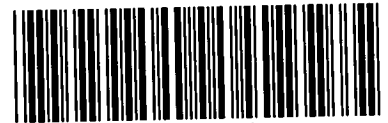


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COMPANIES HOUSE

OPERATION MOBILISATION ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2018



Company Number 02564320

Charity Registration Number 1008196 (England and Wales) SCO40988 (Scotland)

CONTENTS

	Page Number
Letter from the Chairman	3
Reference and Management Information	4
Trustees' Report	5 - 21
Independent Auditor's Report	22 - 25
Accounting Policies	26 - 30
Statement of Financial Activities	31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements	34-46

LETTER FROM THE CHAIRMAN

We look back on the past year with gratitude to God, in that we have been able to do more to bring lasting change to people's lives. I hope that as you read this report, you will be inspired by the response we have received to the challenge to Pray, Give and Go in support of OM's work around the world.

Prayer is the foundation of all OM ministry both in the UK and globally. I am so encouraged by the positive feedback received from our supporters using the Heartbeat Prayer Diary. The impact of that publication is eternal, with prayers ascending each and every day on behalf of OM teams. We remain committed to praying ourselves, but also encouraging others to intercede for the needs around the world.

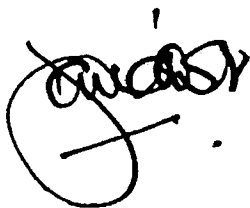
We continue to see significant funding raised in the UK and sent to support wonderful projects ran by OM teams around the world. The testimonies we continue to hear of lives and communities being transformed because of the work of OM, in more than one hundred countries, is so encouraging and we are thrilled to be able to continue to help in practical ways to make a real difference in people's lives. In 2018 we raised funds for the Mercy Appeal, bringing immediate relief to those in need, the Fuel Appeal, supporting the ministry of *Logos Hope*, and many other OM ministries in the UK and around the world.

We have also continued to work hard this year in communicating the needs for praying, giving and going through our publications such as *Global* but also through running mobilising events such as *Global Village* which help people better understand the needs of people around the world.

Through 2018 we have seen hundreds of people join us and serve with OM teams both for short and longer-term commitments in many different countries, and it is encouraging to see so many people from the UK serving with OM internationally and helping to bring transformation in the lives of others.

Finally, on behalf of the UK board of OM, I would like to thank our CEO Matthew Skirton and each member of the OM team in the UK for all their hard work throughout 2018.

We prayerfully and enthusiastically look forward to what God has in store for us as an organisation.



D Ost
Board Chairman

The Board of Directors present their annual report, together with the strategic report and audited financial statements, for the year ended 31 December 2018.

REFERENCE AND MANAGEMENT INFORMATION

Company Name:	Operation Mobilisation
Company Registration Number:	02564320
Charity Registration Number:	1008196
Scottish Charity Registration Number:	SCO40988
Registered Office:	The Quinta, Weston Rhyn, Shropshire, SY10 7LT

BOARD OF DIRECTORS/TRUSTEES

David Ost	Chairman
Michael Young	
Paul Lindsay	
Celia Apeagyei Collins	
David Skews	
Geffrey Meyer	
Kathryn Myers	
Peter Lawrence	(appointed 05/09/2018)
Peter Maiden	(appointed 05/09/2018)

COMPANY SECRETARY Michael Young

EXECUTIVE LEADERSHIP TEAM

Matthew Skirton	Chief Executive Officer (CEO)
Rob Scoulding	Strategic Engagement
Andrew Berry	People in Mission
Lyn Towers	Finance
Kevin Boyce	Community
Tim Howard	Operations
Paul Bell	Human Resources (Appointed 01/02/2019)

AUDITOR

Mazars LLP, One St Peter's Square, Manchester, M2 3DE

BANKERS

National Westminster Bank PLC, Shrewsbury Corporate Office, Suite 5, Prospect House, Belle Vue Road, Shrewsbury, SY3 7NR

SOLICITORS

Wrigleys, 19 Cookridge Street, Leeds LS2 3AG

WORKING NAMES REGISTERED WITH THE CHARITY COMMISSION

OM OM UK OM United Kingdom Lifehope Free A Dalit Child Dalit Education



TRUSTEES' REPORT

ABOUT THE ORGANISATION

Operation Mobilisation (OM) in the UK is part of an international Christian missions movement also known internationally as Operation Mobilisation. This report is concerned with the operation of the UK charitable company which works in partnership with other OM entities around the world. For the sake of clarity, future references to the wider OM organisation is termed "OM Worldwide" whilst the UK charitable company is simply termed "Operation Mobilisation" or "OM UK".

OM Worldwide was established in 1957 and now works in over 110 countries and on board OM Ship *Logos Hope*. Overall, there are over 3,500 workers from 118 nationalities, 53% of whom are serving outside their passport country. There are over 400 workers from the UK working in approximately 50 different countries.

Our work in the UK involves ongoing partnerships with churches, agencies and individuals. The overarching vision of OM in the UK is "Mission at the Heart of the Church, the Church at the Heart of the Community". We want to see Christians partnering with OM through the following three objectives: Pray, Give and Go.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The organisation is a charitable company limited by guarantee, incorporated on 30 November 1990 and registered as a charity on 12 February 1992. Established under a Memorandum of Association which sets out the objects and powers of the charitable company, the company is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The only members are the Trustees.

ORGANISATIONAL STRUCTURE

The Board of Directors is responsible for ultimate strategic decisions, having regard to International Policy under the Joint Ministries Agreement (JMA) (see page 7) and advice from senior management. As charity Trustees, the Directors receive no remuneration for their services. All the Members of the Board are non-executive.

The Board normally meets four times a year and is assisted by a Finance and General Purposes Committee consisting of two Board members (one of whom is Chairman of the Committee), the Chief Executive Officer (also known as the UK Director) and members of the UK Executive comprising key management personnel.

The Directors approve the strategic goals set for each year. These goals are reviewed and assessed regularly by the UK Executive and Directors as part of the process of setting goals for the next and subsequent years. Day to day operational decisions are taken by the UK Executive headed by the CEO, Matthew Skirton.

Operation Mobilisation operates annual planning and budgeting systems. The annual strategy statement is prepared in accordance with the guidance issued by the Charity Commission and it is approved along with the consequential budget by the Board of Directors. Performance against the

strategic goals is reviewed by the Board, including any proposed changes to the strategic goals and any major capital investments. There is a financial reporting system which compares results to the goals, with quarterly reports to the Board.

RECRUITMENT AND APPOINTMENT OF THE BOARD OF DIRECTORS

The Directors are also the Trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee, normally known as the "Board of Directors". Under the requirements of the Memorandum and Articles of Association, the Directors are elected for a period of three years, after which they must be re-elected at the next Annual General Meeting.

Currently we have nine experienced and committed Directors and are actively seeking to recruit new Directors to ensure that the charitable company has the right balance of skills. Only the Members (who are in our case the Board of Directors) have power to appoint new Directors.

INDUCTION AND TRAINING OF DIRECTORS

Potential new Directors are invited to attend a number of meetings before any decision is taken on their appointment and are provided with suitable material to give them background to the organisation. This includes the Memorandum and Articles of Association and an induction pack.

Directors are also notified of developments in the charity sector by the Finance and General Purposes Committee.

INTERNATIONAL PARTNERSHIP

The charitable company shares the core values of an international partnership operating in over 110 countries worldwide, also known as "Operation Mobilisation". It is a signatory to a "Joint Ministries Agreement" (JMA) which sets out the ways in which the various constituent parts shall work together. In this report, this "international partnership" is called "Operation Mobilisation Worldwide" (or "OM Worldwide") and the charitable company is called "Operation Mobilisation" or "OM UK".

The charitable company is a member of the Evangelical Alliance and Global Connections.

OBJECTIVES AND ACTIVITIES

Operation Mobilisation's charitable objectives, as set out in the Memorandum of Association, are to do the following in any part of the world:

- The advancement of education (particularly for the improvement of literacy and vocational skills) for the benefit of all people;
- The direct relief of sickness and poverty by assisting sick or necessitous persons;
- The advancement of health; and
- The advancement of the Christian religion.

The principal activities carried out by OM are:

- The advancement of the Christian faith within the UK by equipping people for service in the UK and around the world; "education and the advancement of the Christian faith";
- Support for personnel from the UK working with overseas partners, and carrying out activities to promote the advancement of the Christian faith, relief work, education and the advancement of health; "support for overseas partners";
- Fundraising to provide grants to promote the advancement of the Christian faith, relief work, education and the advancement of health; "direct payments"; and
- Compliance with legislative requirements associated with carrying out those Charitable purposes for the public benefit.

AIMS

Our aim is to mobilise people to share the Christian faith with every generation in every nation, pioneering and leading initiatives to redeem lives, rebuild communities and restore hope. Operation Mobilisation in the UK acts as a resourcing centre for the works of Operation Mobilisation Worldwide, motivating and equipping people to share God's love with people all over the world. It seeks to help plant and strengthen churches, especially in areas of the world where Christ is less known. Within the UK, Operation Mobilisation seeks to work alongside the church to minister to diaspora communities.

Our medium and long term strategies are to develop ongoing relationships with churches, agencies and individuals which:

- encourage and support them in their Christian faith;
- assist in their education concerning various worldwide situations, focusing on methods of supporting the poorest, most vulnerable and exploited in society;
- deliver well-prepared opportunities for volunteers to take part in projects which transform lives and communities; and
- assist in raising funds to support the charitable work of OM Worldwide.

We also work alongside the church to advance the Christian religion among the least reached communities living in the UK.

PUBLIC BENEFIT

We have referred to the Charity Commission's guidance on reporting on public benefit when reviewing our aims and objectives and planning our activities. The Directors are therefore confident that Operation Mobilisation meets the public benefit requirements.

ACHIEVEMENTS AND PERFORMANCE

GIFTS AND DONATIONS

Gifts and donations from supporters increased by 4% compared to 2017. Higher gift income from legacies, trusts and partner organisations compensated for decreasing gift income from individuals and churches. The latter largely due to the transfer of our education sponsorship programme to a partner organisation. Funds raised have enabled OM to mobilise and equip the church for mission, advance the Christian faith, relieve suffering from natural and man-made disasters, alleviate poverty, improve health and advance education through the projects of OM Worldwide.

Partners in the UK continued to provide significant support for the ministry of *Logos Hope* in Latin



America with donations towards fuel, Spanish and Portuguese language Bibles and literature, and the renovation of the café on the visitor's deck. The Mercy Appeal fund distributed donations to projects in 18 countries, including disaster relief in South East Asia, health initiatives in Southern Africa and work among refugees in the Middle East and South Asia. Gifts to the newly formed Mustard Appeal enabled us to alleviate poverty through skills development and micro-finance projects in 9 countries. Projects impacted vulnerable women in several countries through the development of self-help groups and helped launch new micro-enterprise initiatives aimed at achieving long term transformation from within impoverished communities in Rwanda and Zambia.

In response to the renewed focus of OM to share the Love of God with communities where Jesus Christ is least known, we launched a new initiative in November 2018. The aim of 'Movements' is to provide financial support to the ministries of OM Worldwide that are focused on accelerating the advancement of the Christian faith through mobilising, training and equipping mission workers from churches in the 'Global South'.

EVENTS AND EXHIBITIONS

During 2018, we attended four conferences throughout the year in order to engage with new partners and grow our database.

Following on from the success of previous Global Village events, we partnered with Keswick Ministries to hold a Global Village at their annual summer conference. This was a successful venture, with 1,148 people visiting the experience over the two week period and 400 new contacts added to our database. Long lasting impact from this initiative includes 153 people signing up for prayer news, 234 people asking for further information on joining for short-term mission trips and 78 longer term, 37 people pledging to support the work of OM financially monthly and 136 people requesting information on OM financial appeals.

The UK Presentation Team initiative was relaunched in 2017 and during 2018 we hosted two presentation teams who took a total of 61 meetings around the United Kingdom with the aim of encouraging Christians in the UK to pray for the work of OM, financially support the work, and join OM.

Monthly prayer meetings have continued to be held at three UK offices as a way to continue to advance the Christian religion. They aim to engage more fully with local churches, encouraging them to pray for the work of OM teams both in the UK and around the world.

MISSION OPPORTUNITIES



By giving our partners the opportunity to themselves join short-term and longer term mission outreaches, the Charity meets several of its charitable objectives.

In 2018, 32 teens and 31 adults attended TeenStreet - a youth conference aimed at growing and developing the Christian faith of teens and young adults. At the final meeting for UK participants, many teens shared what God had been doing in their lives. This ranged from dealing with forgiveness, to how they can live out their faith in school more with their friends. Plans are already underway as to how we can promote TeenStreet to a new audience and we had a representative from our marketing support agency attend TeenStreet to help us with this.

In 2018, the Short-Term Missions (STM) team has processed and sent out 179 Individuals and a further 11 groups (76 people). This is tracking slightly lower than last year, however, there were 37 individual cancellations and 11 groups cancel for reasons which are outside our control. Short-Term teams are involved in the advancement of the Christian faith, both within the UK and around the world.

During 2018 there were over 400 UK Nationals involved in mission opportunities in OM programmes worldwide. Individuals serving with OM longer term are able to develop deeper relationships with their host communities. 35 people from the UK joined OM in our January intake and 20 people from the UK joined OM teams in our August intake.

OUTREACH AND EVANGELISM IN THE UK



Our workers in both London and Birmingham have focused their ministries on the OM Mission Statement of wanting to see vibrant communities of Jesus followers among the least reached. We continue to desire to add in staff to these two locations to further our work.

In 2018 we were re-accredited by the British Accreditation Council to offer our Missions Discipleship Training (MDT) programme and English Language (ELCO) course. Numbers are steadily increasing for the MDT programme whilst the ELCO is running steadily with 10-14 students in each intake.

Media based ministries continue to play a part in what we are doing to fulfil our purpose with two different language productions being produced on a weekly basis.

LITERATURE DISTRIBUTION

Thousands of free OM publications were distributed and large quantities of books, Bibles, New Testaments and DVDs were also available free of charge or on a donation basis. As in previous years the most popular were the Jesus DVD and the Magdalene DVD. The distribution of these various forms of media have enabled people to be kept informed of the vital work of OM and the wider gospel message.

COMMUNICATING THE MESSAGE

Throughout 2018 we have been successful in growing our Communications team with the recruitment of a new Social Media Officer and Content Officer (Global Editor) to help tell the stories of OM's ministry around the world. Another landmark in the 2018 calendar was introduction of the new GDPR legislation. This allowed an opportunity to improve our data and internal processes, ensuring we can better look after our UK partners.

As a result of OM's Global Planning Process and introduction of a new mission statement, a global Branding Task Force was introduced. This included external market research in every continent using varying methodology to understand the relationship between mission and the Church. As a result new brand language has been proposed to draw more of the Church into partnership with mission activity which will be rolled out across 2019.

DEVELOPING PARTNERSHIPS

We successfully recruited a very experienced Partner Development Manager in London together with a new Partner Development Manager for the East Midlands and north of the M25. These appointments have led to a renewed engagement with existing churches, and the exciting possibilities of building new and fruitful partnerships with significant churches in both these areas. OM in the UK seeks to provide churches within London with the resources and support to allow them to reach the least reached in this most global of capital cities.

PRINCIPLE RISKS AND UNCERTAINTIES

A summary of the principle risks is below, along with the appropriate risk mitigation strategy.

Potential Risk	Risk Management Strategy
Critical Incident	A crisis management plan is in place (last revised August 2017).
Failure of critical systems or equipment	Key IT equipment and the telephone system have same-day service contracts. We have a rolling programme for renewing older critical equipment. A disaster recovery plan covering loss of premises and/or data is in place.
Inadequate finance resources (including reserves)	Expenditure is budgeted according to strategy; I&E against operational budget are reviewed monthly by the Executive Leadership and quarterly by the Board of Trustees.
Failure to comply with legislation, including UKVI, HMRC, Safeguarding, the Charity Commission, Acts of Parliament and other laws	Induction procedures make new staff aware of the requirements. Leadership are regularly briefed on their responsibilities and training is provided where needed. Processes in place to keep abreast of ongoing changes in legislation.
Loss of key staff	Plans are being put in place to improve succession planning for key roles.

PLANS FOR FUTURE PERIODS

Towards the end of 2018 we entered into a contract to develop a new website with enhanced fundraising and finance functionality. This website has functionality for online Direct Debits and it is planned to be launched early 2019. We expect to see a large proportion of new Direct Debits being set up online rather than through the traditional paper route.

Additionally, we expect the new website functionality to provide a boost for fund giving and are therefore aiming for a 5% increase in fund gifts. As part of our long term strategy to significantly grow income from major supporters we plan to recruit a Major Partner Manager based in London whose primary responsibility will be to build significant and long term relationships with major financial donors and institutions.

In 2019 we intend to establish a dedicated Partner Journey team whose role will be to ensure that partners of OM in the UK are supported and encouraged to partner with us in reaching the least reached. We want these relationships to be very much a two way experience where partners are valued and honoured for the support they give.

Our UK Training Centre in Halesowen has a strong legacy of providing English Language and Cultural Opportunities (ELCO) training and we plan to run three ELCO programmes during 2019 with the aim of equipping people from all over the world with the English Language skills necessary to advance the Christian faith.

Building on the success of the first UK Mission Discipleship Training course held in 2018, we plan to run two MDT courses during 2019. MDT is an exciting and growing programme which attracts participants from around the world and provides a safe environment for students to explore their faith while developing skills and experience in cross-cultural mission.

Following the success of previous Global Villages, we plan to run a Global Village as part of a UK Christian event. This meets the aim of advancing the Christian faith by engaging the Christian church in the UK to pray for the least reached people groups around the world.

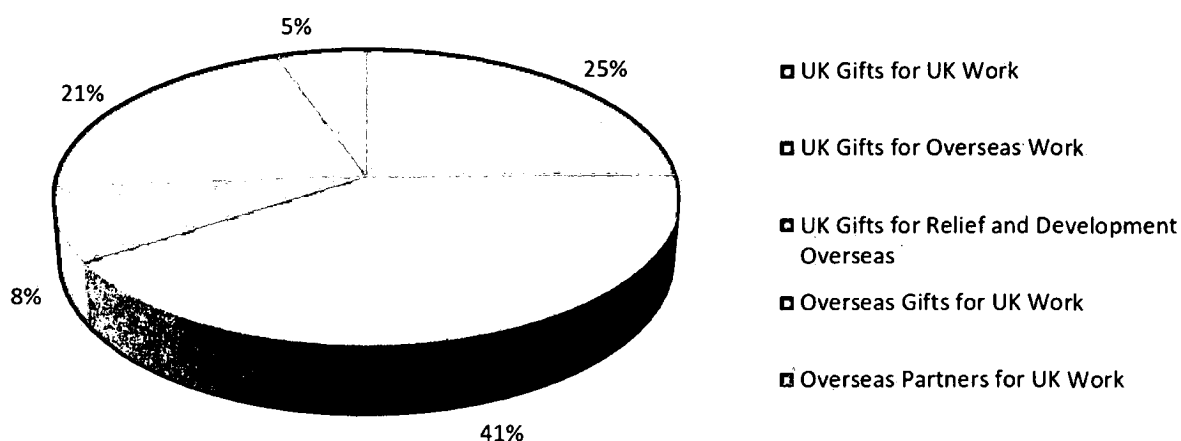
STRATEGIC REPORT

FINANCIAL REVIEW

INCOME

Our total income for 2018 was £11.2 million (£10.8 million in 2017). This included income from UK supporters of £7.94 million (£7.84 million in 2017). 96% of our income came from donations and gifts (95% in 2017). The following is an analysis of donations and gifts by category:

2018 Income

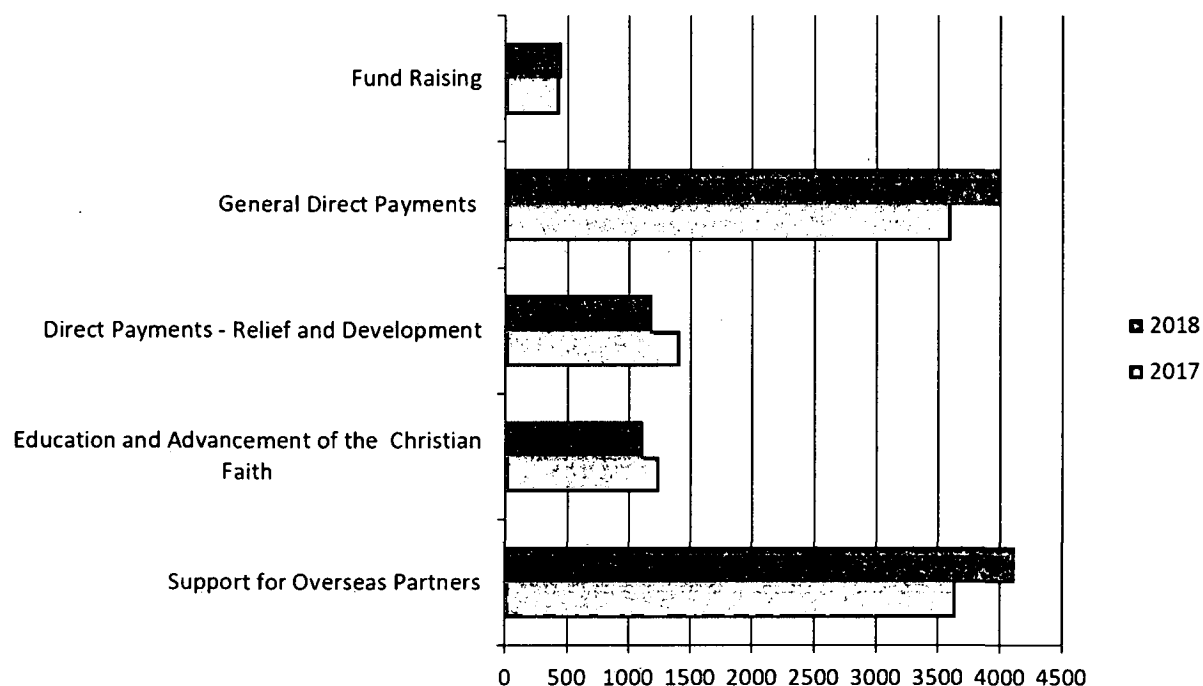


It is very encouraging to see a rise in giving in 2018, both from supporters in the UK and overseas.

EXPENDITURE

Total expenditure was £10.89 million in 2018 (£10.36 million in 2017) and is analysed into the following classifications as shown in the bar chart:

2018 Expenditure



FUNDRAISING: only 4.2% of the total for 2018 was spent on fundraising, the other 95.8% being spent on our charitable activities.

SUPPORT FOR OVERSEAS PARTNERS: support for personnel from the UK working both in the UK and with overseas partners and carrying out activities to promote the advancement of the Christian faith, relief work, education and the advancement of health. In 2018 this support has increased by over £461,000 compared with 2017 (2017 £3.64m, 2018 £4.1m)

EDUCATION AND THE ADVANCEMENT OF THE CHRISTIAN FAITH: evangelism within the UK and training and equipping people in the UK for service in the UK and around the world. There has been a slight decline of expenditure in this area of £145k but this is not significant. (2017 £1.25m, 2018 £1.1m)

DIRECT PAYMENTS: RELIEF AND DEVELOPMENT: amounts given to help OM Worldwide's work overseas, including education and health. Expenditure in this area in 2018 has fallen by over £500,000 as responses to financial appeals vary year to year (2017 £1.42m, 2018 £0.88)

DIRECT PAYMENTS: OTHER: other amounts given to support OM's work worldwide by (a) UK supporters and (b) OM from its own resources. (2017 £3.6m, 2018 £4.34m)

A fuller explanation of the analysis used can be found in Note 7 of the Accounting policies on page **28**.

The full results of the company for the year ended 31 December 2018 are set out in the financial statements on pages **31 to 46**. Dividends are not permitted under the Articles of Association.

RESERVES POLICY

The Trustees consider that reserves equivalent to between three and six months operating expenditure, plus an amount equal to the designated reserves (Fixed Asset Fund - see Note 17), is required to allow for the uncertain timing of income together with the size and complexity of the operation. Any excesses will be considered for distribution to OM fields overseas.

Three months operating expenditure per the 2019 budget is £0.78 million and the total of unrestricted reserves at 31 December 2018 is £3.51 million, of which £0.78 million is undesignated which equates to three months of operating expenditure. There are total reserves of £4.67m, of which £1.16m are restricted and £2.72m are designated.

Included in restricted reserves is a fund for short term mission projects. This is in deficit at the end of 2018 due to timing differences between short term income and expense.

It is encouraging to note the improvement in the free reserves compared with previous years.

INVESTMENT POLICY

The Directors have powers to invest surplus funds in investments, securities and property as they think fit, subject to the provisions of any relevant legislation. This policy is reviewed periodically by the Board using professional advice where appropriate.

PAY POLICY FOR SENIOR STAFF

The Directors consider the Board of Directors, who are the trustees, and the Executive Leadership team (as detailed on page 4) comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charitable company on a day to day basis. All Directors give of their time freely and no director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes **8 and 23** to the accounts.

The pay of the senior staff is reviewed annually and, where finances permit, increases are awarded in line with increases in average earnings. We benchmark pay against other similar mission organisations.

FUNDRAISING POLICY

OM in the UK raises funds through mailings, appeals, individual support raising and by approaching Trusts. We hold consent or have legitimate interest to contact the parties that receive our mailings, and aim to comply fully with GDPR requirements. As part of our compliance with GDPR we ensure that people only receive the information they want.

If we receive a removal request, or if a partner is suspected of being vulnerable, we can make sure that partner does not receive solicitations for funds. They would only receive information and updates about areas or projects they have supported in the past if this is requested.

Our missionaries approach their own friends, families and churches to raise financial support. We also apply to Trusts to support specific projects. All people serving with OM for more than a month receive training on how to raise funds for their mission work as part of the joining and orientation process. They are encouraged to have an online fundraising page, the content for which is checked and monitored by our fundraising and marketing teams. Once they are serving with us, they are requested to send copies of their newsletters and updates to our personnel department who can monitor any information about their fundraising requests.

Fundraising for the work of OM in other countries is carried out through OM in the UK and we send out newsletters to donors in the UK who support our work overseas. We therefore monitor communications for both the solicitation of funds and reporting back on the use of funds.

We do not use external professional fundraisers, nor have we ever used lists of contacts supplied by third parties. We aim to comply with the Fundraising Regulator's Code of Fundraising Practice. During 2018, we received no complaints regarding our fundraising practices.

We would send a maximum of six mailings to any individual per year unless they have elected to subscribe to specific mailings. As part of our data retention policy we regularly review the data held and remove those parties who no longer meet the criteria for holding their details.

BREXIT

The directors have assessed the potential risks in relation to Brexit. As operations, income and expenditure mostly arise in the UK, the directors do not expect there to be significant risks arising for the charity.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Company and charity law requires the Board, as Trustees and Directors, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of Operation Mobilisation and the results for the period. In preparing the financial statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards without any material departures; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEMBERS OF THE BOARD

Members of the Board of Directors, who are Directors for the purposes of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 4.

In accordance with company law, as the company's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware;
- as the Directors of this company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's auditors are aware of that information;
- as far as we are aware, there were no serious incidents or other matters relating to the charity

that should have been declared under section 169 of the Charities Act 2011 and recognise that false or misleading information constitutes a default under statutory requirements under section 60 of the Charities Act 2011.

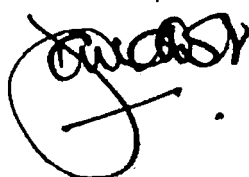
- we have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable objectives and aims of Operation Mobilisation, as well as in planning future activities.

AUDITORS

The Directors, who are also Trustees for the purposes of Charity Law, present their annual and strategic report and the financial statements for the year ended 31 December 2018. These financial statements comply with statutory requirements, the Memorandum and Articles of Association and the 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

In approving the Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as Company Directors.

Approved by the Board of Directors on **4th September 2019** and signed on its behalf by:



D Ost

Board Chairman

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Operation Mobilisation

Opinion

We have audited the financial statements of Operation Mobilisation (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2018 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications for the charity's activities and the wider economy.

The Trustees have assessed the potential risks in relation to Brexit on page 19 of the Trustees report.

We considered the impact of Brexit on the charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the charity and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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 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 Strategic Report and 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 Strategic Report 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 Strategic Report or 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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

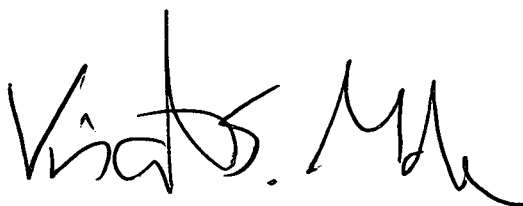
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 these financial statements.

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 company'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 company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Name:

Vincent Marke (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DN

Date: 27 September 2019

ACCOUNTING POLICIES

1. GENERAL

Operation Mobilisation is a Company limited by Guarantee and was incorporated on 30 November 1990 and registered as a charity on 12 February 1992. The objectives and activities of the charity are listed on page 8 of the Annual Report.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable Accounting Standards in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Operation Mobilisation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

3. ACCOUNTING CONVENTION

These financial statements have been prepared under the historic cost convention, as modified by the revaluation of investments.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

The critical accounting judgements that the trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Assessing indicators of impairment

In assessing whether there have been any indicators of impairment in relation to assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

- Income recognition

Operation Mobilisation accounts for monies received as donations on behalf of other OM entities worldwide as income and matching expenditure as the money is transferred via OM Worldwide's international transfer system. The Trustees have referred to the guidance in the 2015 Statement of Recommended Practice (FRS 102) when determining whether to account for these transactions as agent or principal and consider Operation Mobilisation to be acting as principal.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already in the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

5. FUND ACCOUNTING

- Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity
- Designated Funds are unrestricted funds that the Trustees have set aside for specific purposes
- Restricted Funds are subject to restrictions on their use, either imposed by the donor or included in the terms of an appeal

6. INCOME

Gifts received are accounted for as soon as it is prudent and practicable to do so, generally the earlier of the date of notification or receipt. Gifts in kind are included at an estimated value.

Any income stream to which the charity is entitled is recognised where there is a probability of receipt. This includes legacies once reasonable certainty of receipt has been ascertained.

7. EXPENDITURE

Expenditure is comprised of the costs of charitable activities, fundraising and governance. This includes staff costs. Indirect costs are allocated pro rata to direct costs.

Fundraising Costs

Costs incurred in motivating individual partners to donate to the work of Operation Mobilisation Worldwide.

Direct Charitable Expenditure

Includes all expenditure directly related to the objects of the charity and comprises the following:

- Education and the Advancement of the Christian Faith
This represents expenditure by our training bases in Birmingham and London on evangelistic and training activities within the UK.
- Support for Overseas Partners
The amount detailed here includes the cost to the UK National Office of support for UK personnel (including those overseas) in the areas of personnel, finance etc. It also includes expenditure incurred in educating and informing supporters of OM's work worldwide and the general public on the work of the charity. It includes such things as regular prayer letters, project information sheets, advertising and the costs associated with developing and implementing these.

- **Direct Payments**

This represents amounts given to support OM's work worldwide by (a) UK supporters and (b) OM from its own resources, and includes expenditure on the relief of sickness and poverty.

8. FIXED ASSETS AND DEPRECIATION

Tangible fixed assets with a cost over £500 are stated at cost less depreciation. The charity recognises fixed assets with a cost over £500 in the asset register. Equipment below this value is simply recorded in the Statement of Financial Activities for the year.

The value of land and buildings was re-assessed at deemed cost as part of the conversion to FRS 102. The valuations were carried out by professional valuers.

Depreciation is provided in order to write-off the cost of tangible fixed assets on a straight line basis over their estimated useful lives, normally using the following rates:

Freehold buildings:

Purchase	2% per annum
Renovation	6.7%

Long leasehold buildings:

Lease Purchase	Write off over remainder of lease - maximum
Renovation	30 years 3.3% / 10% (Write off over remainder of lease period maximum of 30 years)

Other Fixed Assets

Computer equipment	33% per annum
Other fixtures, fittings and equipment	20% per annum
Motor Vehicles	20-50% per annum

9. STOCK

Stock has been valued at the lower of cost or net realisable value.

10. FOREIGN CURRENCIES

Income and expenditure items denominated in foreign currency are translated into sterling and recorded at the rate ruling for the month of the transaction. Balance Sheet items denominated in foreign currency are translated into sterling and recorded at the rate ruling for December. These rates (provided by the International Finance Office) are used in Operation Mobilisation Worldwide.

11. ASSET FUND

The Asset Fund is a designation of the funds that are tied up in fixed assets.

12. PENSIONS

Contributions are made by the company on behalf of its staff to the Global Connections Pension Scheme, which is a defined contribution scheme. These are charged to the Statement of Financial Activities in the period to which they relate.

13. OPERATING LEASES

Rentals paid under operating leases are charged in the Statement of Financial Activities on a straight line basis.

14. VALUATION OF INVESTMENTS

Fixed asset investments are stated at market value at the balance sheet date. Any movements in market value arising during the year are shown as unrealised gains or losses in the Statement of Financial Activities. Investments comprise investment property and longer term cash deposits. Cash deposits are included at the year-end balance on the relevant bank account. Investment property is valued using a Directors' estimate of the market value, supported by professional valuations as appropriate.

15. GROUP ACCOUNTS

A subsidiary charity, RED International, ceased operations at the end of 2017. These financial statements therefore present information about the charity as an individual undertaking rather than a group.

The Charity also has a controlling interest in Alum Rock Hall Trust, however, the accounts of the Trust are not considered to be material. We have therefore taken advantage of the exemption from preparing consolidated accounts.

16. GOING CONCERN

The Directors have reviewed the Charity's financial position and are encouraged by the ongoing level of giving and the improvement in the free reserves position. The Directors have confidence that the charity has adequate resources to remain in operation for at least the next twelve months and can continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors consider there to be no material uncertainties about the Charity's going concern position.

17. FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 December 2018

OPERATION MOBILISATION

INCLUDING INCOME AND EXPENDITURE ACCOUNT

		Unrestricted Funds	Restricted Funds	2018 Total Funds £	2017 Total Funds £
	Note	£	£		
INCOME					
Income from Generated Funds					
Donations and Gifts	2	3,056,602	7,706,935	10,763,537	10,318,749
Income from Investments					
Rental Income		18,000	-	18,000	13,916
Interest Income		1,564	4,103	5,667	2,143
Income from Charitable Activities					
Literature and Other Sales		4,121	20,763	24,884	37,768
Services to Overseas Partners		36,600	250	36,850	19,609
Other		173,299	146,450	319,749	405,691
Total Income		3,290,186	7,878,501	11,168,687	10,797,876
EXPENDITURE					
Cost of Generating Funds					
Fundraising Costs	3 & 4	459,475	-	459,475	440,168
Charitable Activities	3 & 4				
Education and the Advancement of the Christian Faith	3 & 4	893,122	211,127	1,104,249	1,249,621
Support for Overseas Partners	3 & 4	1,813,866	2,290,138	4,104,004	3,642,163
Direct Payments	3 & 4	21,829	5,196,308	5,218,137	5,024,337
Sub Total Charitable Activities		2,728,817	7,697,573	10,426,390	9,916,121
Total Expenditure		3,188,292	7,697,573	10,885,865	10,356,289
Net Income/(Expenditure)	7	101,894	180,928	282,822	441,587
Gain on sale of Investment Property		2,783	-	2,783	93,800
Transfer of funds		751	(751)	-	-
Net movement of funds		105,428	180,177	285,605	535,387
Fund Balance brought forward					
1 January 2018		3,404,695	983,844	4,388,539	3,853,152
Fund Balance carried forward					
31 December 2018	17 & 18	3,510,123	1,164,021	4,674,144	4,388,539

The company income and expenditure all relate to continuing operations.

The company has no recognised gains or losses other than the net income/(expenditure) for the year.



OPERATION MOBILISATION

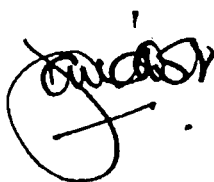
BALANCE SHEET

Year ended 31 December 2018

COMPANY NUMBER: 2564320

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible Assets	9	2,816,874		2,889,079	
Investments	10	<u>434,359</u>	3,251,233	<u>545,000</u>	3,434,079
CURRENT ASSETS					
Stocks - goods for resale		17,546		26,769	
Debtors	11	1,049,081		935,868	
Cash at Bank and in Hand		<u>900,348</u>		<u>725,985</u>	
		1,966,975		1,688,622	
CREDITORS - amounts falling due within one year	12	<u>(268,442)</u>		<u>(454,428)</u>	
NET CURRENT ASSETS			1,698,533		1,234,194
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,949,766</u>		<u>4,668,273</u>
CREDITORS - amounts falling due after one year	13		(275,622)		(279,734)
			<u>4,674,144</u>		<u>4,388,539</u>
FUNDS					
Unrestricted Funds - Designated	17 & 18		2,723,471		2,642,613
- General	17 & 18		786,652		762,082
Restricted Funds	17 & 18		<u>1,164,021</u>		<u>983,844</u>
			<u>4,674,144</u>		<u>4,388,539</u>

These Financial Statements were approved by the Board of Directors on 4th September
Signed on behalf of the Board of Directors



D Ost

Board Chairman



STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Note	2018 £	2017 £
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	18	<u>89,184</u>	<u>(265,861)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES			
Interest received		5,667	2,143
Purchase of tangible fixed assets		(48,391)	(54,244)
Proceeds from sale of tangible fixed assets		5,120	3,650
Proceeds from Sale of Investment property		<u>122,783</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>85,179</u>	<u>(48,451)</u>
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Loan repayments/advances		-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	19	<u><u>174,363</u></u>	<u><u>(314,312)</u></u>
Opening Cash at 1 January		672,885	987,197
Closing Cash at 31 December		847,248	672,885

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. TAXATION

The company is a registered charity whose charitable activities are exempt from United Kingdom corporation and capital gains tax.

2. ANALYSIS OF DONATIONS AND GIFTS

Unrestricted Donations and Gifts

	2018	2017
Income from UK Supporters		
Legacies	601,134	446,183
Gifts in Kind	2,749	2,118
Other	1,819,385	1,550,521
Income from Overseas Supporters	52,406	236,529
Income from OM Fields Overseas	580,928	678,641
Total Unrestricted Income	3,056,602	2,913,992

Restricted Donations and Gifts

Income from UK Supporters for Fields Overseas	4,265,364	4,732,382
Income from overseas supporters	2,586,155	1,560,370
Income for Relief and Development work	855,416	1,112,005
Total Restricted Income	7,706,935	7,404,757
Total Income	10,763,537	10,318,749

3. ANALYSIS OF TOTAL UNRESTRICTED EXPENDITURE

	Ministry	Administration	Personnel	Travel	Communication	Grant	Professional Fees Inc Audi	Other	Total	2017 Total
Education and the advancement of the Christian Faith	9,175	133,071	578,272	49,028	32,482	-	10,515	80,579	893,122	955,059
Overseas Partners - Support	18,628	270,174	1,174,626	99,542	65,948	-	21,348	163,600	1,813,866	1,626,182
Direct Payments	-	-	-	-	-	21,829	-	-	21,829	24,847
Fundraising	14	25,015	355,727	35,149	40,237	-	-	3,333	459,475	440,168
TOTAL	27,817	428,260	2,108,625	183,719	138,667	21,829	31,863	247,512	3,188,292	3,046,256

4. ANALYSIS OF TOTAL RESTRICTED EXPENDITURE

	Ministry	Administration	Personnel	Travel	Communication	Grant	Professional Fees Inc Audi	Other	Total	2017 Total
Education and the advancement of the Christian Faith	34,436	21,231	65,081	6,629	9,250	-	1,820	72,680	211,127	294,561
Overseas Partners - Support	812,505	198,963	650,640	128,150	13,394	-	7,930	478,556	2,290,138	2,015,982
Direct Payments	-	-	-	-	-	5,196,308	-	-	5,196,308	4,999,490
Fundraising	-	-	-	-	-	-	-	-	-	-
TOTAL	846,941	220,194	715,721	134,779	22,644	5,196,308	9,750	551,236	7,697,573	7,310,033

Direct Payments includes £885,416 (2017 £1,112,005) for specific OM Worldwide projects for the relief of sickness and poverty

5. AUDITOR'S REMUNERATION

	2018	2017
	£	£
Auditor's Remuneration:		
Audit Fee 2017	-	21,305
Audit Fee 2018	22,840	-
Non audit work	-	3,000
Total Remuneration	<u>22,840</u>	<u>24,305</u>

6. ANALYSIS OF GOVERNANCE COSTS

Governance costs are now included in the total expenditure as shown above. These totalled £54,461 in 2018 (2017 £50,759).

7. NET INCOME/(EXPENDITURE) BEFORE TRANSFERS

Net Income/(Expenditure) before Transfers for the year is stated after charging the following:

	2018	2017
	£	£
Exchange losses	2,386	25,297
Loss on disposal of fixed assets	1,076	776
Depreciation of owned tangible fixed assets	114,399	110,986
Other operating leases rent	97,675	112,836

8. STAFF COSTS AND DIRECTORS' REMUNERATION

	2018	2017
	£	£
Salaries and wages	2,214,375	2,117,160
Employer's National Insurance Contribution	145,651	138,248
Pension Contributions	45,144	36,343
Total	<u>2,405,170</u>	<u>2,291,751</u>

No employee received remuneration in excess of £60,000 in the year (2017 none).

The key management personnel of the charity comprise the trustees plus a six person UK Executive Management team looking after the day to day affairs of the charity. The total employee benefits of the key management personnel were £180,238 (2017 £173,484).

8. STAFF COSTS AND DIRECTORS' REMUNERATION CONTINUED

The average number of persons employed by the company during the year was:

	2018	2017
	Number	Number
Support to Other Missions	67	68
Education and the Advancement of the Christian Faith	49	52
Fundraising & Governance	33	32
Total UK	<u>149</u>	<u>152</u>

As Charity Trustees, the Board of Directors, who are not employees or included above, received no remuneration for their services (2017 £nil). Directly incurred expenses, when claimed, are reimbursed, and in 2018 totalled £6,743 for travel, subsistence and administration expenses for eight Directors (2017 £6,441 for six directors).

The information disclosed in this note refers to persons categorised as employees by HM Revenue and Customs, for the purposes of assessing income tax and national insurance contributions respectively.

9. TANGIBLE FIXED ASSETS

	L & B Freehold	L & B Leasehold	Fixtures & Fittings	Motor Vehicles	Total
COST					
At 1st Jan 2018	2,772,500	645,505	402,588	68,678	3,889,271
Disposals	0	0	(51,562)	(3,650)	(55,212)
Additions	0	0	41,291	2,100	43,391
AT 31 December	2,772,500	645,505	392,317	67,128	3,877,450
Depreciation					
At 1st Jan 2018	(277,254)	(326,859)	(342,532)	(53,547)	(1,000,192)
Provision	(55,446)	(16,985)	(37,359)	(4,610)	(114,400)
Disposals	0	0	51,286	2,730	54,016
AT 31 December	(332,700)	(343,844)	(328,605)	(55,427)	(1,060,576)
Net Book Values					
AT 31 DEC 2018	2,439,800	301,661	63,712	11,701	2,816,874
AT 31 DEC 2017	2,495,246	318,646	60,056	15,131	2,889,079

10. INVESTMENTS

	2018 £	2017 £
Investment properties	425,000	545,000
Donated shares	9,359	-
	434,359	545,000

At the start of 2018, we held two properties as investments. One was located in Northern Ireland at market value of £120,000 as at 31 December 2017. This was sold in the year and the net proceeds of the sale were £122,783. The other is in North London and was previously used for our charitable purposes. However, this property was deemed to be surplus to our requirements from an operational point of view in 2017 and has been reclassified by the Trustees as held for investment as of 1 January 2017, with a valuation of £450,000. This was then revalued at £425,000 as at 31 December 2017 and this valuation was still deemed accurate for 2018 based on the Trustees' estimate of the market value, supported by valuations provided by Estate Agents. Both properties have been rented out to generate an income for the Charity.

11. DEBTORS

	2018 £	2017 £
Due within one year:		
Other debtors	925,842	791,228
Prepayments and accrued income	42,926	53,011
	<u>968,768</u>	<u>844,239</u>
Due after one year but within 5 years		
Other	80,313	91,629
TOTAL DEBTORS	<u>1,049,081</u>	<u>935,868</u>
Included in other debtors are beneficial loans as follows:		
Due within one year	27,795	29,083
Due after one year	80,313	91,629
	<u>108,108</u>	<u>120,712</u>

The above loans have been made in furtherance of the objectives of Operation Mobilisation. These are generally low interest or interest free loans with variable repayment terms as agreed with individuals.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Tax and National Insurance	40,645	37,645
Deferred Income	10,399	7,267
Accruals	22,840	17,750
Trade Creditors	136,336	127,786
Other Creditors	58,222	263,980
TOTAL	<u>268,442</u>	<u>454,428</u>

The movement in Deferred Income was:

	2018 £	2017 £
Balance at 1 January	7267	2,498
Amount released to incoming resources	(7,267)	(2,498)
Amount deferred in the year	10,399	7,267
Balance at 31 December	<u>10,399</u>	<u>7,267</u>

Deferred income comprises specific gifts given for projects or individuals where the expense is wholly restricted to 2019 or beyond.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2018	2017
	£	£
Loans	53,100	53,100
Accruals	222,522	226,634
TOTAL	275,622	279,734

The Accruals figure is the Re-Entry Reserve, which is to provide for any allowances given to individuals from the UK after they retire from or leave Operation Mobilisation. There is no formal agreement schedule. However, the amount provided here is likely to be paid out between nil and 25 years.

14. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	1,006,155	882,857
Financial liabilities measured at amortised cost	247,658	444,866

Financial assets measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and loans.

15. FINANCIAL COMMITMENTS

At 31 December 2018, there were total commitments under non-cancellable operating leases as follows:

	2018	2017
	Land and Buildings	
	£	£
Payment due within		
Less than one year	62,271	64,928
Over one but less than five years	119,461	146,280
Five years and over	351,360	344,964
TOTAL	533,092	556,172

16. CALLED UP SHARE CAPITAL

The company is limited by guarantee and therefore there is no share capital.

17. STATEMENT OF FUNDS

	At 1 January 2018	Income	Expenditure	Utilised/ Transfers	At 31 December 2018
	£		£	£	£
Unrestricted					
Designated					
Asset Fund	2,591,807	-	-	(52,735)	2,539,072
UKNO	50,806	44,242	(24,728)	114,079	184,399
Total Designated	2,642,613	44,242	(24,728)	61,344	2,723,471
General	762,082	3,245,944	(3,163,564)	(57,810)	786,652
TOTAL UNRESTRICTED	3,404,695	3,290,186	(3,188,292)	3,534	3,510,123
Restricted					
UK Supporters for Fields Overseas	-	3,291,913	(3,291,913)	-	-
Relief of Sickness & Poverty	-	855,416	(881,799)	54,263	27,880
WACA	256,313	427,306	(448,426)	587	235,780
Special Projects	289,581	2,510,160	(2,394,634)	5,498	410,605
Overseas Christian Work	9,055	51,831	(61,162)	276	0
UKNO restricted - appeals	54,263	375,150	(303,927)	(54,263)	71,223
UKNO restricted - short term missions	5,950	81,290	(89,701)	-	(2,461)
UKNO restricted - other	71,410	285,435	(226,011)	12,357	143,191
Asset Fund	297,272	-	-	(19,469)	277,803
TOTAL RESTRICTED	983,844	7,878,501	(7,697,573)	(751)	1,164,021
TOTAL FUNDS	4,388,539	11,168,687	(10,885,865)	2,783	4,674,144

Designated

The income funds of the charity include the following designated funds that have been set aside out of unrestricted funds held by the trustees for specific purposes:

- » The Designated Asset Fund represents funds that are tied up in fixed assets. The utilisation of these funds is commensurate with the change in the total value of fixed assets during the year due to acquisitions, disposals and depreciation.
- » The other designated fund is monies allocated for specific projects by the Trustees:
 - A new Customer Relationship Management System (likely to begin in 2020)
 - A Global Experience event (funds to be spent in 2019)
 - National Impact Fund: monies set aside for distribution by the UK Executive as needs arise (funds to be spent in 2019)

Restricted Funds

The restricted funds of the charity consist of certain income for which there is a restriction on their use and are detailed as follows.

UK Supporters for Fields Overseas – monies given by UK donors for specific areas of OM's work overseas. This can be support for individuals, for fields or specific projects within a field.

Relief of sickness and poverty - monies given by UK and overseas donors for the relief of sickness and poverty.

WACA – represents monies held in the UK for the work of WACA, an OM overseas field, which is therefore a restricted fund.

Special Projects - gifts raised and distributed by the Charity's Founder.

Overseas Christian Work – monies held in the UK on behalf of an overseas partner, which is therefore a restricted fund.

UKNO Restricted Appeals- funds raised by the UK National Office as a result of specific appeals.

UKNO Restricted Short-Term Missions- funds recieved from participants to cover the costs of their Short-Term Missions experience.

UKNO Other- funds held in relation to evangelism and outreach projects.

Asset funds – monies tied up in assets for the restricted funds. As above, the utilisation of reserve reflects the movement in the value of assets in the year.

All expenditure is in furtherance of charitable objectives consistent with the constitution of the company.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 DECEMBER 2018

	Fixed Assets	Net Current Assets	Long Term Creditors	Total
	£	£	£	£
Unrestricted Funds				-
Asset Reserve	2,539,072	-	-	2,539,072
Designated funds	-	184,399	-	184,399
Other	434,358	627,916	(275,622)	786,652
Total Unrestricted Funds	2,973,430	812,315	(275,622)	3,510,123
Restricted Funds				
Asset Reserve	277,803	-	-	277,803
Other	-	886,218	-	886,218
Total restricted Funds	277,803	886,218	-	1,164,021
Total	3,251,233	1,698,533	(275,622)	4,674,144
As at 31 December 2017				
Unrestricted Funds				-
Asset Reserve	2,591,807	-	-	2,591,807
	-	50,806	-	50,806
Other	545,000	496,816	(279,734)	762,082
Total Unrestricted Funds	3,136,807	547,622	(279,734)	3,404,695
Restricted Funds				
Asset Reserve	297,272	-	-	297,272
Other	-	686,572	-	686,572
Total restricted Funds	297,272	686,572	-	983,844
Total	3,434,079	1,234,194	(279,734)	4,388,539

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2018	2017
Net income/ (expenditure)	285,605	535,387
(Gain)/Loss on investments	(2,783)	(93,800)
Interest received	(5,667)	(2,143)
Depreciation	114,400	110,986
Gift in Kind donated	(9,359)	-
Loss on sale of fixed assets	1,076	776
Decrease in stocks	9,223	5,042
(Increase)/ decrease in debtors	(113,213)	(354,313)
Decrease in creditors	(190,098)	(467,796)
Net cash (outflow)	89,184	(265,861)

	2018	2017
	£	£
Increase (decrease) in cash for the year	174,363	(314,312)
Cash outflow for repayment of loans	-	-
Changes in net funds resulting from cashflows	174,363	(314,312)
Opening net funds	672,885	987,197
Closing net funds	847,248	672,885

20. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Net Funds as at 1/1/18	Cashflow in year	Net Funds as at 31/12/18
Cash Deposits	156,727	76,995	233,722
Cash at Bank and in Hand	569,258	97,368	666,626
Loans due within 1 year	-	-	-
Loans falling due after more than 1 year	(53,100)	-	(53,100)
Total Cash and Cash equivalents	672,885	174,363	847,248

22. SUBSIDIARY COMPANY

A subsidiary company, Relief Education and Development International ("RED International"), company number 05454980, was incorporated on 17 May 2005, to carry out Relief, Education and Development work. Charitable status was granted on 17 January 2006. This company ceased activities at the end of 2017 and had no transactions in 2018. It was therefore dormant in 2018 and dissolved on 29 January 2019.

23. RELATED PARTY TRANSACTIONS

Included in the accounts are the following transactions and balances with related parties to be disclosed in accordance with the provisions of FRS102.

During 2010, a £10,000 loan was provided to the Alum Rock Hall Trust, an entity under the common control of the charity. At the end of 2018, £2,800 was due and is included with other debtors (2017 £2,800). Additionally, OM has paid various expenses on behalf of the Trust during the year totalling £2,018 (2017 £698) and at the end of 2018 an additional debtor of £11,291 (2017 £9,273) is included with other debtors.

Total aggregate donations by Trustees and connected persons amounted to £123,374 (2017 £183,102) given predominately to support OM work overseas in response to appeals for funds from them.

24. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £45,144 (2017 £36,343) were paid in the year. At the year end £11,071 (2017 £6,896) was outstanding and included within creditors.

25. STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2017

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
INCOME			
Income from Generated Funds			
Donations and Gifts	2,913,992	7,404,757	10,318,749
Income from Investments			
Rental Income	13,916	-	13,916
Interest Income	259	1,884	2,143
Income from Charitable Activities			
Literature and Other Sales	7,646	30,122	37,768
Services to Overseas Partners	18,359	1,250	19,609
Other	164,731	240,960	405,691
Total Income	3,118,903	7,678,973	10,797,876
EXPENDITURE			
Cost of Generating Funds			
Fundraising Costs	440,168	-	440,168
Charitable Activities			
Education and the Advancement of the Christian Faith	955,059	- 294,562	1,249,621
Support for Overseas Partners	1,626,182	2,015,981	3,642,163
Direct Payments	24,847	4,999,490	5,024,337
Sub Total Charitable Activities	2,606,088	7,310,033	9,916,121
Total Expenditure	3,046,256	7,310,033	10,356,289
Net Income/(Expenditure)	72,647	368,940	441,587
Gain on revaluation of Investment Property	93,800	-	93,800
Transfer of funds	(417,532)	417,532	-
Net movement of funds	(251,085)	786,472	535,387
Fund Balance brought forward			
1 January 2017	3,655,780	197,372	3,853,152
Fund Balance carried forward			
31 December 2017	3,404,695	983,844	4,388,539