

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

**REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31st MARCH 2009**



CHARITY REGISTRATION NUMBER: 208434

COMPANY NUMBER: 228268

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH 2009**

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<b>Contents</b>	<b>Pages</b>
Charity information	1
Council Members' report	2 – 6
Auditors' report	7
Statement of financial activities	8
Statement of total recognised gains and losses	9
Balance sheet	10
Notes to the financial statements	11 – 18

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

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**AS AT 3<sup>rd</sup> NOVEMBER 2009**

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<b>Patrons</b>	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)
<b>Council Members</b>	J W Jack (Chairman) P M White (Vice Chairman) D Cox Q Ings-Chambers J Rosser N Scott L A Smith W E Smith
<b>Company Secretary</b>	W E Smith
<b>Registered Office</b>	62 Bride Street London N7 8AZ
<b>Registered Numbers</b>	Charity 208434 Company 228268
<b>Auditors</b>	Hillyates Chartered Accountants and Registered Auditors Hill House, 27 Meadowford Newport, Saffron Walden Essex CB11 3QL
<b>Investment Brokers and Manager</b>	Baring Asset Management Limited 155 Bishopsgate London EC2M 3XY
<b>Principal Bankers</b>	Barclays Bank plc Islington Branch 38 Islington Green London N1 8EH
<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham West Midlands B3 2ES

**THE ST GILES CHRISTIAN MISSION**  
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**COUNCIL MEMBERS' REPORT**

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Council Members present their annual report with the financial statements of the Mission for the year ended 31st March 2009 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 22<sup>nd</sup> 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 (appointed 14<sup>th</sup> October 2008)  
P J Gadsden (resigned 15<sup>th</sup> July 2008)  
Q Ings-Chambers  
J Rosser  
N Scott  
L A Smith  
W E Smith (appointed 14<sup>th</sup> October 2008)  
M E B Walters (resigned 3<sup>rd</sup> November 2009)

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 (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 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 auditors are aware of that information.

**THE ST GILES CHRISTIAN MISSION**  
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**COUNCIL MEMBERS' REPORT**

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**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 19% (2008 11%); other fixed interest holdings just under 13% (2008 8%). 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.

During the year the Mission appointed Baring Asset Management Limited as investment advisor who take action on specific investment decisions. The Council reviews changes in the portfolio at its regular meetings and will continue to review its policy in relation to investments and update as appropriate.

**THE ST GILES CHRISTIAN MISSION**  
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**COUNCIL MEMBERS' REPORT**

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**Objectives and activities**

The Mission's principal aims as contained in its Memorandum of Association, the most recent revision having been adopted on 10<sup>th</sup> 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 4 of the Charities Act 2006 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 relation to the administrative work, two Council Members have, on an unpaid basis, continued to discharge this responsibility supported by 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**

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**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 £596,564 which included net realised and unrealised losses of £598,967 and the Investment Portfolio decreased by 29%. This compares with a 31% 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 76% (2008: 74%).

The actual surplus from normal recurring income less normal recurring expenditure was £2,403.. For some years the Mission has 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 with the review now progressing. This year's transfer to the Building Maintenance Fund was £20,787; if this had actually been spent then a deficit from recurring income and expenditure would have been suffered. The overall financial position is, thus, a continuing concern.

At the balance sheet date the Mission had an accumulated unrestricted fund of £1,723,525 and a restricted fund of £8,928 (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.

Professional indemnity insurance paid on behalf of Council Members is disclosed in notes 7 and 20.

**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 outline 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 has continued to work with a specialist property consultant to develop a strategic plan in relation to the property assets that the Mission holds focussing initially on the flats adjacent to the Mission building.

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.

Following the balance sheet date the Pastor, David Page, has informed the Mission of his intention to take up a new challenge. Since May he has been supporting the Mission on a reduced hours basis whilst the Mission looks for a replacement. The Council has appointed a sub-committee comprising members of the Mission Trustees and members of the Church Council to lead the search for David's successor. The Council would like to take this opportunity to thank David and his wife Alyson for their contribution over the years and appreciate the sacrifices and effort they have made in furthering the Mission's objectives.

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**COUNCIL MEMBERS' REPORT**

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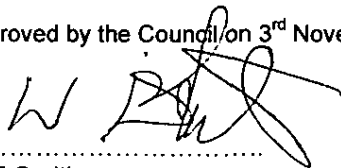
**Auditors**

The auditors, Hillyates, are willing to be reappointed in accordance with section 485 of the Companies Act 2006.

**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 3<sup>rd</sup> November 2009 and signed on its behalf by:

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

W E Smith  
Council Member and Company Secretary



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

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We have audited the financial statements of The St Giles Christian Mission for the year ended 31 March 2009 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**

Council Members' (who are also the directors of The St Giles Christian Mission for the purpose of company law) responsibilities for preparing the annual 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 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 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 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- 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  
Registered Auditors  
Hill House, 27 Meadowford  
Newport, Saffron Walden  
Essex CB11 3QL  
3<sup>rd</sup> November 2009

**THE ST GILES CHRISTIAN MISSION**  
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**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2009**  
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	14,132	1,680	15,812	22,653
Investment income	3	108,996	-	108,996	105,716
		<b>123,128</b>	<b>1,680</b>	<b>124,808</b>	128,369
<b>Incoming resources from charitable activities</b>					
Senior Citizen's Lunch Club		3,660	-	3,660	3,751
Mission outings		280	-	280	130
		<b>3,940</b>	<b>-</b>	<b>3,940</b>	3,881
<b>Total Incoming Resources</b>		<b>127,068</b>	<b>1,680</b>	<b>128,748</b>	132,250
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds</b>					
Investment management costs	4	9,988	-	9,988	8,481
Rental income costs	5	3,390	-	3,390	357
		<b>13,378</b>	<b>-</b>	<b>13,378</b>	8,838
<b>Charitable activities</b>	6	<b>108,469</b>	<b>559</b>	<b>109,028</b>	96,416
<b>Governance costs</b>	7	<b>3,939</b>	<b>-</b>	<b>3,939</b>	3,646
<b>Major repairs and renewals work</b>	15	<b>-</b>	<b>-</b>	<b>-</b>	5,556
<b>Total resources expended</b>		<b>125,786</b>	<b>559</b>	<b>126,345</b>	114,456
<b>Net incoming resources before other recognised gains</b>		<b>1,282</b>	<b>1,121</b>	<b>2,403</b>	17,794
Realised net (losses)/gains on investments		(82,420)	-	(82,420)	(45,029)
Unrealised net (losses)/ gains on investments	12	(516,547)	-	(516,547)	(331,019)
<b>NET MOVEMENT IN FUNDS</b>		<b>(597,685)</b>	<b>1,121</b>	<b>(596,564)</b>	(358,254)
<b>BALANCE BROUGHT FORWARD</b>		<b>2,321,210</b>	<b>7,807</b>	<b>2,329,017</b>	2,687,271
<b>BALANCES CARRIED FORWARD</b>	15 -18	<b>1,723,525</b>	<b>8,928</b>	<b>1,732,453</b>	2,329,017

**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 2009**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2009 £</b>	<b>Total 2008 £</b>
<b>Net movement in funds</b>	<b>(597,685)</b>	<b>1,121</b>	<b>(596,564)</b>	<b>(358,254)</b>
Less: Unrealised movement on revaluation of investments	<b>(516,547)</b>	<b>-</b>	<b>(516,547)</b>	<b>(331,019)</b>
<b>TOTAL RECOGNISED (LOSSES)/ GAINS RELATING TO THE YEAR</b>	<b>(81,138)</b>	<b>1,121</b>	<b>(80,017)</b>	<b>(27,235)</b>
Representing:				
Net income over expenditure on ordinary activities	<b>1,282</b>	<b>1,121</b>	<b>2,403</b>	<b>17,794</b>
Realised net (losses) on investments	<b>(82,420)</b>	<b>-</b>	<b>(82,420)</b>	<b>(45,029)</b>
	<b>(81,138)</b>	<b>1,121</b>	<b>(80,017)</b>	<b>(27,235)</b>

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 2009**

	Notes	2009		2008	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		<b>305,332</b>		305,910
Investments	12		<b>1,390,149</b>		1,951,366
			<b>1,695,481</b>		2,257,276
<b>CURRENT ASSETS</b>					
Debtors	13	<b>8,190</b>		8,916	
Cash at bank and in hand		<b>40,320</b>		73,676	
		<b>48,510</b>		82,592	
<b>CREDITORS:</b> amounts falling due within one year	14	<b>(11,538)</b>		(10,851)	
<b>NET CURRENT ASSETS</b>			<b>36,972</b>		71,741
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,732,453</b>		2,329,017
<b>FUNDS</b>					
Unrestricted funds:					
Accumulated income fund			<b>1,611,428</b>		2,229,900
Building maintenance fund	15		<b>112,097</b>		91,310
			<b>1,723,525</b>		2,321,210
Restricted funds	16		<b>8,928</b>		7,807
<b>TOTAL FUNDS</b>	17,18		<b>1,732,453</b>		2,329,017

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 3<sup>rd</sup> November 2009 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 2009**

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**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 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 15, the designated fund now stands at £112,097 (2008: £91,310).

**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**  
(Limited by Guarantee)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**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.
- 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**

	<b>2009</b>	2008
	<b>£</b>	£
Church collections and covenants from members, including related gift aid	<b>15,165</b>	19,407
Supporters donations, including related gift aid	<b>647</b>	746
Legacies	<b>-</b>	2,500
	<b>15,812</b>	22,653

Included in church collections and covenants from members is restricted income relating to the Church Account Fund amounting to £1,680 (2008: £4,093) and as described in note 16.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**3. INVESTMENT INCOME**

	2009 £	2008 £
Income from listed investments on the U.K. Stock Exchange (net of tax credits)	94,502	93,551
Deposit account interest	4,034	4,225
	<u>98,536</u>	<u>97,776</u>
Rental income	10,460	7,940
	<u>108,996</u>	<u>105,716</u>

**4. INVESTMENT MANAGEMENT COSTS**

	2009 £	2008 £
Rensburg Sheppard Investment Management Limited	4,113	8,481
Baring Asset Management Limited	5,875	-
	<u>9,988</u>	<u>8,481</u>

**5. RENTAL INCOME COSTS**

	2009 £	2008 £
Insurances	166	-
Repairs and maintenance	2,457	357
Legal and professional	767	-
	<u>3,390</u>	<u>357</u>

**6. CHARITABLE ACTIVITIES**

	2009 £	2008 £
Staff costs (note 8)	56,104	49,618
Staff training	721	530
Rates	3,772	4,570
Insurance	4,355	4,288
Light and heat	12,110	8,513
Repairs and maintenance	5,777	2,632
Travelling expenses	3,551	2,090
Other charitable expenditure	12,987	11,221
Depreciation	578	692
Telephones	2,238	2,033
Printing, postage and stationery	5,397	7,258
Legal and professional	443	1,962
Subscriptions	650	712
Licences	345	297
	<u>109,028</u>	<u>96,416</u>

Included in other charitable expenditure is expenditure relating to the Church Account Fund amounting to £559 (2008: £nil).

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**7. GOVERNANCE COSTS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trustees professional indemnity insurance	<b>604</b>	573
Travelling expenses	-	-
Audit fees	<b>2,300</b>	2,150
Accountancy fees	<b>1,035</b>	923
	<b>3,939</b>	3,646

**8. INFORMATION ON COUNCIL MEMBERS AND EMPLOYEES**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Staff costs</b>		
Wages and salaries	<b>47,711</b>	41,603
London City Mission secondment costs	<b>4,252</b>	4,252
Social security costs	<b>1,908</b>	1,613
Other pension costs	<b>2,233</b>	2,150
	<b>56,104</b>	49,618

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

	<b>No</b>	<b>No</b>
Mission work (*including London City Mission secondee)	<b>*5</b>	*5
Administration	<b>1</b>	-
Support staff	<b>3</b>	3
	<b>9</b>	8

Council Members constitute directors under the provisions of the Companies Act and received no remuneration during the year (2008: £nil).

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 £2,233 (2008: £2,150).

**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 31<sup>st</sup> March 2009 amounted to £7,384 (2008: £9,110).



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**11. TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost:</b>			
At 1st April 2008	313,918	28,405	342,323
Additions	-	-	-
Disposals	-	-	-
At 31st March 2009	<b>313,918</b>	<b>28,405</b>	<b>342,323</b>
<b>Depreciation:</b>			
At 1st April 2008	8,586	27,827	36,413
Charge for the year	-	578	578
Disposals	-	-	-
At 31st March 2008	<b>8,586</b>	<b>28,405</b>	<b>36,991</b>
<b>Net book value:</b>			
At 31st March 2009	<b>305,332</b>	-	<b>305,332</b>
At 31st March 2008	<b>305,332</b>	578	<b>305,910</b>
		<b>2009</b>	<b>2008</b>
		£	£
<b>Analysis of net book value of land and buildings:</b>			
Freehold	<b>305,332</b>		<b>305,332</b>

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**

	<b>2009</b> £	<b>2008</b> £
<b>Listed investments:</b>		
Market value at 1 <sup>st</sup> April 2008	<b>1,951,366</b>	2,327,101
Additions at cost	<b>201,477</b>	480,430
Disposals at opening market value or cost if acquired after 1 <sup>st</sup> April 2008	<b>(430,387)</b>	(525,146)
Unrealised losses	<b>(516,547)</b>	(331,019)
Market value at 31 <sup>st</sup> March 2009	<b>1,205,909</b>	1,951,366
<b>Cash held by investment manager</b> (2008: ,405 included in cash at bank and in hand)	<b>184,240</b>	-
	<b>1,390,149</b>	1,951,366

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**12. INVESTMENTS - continued**

<b>Analysis of listed investments:</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
UK fixed interest investments:		
Gilts	<b>230,028</b>	219,422
Other corporate bonds	<b>153,186</b>	152,879
UK equities	<b>639,909</b>	1,288,361
Overseas equities	<b>53,910</b>	68,867
UK alternative investments	<b>128,876</b>	221,837
	<b>1,205,909</b>	1,951,366
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Historical cost of listed investments</b>	<b>1,512,488</b>	1,773,180

**13. DEBTORS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Inland Revenue repayment claim relating to Gift Aid	<b>2,933</b>	3,991
Other debtors	<b>1,743</b>	1,485
Prepayments and accrued income	<b>3,514</b>	3,440
	<b>8,190</b>	8,916

**14. CREDITORS: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>783</b>	6,793
Accruals and deferred income	<b>10,755</b>	4,058
	<b>11,538</b>	10,851

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

**15. 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.

	2009 £	2008 £
Opening balance	91,310	77,069
New designations	20,787	19,797
Applications – major repairs and renewals work	-	(5,556)
Closing balance	<u>112,097</u>	<u>91,310</u>

**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.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Fund balances at 31 <sup>st</sup> March 2009 were represented by:				
Tangible assets	305,332	-	305,332	305,910
Investments	1,390,149	-	1,390,149	1,951,366
Debtors	6,860	1,330	8,190	8,916
Cash at bank and in hand	32,722	7,598	40,320	73,676
Creditors	(11,538)	-	(11,538)	(10,851)
	<u>1,723,525</u>	<u>8,928</u>	<u>1,732,453</u>	<u>2,329,017</u>

**18. RECONCILIATION OF MOVEMENT IN TOTAL FUNDS**

	2009 £	2008 £
Net movement in funds for the financial year	(596,564)	(358,254)
Opening funds	<u>2,329,017</u>	<u>2,687,271</u>
Closing funds	<u>1,732,453</u>	<u>2,329,017</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009**

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**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 until October 2008. The management of the Mission's investment portfolio was then transferred to Baring Asset Management where Mr Ings-Chambers has been employed as a Senior Investment Director since April 2008.

All of the Mission's investment business during the year was transacted through these two brokers, and details of the investment portfolio management fees charged to the statement of financial activities are shown in note 4. At the end of the year £5,875 was owed to the brokers (2008: £650).

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 £604 (2008: £573).

No Council Member or any persons connected with them have received any remuneration during the year, nor any reimbursement of travel and subsistence costs (2008: None and nil).

**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 31<sup>st</sup> March 2001 and 31<sup>st</sup> 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 downturn in the world's financial markets. The continuing sensitivity in the value 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.