailed budgets for the year ended 31 December 2022. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Charity is to help people everywhere to experience the Bible as good news for their lives through programmes, resources, literature, and digital tools, the level of this needed expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the Charity's working capital and capital expenditure requirements. Although the net assets are below the reserves level, the pension deficit is a long-term liability and therefore does not have a direct impact on the day-to-day operations of the charity. As a result of the foregoing the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund accounting

Unrestricted Funds are funds which are available to use at the discretion of the Board in furtherance of the Charity's charitable objects. There are two designated funds, the first of which is a fund of £905,500 with a corresponding long-term liability of the same amount designated as security against the deficit of the defined benefit pension scheme, giving a balance at year end of £nil [2020: £nil]. The second fund of £475,000 is a capital fund for new ministry development [2020: £500,000]. These designated funds were established following the surrender of the lease of the Charity's former offices in 2010. Restricted Funds are funds which are used in accordance with restrictions expressed by donors or which have been raised for specific purposes. The details of the appropriate funds in the accounting year are shown at Note 16.

c) Income

All income was reflected in the financial statements when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest date of the Charity being notified of an impending distribution or the legacy being received. No value is included where the legacy is subject to a life interest held by another party. No amounts are included in the financial statements for services donated by volunteers.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the Charity's charitable activities. Where possible, all direct costs have been allocated to the appropriate activity. All other costs have been assigned as support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include general management, finance and IT, premises and facilities, governance costs, and administration costs for the defined benefit pension scheme. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 6.

f) Depreciation

The basis for charging depreciation is that assets are depreciated on a straight-line basis to write off the cost of those assets over their estimated useful lives in the Charity's activities.

- Office long-term lease – over 50 years
- Office purchase costs and irrecoverable VAT – over 50 years
- Leasehold improvements and refurbishment – over 10 years
- Equipment, fixtures and fittings – over 5 years
- Computers – over 4 years

g) Investment property

The investment property, which comprises a half share in four freehold blocks of flats is shown at the valuation date of June 2014 (Note 11). At 31 December 2021 the investment property consists of the freehold as the last remaining apartment was sold during the year [2020: freehold and one apartment]. Ground rent is being received in respect of the 16 apartments already sold. The investment property is being held jointly with another charity. No depreciation is provided in respect of this property. The rental income from the investment had been shown net after expenses, in view of the immaterial amounts involved.

h) Fixed asset investments

Fixed asset investments are stated at market value at the accounting date. All unrealised gains and losses representing the change in value from the previous accounting date are charged against the appropriate fund.

i) Stocks

Printing costs are charged to production costs at the date of purchase, but no account is taken of the stocks of completed or incomplete publications at the end of the accounting period, as these will be given away free of charge (Note 13).

j) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain the lessor's, are charged against income as incurred.

k) Taxation

As a registered charity, the Charity has no liability to United Kingdom taxation on its charitable activities.

l) Pension

The Charity operates a funded defined benefit pension scheme based on final pensionable salary, which is now closed to new employees and to further accrual. This has been replaced by a defined contribution scheme with Aegon based on individual personal pension funds for new employees. The assets of both schemes are held separately from those of the Charity, being invested with the above insurance companies. Contributions to both schemes are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions to the defined benefit scheme are determined on the recommendation of a qualified actuary and to the defined contribution scheme by agreement between the Charity and its employees.

In accordance with FRS102, the SOFA includes: the cost of benefits accruing during the year in respect of current service (charged against net income/(expenditure)); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (charged against net income/(expenditure)); and actuarial losses recognised in the pension scheme (shown within net movement of funds). In accordance with FRS102, the balance sheet includes the deficit in the scheme, taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at year-end AA corporate bonds yield curve. Further details regarding the scheme are disclosed in Note 19.

m) Foreign currencies

Foreign currencies have been converted to £ sterling at rates of exchange approximating to those ruling at the Balance Sheet date.

n) Significant management judgements

The following are the management judgements in applying the policies of the Charity that have the most significant impact on the amounts recognised in the financial statements:

- **Accrued legacy income:** The Charity has made an assessment as to whether the conditions recognition of legacy income are met on a case by case basis, specifically in respect of the measurement of the amount due. In making these judgements, management considered the detailed criteria set out in the Charities SORP 2019 (FRS 102).

3 INVESTMENT INCOME

The Charity's investment income of £20,978 [2020: £17,517] arises from dividends from fixed asset investments (£20,308 [2020: £16,701]), interest bearing deposit accounts (£670 [2020: £816]).

4 OTHER INCOME

The Charity's other income of £23,900 [2020: £35,611] arises from HMRC employment allowance (£4,000 [2020: £4,000]), HMRC Job Retention Scheme (£16,189 [2020: £23,328]), literature sales, some church display rack sales, and the sale of NINE BEATS albums, merchandise, and Ninefold Path resources (£3,711 [2020: £8,283]).

5 ANALYSIS OF TOTAL EXPENDITURE

EXPENDITURE	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Costs of raising funds	61,641	38,856	100,497	122,623
Total cost of raising funds	61,641	38,856	100,497	122,623
Expenditure on charitable activities				
Providing Bible resources	807,835	198,318	1,006,153	1,108,298
Enabling programmes for communities-in-need	229,849	15,542	245,391	241,707
Strengthening capacity of branches & partners	14,412	6,331	20,743	21,206
Total expenditure on charitable activities	1,052,096	220,191	1,272,287	1,371,211
TOTAL EXPENDITURE	1,113,737	259,047	1,372,784	1,493,834

6 ANALYSIS OF SUPPORT COSTS

	General management £	Premises, Finance & IT £	DB pension admin, legal & finance £	Depreciation £	Governance costs £	Total 2021 £	Total 2020 £
Costs of raising funds	5,031	19,847	7,199	4,910	1,869	38,856	42,843
Providing Bible resources	25,495	100,558	37,917	24,880	9,468	198,318	218,696
Enabling programmes for communities-in-need	2,012	7,939	2,880	1,964	747	15,542	17,136
Strengthening capacity of branches & partners	1,006	3,969	-	982	374	6,331	6,936
Total support costs	33,544	132,313	47,996	32,736	12,458	259,047	285,611

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record-keeping. To ensure full cost recovery on projects, the Charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore, the support costs shown are a best estimate of the costs that have been so allocated. The defined benefit pension administration and finance costs include elements from both the General Fund and the Defined Benefit Pension (FRS102) Fund.

7 ANALYSIS OF GOVERNANCE COSTS

	Total 2021	Total 2020
	£	£
GOVERNANCE COSTS		
Auditors' fees	9,600	8,442
Professional and legal fees	1,071	2,887
Strategic management	1,787	1,780
Trustees' expenses	-	58
Total governance costs	12,458	13,167

Auditors' fees include £9,600 for Audit fee and irrecoverable VAT on fee [2020: £7,760] and £573 for other services [2020: £682].

8 STAFF COSTS

	Total 2021	Total 2020
	£	£
Staff costs		
Salaries	352,185	380,825
Social security	34,532	37,873
Pension	35,889	38,206
Total staff costs	422,606	456,904

No employees had employee benefits in excess of £60,000 during the year or previous year. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. During the year one staff post was made redundant [2020: one], with a statutory termination payment of £5,440 [2020: 4,842], all of which has been paid.

The key management personnel of the Charity, comprise the Trustees, Creative Director, Finance Director and Global Bible Resources Director. The total employee benefits of the key management personnel of the Charity were £161,895 [2020: £162,326].

The average monthly head count was 10 staff [2020: 10 staff]. At year-end the charity had 4 full-time staff [2020: 5 full-time staff] and 4 part-time staff [2020: 4 part-time staff]. The average monthly number of full-time equivalent employees during the year was 9 [2020: 9].

In the way that our global family of organisations operates, senior staff (key management personnel) in the UK are also responsible for facilitating and supporting work in the other six Lifewords centres in Brazil, India, Indonesia, Australia, Kenya and USA. All other national or functional directors report to the International Executive Team, as part of a global leadership team. Together as a global family we employ a further 20-25 staff outside of the UK, and have about the same number again of volunteers making a significant contribution to training and coordinating our Bible programmes. A further 50+ volunteers serve as facilitators (peer mentors) for Pavement Project initiatives.

During the year the Charity transferred £186,396 to the defined pension scheme as part of the Recovery Plan [2020: £151,216] and £nil in respect of accrual of benefits [2020: £nil] in accordance with the Schedule of Contributions. In addition, during the year the Charity also transferred an additional £24,000 [2020: £nil] towards the pension scheme deficit.

9 TRUSTEES

The Board members were not paid and did not receive any other benefits from employment with the Charity during the year or previous year. The aggregated amount of expenses reimbursed to one Board members during the year was £nil [2020: one member, £58]. No Board member received payment for professional or other services supplied to the charity during the year or previous year.

10 TANGIBLE FIXED ASSETS

Cost	Equipment, fixtures and fittings £	Office purchase, refurbishment & VAT costs £	Office leasehold £	Total £
At 1 January 2021	131,673	203,408	869,880	1,204,961
Additions	3,660	3,941	-	7,601
Disposals and written off	(7,797)	-	-	(7,797)
Cost at 31 December 2021	127,536	207,349	869,880	1,204,765
Depreciation				
At 1 January 2021	121,970	62,579	121,784	306,333
Charge for the year	5,767	9,572	17,397	32,736
Disposals and written off	(7,797)	-	-	(7,797)
Depreciation at 31 December 2021	119,940	72,151	139,181	331,272
Net book value				
At 31 December 2021	7,596	135,198	730,699	873,493
At 31 December 2020	9,703	140,829	748,096	898,628

All the above assets were used in direct furtherance of the Charity's charitable objects.

The Trustees have granted a first legal charge over the office leasehold to the trustees of the defined benefit pension scheme to strengthen the employer covenant and to give the pension trustees greater financial security over the assets of the employer.

11 INVESTMENT PROPERTY

UK property	2021 £	2020 £
Value at 1 January	43,500	43,500
Revaluation	27,183	-
Disposals during year	(70,683)	-
Value at 31 December	-	43,500

The investment property at 31 December 2021 consists of a half share in four freehold blocks of flats [2020: freehold and one apartment]. Ground rent is being received in respect of the 16 apartments already sold. The investment property is being held jointly with another charity. The properties had been valued in June 2014 by C C Johnson Chartered Surveyor. There are no charges over this property or restrictions on its use.

Revaluation Reserve balance	2021 £	2020 £
At original valuation at 1 January	6,293	6,293
Disposals during year	(6,293)	-
At original valuation at 31 December	-	6,293
Revaluation reserve balance (Note 16)	-	37,207

The original valuation was the market valuation at the date of death, as the property was acquired as a legacy.

12 FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Market value at 1 January	850,111	854,675
Change in value in the year	135,600	(4,564)
Market value at 31 December	985,711	850,111

Historical cost:

At 31 December	441,613	441,613
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Listed investments are represented by 584,992 units in Newton Growth & Income Fund for Charities at a book value of £441,613 [2020: £441,613]. The cumulative unrealised gains on these investments are £544,098 [2020: £408,498].

13 STOCK OF SCRIPTURES

Stocks of Scripture publications held for future distribution, which have not been included in the assets on the Balance Sheet as these will be given away free of charge, have been valued by the Charity at 31 December 2021 at the sum of £119,000 [2020: £131,000]. This valuation has not been subject to audit.

14 DEBTORS

	2021	2020
	£	£
Legacy debtors	373,422	463,037
Taxation recoverable	12,728	24,919
VAT recoverable	-	436
Pre-payments and other	21,723	17,751
Total debtors	407,873	506,143

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Taxation and social security	9,295	8,512
Trade creditors	51,570	19,099
VAT liability	16,705	-
Other creditors	71,444	64,116
Total creditors due within one year	149,014	91,727

16 MOVEMENTS IN FUNDS

	Balance at 1 January	Income	Expenditure	Transfers	Investment Gains	Actuarial Gains	Balance at 31 December
	£	£	£				£
Restricted funds							
Providing Bible resources	-	417,430	(399,493)	-	-	-	17,937
Choose Life	-	974	(974)	-	-	-	-
Pavement Project	59,033	47,239	(101,272)	-	-	-	5,000
NINE BEATS	30,000	88	(88)	-	-	-	30,000
	89,033	465,731	(501,827)	-	-	-	52,937
Unrestricted funds							
Designated							
Security against the deficit of the defined benefit pension scheme	-	-	-	-	-	-	-
Ministry development	500,000	-	(25,000)	-	-	-	475,000
Revaluation Reserve	37,207	-	-	(64,390)	27,183	-	-
General	(496,724)	953,986	(845,957)	64,390	135,600	976,000	787,295
	40,483	953,986	(870,957)	-	162,783	976,000	1,262,295
Total funds	129,516	1,419,717	(1,372,784)	-	162,783	976,000	1,315,232

The fund for providing Bible resources covers publications in a wide range of countries. Restricted income was also received and expended towards the development of the NINE BEATS project, aimed at engaging emerging generations with the Bible through the Beatitudes.

The funds for Choose Life and Pavement Project cover the current operation and ongoing development of these programmes (a values-based life-skills curriculum for teenagers, and the training & resourcing of workers in a Bible-based counselling process for children-at-risk, respectively).

There are two designated funds, the first of which is a fund of £905,500 with a corresponding long-term liability of the same amount designated as security against the deficit of the defined benefit pension scheme giving a balance at year end of £nil [2020: £nil]. The second fund of £475,000 is a capital fund for new ministry development [2020: £500,000].

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Revaluation Reserve	Designated Funds	Restricted Funds	Total
	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:					
Fixed assets	478,704	-	1,380,500	-	1,859,204
Current assets	1,254,105	-	-	52,937	1,307,042
Current liabilities	(149,014)	-	-	-	(149,014)
Total net assets before pension liability	1,583,795	-	1,380,500	52,937	3,017,232
Long term pension liability	(796,500)	-	(905,500)	-	(1,702,000)
Total net assets	787,295	-	475,000	52,937	1,315,232

18 RELATED PARTY TRANSACTIONS

The Charity has two wholly owned dormant subsidiary companies in which the share capital is unpaid. Only Lifewords Ltd is likely to be used for the purpose of servicing future commercial needs. This company remained dormant during 2021.

The Finance Director and Company Secretary acts as trustee for the charity Radstock Trust CIO which gave grants to the Charity during the year totalling £350,000 [2020: £332,000].

Jadan Reeves-Bassett, son of the Creative Director, was paid £1,125 for design services [2020: £7,725].

The aggregated total amount of donations received without conditions from key management personnel during the year was £363 [2020: £128].

19 PENSION

The Charity operates two pension schemes in the UK. The assets of both schemes are held separately from those of the Charity, being invested with separate insurance companies. One is a funded defined benefit scheme invested with Legal & General and administered by Barnett Waddingham LLP, and the other a defined contribution scheme with Aegon; the former having closed to new employees on 25 March 2003 and closed to further accrual on 23 May 2013, with the latter being open to all new employees. Contributions to the defined benefit scheme are assessed on the basis of the advice of qualified actuaries using the projected unit credit method.

Pension costs charged were:	2021	2020
	£'000	£'000
Defined benefit scheme (Recovery Plan)	162	151
Defined benefit scheme (additional transfer)	24	-
Defined contribution scheme	36	38
Total	222	189

No amounts were owing at the year end [2020: £nil].

Additional FRS102 disclosures

The valuation used for FRS102 disclosures has been based upon the latest full actuarial valuation at 6 April 2019 and updated by a qualified independent actuary. The major assumptions used by the actuary were:

%	2021	2020	2019	2018	2017
Rate of increase in salaries	n/a	n/a	n/a	n/a	n/a
Rate of increase for pensions in payment and deferred pension	3.15	2.85	2.90	3.10	3.10
Discount rate	1.85	1.25	2.05	2.90	2.60
Inflation assumption - retail price index increase	3.30	2.95	3.00	3.20	3.20

19 PENSION (continued)

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

	Long-term rate of expected return at 31/12/21 %	2021 fair value £'000	Long-term rate of expected return at 31/12/20 %	2020 fair value £'000	Long-term rate of expected return at 31/12/19 %	2019 fair value £'000
Legal & General funds						
Managed Funds	4.8	5,112	4.8	4,575	4.8	4,348
Annuities	2.7	1,478	2.7	1,664	2.7	1,673
Total market value of assets		<u>6,590</u>		<u>6,239</u>		<u>6,021</u>
Present value of scheme liabilities		<u>8,292</u>		<u>9,068</u>		<u>8,112</u>
Deficit in scheme being the net pension liability		(1,702)		(2,829)		(2,091)

Analysis of the amount charged against operating income

	2021 £'000	2020 £'000
Current service cost	-	-
Past service cost	-	5
Total operating charge	-	5

Analysis of the amount credited to other finance income or debited to other finance costs

	2021 £'000	2020 £'000
Expected return on pension scheme assets	77	122
Interest on pension scheme liabilities	(112)	(163)
Net return	(35)	(41)

Re-measurements over the year

	2021 £'000	2020 £'000
Gains on assets in excess of interest	374	228
Experience gains on liabilities	-	45
Gains from changes to demographic assumptions	5	15
Gains/(losses) from changes to financial assumptions	597	(1,131)
Re-measurements over the year	976	(843)

The movements on the scheme deficit during the period for FRS102 purposes are:

	2021 £'000	2020 £'000
Deficit in the scheme at beginning of year	(2,829)	(2,091)
Movement in year		
Past service cost	-	(5)
Contributions	186	151
Interest on assets	77	122
Interest cost	(112)	(163)
Re-measurements over the year	976	(843)
Deficit in the scheme carried forward	(1,702)	(2,829)

19 PENSION (continued)

History of experienced gains and losses

	2021	2020	2019	2018	2017	2016
Difference between actual and expected return on scheme assets (£'000)	374	228	410	(253)	190	461
Percentage of scheme assets at end of year	5.7	3.7	6.8	(4.7)	3.4	8.6
Experience gains/(losses) on scheme liabilities (£'000)	-	45	40	-	3	50
Percentage of the present value of the scheme liabilities	-	0.5	0.5	-	0.0	0.7
Total amount recognised in SOFA (£'000)	976	(843)	(617)	159	(67)	(766)
Percentage of the present value of the scheme liabilities	11.8	(9.3)	(7.6)	2.3	(0.9)	(11.0)

Volatility of FRS102

It should be noted that the methodology and assumptions prescribed for the purposes of FRS102 mean that these disclosures are inherently volatile, varying greatly according to investment market conditions at each accounting date.

20 NOTE TO THE CASH FLOW

	At 1 January 2021	Cash flows	At 31 December 2021
Cash at bank	578,508	143,762	722,270
Cash on deposit	151,189	610	151,799
	729,697	144,372	874,069
Net cash	729,697	144,372	874,069