Registrar

CHRISTIAN SOLIDARITY INTERNATIONAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 ST DECEMBER 1997

COMPANY NUMBER 1536426
CHARITY NUMBER 281836

Jacob Cavenagh & Skeet
Chartered Accountants
6/8 Tudor Court
Brighton Road
Sutton, Surrey. SM2 5AE

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COMPANY INFORMATION

Directors:	Baroness Cox Lord Peter Archer of Sandwell M L S Thomas Rev J P Wildrianne E E Leland D Atkinson MP Rt Rev T R Hare F S M Evans Rev T R Hanford Rev G J Horsnell H I MacKenzie A L J Peel B R V Rogers Rev B Edwards Mrs R J Tingle S Solomon Earl of Powis
Secretary :	Rev S R Windsor
Company Number :	1536426 (England and Wales)
Charity Number :	281836
Registered Office :	PO Box 99 New Malden Surrey KT3 3YF
Bankers :	National Westminster Bank plc 10 South Street Romford Essex RM1 1RD
Registered Auditors :	Jacob Cavenagh & Skeet Chartered Accountants 6/8 Tudor Court Brighton Road Sutton, Surrey. SM2 5AE

CHRISTIAN SOLIDARITY INTERNATIONAL

DIRECTORS' REPORT

The directors, who are trustees under the Charities Act, present their report and accounts for the year ended 31st December 1997.

Objects of the charity, principal activities and organisation of our work
The Charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The principal activities of the year under review continued to be those associated with the charitable status of the company as a Christian human rights organisation helping persecuted Christians of any denomination in any country by prayer, campaigning and practical action.

The company is organised so that the directors meet regularly to manage its affairs. There is a full time administration staff under the supervision of Rev S Windsor, who both manage the day to day administration of the charity and organise fund-raising initiatives. We are also indebted to volunteers for their valued assistance, and particularly to those who have given of their time and expertise in making foreign trips in the defence and maintenance of human rights.

Development, activities and achievements this year.
The directors consider the performance of the company for the year has been extremely satisfactory. 1997 has been another year of further consolidation and expansion. The part-time Accountant is now Full-time. A new office has been opened at the EU in Brussels for advocacy work and links were firmly established with a supporting group in the USA. The childcare work in Russia now numbers three projects. The work in Burma and Nagorno Karabakh continues, and CSI and others had by the end of 1997 redeemed over 750 slaves in Sudan.

Future developments.
The UK Board made a decision at the end of 1997 to sever its official membership of CSI International in Zurich, but to continue to work with the national CSI offices throughout the world. It is very likely in 1998 CSI (UK) will re-format under a new name and link with supporting groups in other parts of the world. In 1998 the child-care in Russia work will continue to expand with the partnership and sponsorship of UNICEF and a third project for street-children in Moscow. CS-UK religious liberty advocacy work will be expanded in 1998.

Transactions and financial position.
The statement of financial activities shows net incoming resources for the year of £52,959 (1996 net outgoing resources : £27,560) and our reserves stand at £62,116 (1996: £9,157) in total.

DIRECTORS' REPORT
(CONTINUED)

Tangible fixed assets
Details of movements in fixed assets are set out in note 6 to the accounts.

Funds available.
The present level of general funding has increased substantially, and is adequate to support our continuing work.

Directors and Trustees.
The Board of Management are the directors of the company and also the trustees of the charity, and there are no other trustees. All of the directors named on page 1 served throughout the year, except the Earl of Powis who served from 22nd February 1997. The Board has the power to appoint additional directors as it considers fit to do so.

Statement of directors' responsibilities.
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its financial position for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice subject, to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

Small Company
This report has been prepared in accordance with the special provisions of the Companies Act Part VII 1985 relating to small companies.

Approval
This report was approved by the board of directors and signed on its behalf by the chairman.

Chairman
M L S Thomas.
21st February 1998

AUDITOR'S REPORT
TO THE MEMBERS OF

CHRISTIAN SOLIDARITY INTERNATIONAL

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, the company's directors who are also the directors of Christian Solidarity International Limited for the purpose of company law are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion
We conducted our audit in accordance with Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 that the financial statements are free from material mis-statement, 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 of the state of the company's affairs at 31st December 1997 and of its incoming resources and application of resources, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Jacob, Cavenagh & Skeet

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

6/8 Tudor Court
Brighton Road
Sutton
Surrey
SM2 5AE

21st February 1998

CHRISTIAN SOLIDARITY INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 1997

INCOME AND EXPENDITURE

	Note	Unrestricted funds £	Restricted funds £	Total funds 1997 £	Total funds 1996 £
Incoming Resources					
Donations and gifts		321,213	257,602	578,815	343,832
Covenanted income		47,306	-	47,306	33,826
Interest receivable		3,469	-	3,469	1,337
Other income		2,968	-	2,968	2,072
Total incoming resources		374,956	257,602	632,558	381,067
Resources expended					
Direct Charitable expenditure	2	70,651	269,593	340,244	230,964
Fundraising and publicity	3	122,731	-	122,731	65,966
Management and administration of the charity	4	116,624	-	116,624	111,697
Total resources expended		310,006	269,593	579,599	408,627
Net Incoming/(Outgoing) Resources before Transfers		64,950	(11,991)	52,959	(27,560)
Transfers between funds		-	-	-	-
Net Incoming/(Outgoing) Resources for the year		64,950	(11,991)	52,959	(27,560)
Funds brought forward at 1 January 1997 as previously stated				13,365	
Prior year adjustment	5			(4,208)	
Funds brought forward as restated		13,365	(4,208)	9,157	36,717
Funds carried forward at 31 December 1997		78,315	(16,199)	62,116	9,157

There were no recognised gains or losses other than those shown above.

CHRISTIAN SOLIDARITY INTERNATIONAL

BALANCE SHEET

AT 31ST DECEMBER 1997

	Note	1997 £	1997 £	1996 £	1996 £
Fixed Assets					
Tangible Assets	6		26,783		13,647
Current Assets					
Prepayments		10,298		4,572	
Short term deposits		82,400		15,891	
Cash at bank and in hand		3,898		9,758	
		96,596		30,221	
Creditors: Amounts falling due within one year		55,465		34,711	
Net Current Assets / (Liabilities)			41,131		(4,490)
Total Assets less Current Liabilities			67,914		9,157
Creditors: Amounts falling due after more than one year.					
Obligations under hire purchase			(5,798)		-
Net Assets	8		62,116		9,157
Represented by :					
Funds					
Unrestricted			78,315		13,365
Restricted	9		(16,199)		(4,208)
			62,116		9,157

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small companies and were approved by the Board on 21st February 1998 and signed on their behalf by:

MLS THOMAS
CHAIRMAN

21st February 1998

Christian Solidarity International

Notes to the Accounts for the Year ended 31 December 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in compliance with the Statement of Recommended Practice "Accounting by Charities", and applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from their requirement to produce a cash flow statement on the grounds that it is a small company.

1.2. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates:

Office Equipment - 4 Years
Car - 4 Years

1.3. Leasing and hire purchase commitments

Assets acquired under finance leases and hire purchases contracts are capitalised in the balance sheet and are depreciated over their useful economics lives. The interest element of instalments is charged to the statement of financial activities over the period of the contract. Rentals paid under operating leases are charged to the statement of financial activities as incurred.

1.4. Income

Voluntary income and donations are accounted for as received by the company. The income from fundraising is shown gross, with the associated costs included in fundraising costs. No permanent endowments have been received in the period, but these are dealt with through the Statement of Financial Activities when received.

1.5.Value Added Tax

Value added tax is not recoverable by the company, and as such is included in the relevant costs in the Statement of Financial Activities.

1.6. Fundraising costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the company's work. This includes the cost of advertising for donations and the staging of special fundraising events.

1.7. Expenditure on management and administration of the charity

Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes the cost of premises, staff and other overheads.

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER 1997
(continued)

2 DIRECT CHARITABLE EXPENDITURE

	Unrestricted funds £	Restricted funds £	1997 Total £	1996 Total £
Provision of aid	-	269,593	269,593	208,266
Staff Costs (See below)	65,073	-	65,073	21,600
Overseas Travel	5,578	-	5,578	1,098
	70,651	269,593	340,244	230,964

Staff Costs

	1997	1996
Wages and Salaries	96,121	63,524
Social Security	10,244	5,756
	106,365	69,280

The average number of employees during the year was:

	1997	1996
Charitable activities	5.0	4.5
Management and administration	2.0	1.0
	7.0	5.5

The trustees were not paid any remuneration during the year. £3107 was reimbursed to 7 Board members for travel for overseas mission trips, payment of aid, conference and exhibition costs and travel to Board meetings.

3 FUNDRAISING AND PUBLICITY

	Unrestricted funds £	Restricted funds £	1997 Total £	1996 Total £
Response Magazine	46,808	-	46,808	24,746
Action Info Magazine	3,646	-	3,646	1,764
PR and Advertising	8,961	-	8,961	13,412
Political Research	19,643	-	19,643	8,812
Conferences	18,654	-	18,654	9,286
Exhibitions	4,130	-	4,130	2,946
Radio Programme expenses	17,396	-	17,396	5,000
Other expenses	3,493	-	3,493	-
	122,731	0	122,731	65,966

NOTES ON ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER 1997
(continued)

4 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	Unrestricted funds £	Restricted funds £	1997 Total £	1996 Total £
Salaries (See Note 2)	36,816	-	36,816	47,680
Board Members Expenses	4,483	-	4,483	4,658
Accomodation Expenses	13,453	-	13,453	9,849
Equipment, stationery and copying	17,888	-	17,888	19,032
Postage	11,660	-	11,660	8,192
Telephone	11,448	-	11,448	8,165
UK Motor and travel	6,914	-	6,914	6,669
Legal Fees and Audit cost	606	-	606	300
Other Expenses	5,184	-	5,184	2,091
Depreciation	8,172	-	8,172	5,061
	116,624	0	116,624	111,697

5 PRIOR YEAR ADJUSTMENT

At 31st December 1996, unspent restricted funds were carried in liabilities due within one year, rather than being shown as funds carried forwards.

This was corrected as follows:	£
Balance shown in creditors now deducted from funds.	(4,208)

Income and expenditure on restricted funds is now shown in full in the statement of financial activities.

6 TANGIBLE FIXED ASSETS

	Computer Software £	Office Equipment £	Motor Vehicle £	Total £
Cost				
At 1st January 1997	10,340	8,287	6,400	25,027
Additions	-	5,545	15,764	21,309
Disposals	-	2,814	-	2,814
At 31st December 1997	10,340	11,018	22,164	43,522
Depreciation				
At 1st January 1997	1,293	3,688	6,400	11,381
Charge for year	2,585	2,960	2,627	8,172
On Disposals	-	2,814	-	2,814
At 31st December 1997	3,878	3,834	9,027	16,739
Net book value				
At 31st December 1997	6,462	7,184	13,137	26,783
At 31st December 1996	9,047	4,599	-	13,646

Included in Motor Vehicles above is £13,137 relating to a motor vehicle held under a hire purchase agreement. Depreciation of £2627 was charged during the year.

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER 1997
(continued)

7 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank Overdraft	13,794	
Trade Creditors	14,357	2,540
Other taxes and social security	2,803	2,065
Other Creditors	3,087	14,862
Accruals	21,424	15,244
	55,465	34,711

8 NET ASSETS

	Fixed assets	Net Current assets	Long Term liabilities	1997 Total £	1996 Total £
Unrestricted Funds	26,783	57,330	(5,798)	78,315	13,365
Restricted Funds	-	(16,199)	-	(16,199)	(4,208)
	26,783	41,131	(5,798)	62,116	9,157

9 RESTRICTED FUNDS

	Balance at 1.1.97 £	Incoming Resources £	Resources Expended £	Balance at 31.12.97 £
Nagorno Karabakh	(8,707)	48,789	(51,062)	(10,980)
Sudan	32,169	23,050	(14,444)	40,775
Burma	(4,530)	1,834	(3,454)	(6,150)
Moscow Orphans	2,722	104,056	(99,844)	6,934
Russian Federation - Foster Care	(21,609)	7,600	(22,335)	(36,344)
Nepal	(2,663)	629	(2,671)	(4,705)
Pakistan	0	49,785	(54,765)	(4,980)
Christian Refugees	(1,590)	21,425	(20,304)	(469)
Others	0	434	(714)	(280)
	(4,208)	257,602	(269,593)	(16,199)

During 1998 there will be appeals on all restricted funds to continue the work on these projects and to relieve suffering in the situations stated.

Nagorno Karabakh projects costs are for fact finding missions, the continuous supply of medical aid and care to maintain two orthopedic clinics, a fleet of civil rescue landrovers and supply of medicines to a number of hospitals in the enclave.

Sudan costs are to continue to make fact finding and aid missions to all parts of Southern Sudan so that factual briefings can be undertaken in Western parliaments and the U.N., also to continue to expose the slave trade and to redeem slaves.

Burma costs were to make fact finding and aid missions to Thailand to the Karen and Karenni refugee camps, also to travel into Burma to supply aid, doctors and medicine to relieve the suffering of oppressed people.

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER 1997
(continued)

Moscow Orphans costs were for the establishment and maintainence of the pilot and model foster care project in the centre of Moscow which has 60 children currently in care of which 50 have been fostered.

Russian Federation - Foster Care project aims to assist the Russian Federation to change the philosophy, practice and Child care law in Russia, so as to imlement 'fostering' throughout the Federation. In 1998 three new regions, Perm, Rostov-On-Don and Vladimir will initiate fostering programmes for abandoned and orphaned children.

Nepal project supports the 'Christian Solidarity Academy' in Hetauda which aims to provide Christian education to some 200 mainly Hindu children.

Pakistan project continues to support the minority Christian population in Pakistan, who suffer unjustly under severe Islamic Sharia blasphemy and apostasy laws and especially those in prison and those who cannot remain in Pakistan because of the law.

Christian Refugees projects is to support those in prison and other oppressed Christians around the world. Those who require expert legal aid and advice, those that need moving to safer places and to produce factual and credible reports and papers to support these refugees.

Others are 'one-off' couvert factfinding missions costs.

10 SHARE CAPITAL

The company is limited by guarantee and therefore has no share capital

11 FINANCIAL COMMITMENTS

The company has financial commitments of non-cancellable operating leases which expire:

	Land and Buildings		Other	
	1997	1996	1997	1996
Within one year	7072	-	-	-
In the second to fifth years inclusive	-	7072	648	-
	7072	7072	648	-