

Registrar of Companies

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

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31st MARCH 2008**

CHARITY REGISTRATION NUMBER 208434

COMPANY NUMBER 228268

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THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2008

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THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION
AS AT 14TH OCTOBER 2008

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	Q Ings-Chambers J W Jack (Chairman) J Rosser N Scott 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 and Manager	Baring Asset Management Limited 155 Bishopsgate London EC2M 3XY
Principal Bankers	Barclays Bank plc Islington Branch 38 Islington Green London N1 8EH

THE ST GILES CHRISTIAN MISSION (Limited by Guarantee)

COUNCIL MEMBERS' REPORT

Council Members present their annual report with the financial statements of the Mission for the year ended 31st March 2008 and confirm that the financial statements comply with the current statutory requirements. This report also constitutes a directors' 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. Council Members are drawn from a variety of professions and have long experience in their relevant field. The Mission only asks experienced people to join the Council who can then contribute according to their relevant skill set. In terms of induction, potential candidates are discussed by the Council after a recommendation and the Chairman will then interview to assess their appropriateness and consider the contribution and value they can bring to the Mission. If relevant, candidates are introduced at a Council meeting where they will attend as an observer and subsequently invited onto the Council. 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 Mission's Council Members are the Charity's Trustees, and the following held office during the year:

J W Jack (Chairman)
M E B Walters (Vice Chairman)
P J Gadsden (resigned 15th July 2008)
Q Ings-Chambers
J Rosser
N Scott
L A Smith
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

Council Members are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires Council Members, as directors, to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Mission and its financial activities for that period. In preparing those financial statements, Council Members are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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

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

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 Trustees (directors) in order to make themselves aware of any relevant audit information and to establish that the Mission's 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 increased to 11% (2007 7%), other fixed interest holdings just over 8% (2007 6%). 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 the proportion of Gilts the portfolio holds.

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.

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

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 and 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 continued with particular focus on 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

In relation to the administrative work, 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 building portfolio has been undertaken on an ad-hoc basis

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

Additionally the Mission's Balance Sheet is subject to the volatility of the valuation of the Investment Portfolio which reduced significantly year on year As noted in the investment policy on page 3 the strategy is to focus on generating revenue and so the capital value is not the main measure of performance

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Financial review

The financial statements for the year show a substantial decrease in Total Funds due to the performance of the Investment Portfolio which has reflected the general Stock Market decline during the year. Overall Funds fell by £358,254 which included net realised and unrealised losses of £376,048 and the Investment Portfolio decreased by 16%. This compares with a 6% fall 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 approximately 74% (2007 73%).

The actual surplus from normal recurring income less normal recurring expenditure was £17,794. Included in these expenses was £5,556 for major repairs and renewals work. For some years the Mission spent an average of £20,000 per annum on repairs but the long awaited strategic plan for the Mission's properties has meant that only essential expenditure has been incurred since 2005 pending such a review in 2009. This year's transfer to the Building Maintenance Fund net of the transfer from the Reserve was approximately £14,000, if this had actually been spent then the surplus from recurring income and expenditure would have been substantially reduced. 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.

At the balance sheet date the Mission had an accumulated unrestricted fund of £2,321,210 and a restricted fund of £7,807 (Refer to note 16 for an explanation of the purpose of the restricted fund). 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

Over 70% 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.

Plans for the future

The Mission has been exercised regarding the future of its property portfolio during the year and commissioned a Chartered Surveyor to undertake a review of the main church building. Following this the Mission has appointed a specialist property consultant to develop a strategic plan in relation to the property assets that the Mission holds.

The Council continues to seek leaders to assist and drive forward the work of St Giles in the coming years, particularly looking for people who are involved in the local area.

The Mission's membership of the Fellowship of Independent Evangelical Churches (FIEC) provides access to 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.

**THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

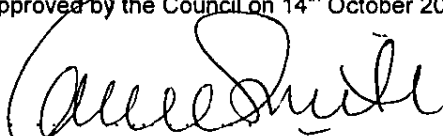
Auditors

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

Small company exemption

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Council on 14th October 2008 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'L A Smith', written over the printed name.

L A Smith
Council Member

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

**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 2008 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 COUNCIL MEMBERS AND AUDITORS

The responsibilities of Council Members for preparing the report and financial statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council Members' Responsibilities contained in the Council Members' Report.

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.

In addition, we report to you if, in our opinion, 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

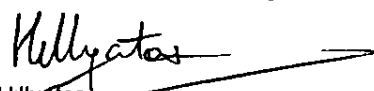
We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment 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 Accounting Practice, of the state of affairs of the Mission as at 31st March 2008 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.


Hilary Ates
Chartered Accountants and Registered Auditors
Hill House, 27 Meadowford
Newport
Saffron Walden
Essex CB11 3QL
31st October 2008

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2008
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	18,560	4,093	22,653	20,545
Investment income	3	105,716	-	105,716	101,782
		<u>124,276</u>	<u>4,093</u>	<u>128,369</u>	<u>122,327</u>
Incoming resources from charitable activities					
Senior Citizen's Lunch Club		3,751	-	3,751	3,689
Mission outings		130	-	130	189
		<u>3,881</u>	<u>-</u>	<u>3,881</u>	<u>3,878</u>
Total Incoming Resources		<u>128,157</u>	<u>4,093</u>	<u>132,250</u>	<u>126,205</u>
RESOURCES EXPENDED					
Cost of generating funds					
Investment management costs	4	8,481	-	8,481	676
Rental income costs	5	357	-	357	601
		<u>8,838</u>	<u>-</u>	<u>8,838</u>	<u>1,277</u>
Charitable activities	6	96,416	-	96,416	87,998
Governance costs	7	3,646	-	3,646	4,084
Major repairs and renewals work	15	5,556	-	5,556	6,275
Total resources expended		<u>114,456</u>	<u>-</u>	<u>114,456</u>	<u>99,634</u>
Net incoming resources before other recognised gains		<u>13,701</u>	<u>4,093</u>	<u>17,794</u>	<u>26,571</u>
Realised net (losses)/gains on investments		(45,029)	-	(45,029)	51,365
Unrealised net (losses)/ gains on investments	12	(331,019)	-	(331,019)	172,228
NET MOVEMENT IN FUNDS		<u>(362,347)</u>	<u>4,093</u>	<u>(358,254)</u>	<u>250,164</u>
BALANCE BROUGHT FORWARD		<u>2,683,557</u>	<u>3,714</u>	<u>2,687,271</u>	<u>2,437,107</u>
BALANCES CARRIED FORWARD	15 - 18	<u>2,321,210</u>	<u>7,807</u>	<u>2,329,017</u>	<u>2,687,271</u>

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
(Limited by Guarantee)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31st MARCH 2008

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Net movement in funds	(362,347)	4,093	(358,254)	250,164
Less Unrealised movement on revaluation of investments	(331,019)	-	(331,019)	172,228
TOTAL RECOGNISED (LOSSES)/ GAINS RELATING TO THE YEAR	<u>(31,328)</u>	<u>4,093</u>	<u>(27,235)</u>	<u>77,936</u>
Representing				
Net income over expenditure on ordinary activities	13,701	4,093	17,794	26,571
Realised net (losses)/gains on investments	<u>(45,029)</u>	<u>-</u>	<u>(45,029)</u>	<u>51,365</u>
	<u>(31,328)</u>	<u>4,093</u>	<u>(27,235)</u>	<u>77,936</u>

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

THE ST GILES CHRISTIAN MISSION
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BALANCE SHEET AT 31st MARCH 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		305,910		306,602
Investments	12		1,951,366		<u>2,327,101</u>
			2,257,276		<u>2,633,703</u>
CURRENT ASSETS					
Debtors	13	8,916		7,801	
Cash at bank and in hand		73,676		<u>49,170</u>	
		82,592		<u>56,971</u>	
CREDITORS: amounts falling due within one year	14	(10,851)		(3,403)	
NET CURRENT ASSETS			71,741		<u>53,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,329,017		<u>2,687,271</u>
FUNDS					
Unrestricted funds	15		2,321,210		2,683,557
Restricted funds	16		7,807		<u>3,714</u>
TOTAL FUNDS	17,18		2,329,017		<u>2,687,271</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Council on 14th October 2008 and signed on its behalf by



J W Jack
Chairman and Treasurer

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

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

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 15, the designated fund now stands at £91,310 (2007 £77,069)

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 £2,000.

THE ST GILES CHRISTIAN MISSION
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

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 or that any outstanding amounts subject to approval of legatee's estate accounts can be quantified.
- 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.

- Investment management costs comprise investment manager fees based on the value of assets under management. This is a change in accounting policy, the effects of which are set out in note 4.
- 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

	2008	2007
	£	£
Church collections and covenants from members, including related gift aid	19,407	17,929
Supporters donations, including related gift aid	746	757
Legacies	2,500	1,859
	<u>22,653</u>	<u>20,545</u>

Included in church collections and covenants from members is restricted income relating to the Church Account Fund amounting to £4,093 (2007: £2,654) and as described in note 16.

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

3. INVESTMENT INCOME

	2008 £	2007 £
Income from listed investments on the U K Stock Exchange (net of tax credits)	93,551	90,106
Deposit account interest	4,225	2,316
	<u>97,776</u>	<u>92,422</u>
Rental income	7,940	9,360
	<u>105,716</u>	<u>101,782</u>

4. INVESTMENT MANAGEMENT COSTS

During the year there was a change in accounting policy whereby the Mission changed its arrangements with its investment brokers, Rensburg Sheppard Investment Management, moving from a transaction commission based approach to a fee based approach which is more industry standard and best practice. The overall costs for the year of £8,481 are similar to the old methodology but more closely linked to the value of assets under management rather than the number and size of transactions undertaken by the investment broker. In previous years, and as highlighted in note 20, commission was essentially netted within the net realised gains and losses for the year. Based on the new arrangements an investment charge of approximately £8,000 would have been incurred in respect of the year ended 31st March 2007 reducing the reported net incoming resources before other recognised gains to £18,571 and realised net gains on investments would have amounted to £59,365, with no overall effect on the reported net movement in funds for the year.

5. RENTAL INCOME COSTS

	2008 £	2007 £
Repairs and maintenance	357	507
Legal and professional	-	94
	<u>357</u>	<u>601</u>

6. CHARITABLE ACTIVITIES

	2008 £	2007 £
Staff costs (note 8)	49,618	45,079
Staff training	530	710
Rates	4,570	4,979
Insurance	4,288	4,308
Light and heat	8,513	7,430
Repairs and maintenance	2,632	5,986
Travelling expenses	2,090	2,181
Other charitable expenditure	11,221	10,500
Depreciation	692	692
Telephones	2,033	1,780
Printing, postage and stationery	7,258	3,418
Legal and professional	1,962	-
Subscriptions	712	598
Licences	297	337
	<u>96,416</u>	<u>87,998</u>

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7. GOVERNANCE COSTS

	2008 £	2007 £
Insurance	573	625
Travelling expenses	-	-
Audit fees	2,150	2,050
Accountancy fees	923	1,409
	<u>3,646</u>	<u>4,084</u>

8. INFORMATION ON COUNCIL MEMBERS AND EMPLOYEES

	2008 £	2007 £
Staff costs		
Wages and salaries	41,603	41,605
London City Mission secondment costs	4,252	-
Social security costs	1,613	1,402
Other pension costs	2,150	2,072
	<u>49,618</u>	<u>45,079</u>

The average number of employees during the year was made up as follows

	No	No
Mission work (*including London City Mission secondee)	*5	3
Administration	-	-
Support staff	3	3
	<u>8</u>	<u>6</u>

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

9 PENSION COSTS

The Mission operates a defined contribution pension scheme. 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 £2,150 (2007 £2,072)

10. 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 2008 amounted to £9,110 (2007 £8,890)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost.			
At 1st April 2007	313,918	28,405	342,323
Additions	-	-	-
Disposals	-	-	-
At 31st March 2008	<u>313,918</u>	<u>28,405</u>	<u>342,323</u>
Depreciation:			
At 1st April 2007	8,586	27,135	35,721
Charge for the year	-	692	692
Disposals	-	-	-
At 31st March 2008	<u>8,586</u>	<u>27,827</u>	<u>36,413</u>
Net book value:			
At 31st March 2008	<u>305,332</u>	<u>578</u>	<u>305,910</u>
At 31st March 2007	<u>305,332</u>	<u>1,270</u>	<u>306,602</u>
		2008	2007
		£	£
Analysis of net book value of land and buildings:			
Freehold		<u>305,332</u>	<u>305,332</u>

In the opinion of the Council 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

12. INVESTMENTS

	Beginning of year £	Additions £	Revaluation £	Disposals £	End of year £
Market valuation:					
Listed Investments on the U K Stock Exchange	<u>2,327,101</u>	<u>480,430</u>	<u>(331,019)</u>	<u>(525,146)</u>	<u>1,951,366</u>

The historical cost of investments included above is as follows:

	2008 £	2007 £
Listed investments on the U K Stock Exchange	<u>1,773,180</u>	<u>1,657,005</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

13 DEBTORS

	2008 £	2007 £
Inland Revenue repayment claim relating to Gift Aid	3,991	3,568
Other debtors	1,485	1,149
Prepayments and accrued income	3,440	3,084
	<u>8,916</u>	<u>7,801</u>

14. CREDITORS: amounts falling due within one year

	2008 £	2007 £
Other creditors	6,793	131
Accruals and deferred income	4,058	3,272
	<u>10,851</u>	<u>3,403</u>

15 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

	2008 £	2007 £
Building Maintenance Fund		
Opening balance	77,069	64,490
New designations	19,797	18,854
Applications – major repairs and renewals work	(5,556)	(6,275)
	<u>91,310</u>	<u>77,069</u>
Closing balance		

16. 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2007	Total 2006
	£	£	£	£
Fund balances at 31 st March 2008 were represented by				
Tangible assets	305,910	-	305,910	306,602
Investments	1,951,366	-	1,951,366	2,327,101
Debtors	8,050	1,454	8,916	7,801
Cash at bank and in hand	66,735	6,353	73,676	49,170
Creditors	(10,851)	-	(10,851)	(3,403)
	<u>2,321,210</u>	<u>7,807</u>	<u>2,329,017</u>	<u>2,687,271</u>

18 RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	2008 £	2007 £
Net movement in funds for the financial year	(358,254)	250,164
Opening funds	<u>2,687,271</u>	<u>2,437,107</u>
Closing funds	<u>2,329,017</u>	<u>2,687,271</u>

19. 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.

20 RELATED PARTY DISCLOSURES

Until January 2008 the Council Member Mr Q Ings-Chambers was 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 basis of charging for this service was changed during the year in accordance with best practice as explained in note 4 and investment portfolio management fees of £8,481 were charged to the statement of financial activities (2007 £676). At the end of the year £nil was owed to the brokers (2007 £nil). In October 2008 the management of the Mission's investment portfolio was transferred to Baring Asset Management Limited.

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 £573 (2007 £625).

No Council Member or any persons connected with them have received any remuneration during the year, nor any reimbursement of travel and subsistence costs (2007 None and nil).

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21 CONTINGENT ASSET

The Mission was the beneficiary of two connected Estates in 2000 and £289,000 was received and accounted for in the financial statements for the years ended 31st March 2001 and 31st March 2002. Whilst there are residual amounts due to the Mission from these legacies in excess of £20,000, approval of the Estates Accounts from the solicitors representing one of the lay beneficiaries is still awaited with outstanding queries relating to the incidence of Inheritance Tax.

Given the uncertainty of the amount that the Mission might ultimately receive, no provision has been made in these financial statements for any further amounts due.

22. POST BALANCE SHEET EVENTS

Council Members are well aware of the impact on the value of the Mission's investment portfolio with the recent downturn in the world's financial markets. The current volatility of listed share prices makes it impossible to determine whether there is any permanent diminution in the value of any investments in the Mission's portfolio at this time.