

THE MELANESIAN MISSION

FINANCIAL STATEMENTS

For the year ended 31st March 2009

Company Registration Number: 5101167
Charity Number: 1104551

WHITING & PARTNERS
Chartered Accountants, Business Advisers
& Registered Auditors
Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

FRIDAY



A33

ATF5ADR1

02/10/2009

56

COMPANIES HOUSE

THE MELANESIAN MISSION

Financial Statements

For the year ended 31st March 2009

| Contents | Pages |
|--|--------------|
| Members of the Board and Professional Advisers | 2 |
| Trustees Report | 3 - 7 |
| Independent Auditors' Report to the Members | 8 |
| Statement of Financial Activities | 9 |
| Balance Sheet | 10 |
| Notes to the Financial Statements | 11 - 23 |

THE MELANESIAN MISSION

Members of the Board and Professional Advisers

The Board of Trustees

The Right Revd M Langrish - Chairman
The Ven C F Liley - Vice Chairman
Ms J M Bezzano
The Revd R A Carter
The Revd Dr C Currer (appointed 28 June 2008)
Mrs E V Langrish
The Revd Canon B J Macdonald-Milne
The Revd Canon JR Pinder (until 28 June 2008)
Mrs H L Miller - Hon Treasurer (appointed 28 June 2008)
The Revd Canon D Proberts
The Revd Canon AG Sparham (until 28 June 2008)
The Right Revd N Stock (appointed 28 June 2008)
Mrs J A Squires
Mr A V Waters – Hon Treasurer (until 28 June 2008)

Company Secretary

Mr D J Friswell

Registered Office

15 Covell Close
Bury St Edmunds
Suffolk
IP33 2HU

Auditors

Whiting & Partners
Chartered Accountants, Business Advisers
& Registered Auditors
Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

Bankers

Barclays Bank Plc
10 High Street
Henley-on-Thames
Oxon
RG9 2AX

Solicitors

Lee, Bolton and Lee
1 The Sanctuary
Westminster
London
SW1P 3JT

THE MELANESIAN MISSION

Trustees Report

Year ended 31st March 2009

The Trustees present their report and audited financial statements of the charitable company for the year ended 31st March 2009.

Reference and Administrative Details of the Charity, Trustees and Advisers

The Melanesian Mission was incorporated as a Charitable Company (Company No. 5101167; Charity No 1104551) on 14 April 2004 as a successor Charity to Melanesian Mission (Charity No 205800) and to create a structure and constitution in which the needs of the beneficiaries of Melanesian Mission can be more effectively served in the context of the Charities Act 1993 and other regulations and advisory notices of the Charity Commission.

All unrestricted assets of the previous Charity have been transferred to The Melanesian Mission.

Details of the company's registered office and other current information is set out on page 2.

The Directors, who are also Trustees of the Charity, and who served during the year are set out on page 2.

Structure, Governance and Management

The company is constituted as a private company limited by guarantee. The company's objects and powers are set out in its governing document, the Memorandum and Articles of Association.

The company is governed by members of a Board who are appointed as Directors under the Companies Act 1985 and as Trustees for charitable purposes. The Board of Trustees (which shall be not less than six and not more than ten, plus up to one co-opted member) administers the Charity. The Board meets regularly during the year. Mr David Friswell has been appointed by the Trustees as an Executive Officer to manage the day to day operations of the Charity. To facilitate operations, the Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment.

The Trustees are elected at an Annual General Meeting of the company. One third in number of the Trustees retire by rotation at the Annual General Meeting and are eligible for immediate re-election. All members are entitled to nominate Trustees prior to the AGM.

When considering co-opting Trustees, the Board has regard to the requirement for any specialist skills needed. An audit of the skills of current Trustees has been conducted.

New Trustees are fully briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

THE MELANESIAN MISSION

Trustees Report

Year ended 31st March 2009

Objectives and Activities for the Public Benefit

The Charity's principal objective is to advance the Christian religion by furthering the activities of the Anglican Church in the Solomon Islands, Vanuatu and New Caledonia, known as the Anglican Church of Melanesia ("ACM"). The Charity does so by collecting funds from supporters in the United Kingdom for transmission to the Anglican Church of Melanesia, acting as agents in the UK for the Anglican Church of Melanesia and supporting and advising members of that Church who come to the UK.

The Anglican Church of Melanesia changed its name from the Church of Melanesia at the 2008 General Synod.

The ACM endeavours to enable ordinary people to live out their faith through worship and prayer, learning about the Gospel, developing their knowledge and trust in Jesus, the provision of pastoral care for people living in the area and missionary and outreach work.

When planning our activities for the forthcoming year the Trustees will consider the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

Achievements and Performance

The Charity continued to provide financial support to the Anglican Church of Melanesia by way of an annual grant and payments to former employees returning to the UK following service in Melanesia and those currently serving the Church. The shipment of goods to the Anglican Church of Melanesia was incorporated into the Mission's work having previously being carried out by the Diocese of Chester.

The Trustees met in June and October 2008 and in February 2009. The Annual Festival and AGM was held at St Martin-in-the-Fields on 28 June 2008. This was a joyful event attended by over 250 people including the Melanesian Bishops, their wives and members of the Melanesian Religious Orders who were in the UK for the Lambeth Conference.

A Strategic Plan for 2008 to 2012 has been developed by Trustees and a Risk Assessment of the charitable activities was reviewed by the Trustees. Regular newsletters were published, edited by the Executive Officer.

Financial Review

Reserves Policy

On 31st March 2009, the value of The Melanesian Mission's free reserves was £1,542,922 (2008: £1,744,807). The Charity's policy on reserves is to hold sufficient reserves to enable it to maintain, and from time to time increase its annual grant to the Anglican Church of Melanesia, to make additional grants from time to time for emergency relief and special projects, and that these objectives should be minimally affected by variations in dividend and interest, value of investments, and annual receipts from donors. Total grants to the Anglican Church of Melanesia are currently more than double annual incoming donations.

THE MELANESIAN MISSION

Trustees Report

Year ended 31st March 2009

Investment Policy

The Melanesian Mission's funds are invested with the (Church of England) Church Board of Finance funds managed by CCLA Investment Management Ltd.

The policy is to hold a moderately conservative mix of secure interest yielding funds, to ensure a steady flow of current funds from the Charity to the Anglican Church of Melanesia; and equity based funds to protect future grants from inflation. The CCLA Funds are subject to an ethical investment policy.

Grant Making Policy

About half of the funds available for grants are transferred to the Anglican Church of Melanesia as a fixed monthly grant at a rate fixed annually by the Trustees. The other half is available for grants made in response to requests from the Archbishop of Melanesia for funds for specific projects (including emergency relief), and supporting costs (eg. travelling arrangements). Special provision for extra support was made for the Lambeth Conference during July 2008. This enabled an extra programme of events for the Melanesian Bishops with supporting churches before the start of the conference, thus helping to develop ongoing relationships and financial support for the Mission.

Risk Policy

The Trustees adopted a risk assessment document in October 2007 and undertake regular reviews of risks facing the Charity and implement systems and procedures to mitigate any identified risk. The Trustees are of the opinion that the Charity's objectives and operation are inherently of low risk, and that the limited risk is well covered by its investment policy.

Financial position

The principal sources of funds and expenditure are shown in the Statement of Financial activities on page 9 and Balance Sheet position at the year end on page 10. The balance on general reserves available to carry forward amounts to £1,542,922 (2008: £1,744,807).

Funds held as Custodian Trustee

At the Balance Sheet date a total of £34,892 (2008: £33,624) was held by the Charity on behalf of the Melanesian Brotherhood and is included in creditors in the accounts. It has been agreed with the Melanesian Brotherhood that these funds will continue to be held in the UK and can be drawn down at the request of the Head Brother within set guidelines.

A number of small funds and bequests were considered by the Trustees and the holdings were either remitted to the Anglican Church of Melanesia or consolidated in the Melanesian Mission as appropriate.

THE MELANESIAN MISSION

Trustees Report

Year ended 31st March 2009

Plans for the future

The Trustees spent a day together in February 2009 and considered the future vision and direction of the Melanesian Mission. This was a fruitful day and will be built upon and shared with the members at the Annual General Meeting.

Funding

After consultation with the Anglican Church of Melanesia (ACM) a funding policy has been adopted. It is hoped that unrestricted grants to the ACM can be increased.

Visits

The Trustees have budgeted for one such visit of staff member or Trustee a year but such visits will be driven by the needs and events of the ACM. During 2008 no such visit was made however, due to the Bishops' attendance at the Lambeth Conference, there was significant direct contact with the ACM. Travel at the request of the religious orders is to be funded from their own funds or by the ACM.

Events

The next AGM will be held at Selwyn College, Cambridge on 19 September 2009.

Personnel

The Mission is currently supporting one mission partner working at the ACM theological college in Solomon Islands.

Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing these financial statements the Trustees are required to select suitable accounting policies and then apply them consistently making judgements and estimates that are reasonable and prudent. The Trustees must also prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

THE MELANESIAN MISSION

Trustees Report

Year ended 31st March 2009

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the Trustees

+ *Ticena Khan*



D Friswell
Company Secretary

Approved by the Trustees on 24 June 2009.

THE MELANESIAN MISSION

Independent Auditors' Report to the Members

For the year ended 31st March 2009

We have audited the financial statements of The Melanesian Mission for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of The Melanesian Mission Ltd for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK 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 whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity 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 trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 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.

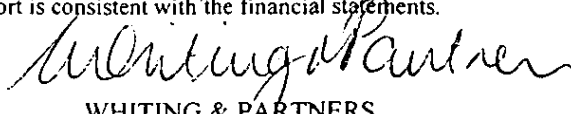
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charitable company's affairs as at 31 March 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Date:

27th July 2009


WHITING & PARTNERS
Chartered Accountants, Business Advisers
& Registered Auditors
Bury St Edmunds

THE MELANESIAN MISSION

Statement of Financial Activities

Year ended 31st March 2009

| | <u>Notes</u> | <u>Unrestricted Funds</u> £ | <u>Restricted Funds</u> £ | <u>Total Funds 2009</u> £ | <u>Total Funds 2008</u> £ |
|--|--------------|------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| Incoming Resources from generating funds: | | | | | |
| Voluntary Income: | | | | | |
| Donations | | 37,163 | - | 37,163 | 46,958 |
| Legacies | | 19,143 | - | 19,143 | 831 |
| Investment Income: | | | | | |
| Bank Interest | | 59,949 | 279 | 60,228 | 71,573 |
| Dividend Income | | 29,117 | 1,003 | 30,120 | 27,395 |
| Total Incoming Resources | | <u>145,372</u> | <u>1,282</u> | <u>146,654</u> | <u>146,757</u> |
| Resources Expended: | | | | | |
| Charitable Activities | | 114,208 | 1,283 | 115,491 | 113,082 |
| Governance Costs | | 10,163 | - | 10,163 | 9,289 |
| Total Resources Expended | 2 | <u>124,371</u> | <u>1,283</u> | <u>125,654</u> | <u>122,371</u> |
| Net incoming/(outgoing) resources for the year | | 21,001 | (1) | 21,000 | 24,386 |
| Other Recognised gains and losses: | | | | | |
| Change in market value of investments | | (211,364) | (592) | (211,956) | (67,157) |
| Net movement in funds | | (190,363) | (593) | (190,956) | (42,771) |
| Transfer of funds | | - | - | - | - |
| Net movement in funds for year | | (190,363) | (593) | (190,956) | (42,771) |
| Balance brought forward | | <u>2,026,477</u> | <u>28,813</u> | <u>2,055,290</u> | <u>2,098,061</u> |
| Balance carried forward | | <u>1,836,114</u> | <u>28,220</u> | <u>1,864,334</u> | <u>2,055,290</u> |

The company has no recognised gains or losses other than the results as set out above.

The notes on pages 11 to 23 form part of these financial statements.

THE MELANESIAN MISSION

Balance Sheet

As at 31st March 2009

| | Notes | 2009 £ | 2008 £ |
|--|-------|------------------|------------------|
| Fixed Assets | | | |
| Investments | 5 | 1,895,962 | 2,083,763 |
| Office Equipment | 3 | 878 | - |
| | | <u>1,896,840</u> | <u>2,083,763</u> |
| Current Assets | | | |
| Debtors | 6 | 5,749 | 11,103 |
| Cash at bank | | <u>11,094</u> | <u>4,809</u> |
| | | 16,843 | 15,912 |
| Creditors - amounts falling due within one year | 7 | <u>(49,349)</u> | <u>(44,385)</u> |
| Net current liabilities | | <u>(32,506)</u> | <u>(28,473)</u> |
| Net assets | | <u>1,864,334</u> | <u>4,139,053</u> |
| Funds:- | | | |
| Restricted funds | 8 | 28,220 | 28,813 |
| Unrestricted funds | | | |
| Designated funds | 9 | 293,192 | 281,670 |
| General fund | | <u>1,542,922</u> | <u>1,744,807</u> |
| Total Funds | | <u>1,864,334</u> | <u>2,055,290</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements on pages 9 to 23 were approved by the board of Trustees on 24 June 2009 and signed on its behalf by:

+ Mervyn Khan:

The Right Revd M Langrish
Trustee

H L Miller

Mrs H L Miller
Hon Treasurer

The notes on pages 11 to 23 form part of these financial statements.

THE MELANESIAN MISSION

Notes to the Financial Statements

Year ended 31st March 2009

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 1985, subject to the departures referred to below. The financial statements have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company has revised its format of accounts, as provided by Schedule 4 paragraph 3(3) of the Companies Act 1985, to include headings which are relevant to its activities thus enabling it to show a true and fair view.

The financial statements incorporate a Statement of Financial Activities analysed between funds managed by the charity. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. All other costs are included as expenditure incurred on charitable activities.

Fund Accounting

Unrestricted funds:

The unrestricted funds consist of income received which the company may use at its discretion to meet its main objectives.

Restricted funds:

The restricted funds comprise amounts received on which restrictions are imposed by the provider or where direct appeals for specific projects are made.

Endowment funds:

The endowment funds are made up of both permanent and expendable elements as shown in the notes.

A permanent endowment fund is a capital where the trustees have no power to convert the capital into income.

An expendable endowment fund is a form of capital fund. The trustees cannot initially convert the capital into income, but may do so at some time in the future, perhaps on the happening of a certain event, or after a fixed period of time.

Designated funds:

From time to time the Trustees decide to support a specific project or activity in, or supporting, the Anglican Church of Melanesia, or an organisation within it, including emergency relief and designate a fund to be associated with that project or activity.

Funds for that project or activity may be raised separately and/or transferred from the General Unrestricted Fund.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

1. Accounting Policies - continued

When the Trustees decide that the specific project or activity associated with a Designated fund is satisfactorily completed, money remaining in the Designated Fund is transferred back into the General Fund and the Designated Fund is determined.

Incoming resources

Donations are accounted for when received.

Investment income is accounted for on an accruals basis. Legacies are accounted for on an accruals basis when it has been confirmed that a specific sum has been bequeathed to the company.

All incoming resources are stated gross.

Resources expended

Grant making policy

About half of the funds available for grants are transferred to the Anglican Church of Melanesia as a fixed monthly grant at a rate fixed by the Committee annually. The other half is available for grants made in response to requests from the Archbishop of Melanesia for funds for specific projects (including emergency relief) and supporting costs (e.g. travelling requirements).

Grants payable in furtherance of The Melanesian Mission's objects:-

- i. Annual General Grant to Anglican Church of Melanesia;
- ii. Grants to support expatriate staff of the Anglican Church of Melanesia during home leave in the UK (furlough and medical checks) and after retirement in the UK (pensions);
- iii. Other grants for specific projects, activities and resources as requested by the Archbishop of Melanesia and agreed by the Trustees.

Costs of generating funds

Costs incurred directly for the purpose of raising funds including advertising and publicity. Travel and other supporting costs are treated as administration costs unless they are solely used in support of fundraising activity.

Governance costs

Costs associated with meeting the constitutional and statutory requirements of the charity and include audits and legal fees, trustees meeting costs and costs linked to the strategic management of the charity.

Investments

Investments held as fixed assets are stated at their market value. Any gain/(loss) for the period is taken to the Statement of Financial Activities as unrealised gains/(losses).

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

1. Accounting Policies - continued

Tangible Fixed Assets and Depreciation

Fixed assets are included in the accounts at their historical cost where cost is £1,000 or more or appropriate market value where donated for use by the Charity. Depreciation is calculated so as to write off costs less estimated residual value of fixed assets over their estimated useful lives as follows:-

Office equipment - 20% straight line

Pensions

The charity contributes to the Career Average Revalued Earnings (CARE) scheme, which is a defined benefit scheme, at rates set by the scheme actuary and advised to the charity by the scheme administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the charity. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS17 represents the employer contribution payable. Further details can be found in note 14.

2. Total Resources Expended

| | <u>Charitable Expenditure</u> | <u>Governance Costs</u> | <u>Total 2009</u> | <u>Total 2008</u> |
|----------------------------------|-----------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Staff costs | 27,595 | 3,558 | 31,153 | 30,711 |
| Printing, postage and stationery | 2,435 | - | 2,435 | 1,108 |
| ACM visitor expenses | - | - | - | 45 |
| Grants | 83,597 | - | 83,597 | 83,010 |
| Trustee Expenses | 365 | 2,454 | 2,819 | 1,494 |
| Accountancy fees | - | 583 | 583 | 551 |
| Legal and professional | - | 15 | 15 | 975 |
| Auditors remuneration | - | 3,360 | 3,360 | 2,761 |
| General expenses | 1,499 | 193 | 1,692 | 1,716 |
| | <u>115,491</u> | <u>10,163</u> | <u>125,654</u> | <u>122,371</u> |

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

2. Total Resources Expended –Continued

| | <u>Charitable Expenditure</u> | <u>Governance Costs</u> | <u>Total 2009</u> | <u>Total 2008</u> |
|--------------------------|-----------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Staff costs comprise: | | | | |
| Payroll costs | 23,121 | 2,978 | 26,099 | 25,307 |
| Travel and subsistence | 1,229 | 158 | 1,387 | 1,868 |
| Pension contributions | 1,708 | 222 | 1,930 | 1,894 |
| Social security expenses | 1,537 | 200 | 1,737 | 1,642 |
| | <u>27,595</u> | <u>3,558</u> | <u>31,153</u> | <u>30,711</u> |

Particulars of employees employed by the charity during the year:-

| | <u>2009 No.</u> | <u>2008 No.</u> |
|-----------------------|---------------------|---------------------|
| Charitable activities | <u>1</u> | <u>1</u> |

No employee's emoluments exceeded £60,000.

Grants

The Trustees make an annual grant of £36,000 to the Anglican Church of Melanesia. Applications for further Grants are considered by the Trustees as appropriate.

| | <u>2009 £</u> | <u>2008 £</u> |
|---|-------------------|-------------------|
| Annual grant - Anglican Church of Melanesia | 36,000 | 36,000 |
| Grant for staff support costs | 27,726 | 20,010 |
| Other grants | 10,859 | 17,186 |
| Payments in respect of expatriate employees:- | | |
| Pensions | 2,500 | 7,500 |
| Furlough | 6,512 | 1,978 |
| Medical costs | - | 176 |
| National insurance | - | 160 |
| | <u>83,597</u> | <u>83,010</u> |

Payments in respect of expatriate employees are made on behalf of the Anglican Church of Melanesia direct to the employees and represent additional grant support during the year.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

3. Tangible Fixed Assets

| | Office Equipment £ |
|---------------------|--------------------------|
| Cost | |
| At 1 April 2008 | - |
| Additions | 1,097 |
| At 31 March 2009 | <u>1,097</u> |
| Depreciation | |
| At 1 April 2008 | - |
| Charge for the year | 219 |
| At 31 March 2009 | <u>219</u> |
| Net Book Value | |
| At 31 March 2009 | <u>878</u> |
| At 31 March 2008 | <u>-</u> |

4. Taxation

No corporation tax arises on the activities of the company due to its charitable status.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

5. Investments

| | Quoted Investments £ | Cash on Deposit £ | Total £ |
|----------------------------|----------------------------|-------------------------|------------|
| <u>Cost</u> | | | |
| At 1st April 2008 | 516,015 | 1,323,912 | 1,839,927 |
| Additions | - | 64,155 | 64,155 |
| Disposals | - | (40,000) | (40,000) |
| At 31st March 2009 | 516,015 | 1,348,067 | 1,864,082 |
| <u>Revaluation Surplus</u> | | | |
| At 1st April 2008 | 243,836 | - | 243,836 |
| Unrealised losses for year | (211,956) | - | (211,956) |
| At 31st March 2009 | 31,880 | - | 31,880 |
| <u>Market Values</u> | | | |
| At 31st March 2009 | 547,895 | 1,348,067 | 1,895,962 |
| At 31st March 2008 | 759,851 | 1,323,912 | 2,083,763 |

All investments are held in the United Kingdom as follows:-

| | |
|---|------------|
| CBF Church of England Deposit Fund | £1,348,067 |
| CBF Church of England Investment Fund (Income Shares) | £535,990 |
| Quoted stocks and shares | £11,905 |

6. Debtors

| | 2009 £ | 2008 £ |
|--------------------------------|-----------|-----------|
| Prepayments and accrued income | 2,336 | 2,335 |
| Other debtors | 3,413 | 8,768 |
| | 5,749 | 11,103 |

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

7. Creditors: Amounts falling due within one year

| | <u>2009</u> | <u>2008</u> |
|--|---------------|---------------|
| | <u>£</u> | <u>£</u> |
| Accrued Expenses | 3,580 | 3,275 |
| Melanesian Brotherhood - Baguley Bequest | 34,892 | 33,624 |
| Taxation and Social Security | 2,470 | 2,486 |
| Other Creditors | <u>8,407</u> | <u>5,000</u> |
| | <u>49,349</u> | <u>44,385</u> |

The Melanesian Brotherhood - Baguley Bequest represents funds held on behalf of the Melanesian Brotherhood for application as required.

8. Restricted Fund

| | <u>2009</u> | <u>2008</u> |
|-------------------------|---------------|---------------|
| | <u>£</u> | <u>£</u> |
| Incoming resources | 1,282 | 1,614 |
| Transfer | - | (2,897) |
| Resources expended | <u>1,875</u> | <u>1,176</u> |
| Net movement in funds | (593) | (2,459) |
| Balance brought forward | <u>28,813</u> | <u>31,272</u> |
| Balance carried forward | <u>28,220</u> | <u>28,813</u> |

The restricted funds are made up as follows :

| | <u>Brought Forward</u> | <u>Funds Transferred</u> | <u>Incoming Resources</u> | <u>Outgoing Resources</u> | <u>Carried Forward</u> |
|--------------------------------|------------------------|--------------------------|---------------------------|---------------------------|------------------------|
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Endowment Funds (see below) | 28,813 | - | 1,282 | (1,875) | 28,220 |
| | <u>28,813</u> | <u>-</u> | <u>1,282</u> | <u>(1,875)</u> | <u>28,220</u> |

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

8. Restricted Fund - continued

Description of restricted funds :

Endowment Funds :

| | <u>Brought Forward</u> £ | <u>Funds Transferred</u> £ | <u>Incoming Resources</u> £ | <u>Outgoing Resources</u> £ | <u>Carried Forward</u> £ |
|--------------------|---------------------------------|-----------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Patteson Moss Fund | 2,463 | - | 97 | (559) | 2,001 |
| Amy Rawson | 8,783 | - | 395 | (439) | 8,739 |
| Eleanor Rawson | 8,783 | - | 395 | (438) | 8,740 |
| Cyril Rawson | 8,784 | - | 395 | (439) | 8,740 |
| | <u>28,813</u> | <u>0</u> | <u>1,282</u> | <u>(1,875)</u> | <u>28,220</u> |

Description of endowment funds:

| | <u>Permanent</u> £ | <u>Expendable</u> £ | <u>Total</u> £ |
|--------------------|-----------------------|------------------------|-------------------|
| Patteson Moss Fund | 2,103 | (102) | 2,001 |
| Amy Rawson | 6,297 | 2,442 | 8,739 |
| Eleanor Rawson | 6,297 | 2,443 | 8,740 |
| Cyril Rawson | 6,297 | 2,443 | 8,740 |
| | <u>20,994</u> | <u>7,226</u> | <u>28,220</u> |

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

8. Restricted Fund – continued

Patteson-Moss Memorial Fund

Donated by Mrs John Patteson-Moss of Toronto to form a trust in England in memory of her son. Any income generated from the capital is to be used to purchase books for Melanesian theological students

Amy Rawson Trust Fund

Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

Eleanor Rawson Trust Fund

Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

Revd. Cyril Rawson Trust Fund

Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

9. Designated Funds

| | <u>Brought Forward</u> | <u>Funds Transferred</u> | <u>Incoming Resources</u> | <u>Outgoing Resources</u> | <u>Carried Forward</u> |
|--------------------------------------|----------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Cornell Bequests/Sabbaticals Reserve | 240,516 | - | 11,138 | - | 251,654 |
| Annual Grant Holding Account | 15,126 | (3,000) | 1,366 | - | 13,492 |
| General Holding Account | 24,685 | - | - | - | 24,685 |
| Bikes Fund | - | 20 | 959 | (979) | - |
| Tsunami Appeal | 1,338 | - | - | - | 1,338 |
| Vureas Fund | 5 | - | - | - | 5 |
| Flood relief | - | 3,000 | 3,998 | (6,180) | 818 |
| Christian Care Centre | - | - | 600 | - | 600 |
| Manago | - | - | 600 | - | 600 |
| Diocese of Malaita | - | - | 437 | (437) | - |
| Diocese of Hanuato'o | - | - | 2,000 | (2,000) | - |
| | <u>281,670</u> | <u>20</u> | <u>21,098</u> | <u>(9,596)</u> | <u>293,192</u> |

Description of designated funds :

Cornell Bequest/Sabbaticals Reserve

The Trustees decided that the Cornell Bequest (an unrestricted legacy) should be used to support the sabbatical leave of (Melanesian) clergy of the Anglican Church of Melanesia.

Annual Grant Holding Account

These funds are held as a planned supplement to the Annual Grant to the Anglican Church of Melanesia.

General Holding Account

These funds are earmarked to respond to emergency situations and other special projects requested by the Archbishop of Melanesia and agreed by the Trustees of the Melanesian Mission.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

9. Designated Funds – continued

Bikes Fund

This fund was set up as a special fundraising appeal to provide extra money for the Diocese of Malaita to purchase bicycles and canoes for the clergy to use to visit parishes

Tsunami Appeal

An emergency appeal to offer extra support for immediate and longer term relief after the tsunami that hit the Western Province of Solomon Islands on 2nd April 2007.

Vureas Fund

This fund was set up to enable The Melanesian Mission to transfer earmarked finds from supporters directly to the Anglican Church of Melanesia School Scholarship Fund for needy students studying at St Patrick's School, Vureas.

Flood Relief

This fund was established in March 2009 with an appeal to supporters to give financial help to flood victims in Western Guadalcanal.

Christian Care Centre

This fund represents donations received for the ongoing work of the Christian Care Centre (women's refuge) on Guadalcanal.

Manago Fund

This fund represents donations received for the building of church institutions and community development work being undertaken by the Church of Melanesia in Manago, Ysabel Diocese.

Diocese of Malaita

Fund for donations received specifically for the Diocese of Malaita to be used at the discretion of the Bishop or as instructed by the donor.

Diocese of Hanuato'o

Fund for donations received specifically for the Diocese of Hanuato'o to be used at the discretion of the Bishop or as instructed by the donor.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

10. Company Limited by Guarantee

The company has no share capital and is limited by guarantee. Each member is liable to contribute an amount not exceeding £1 on winding up.

11. Controlling Party

The company is under the control of the Board of Trustees.

12. Transactions with Trustees

Trustees remuneration and expenses:-

During the period, six trustees were reimbursed an aggregate total of £1,900 (2008 - £1,494) covering UK travel, subsistence, entertainment and accommodation.

No trustee received remuneration during the year.

13. Pension Commitments

The charity participates in the CARE Pension Scheme.

CARE is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme.

Employers pay contributions at the rate of 10.0% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten).

The pension cost charge for the year was £1,930 (2008 - £1,894). There were no outstanding or prepaid contributions at the Balance Sheet date.

THE MELANESIAN MISSION

Notes to the Financial Statements - Continued

Year ended 31st March 2009

14. Contingent Liability

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the CARE pension Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The scheme actuary has estimated that the potential debt payable if the charity had withdrawn from the CARE pension scheme at 30 September 2007 was £4,000. No provision has been made in these financial statements in respect of this.