

Registrar

**THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)**

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31st MARCH 2006**



CHARITY REGISTRATION NUMBER: 208434

COMPANY NUMBER: 228268

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

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THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION
AS AT 19th SEPTEMBER 2006

Patrons	Mrs A Seeley The Rt. Rev. Dr. J Sentamu (Archbishop of York) The Rt. Rev. Dr. J B Shucksmith The Rev. Dr. D Tidball (Principal of the London School of Theology)
Council Members	P J Gadsden Q Ings-Chambers J W Jack (Chairman) L A Smith M E B Walters P M White
Company Secretary	L A Smith
Registered Office	62 Bride Street London N7 8AZ
Registered Numbers	Charity 208434 Company 228268
Auditors	Hillyates Chartered Accountants and Registered Auditors Hill House 27 Meadowford Newport Saffron Walden Essex CB11 3QL
Investment Brokers	Rensburg Sheppard Investment Management 10 Throgmorton Avenue London EC2N 2DL
Principal Bankers	Barclays Bank plc Islington Branch 38 Islington Green London N1 8EH

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

The Council Members present their annual report with the financial statements of the Mission for the year ended 31st March 2006 and confirm that the financial statements comply with the current statutory requirements. This report also constitutes a director's report required by section 234 of the Companies Act 1985 as all Council Members, as Trustees of a charity company, are directors.

Structure, governance and management

The St Giles Christian Mission was incorporated on 22nd February 1928 as a company limited by guarantee but had been operating for over 50 years prior to that date as an independent Christian Mission with special emphasis on social work in Central London. The Mission is independent but is a member of the Fellowship of Independent Evangelical Churches (FIEC).

The Mission is governed by its Council, maximum number 20, minimum 5. New Council members are appointed by the Council subject to ratification at the following Annual General Meeting. Only Mission members can be appointed Council Members.

The Council Members are the Charity's Trustees, and the following held office during the year:

D J Vowles (Chairman from 17th September 2004 until his resignation on 24th March 2006)
J W Jack (Hon. Treasurer from 17th September 2004 and Chairman from 24th March 2006)
Q Ings-Chambers
L A Smith
M E B Walters (Vice Chairman from 17th September 2004)
P J Gadsden
Reverend D Streater (resigned 12th April 2005)
P M White

The Mission's activities are organised by the Pastor, David Page, a full time employee, supported by others employed by the Mission either on a full or part time basis.

Council Members responsibilities

Company law requires the Council Members (as directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Mission as at the end of the financial year and of the income and expenditure of the Mission for the period. In preparing those financial statements, the Council Members are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Comply with applicable Accounting Standards, 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 Mission will continue in operation.

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

The Council Members confirm that so far as they are aware, there is no relevant audit information of which the Mission's auditors are unaware. They have taken all the steps that they ought to have taken as Council Members in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Structure, governance and management – continued

Risks and risk management policy

The Council has identified risks to the Mission and its activities as follows:

- Physical risks primarily related to the Mission's properties and other chattel property.
- Third Party & Reputational risks including those related to children and young people arising from the activities of the Mission.
- Risks associated with a lack of resources including appropriate staff, adequate finance and fiscal changes detrimental to the Mission.
- Reduced support from the local community and falling Church membership.

Steps have been taken to counter these risks as follows:

Appropriate Insurance is maintained to cover properties and contents and third party claims which may arise in relation thereto. The Council has also retained surveyors to conduct periodic inspections to ensure the safety and condition of the buildings. Maintenance checks of appliances also take place regularly. Adequate Mission staff and worker numbers are maintained on duty when activities are taking place to ensure good order.

The Council has a policy relating to the care of children and young people involved with the Mission and its activities of which its staff and workers are reminded regularly.

The Council receives information by way of reports at its meetings from the Pastor of ongoing and proposed activities and gives directions where necessary to ensure the Mission's reputation is safeguarded. It also monitors the use, administration and adequacy of resources.

The Mission's investment portfolio is vested in its broker's nominee name, the brokers being regulated by the Financial Services Authority.

Local support for the Mission is encouraged by active contact with the community and the provision of programmes to cater for identified spiritual and social needs.

Investment policy

It is the Mission's policy to generate sufficient income (the majority of which derives from its Investment Portfolio) to meet its planned activities in the short term while managing the Portfolio to secure its future in the medium to long term and maintaining the value of assets. The Portfolio is invested across a variety of Gilts, Loan Stock, Convertibles and Equities to achieve a relatively low risk profile while ensuring reasonable income but not excluding opportunities for capital appreciation.

With a reduction in interest returns over recent years together with the Government's taxation of Charities' Investment Income, it has been impossible to replace maturing Gilt holdings with similar investments to achieve an equivalent net yield. As a proportion of the Portfolio value Gilts have now reduced to 8% (2005 15%); other fixed interest holdings just over 5% (2005 10%). Reinvestment into good quality Equities with suitable yields where there is also a prospect of capital appreciation is undertaken, together with some increase in convertible stock. The net income from maturing Gilt holdings over the next few years is similarly unlikely to be replaced by reinvestment in further medium Gilts.

The policy will therefore continue to concentrate on investment in good quality UK equities quoted in the FT Top 250 with a potential for some capital appreciation and targeting a minimum 4% gross yield. Volatile sectors will be avoided and generally investments will be in companies with sound assets; shares related to predominantly alcoholic drinks, tobacco and defence businesses will be avoided. Opportunities for the sale and reinvestment to consolidate capital appreciation will be sought while maintaining the quality at an acceptable level. Although some further reduction in the Portfolio's Gilt holding is regarded as acceptable in the short to medium term, opportunities will be taken if yields improve sufficiently to increase Gilts closer to 20% of total portfolio value.

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Structure, governance and management – continued

Investment policy - continued

Specific investment decisions are taken on the Council's behalf by the Chairman with the advice from the Mission's broker and the Council will continue to review changes in the portfolio at its regular meetings.

Objectives and activities

The Mission's principal aims as contained in its Memorandum of Association, the most recent revision having been adopted on 10th July 1998, are as follows:

'To proclaim the Gospel of the Grace of God through Our Lord Saviour Jesus Christ; to meet and provide meals for prisoners on their discharge from prison, to carry on all activities commonly called 'Prison Gate Work', to assist discharged prisoners to redeem their past and obtain honest employment and to provide them with requisite clothing tools and outfit; to house, maintain and care for juvenile offenders on probation and help to train them into and maintain them at Boys Homes maintained by the Mission; to render assistance in cash or otherwise to husbands, wives, children and dependents of prisoners; to receive into Homes and assist men, women and boys bound over under the 'Probation of Offenders Act 1907'; to visit the sick and relieve the distressed poor. To protect the young and aged and to succour the weak; to provide and maintain holidays and Holiday Homes for poor children; to provide and maintain Homes and Orphanages for children of prisoners and other destitute children and to bring up all such children in the Protestant Evangelical Faith and according to the Text and doctrine of the Holy scriptures; to provide the children in the Homes with all necessary and proper clothing and with Medical and Surgical treatment; to provide and maintain Convalescent Homes for the deserving sick poor; to provide and maintain Homes for the poor; to provide Christmas Fare and entertainments and New Year treats for children and deserving poor; to carry on Sunday schools, Bible classes, evangelical missions, savings banks, boys and girls clubs and brigades and other forms of social work to increase in all possible ways the spiritual and moral welfare of all those who attend the schools, classes, missions and social works of the Mission' together with the means to facilitate the pursuit of the above objectives.

Present activities of the Mission take place around its Centre in Islington where an evangelical Christian Mission is maintained and from which social needs in the area are addressed. Activities and meals for older folk are provided, youth work is undertaken, counselling given for both young and old, and holidays take place.

The Mission's objective for the year was a continuation and, where possible, enhancement of its activities by increasing its relevance and improving services to, the community.

The means to meet these objectives included planned changes in the pastoral team and building maintenance work.

Achievements and performance

The Mission has continued its comprehensive Christian spiritual and social outreach from its centre at its Islington premises. It has been successful in maintaining activity levels, including the recruitment of replacement older folk for inclusion in its programmes. The church programme has continued to be well supported and as many as ten different nationalities are regularly in its congregations. Other activities have been continued and the replacement Pastor's Assistant for the former Assistant Pastor has been further developing the children's work and developing links with local schools in the area. As in previous years, a variety of special events have been arranged to extend the Mission's outreach and to further encourage a happy community spirit within the Mission and in the locality.

The search for a part time assistant to deal with much of the administrative work was unsuccessful although for a short period some help was obtained. In the circumstances, two Council Members have, on an unpaid basis, continued to discharge this responsibility pending the outcome of further recruitment efforts. Maintenance work to the Mission's buildings has taken place and the dining area improved. New audio visual equipment has been installed to assist in regular church worship activities.

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COUNCIL MEMBERS' REPORT

Achievements and performance – continued

The Mission is inevitably constrained by its financial position which has suffered over several years from the increases in taxation of its Stock Exchange listed investment income which has restricted cash flow and mainly affecting the maintenance programme.

Financial review

The financial statements for the year show a substantial increase in Total Funds due to the improvement in the Investment Portfolio which has reflected the general Stock Market rise during the year. Overall Funds rose by £418,630 of which £413,726 represented gains in the Investment Portfolio which increased by 25%. This compares with a 22% rise in the FTSE 100 Index. As has been highlighted previously, the Mission is very dependant on the Portfolio which provides the vast majority of the Mission's income; this year it was almost 82%.

The actual surplus from normal recurring income less normal recurring expenditure was £4,426. Included in these expenses was £8,000 for major repairs and renewals work; the Mission, however, has spent over the last ten years an average of £20,000 per year for repairs and with further inflation in building costs in the London area, this expenditure might be expected to rise in the future. This year's transfer to the Building Maintenance Fund net of the transfer from the Reserve was approximately £10,000; if this had actually been spent then the surplus from recurring income and expenditure would have been a significant deficit. Furthermore, when an Administrative Assistant is engaged there will be an additional financial cost to be met. The overall financial position is, thus, a continuing concern with a year on year deficit taking the above factors into account of possibly £15,000.

At the balance sheet date the Mission had an accumulated unrestricted fund of £2,436,047 and a restricted fund of £1,060 (Refer to note 15 for an explanation of the purpose of the restricted fund). The Council Members are of the opinion that this will provide adequate resources to fulfil the financial obligations of the Mission.

No charitable or political donations were made by the Mission during the year.

Reserves policy

Nearly 82% of the Mission's total annual income arising from recurring sources derives from its Investment Portfolio and thus high levels of reserves are necessary to maintain this income. The actual level of the Mission's Reserves from time to time should enable the maintenance of a diversified Investment Portfolio of acceptable quality which will provide income sufficient to ensure the funding of overall outgoings. In order to protect its Reserves, the Mission will seek to regulate annual expenditure to a figure covered by total income after taking account of Council authorised projects and also averaging major expenses, e.g. costs relating to Mission property, over a realistic period.

Unusual income received at any time may be added to Reserves together with any surpluses arising from excesses of income over expenditure, either to improve the overall income from the Portfolio or temporarily, pending specific projects which involve significant expenditure being authorised by the Council, either capital or otherwise. Where specific expenditure is authorised which could lead to an income/expenditure deficit, clear limits will be established by the Council to contain the outflow from Reserves and no reduction in Reserves will be agreed which would be likely to denude investment income to such an extent as would endanger the ongoing work and operations of the Mission.

The Council at its regular meetings, but in any event not less than annually, reviews the level of Reserves and the income generated by the Investment Portfolio in the context outlined above. Where necessary, special funding initiatives will be undertaken to ensure appropriate Reserve levels and consequent investment income are maintained.

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Plans for the future

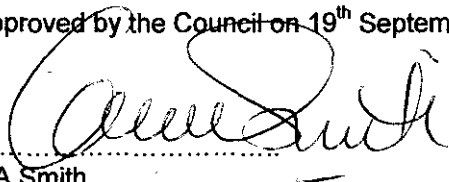
During the period, Mr David Vowles, having been a Council Member for circa 25 years principally as Treasurer and lately as Chairman, stood down from office. He had worked tirelessly for the Mission over this extended period and was a great servant to its cause. The Council would like to thank him for all his efforts and is extremely grateful for the lasting contributions he has made in ensuring sound administrative governance and practise is in place. Such people are hard to replace, but the Council continues to seek likeminded leaders to assist and drive forward the work of St. Giles in the coming years.

As noted earlier, the Mission is now a member of the Fellowship of Independent Evangelical Churches (FIEC) – this gives us a link with similar organisations and a link into a wealth of resources and information. The Council will continue to foster this relationship as it not only provides support to the pastoral and spiritual aspects of the work but also gives access to a broad pool of knowledge and advice on administrative and legal issues.

Auditors

The auditors, Hillyates, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Approved by the Council on 19th September 2006 and signed on its behalf by:



.....
L A Smith
Council Member

**THE ST GILES CHRISTIAN MISSION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE ST GILES CHRISTIAN MISSION**

We have audited the financial statements of The St Giles Christian Mission for the year ended 31 March 2006 on pages 8 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Mission's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Mission'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 Mission and the Mission's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL MEMBERS AND AUDITORS

As described in the Council Members' report, the Council Members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies ACT 1985. We also report to you if, in our opinion, the Council Members' Report is not consistent with the financial statements, if the Mission has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council Members' remuneration and transactions with the Mission is not disclosed.

We read other information contained in the Council Members' Report and consider whether it is consistent with the audited financial statements. This information comprises only the Council Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

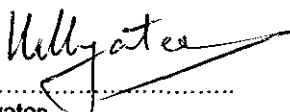
We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment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

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

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Practice, of the state of affairs of the Mission as at 31st March 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Council Members' Report is consistent with the financial statements.



Hillyates
Chartered Accountants and Registered Auditors
Hill House
27 Meadowford
Newport
Saffron Walden
Essex CB11 3QL

19th September 2006

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2006
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	13,956	1,878	15,834	13,114
Investment income	3	88,737	-	88,737	89,711
		<hr/>	<hr/>	<hr/>	<hr/>
		102,693	1,878	104,571	102,825
		<hr/>	<hr/>	<hr/>	<hr/>
Incoming resources from charitable activities					
Senior Citizen's Lunch Club		3,713	-	3,713	3,693
Mission outings		150	-	150	488
		<hr/>	<hr/>	<hr/>	<hr/>
		3,863	-	3,863	4,181
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		<hr/>	<hr/>	<hr/>	<hr/>
		106,556	1,878	108,434	107,006
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Cost of generating funds					
Investment management costs		684	-	684	540
Rental income costs	4	301	-	301	2,545
		<hr/>	<hr/>	<hr/>	<hr/>
		985	-	985	3,085
		<hr/>	<hr/>	<hr/>	<hr/>
Charitable activities	5	89,613	1,400	91,013	95,783
Governance costs	6	3,532	-	3,532	4,137
Major repairs and renewals work	14	8,000	-	8,000	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		<hr/>	<hr/>	<hr/>	<hr/>
		102,130	1,400	103,530	103,005
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources before other recognised gains		<hr/>	<hr/>	<hr/>	<hr/>
		4,426	478	4,904	4,001
		<hr/>	<hr/>	<hr/>	<hr/>
Realised net gains on investments		24,876	-	24,876	24,592
Unrealised gains on investments	11	388,850	-	388,850	197,165
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		<hr/>	<hr/>	<hr/>	<hr/>
		418,152	478	418,630	225,758
BALANCE BROUGHT FORWARD		<hr/>	<hr/>	<hr/>	<hr/>
		2,017,895	582	2,018,477	1,792,719
		<hr/>	<hr/>	<hr/>	<hr/>
BALANCES CARRIED FORWARD	15 - 17	<hr/>	<hr/>	<hr/>	<hr/>
		2,436,047	1,060	2,437,107	2,018,477
		<hr/>	<hr/>	<hr/>	<hr/>

Continuing operations

None of the Mission's activities were acquired or discontinued during the above two financial years.

The notes on pages 11 to 18 form part of these financial statements.

THE ST GILES CHRISTIAN MISSION
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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31st MARCH 2006

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Net movement in funds	418,152	478	418,630	225,758
<i>Less: Unrealised movement on revaluation of investments</i>	388,850	-	388,850	197,165
TOTAL RECOGNISED GAINS RELATING TO THE YEAR	<u>29,302</u>	<u>478</u>	<u>29,780</u>	<u>28,593</u>
Representing:				
Net income over expenditure on ordinary activities	4,426	478	4,904	4,001
Realised gains on investments	24,876	-	24,876	24,592
	<u>29,302</u>	<u>478</u>	<u>29,780</u>	<u>28,593</u>

The notes on pages 11 to 18 form part of these financial statements.

**BALANCE SHEET
AT 31st MARCH 2006**

The financial statements were approved by the Council on 19th September 2006 and signed on its behalf by:

Sh. Sach

Miller

Council Members

The notes on pages 11 to 18 form part of these financial statements.

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

1. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting by Charities (SORP 2005), applicable Accounting Standards, the Companies Act 1985 and the historical cost accounting convention as modified by the revaluation of fixed asset investments.

Where appropriate, comparative figures for the year ended 31st March 2005 have been restated in accordance with the principles of SORP 2005.

True and fair override disclosure and non compliance with the SORP

Since 1973 the Trustees have not provided depreciation on freehold buildings and are taking advantage of the true and fair override, departing from the prescribed treatment of Financial Reporting Standard 15 'Tangible Fixed Assets' as applied to SORP 2005, which requires all tangible fixed assets to be depreciated over their estimated economic lives.

It is the Mission's policy to maintain high residual values and long useful economic lives of the freehold buildings used for its activities and as such, to apply a depreciation charge would be misleading. The Mission operates a designated fund in respect of major repairs and renewals to its freehold buildings to ensure that they are regularly maintained. Designations applied to this fund are significantly in excess of an estimated annual depreciation charge of £3,000 if FRS 15 were to be applied. As shown in note 14, the designated fund now stands at £64,490 (2005: £54,534).

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the accumulated income fund. They are available for use at the discretion of the Council in furtherance of the general charitable objects of the Mission.

As stated in note 15, the Mission operates a Building Maintenance fund as a designated fund, where annual designations are applied and to which the cost of major repairs and renewals are charged. Annual designations have increased by 5% per annum based on an initial level of £10,000.

Restricted funds are funds subject to specific restrictions by the donors.

Investments

Investments held as fixed assets are stated at market value less any provision for permanent diminution in value. Realised and unrealised gains and losses are taken to the statement of financial activities. Income from investments is included in the financial statements when the Mission is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Depreciation of tangible fixed assets

All tangible fixed assets are included at cost and depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Fixtures and fittings	20% on cost
Computer equipment	33 1/3% on cost

No depreciation is provided on freehold buildings as noted above.

Sundry equipment purchases are written off in the statement of financial activities in the year of purchase, with the Mission capitalising items with a cost greater than £1,500.

THE ST GILES CHRISTIAN MISSION
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

1. STATEMENT OF ACCOUNTING POLICIES – continued

Stocks

Consumable stock purchases are written off in the statement of financial activities in the year of purchase as the Mission does not recognise that such stocks have any net realisable value once purchased.

Incoming resources

All incoming resources are included in the statement of financial activities when the Mission is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income by way of church collections, covenants from members, supporters donations and their related gift aid is included when receivable. Unless capable of financial measurement, legacies are credited as income in the year in which they are receivable. Council has determined that it does not regard a legacy as receivable until probate has been granted in respect of the legatee's estate.
- Investment income is included when receivable.
- Incoming resources from grants are recognised when the grant is awarded for a specific period.

Resources expended

Expenditure is included in the financial statements on an accruals basis and includes irrecoverable VAT.

- Charitable expenditure comprises those costs incurred by the Mission in the delivery of its activities and services for its beneficiaries. Due to the activities undertaken by the Mission, it is considered impracticable to differentiate between direct and support costs.
- Governance costs include those costs associated with meeting the statutory requirements of the Mission and include audit and related accountancy fees and costs linked to the strategic management of the Mission.
- All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are related directly.

Pension costs

The Mission operates a defined contribution pension scheme. Contributions payable to the scheme are charged in the statement of financial activities in the period to which they relate. These contributions are invested separately from the Mission's assets.

2. VOLUNTARY INCOME

	2006 £	2005 £
Church collections and covenants from members, including related gift aid	14,451	12,088
Supporters donations, including related gift aid	1,383	1,026
Legacies	-	-
	<hr/>	<hr/>
	15,834	13,114
	<hr/>	<hr/>

Included in church collections and covenants from members is restricted income relating to the Church Account Fund amounting to £1,878 (2005: £2,999) and as described in note 15. Also included in church collections and covenants from members is a specific contribution to an ex gratia payment to a former employee as shown in note 7.

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

3. INVESTMENT INCOME

	2006	2005
	£	£
Income from listed investments on the U.K.		
Stock Exchange (net of tax credits)	79,831	78,254
The Charities Official Investment Fund	742	698
Deposit account interest	859	799
	<hr/>	<hr/>
Rental income	81,432	79,751
	7,305	9,960
	<hr/>	<hr/>
	88,737	89,711
	<hr/>	<hr/>

4. RENTAL INCOME COSTS

	2006	2005
	£	£
Repairs and maintenance	183	2,486
Legal and professional	118	59
	<hr/>	<hr/>
	301	2,545
	<hr/>	<hr/>

5. CHARITABLE ACTIVITIES

	2006	2005
	£	£
Staff costs (note 7)	49,063	48,385
Staff training	588	450
Rates	6,550	4,917
Insurance	4,079	4,178
Light and heat	4,262	5,499
Repairs and maintenance	5,401	6,020
Travelling expenses	1,755	2,015
Other charitable expenditure	10,485	14,451
Depreciation	1,405	3,653
Telephones	1,486	1,527
Printing, postage and stationery	4,851	4,355
Subscriptions	371	58
Licences	324	275
Legal and professional	393	-
	<hr/>	<hr/>
	91,013	95,783
	<hr/>	<hr/>

Included in other charitable expenditure are restricted fund payments relating to the supporting the Children's work at St. Giles amounting to £1,400 (2005: £4,100) and as described in note 15.

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

6. GOVERNANCE COSTS

	2006	2005
	£	£
Insurance	639	613
Travelling expenses	143	349
Legal and professional fees	-	15
Audit fees	1,900	1,700
Accountancy fees	850	1,460
	<hr/>	<hr/>
	3,532	4,137
	<hr/>	<hr/>

7. INFORMATION ON COUNCIL MEMBERS AND EMPLOYEES

	2006	2005
	£	£
Staff costs		
Wages and salaries	42,045	44,144
Social security costs	1,531	2,127
Other pension costs	1,987	2,114
	<hr/>	<hr/>
	45,563	48,385
Ex gratia payment	3,500	-
	<hr/>	<hr/>
	49,063	48,385
	<hr/>	<hr/>

Church collections and covenants from members shown in note 2 included £1,500 as a specific contribution to the ex gratia payment referred to above.

	2006	2005
	No.	No.
The average number of employees during the year was made up as follows:		
Mission work	3	3
Administration	-	-
Support staff	3	3
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

The Council Members constitute directors under the provisions of the Companies Act and received no remuneration during the year.

No employee received emoluments of more than £60,000 in either period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

8. PENSION COSTS

The Mission now operates one defined contribution pension scheme (2005: 2 schemes). The assets of the scheme are held separately from those of the Mission in independently administered funds. The pension cost charge represents contributions payable by the Mission to the funds and amounted to £1,987 (2005: £2,114).

9. TAX ON ORDINARY ACTIVITIES

The Mission is not liable to income tax or corporation tax on its income under the provisions of section 505 of the Income and Corporation Taxes Act 1988. However, it suffers the loss of tax credits on income from listed equities on the U.K. Stock Exchange and the amount of tax credits on income from listed investments that was irrecoverable in the year ended 31st March 2006 amounted to £8,870 (2005: £6,990).

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost:			
At 1st April 2005	313,918	57,808	371,726
Additions	-	2,077	2,077
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st March 2006	313,918	59,885	373,803
Depreciation:			
At 1st April 2005	8,586	56,518	65,104
Charge for the year	-	1,405	1,405
	<hr/>	<hr/>	<hr/>
At 31st March 2006	-	57,923	66,509
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31st March 2006	305,332	1,962	307,294
	<hr/>	<hr/>	<hr/>
At 31st March 2005	305,332	1,290	306,622
	<hr/>	<hr/>	<hr/>
		2006	2005
		£	£
Analysis of net book value of land and buildings:			
Freehold		305,332	305,332
		<hr/>	<hr/>

In the opinion of the Council Members whilst there is a material difference between the carrying value of the Mission's properties and their market value, it is not practicable to quantify the difference.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

11. INVESTMENTS

	Beginning of year £	Additions £	Revaluation £	Disposals £	End of year £
Market valuation:					
Listed Investments on the U.K. Stock Exchange	1,640,120	286,809	384,595	(260,494)	2,051,030
The Charities Official Investment Fund	20,255	-	4,255	-	24,510
	<u>1,660,375</u>	<u>286,809</u>	<u>388,850</u>	<u>(260,494)</u>	<u>2,075,540</u>

The historical cost of investments included above is as follows:

	2006 £	2005 £
Listed investments on the U.K. Stock Exchange	1,531,358	1,466,459
The Charities Official Investment Fund	-	-
	<u>1,531,358</u>	<u>1,466,459</u>

12. DEBTORS

	2006 £	2005 £
Inland Revenue repayment claim relating to Gift Aid and dividends	2,889	2,160
Other debtors	-	372
Prepayments and accrued income	3,062	2,886
	<u>5,951</u>	<u>5,418</u>

13. CREDITORS: amounts falling due within one year

	2006 £	2005 £
PAYE and National Insurance	-	1,577
Other creditors	216	2,004
Accruals and deferred income	10,750	2,865
	<u>10,966</u>	<u>6,446</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

14. UNRESTRICTED FUNDS

The accumulated unrestricted funds of the Mission include the following designated fund which has been set aside by the Council for the specific purpose of maintaining its freehold properties.

	2006	2005
	£	£
Building Maintenance Fund		
Opening balance	54,534	37,433
New designations	17,956	17,101
Applications – major repairs and renewals work	(8,000)	-
	<hr/>	<hr/>
Closing balance	64,490	54,534
	<hr/>	<hr/>

15. RESTRICTED FUNDS

The Church Account Fund was established in 2004 and continues to receive collections and donations together with Gift Aid thereon for the specific purpose of supporting the children's work at St Giles. Charges during the year related to supporting the accommodation costs of the part time children's worker employed by the Mission.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Fund balances at 31 st March 2006 were represented by:				
Tangible assets	307,294	-	307,294	306,622
Investments	2,075,540	-	2,075,540	1,660,375
Debtors	5,612	339	5,951	5,418
Cash at bank and in hand	58,567	721	59,288	52,508
Creditors	(10,966)	-	(10,966)	(6,446)
	<hr/>	<hr/>	<hr/>	<hr/>
	2,436,047	1,060	2,437,107	2,018,477
	<hr/>	<hr/>	<hr/>	<hr/>

17. RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	2006	2005
	£	£
Net movement in funds for the financial year	418,630	225,758
Opening funds	2,018,477	1,792,719
	<hr/>	<hr/>
Closing funds	2,437,107	2,018,477
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2006

18. LIABILITY OF MEMBERS

The Mission is a charitable company limited by guarantee and has no share capital. As stated in the Memorandum and Articles of Association, the liability in respect of the guarantee is limited to £1 per member of the Mission during the time they are a member or within one year of ceasing to be a member. In the event of a winding up, any remaining funds of the Mission would revert to the Charity Commission.

19. RELATED PARTY DISCLOSURES

The Council Member Mr Q Ings-Chambers is a Senior Investment Director at Rensburg Sheppard Investment Management, the Mission's investment brokers. All of the Mission's investment movements during the year were transacted through these brokers. The cost of this service was provided on normal terms with dealing costs netted against the relevant purchase costs or proceeds, and safe custody fees of £684 charged to legal and professional fees (2005: £540). At the end of the year £nil was owed to the brokers (2005: £nil).

During the year charity funds have been used to purchase indemnity insurance for the Council Members as Trustees, and the amount charged to the statement of financial activities was £639 (2005: £613).

None of the Council Members or any persons connected with them have received any remuneration during the year, other than the reimbursement of £143 of travel and subsistence costs for 3 Council Members (2004: £349 for 4 Council Members).

20. CONTROL

There is no ultimate controlling party.