

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2012**

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CHARITY REGISTRATION NUMBER 208434

COMPANY NUMBER 0228268

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2012

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THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION
AS AT 11TH DECEMBER 2012

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	J W Jack (Chairman) P M White (Vice Chairman) D Cox Q Ings-Chambers J Rosser L A Smith W E Smith
Company Secretary	W E Smith
Registered Office	62 Bride Street London N7 8AZ
Registered Numbers	Charity 208434 Company 0228268
Independent Examiner	Hillyates, Chartered Accountants Hill House, 27 Meadowford Newport, Saffron Walden Essex CB11 3QL
Investment Brokers and Manager	SG Hambros Bank Limited Norfolk House 31 St James's Square London SW1Y 4JR
Principal Bankers	Barclays Bank plc Islington Branch 38 Islington Green London N1 8EH
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Council Members present their annual report with the financial statements of the Mission for the year ended 31st March 2012 and confirm that the financial statements comply with the current statutory requirements. This report also constitutes a directors' report required by the Companies Act 2006 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)
P M White (Vice Chairman)
D Cox
Q Ings-Chambers
J Rosser
L A Smith
W E Smith

The Mission's activities are ordinarily organised by the Pastor, supported by others employed by the Mission either on a full or part time basis and other voluntary supporters.

Council Members responsibilities

Council Members (who are also directors of The St Giles Christian Mission for the purposes of company law) are responsible for preparing the Council Members' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Mission and its incoming resources and application of resources (including the income and expenditure) of the Mission for that period. In preparing those financial statements, Council Members are required to:

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards 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 statements comply with the Companies Act 2006. 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.

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 income and capital growth 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 through maintaining the value of assets in real terms. The Portfolio is invested across a variety of asset classes including, but not limited to, fixed interest securities, equities, commercial property, hedge funds and cash. The investment objective is to aim to achieve a balance of income and capital growth with a target return benchmark of CPI +3% per annum over a rolling 3 year period. It is a low risk mandate that aims to deliver a total return comprising an income yield and capital appreciation.

One advantage of focusing on an absolute numerical return is the focus on the risk involved to achieve the return, so that it is delivered as consistently as possible. The Investment Manager's approach thus dovetails with the Mission's requirement to preserve and enhance the real value of the capital over the long term.

The investment strategy of the portfolio has evolved over the recent past from one which focused on a more limited number of asset classes and investments to a globally diversified portfolio of investments. At all times, the risk of both the individual holdings and the collective portfolio is monitored to ensure an acceptable level of risk is taken which is consistent with the overall investment objective. 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.

From the end of May 2011 the investment management of the portfolio was transferred from Baring Asset Management Limited to SG Hambros Bank Limited. The management is undertaken on a discretionary basis and formally reviewed by the Trustees periodically.

THE ST GILES CHRISTIAN MISSION (Limited by Guarantee)

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 to continue these core activities 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 Additionally, in planning the activities for the year and for the future, Council Members confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission

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 order to deliver its objectives, it is key to have a team in place with relevant experience and skills As noted in the prior year financial statements, following a lengthy search, St Giles has called a new Pastor in Brad Franklin He joined the Mission team in August 2011 and he has started to move us into the next phase of the Mission's development With his experience in both the United States and the UK the Council feel that Brad is in a good position to further develop the breadth, depth and focus of the Mission's activities in line with the strong Evangelical tradition that the Mission has

In relation to the administrative work, two Council Members have, on an unpaid basis, continued to discharge this responsibility supported by a part time office manager

Maintenance work to the Mission's building portfolio has moved to the main building where we have installed a new fire alarm system and also with the appointment of a new pastor there was a refurbishment completed of the Manse prior to him taking up his new role

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 also the recent financial turmoil has put strain on the revenue generating capacity of the Missions' investments

Additionally the Mission's Balance Sheet is subject to the volatility of the valuation of the Investment Portfolio which had reduced significantly year on year until a recovery in the past two years As noted in the investment policy on page 3 the strategy has switched to focus on a total return basis rather than focussing mainly on income generation This has the dual benefit of maximising the status of the Mission as a non-capital gains tax payer and reducing the overall risk embedded in the portfolio

THE ST GILES CHRISTIAN MISSION
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COUNCIL MEMBERS' REPORT

Financial review

The financial statements for the year show a decrease in Total Funds due to the performance of the Investment Portfolio which continues to reflect the 2010 change in investment strategy and in the financial markets in which the Mission has invested. Overall Funds reduced by £28,738 which included net realised and unrealised losses of £29,167 and the Investment Portfolio decreased by 4.6%. This compares with a 2.4% increase in the FTSE 100 Index. As has been highlighted previously, the Mission is very dependent on the Portfolio which provides the vast majority of the Mission's income, this year it was approximately 34% (2011 60%) due to lower returns generally and two substantial legacies received by the Mission.

The actual overall surplus from normal recurring income less normal recurring expenditure of £429 as opposed to the deficit in 2011 of £15,200 includes a significant spend in relation to the Mission buildings portfolio and the two legacies referred to above. Full details are shown in the Statement of Financial Activity and supporting notes.

At the balance sheet date the Mission had an accumulated unrestricted fund of £2,181,324 and a restricted fund of £12,999 (Refer to note 15 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. Professional indemnity insurance paid on behalf of Council Members is disclosed in notes 7 and 19.

Reserves policy

With the exception of this current year in receiving two substantial legacies, nearly 60% of the Mission's total annual income arising from recurring sources normally 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 continues to be exercised regarding the future of its property portfolio. The development of a strategic plan in relation to the property assets that the Mission holds, focussing initially on the flats adjacent to the Mission building, has now moved on to encompass the Manse and the main Mission building throughout 2011/2012. This work will continue as the new pastoral team identify the needs and priorities of the Mission to meet its future ministry objectives.

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.

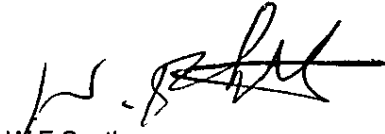
The Mission's membership of the Fellowship of Independent Evangelical Churches (FIEC) provides access to a wealth of resources and information. The Council will continue to foster this relationship as it not only provides support to the pastoral and spiritual aspects of the work but also gives access 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

Small company exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, approved by the Council on 11th December 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'W E Smith', written over a horizontal line.

W E Smith
Council Member and Company Secretary

THE ST GILES CHRISTIAN MISSION
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INDEPENDENT EXAMINER'S REPORT TO THE COUNCIL MEMBERS OF
THE ST GILES CHRISTIAN MISSION

I report on the financial statements of the Mission for the year ended 31st March 2012 as set out on pages 8 to 18

This report is made solely to the Mission's Council Members (Trustees), as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the Mission's Council Members those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Mission and its Council Members as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Council Members and the Independent Examiner

The Mission's Council Members as charity trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the Mission's financial statements. The Council Members consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the '2011 Act') and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Mission is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the financial statements under section 145 of the 2011 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state where particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Mission and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as Council Members (Trustees) concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met, or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached



Peter William Hill FCA
Hillyates, Chartered Accountants
Hill House, 27 Meadowford
Newport, Saffron Walden
Essex CB11 3QL
11th December 2012

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2012
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	76,868	913	77,781	20,864
Investment income	3	55,044	-	55,044	71,320
		131,912	913	132,825	92,185
Incoming resources from charitable activities					
Senior Citizen's Lunch Club		2,686	-	2,686	3,488
Mission outings		230	-	230	389
Other income – sale of piano		350	-	350	-
		3,266	-	3,266	3,877
Total Incoming Resources		135,178	913	136,091	96,061
RESOURCES EXPENDED					
Cost of generating funds					
Investment management costs	4	12,712	-	12,712	13,761
Rental income costs	5	3,571	-	3,571	5,009
		16,283	-	16,283	18,770
Charitable activities	6	90,381	-	90,381	88,165
Governance costs	7	3,835	-	3,835	4,326
Major repairs and renewals work	14	25,163	-	25,163	-
Total resources expended		135,662	-	135,662	111,261
Net incoming/(outgoing) resources before other recognised gains		(484)	913	429	(15,200)
Realised net (losses)/gains on investments		(19,594)	-	(19,594)	909
Unrealised net (losses)/gains on investments	11	(9,573)	-	(9,573)	89,602
NET MOVEMENT IN FUNDS		(29,651)	913	(28,738)	75,311
BALANCE BROUGHT FORWARD		2,210,975	12,086	2,223,061	2,147,750
BALANCES CARRIED FORWARD	14 - 17	2,181,324	12,999	2,194,323	2,223,061

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 2012

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Net movement in funds	(29,651)	913	(28,738)	75,311
Less Unrealised movement on revaluation of investments	(9,573)	-	(9,573)	89,602
TOTAL RECOGNISED GAINS/(LOSSES) RELATING TO THE YEAR	(20,078)	913	(19,165)	(14,291)
Representing				
Net income/ (expenditure) on ordinary activities	(484)	913	429	(16,700)
Realised net (losses)/gains on investments	(19,594)	-	(19,594)	909
	(20,078)	913	(19,165)	(15,971)

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

THE ST GILES CHRISTIAN MISSION
(Limited by Guarantee - Company Registration no 0228268)

BALANCE SHEET AT 31st MARCH 2012

	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		314,132		305,332
Investments	11		1,783,640		1,869,812
			2,097,772		2,175,144
CURRENT ASSETS					
Debtors	12	31,251		8,977	
Cash at bank and in hand		79,150		58,835	
		110,401		67,812	
CREDITORS amounts falling due within one year	13	13,850		19,895	
NET CURRENT ASSETS			96,551		47,917
TOTAL ASSETS LESS CURRENT LIABILITIES			2,194,323		2,223,061
FUNDS					
Unrestricted funds					
Accumulated income fund			2,051,861		2,080,412
Building maintenance fund	14		129,463		130,563
			2,181,324		2,210,975
Restricted funds	15		12,999		12,086
TOTAL FUNDS	16,17		2,194,323		2,223,061

Audit exemption statement

For the year ended 31st March 2012 the Mission, as a charitable company, was entitled to exemption from the requirement to have an audit under the provisions of sections 475 and 477 of the Companies Act 2006 relating to small companies,

No member or members' eligible to do so has deposited a notice with the Mission requesting an audit to be carried out within the specific time frame, and that

The trustees (as directors) acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records, and preparing financial statements which give a true and fair view of the state of affairs of the Mission as at the end of the financial period and of its net movement in funds for the period in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of that Act relating to financial statements so far as they are applicable to the Mission

These financial statements have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies, were approved by the Council on 11th December 2012 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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 2006 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 immaterial. 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 £129,463 (2011 £130,563)

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 2012

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 on an accruals basis. This is a refinement of the previous policy of a receivable basis to recognise the contribution of gilt and bond income within the investment portfolio
- 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
- 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

2 VOLUNTARY INCOME

	2012	2011
	£	£
Church collections and covenants from members, including related gift aid	21,501	20,627
Supporters donations, including related gift aid	108	237
Legacies	56,172	-
	77,781	20,864

Included in church collections and covenants from members is restricted income relating to the Church Account Fund amounting to £913 (2011 £1,500) 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 2012

3 INVESTMENT INCOME

	2012	2011
	£	£
Income from listed investments (net of tax credits)	46,001	57,235
Deposit account and other interest	158	345
	46,159	57,580
Rental income	8,885	13,740
	55,044	71,320

4. INVESTMENT MANAGEMENT COSTS

	2012	2011
	£	£
S G Hambros Bank Limited	11,355	-
Baring Asset Management Limited	1,357	13,761
	12,712	13,761

5. RENTAL INCOME COSTS

	2012	2011
	£	£
Rates	2,975	2,333
Insurances	194	178
Light and heat	-	234
Repairs and maintenance	402	2,164
Legal and professional	-	100
	3,571	5,009

6. CHARITABLE ACTIVITIES

	2012	2011
	£	£
Staff costs (note 8)	51,963	44,896
Staff training	636	566
Rates	1,361	7,338
Insurance	4,000	4,088
Light and heat	6,344	8,955
Repairs and maintenance	10,095	2,228
Travelling expenses	642	900
Other charitable expenditure	9,128	12,154
Depreciation	2,200	-
Telephones	1,383	610
Printing, postage and stationery	1,511	5,551
Subscriptions and licences	1,118	879
	90,381	88,165

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

6. CHARITABLE ACTIVITIES - continued

Included in other charitable expenditure is expenditure relating to the Church Account Fund amounting to £nil (2011 £nil)

7. GOVERNANCE COSTS

	Note	2012	2011
		£	£
Trustees professional indemnity insurance	20	607	604
Travelling expenses	20	453	578
Other regulatory fees and costs		15	430
Audit fees (2011 – underprovision)		-	74
Independent Examiner's fees		1,560	1,560
Other accountancy fees		1,200	1,080
		3,835	4,326

8. INFORMATION ON COUNCIL MEMBERS AND EMPLOYEES

	2012	2011
	£	£
Staff costs		
Wages and salaries	45,515	36,957
Social security costs	2,293	939
Other pension costs	1,567	-
	49,375	37,896
Sponsorship costs of new Pastor	2,588	-
Ex gratia payment to former Pastor	-	7,000
	51,963	44,896

Church collections and covenants from members shown in note 2 included £3,600 as a specific contribution to the ex gratia payment referred to above

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

	No	No
Mission work	4	3
Administration	1	1
Support staff	4	4
	9	8

Council Members constitute directors under the provisions of the Companies Act and received no remuneration during the year (2011 £nil)

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 2012

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.

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost:			
At 1st April 2011	313,918	28,405	342,323
Additions	-	11,000	11,000
Disposals	-	-	-
At 31st March 2012	<u>313,918</u>	<u>39,405</u>	<u>353,323</u>
Depreciation:			
At 1st April 2011	8,586	28,405	36,991
Charge for the year	-	2,200	2,200
Disposals	-	-	-
At 31st March 2012	<u>8,586</u>	<u>30,605</u>	<u>39,191</u>
Net book value:			
At 31st March 2012	<u>305,382</u>	<u>8,800</u>	<u>314,132</u>
At 31st March 2011	<u>305,332</u>	<u>-</u>	<u>305,332</u>
		2012	2011
		£	£
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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

11. INVESTMENTS

	2012	2011
	£	£
Listed investments:		
Market value at 1 st April 2011	1,814,566	1,806,255
Additions at cost	406,294	183,869
Disposals at opening market value or cost if acquired after 1 st April 2011	(590,496)	(265,160)
Unrealised (losses)/gains	(9,573)	89,602
	1,620,791	1,814,566
Market value at 31st March 2012	1,620,791	1,814,566
Cash held by investment manager	162,849	55,246
	1,783,640	1,869,812

Analysis of listed investments	2012	2011
	£	£
UK investments		
Gilts	160,221	227,462
Corporate bonds and related investments	56,712	125,114
Equities	398,344	559,812
Alternative, property and specialist investments	-	272,596
Overseas investments		
Government bonds	131,234	54,405
Corporate bonds and related investments	386,312	198,968
Equities	358,558	321,323
Alternative, property and specialist investments	129,410	54,886
	1,620,791	1,814,566

Historical cost of listed investments	2012	2011
	£	£
	1,433,329	1,501,414

12. DEBTORS

	2012	2011
	£	£
Inland Revenue repayment claim relating to Gift Aid	3,678	3,540
Other debtors	20,298	239
Prepayments and accrued income	7,275	5,198
	31,251	8,977

THE ST GILES CHRISTIAN MISSION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

13. CREDITORS: amounts falling due within one year

	2012	2011
	£	£
PAYE and NI	2,425	867
Other creditors and accruals	11,425	19,028
	13,850	19,895

14. BUILDING MAINTENANCE FUND

The accumulated unrestricted funds of the Mission include the building maintenance fund, as a designated fund, which has been set aside by the Council for the specific purpose of maintaining its freehold properties

	2012	2011
	£	£
Opening balance	130,563	107,646
New designations	24,063	22,917
Applications – major repairs and renewals work	(25,163)	-
Closing balance	129,463	130,563

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2012	Total 2011
	£	£	£	£
Fund balances at 31 st March 2012 were represented by				
Tangible assets	314,132	-	314,132	305,332
Investments	1,783,640	-	1,783,640	1,869,812
Debtors	29,715	1,536	31,251	8,977
Cash at bank and in hand	67,687	11,463	79,150	58,835
Creditors	(13,850)	-	(13,850)	(19,895)
	2,181,324	12,999	2,194,323	2,223,061

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

17. RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	2012	2011
	£	£
Net movement in funds for the financial year	(28,738)	75,311
Opening funds	<u>2,223,061</u>	<u>2,147,750</u>
Closing funds	<u>2,194,323</u>	<u>2,223,061</u>

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

Mr Q Ings-Chambers, a Council Member, is also a Senior Investment Director at Baring Asset Management, which undertook the investment management of the Mission's investment portfolio on a discretionary basis until the end of May 2011. The cost of this service was provided on normal terms and details of the investment portfolio management fees charged to the statement of financial activities are shown in note 4. At the end of May 2011 the management of the Mission's investment portfolio was transferred to SG Hambros Bank 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 £607 (2011 £604).

None of the Council Members or any persons connected with them have received any remuneration during the year, other than the reimbursement of £653 of travel and subsistence costs for meeting and preaching expenses for 1 Council Member (2011 £828 and 1 Council Member).