



THE LONDON CITY MISSION

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**Annual Report
&
Financial Statements
for the year ended 31 December 2021**

Contents

1. LETTER FROM THE CEO & CHAIRMAN	1
2. STRATEGIC REPORT	2
2A. PURPOSE & IMPACT	2
2B. STRATEGIC FOCUS	4
2C. WHAT MATTERS TO US	6
2D. KEY EVENTS IN 2021	6
2E. MISSIONAL ACTIVITIES	8
2F. PLANS FOR FUTURE YEARS - MINISTRY	18
2G. FINANCIAL SUSTAINABILITY	19
2H. STRATEGIC SUMMARY	20
3. OPERATIONAL REPORT	21
3A. ENABLING MISSION	21
3B. OPERATING RESULT FOR THE YEAR	22
3C. THE MISSION'S ASSETS	23
3D. COMPLIANCE	26
3E. PRINCIPAL RISKS AND UNCERTAINTIES	27
4. GOVERNANCE	29
4A. GOVERNANCE OF THE LONDON CITY MISSION	31
4B. SUBSIDIARY COMPANIES	31
4C. MANAGEMENT STRUCTURE	32
4D. PAY POLICY FOR SENIOR STAFF	33
4E. DIRECTORS' RESPONSIBILITIES	33
4F. AUDITORS	34
4G. DIRECTORS' STATEMENT	34
5. INDEPENDENT AUDITORS' REPORT	35
6. GROUP STATEMENT OF FINANCIAL ACTIVITIES	40
7. GROUP & PARENT BALANCE SHEET	42
8. GROUP CASHFLOW STATEMENT	43
9. NOTES TO THE ACCOUNTS	44

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. LETTER FROM THE CEO & CHAIRMAN

As we reflect on the year, we are grateful for the Lord's loving hand of grace in the midst of profound practical and spiritual need throughout London.

Today we see the economic impact of both the pandemic and global conflict, hitting those already struggling the most. Thousands of people displaced from their homes are now living in our city. People are suffering and without hope. While London is ever changing and we adapt our ministries to meet those needs, people's need for the gospel remains the same.

In London, most of the communities in greatest need are also those disconnected from their local church and unlikely to ever hear about the eternal joy they can freely receive through repentance and faith in Jesus Christ. By God's grace, in the face of a famine of the word of God, The London City Mission exists to see the light of the gospel shine into the darkness of London.

London needs Jesus! With an estimated 3 million souls living in London largely unaware of the message of eternal hope in Christ, this task is too great for a small band of missionaries, however committed and gifted. So, we have been in ministry conversations with around 5% of the evangelical church leaders in London, particularly those who are based in the most deprived areas where people are most in need of practical help and gospel hope. We walk alongside local churches, following in the footsteps of Jesus in seeking to serve those in the most marginalised communities who are the least likely to have a Christian friend to share their faith and invite them to church. As a result, many partnerships are forming and we trust in the promise of Christ to 'build his church' and seek to serve Him in that calling.

You'll read about many accounts of God's grace in this report; the man who is homeless wanting to be baptised, conversations about the weather turning to discussions of Jesus, a former addict joining a church family, muslims hearing that none of us can be good enough for God, refugee children hearing that Jesus looks for the lost, far from home. Please continue to stand with us in prayer and give, as we reach out to people in this great city.

For us, it has been a year of diligently rebuilding many of our teams following a restructure in 2020, and a year of laying the foundations of our strategy to increasingly work closely with the local church in London. In some ways there is perhaps less to say about this year than others but the work that has been done will be the bedrock of our future impact, as initial data from our first church partnerships encouragingly shows. The key appointments of Rev Dr Jason Roach as our Director of Ministries, and Carl Knightly as our Director of Church Networks, are vital in providing the leadership we need to bring our strategy to life.

By God's grace we are persevering well, not because of our great strength, but because we have a great hope in Christ Jesus. Our heartfelt thanks go to every person who plays a part, however big or small, in sharing that hope with the most marginalised communities of London.

Yours in Him,

GRAHAM D MILLER, CHIEF EXECUTIVE

24 October 2022

MARK D HARDING, CHAIRMAN OF THE BOARD OF TRUSTEES

24 October 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. STRATEGIC REPORT

2A. PURPOSE & IMPACT

The London City Mission (LCM) has a vision to see Jesus Christ known in every community in London.

However, one in three people in London are unlikely to have a Christian friend. During their lifetime, they are unlikely to be invited to church or to hear the best news ever – the life-giving gospel of Jesus.

This is a tragedy.

What is even more heart breaking is that many of these people live in the most deprived areas of London or are marginalised in some way. Jesus rejected the cultural norms of His time to embrace people society had pushed to the margins, and through His ministry, God's heart for those in need is displayed for all to see.

So, we want to reach **everyone** in communities least likely to hear the gospel. Everyone living on estates, every older person, everyone from other religious backgrounds, everyone who is homeless and on the margins of society, and every young person.

At LCM, we partner with churches who share a vision to see **everyone** in London personally **invited** to follow Jesus Christ.

God calls us all to share the hope of Christ. It's a big task but it can be done!

So, we are equipping local churches to step out in faith, build connections with the communities around them and lovingly share the amazing news of the grace found in Jesus Christ.

Because London needs Jesus!

Working as a catalyst alongside the Church, together, by God's grace, our vision is to build up more people in evangelistic outreach, so that many more people and communities without a Christian witness in London can hear the life-giving good news of Jesus Christ.

This kind of urban ministry involves working in partnership with churches to follow Christ's example in developing respectful and caring relationships with people from all kinds of backgrounds, as good news, hope, and practical love is shared. Many of those people we come alongside may struggle with economic, relational, physical, social, family or personal troubles.

During the tail end of the pandemic of 2021, LCM continued to persevere in a challenging hybrid environment, with some parts of society opening up and others still firmly closed and churches everywhere grappling with this new challenge. For us, this also coincided with a new way of partnering with churches.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

Our heart is to see God releasing the potential of local churches to share the gospel with those around them, particularly those on the margins – and to see churches, wherever they are, grow and flourish as a result.

In the areas of London least reached by the gospel, our missionaries work closely with local churches, equipping them to build bridges into communities, share the gospel and welcome new believers into the church family.

- In 2021 our missionaries came alongside 271 churches in 2021 which are located in our priority areas. These churches represent approximately 5% of the evangelical church in London. We build relationships, understand the vision of the church for outreach, and explore how LCM can provide the tools to help them realise it. Prayer is always foundational to our relationships and praying with a church for the lost in their local area is the starting place for any outreach.
- Of these, 53 churches began actively discerning how LCM could partner with them; this could involve outreach pilots to begin to share the good news of Jesus with local communities in new ways, discussing proposals for how existing ministries (such as food banks, youth groups or seniors clubs) could be enriched with a deeper gospel focus, or how the church as a whole could be encouraged into intentionally building bridges into communities where Jesus Christ isn't yet known.
- Of these, to date, 9 churches have formed new partnerships with LCM, resulting in more everyday Christians taking part in activities to see the powerful message of the gospel reach those communities where people are unlikely to have a Christian friend. We are excited to see churches grow into evangelism and many Christians increase their confidence in stepping out to build trusting relationships where they can share with others of God's grace in Jesus.
- We are delighted to have 4 ministries that we are currently handing over to be continued by local churches. LCM has a long history of starting and handing over innovative ministries that see the hope of Christ continue to be shared with those otherwise unlikely to hear. We remain mindful that for those who have poured their lives into establishing a ministry, it can be a wrench to let go. However painful, we are delighted that God uses us like this; pioneering new ministries can be a daunting task that takes more experience and resources than stepping into a model which is set up and flourishing. This then enables us to use the limited resources we have to innovate new ministry elsewhere.
- In 2021 around 1.5 million people viewed some of our idea-generating content at varying levels. This would include visitors to our website, people viewing content on social media, hearing LCM speakers at conferences and churches, reading articles written by LCM staff in the Christian media as well as those who have received printed resources or attended our training courses. At every step we seek to connect, inspire and encourage people, believers or not, with the life-changing truth about Jesus Christ.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2B. STRATEGIC FOCUS

The London City Mission (LCM) has a dual strategy to help reach the one in three people in London communities who are unlikely to hear the good news of Jesus Christ. Missionaries model relational evangelism, working alongside ordinary Christians from London's churches, to resource them for mission. To complement this, LCM shares more about these models of ministry more widely, to inspire and encourage the wider church to develop a culture of intentional outreach to those communities unlikely to otherwise hear the good news of Jesus Christ.

LCM's ministry strategy is focused on three core aspects:

- Sharing the gospel of Jesus Christ
- Working amongst people and communities in London unlikely to otherwise hear the good news of Jesus Christ
- And doing this in partnership with local churches



LCM's broader strategy

We also acknowledge that as experienced and gifted urban evangelists, we have a role to play in serving the wider church outside the specific district areas where our missionaries live, work and worship. By engaging in thought leadership and widely sharing models of mission that connect well with certain groups, we can encourage the evangelical church to develop a culture of intentional gospel outreach beyond the friends and family of the current church members.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Thought Leadership
objectives**



LCM seeks to deliver its strategy by:

- Identifying particular geographic districts, and/or particular people groups, where the gospel is unlikely to be shared
- Employing and training Christian evangelists with appropriate gifts in urban mission and church mobilisation, and placing them into those areas with the intention of reaching certain people groups
- Building mobilising relationships with the local church to share the gospel with the least reached people in their community, evangelising alongside members of the church – this might involve LCM staff working alongside the church in prayer, research into the local area, planning and evaluation of outreach efforts, building up the congregation for mission and doing evangelistic activities together
- Taking every opportunity to build bridges into local communities. Growing mutual understanding, providing an environment to compassionately share the Christian message of salvation through Jesus Christ
- Encouraging and assisting those who respond positively to this message to become active disciples, members of the caring church family of Jesus Christ
- Sharing our experience and insights with the wider church in an accessible way, to inspire and encourage others in their evangelism and provide replicable models of ministry to build up the Church

“So Christ himself gave the apostles, the prophets, the evangelists, the pastors and teachers, to equip his people for works of service, so that the body of Christ may be built up until we all reach unity in the faith and in the knowledge of the Son of God and become mature, attaining to the whole measure of the fullness of Christ.” Ephesians 4: 11-13

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

2C. WHAT MATTERS TO US

London needs Jesus! The ministry of The London City Mission is to share the good news of Jesus Christ with those in London unlikely to otherwise hear. We do this by working alongside the Church in London, helping churches build bridges into communities in their local area where Jesus Christ isn't widely known. We believe that our witness is compromised if we are not following Christ in the way we work and relate to others.

LCM has a set of values which shape the way we work and relate to each other, to the Church and to the people and communities we engage with.

Our values are:

- **Rooted in Christ** – We are prayerfully dedicated to doing God's will and living His way, according to His word.
- **Christ-like love** – We look not to our own interests but to the interests of others because we are united as brothers and sisters in Christ.
- **God-glorifying excellence** – We pursue the best that we can be to glorify God and serve each other in all we do.
- **Spirit-inspired courage and perseverance** – We stand firm, push through, and pay the price for the sake of Christ and the gospel.

2D. KEY EVENTS IN 2021

Coronavirus

The coronavirus pandemic has affected us all, many will never be the same again. As the economic impact of the pandemic hits in the aftermath, it's those people in lower paid jobs, with less job security, who are impacted the hardest. These people are also often from communities in London where Jesus Christ is not known.

As the lockdown unfolded, The London City Mission continued to work with churches to share the hope that is found in Jesus Christ with those least likely to hear it. Our activities adapted and changed again as parts of society opened up, but the desire and urgency to share the gospel remained as steadfast as ever.

Church speaking engagements continued via Zoom and in person, enabling missionaries to connect with our supporter base, a vital source of prayer and encouragement for ministry. The new hybrid environment, with many services being both online and in person, was challenging for churches and the number of speaking engagements in 2021 reduced as a result. We were also aware with sadness that some of the smaller long term supporter churches have not survived the pandemic. We continue to trust in God's promise to build his church.

"I will build my church, and the gates of Hades will not overcome it." Matthew 16:18b (NIV)

As missionaries worked even more closely with the church in London, they were able to support more churches to pray and share the gospel in word and deed with the people in their communities who were unlikely to otherwise hear it, at a time when the demands on many church leaders had drastically increased with the realities of the pandemic.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

Where government guidelines allowed, in-person activities took place with social distancing, PPE and risk assessments making all our lives more complicated but keeping vital gospel ministry living at a time when people desperately needed hope.

Thanks to our faithful supporters, we did, and continue to do, all we can to serve practically and spiritually at this time. If there was ever a time when London needs Jesus, it's now.

Ministry review and strategy

In early 2019, the Board of Trustees (Trustees) of LCM approved a new five-year strategy.

Praise God for the 21,000 people who heard the gospel, often for the first time from an LCM Missionary in the previous five years, along with the many who responded by God's grace. However, that left one in three people in London unlikely to have anyone to tell them the good news – a total of 3 million people!

In London, that means we estimate one person every 30 minutes potentially passes into eternity without ever hearing about the hope found in Jesus Christ – we urgently need to do much more to raise up more workers for the harvest.

“The harvest is plentiful but the workers are few. Ask the Lord of the harvest, therefore, to send out workers into His harvest.” Matthew 9:37b-38

There are thousands of evangelical churches right across London, and hundreds of thousands of Bible-believing Christians. With the right motivation, training and support, many of them can effectively share the gospel with the least reached people of London.

Following a year-long ministry review, we made significant changes in 2020, both to the role of our missionaries and to the way we work with churches. For example, missionaries who were working within one church have shifted their focus to work with a range of churches in their area.

LCM recognises that these changes, whilst a positive step for seeing more people in London reached with the gospel, could be difficult for some individual missionaries who may not feel called to church mobilisation work. The Mission is grateful for the grace and perseverance shown by mission staff through this time. LCM is always committed to supporting the calling of God on any missionary's life and provided a redundancy package for those who didn't feel called to go forward with the changes. A number of missionaries took the opportunity of voluntary redundancy to pursue ministry elsewhere, the overwhelming majority leaving as firm friends of the Mission.

LCM has been recruiting new Missionaries and Team Leaders since the start of 2021. We thank God that 26 gifted and experienced gospel workers joined us in 2021 with recruitment of several more underway. Please pray for them as they seek to raise the prayer and financial support needed to enable flourishing ministries amongst people least likely to have heard of the life-changing truth about Jesus Christ. We are still not back up to the pre-pandemic ministry staffing levels and we are recruiting four fewer missionaries than planned in 2022 due to concerns about the wider economic environment and the underlying growth in donations. Every person who partners with us in gospel ministry helps keep gifted, called and trained evangelists working in some of London's most deprived communities.

By God's grace, we've always adapted to London's changing landscape through history, and we have done so again now. We will always be committed to sharing the gospel, working in partnership with

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

churches and going to the least, the last and the lost. We remain committed to our call to glorify God and by His great mercy, to see the salvation of many in London.

2E. MISSIONAL ACTIVITIES

'Let the glory of God and the salvation of souls be your chief, your only aim', were the words of David Nasmith, who founded The London City Mission (LCM) in 1835. This continues as our heartbeat as we constantly adapt to London's ever-changing landscape.

Sending out missionaries

We send out missionaries, called, gifted and trained in urban mission, to work alongside London's churches to share the gospel with those communities where Jesus Christ is not widely known.

The long-term outcome of our ministry results in increased diversity of the evangelical Church in London, with greater representation from more UK communities either as members of churches, or in relationship with churches through community activities that the church has proactively developed to build bridges into nearby communities. This increased representation both strengthens the voice of the Church as she speaks to issues in wider society, and helps the Church grow in understanding and love for our neighbour regardless of age, socio-economic status, religion, ethnicity or country of origin.

During 2021, LCM appointed a new Director of Ministries to lead the team in achieving this task and continued to work alongside local churches to minister in some of the most spiritually and economically deprived areas of London. Within these communities, we seek to serve the Church in reaching out to people who are least likely to have a Christian friend who can tell them about Jesus.

Partnership in Mission

At LCM, our heart is to see God releasing the potential of local churches to share the gospel with those around them, particularly with people on the margins – and to see churches grow and flourish as a result. And we love coming alongside churches, wherever they are, to help make this a reality in a number of ways:

- We partner with churches in the areas of London where people are least likely to have heard the life changing truth about Jesus – amongst communities from other religions, in the city's housing estates, with young people and those on the margins of society. It's in these areas, least reached by the gospel, that our missionaries are embedded. They work closely with local churches, equipping church members to build bridges into communities, share the gospel and welcome new believers into the church family.
- We serve churches across the city and beyond, understanding their vision for local mission, and providing the tools to help them achieve it. We help churches to understand their local area, the needs of the people, and give training on reaching them effectively for the gospel.
- We love all evangelical churches, wherever they are, to join us in partnership for the gospel in London – making outreach possible, giving missionaries prayer and financial support, and regularly hearing back first-hand the impact their support is having, along with being encouraged and inspired into outreach themselves.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

At the heart of our long-term relationships with all churches are active Church Reps – who we equip with brilliant evangelistic resources, inspiring stories, training opportunities and updates on what God is doing in London, to share with the rest of the church.

Diaspora Churches

Churches whose members have a shared heritage or origin from elsewhere in the globe are a great blessing to London today. We partner with many evangelical diaspora churches, resourcing them to share the gospel with the people yet to hear the gospel in their local area. This could involve supporting them to start church services in different languages, connecting them with other local churches from other cultural backgrounds to do mission together, or training church members on cross cultural outreach ministry.

At the heart of our church partnerships is a desire to see God's church built up to be a people who reach out to share the good news of Jesus Christ with those yet to hear, providing a warm welcome and a place of belonging for those who, by God's grace, respond.

"From Him the whole body, joined and held together by every supporting ligament, grows and builds itself up in love, as each part does its work." Ephesians 4:16 NIV

Pilot data from some of our church partners is an encouraging indication that this is an effective approach. We have a lot more that we need to evaluate but this is an uplifting start. Because of working directly with a missionary from LCM, on average, an engaged member of the local church saw;

- **+40% increase in confidence** in intentionally building friendships where they can share their faith with people from communities who are unlikely to have heard the gospel
- **4 new friendships developed**, and almost all of those friendships with people who don't have any other Christian friends to share their faith with them
- **+30% increase in confidence** in sharing the good news of Jesus with people who are similar to them
- **12 extra conversations** about Jesus every year

Two thirds of people said they got to know more people in their local area. Two thirds of people also had more conversations about Jesus

"It's not as hard as I thought sharing my faith would be, and it is getting easier." Sylvia, church member working with LCM.

Specialisms

Whilst partnering with local churches primarily around their vision to take the gospel to those yet to hear the good news, LCM has identified broad areas of specialism within communities where people are unlikely to know a Christian who can share their faith, encourage them to read the Bible or invite them to church.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

We focus on:

- Children, youth and schools
- Housing estates and seniors
- Homeless and marginalised
- Islam and other religions
- Diaspora communities

Children, youth and schools

Jesus warmly welcomes children as part of the kingdom of heaven. As believers, we hold a responsibility to pass on our faith to the next generation.

In London today, we estimate just one in twenty children go to church, and around half don't even have a Christian friend to invite them – whether that's to Sunday school or another church activity.

And yet children are incredibly open to talking about Jesus Christ and exploring who he is. LCM are working alongside churches to reach out to children and young people disconnected from church – engaging teenagers on knife crime and God's forgiveness, going into classrooms and sharing what it means to be a Christian, and finding ways to build connections with young people where the good news of Jesus can be shared with them and their families

We love supporting local churches to become places where young people from diverse backgrounds can belong, flourish and grow in Christ.

So often these connections with children and teens lead to opportunities to share the gospel with their wider family. We are so excited by the potential of the church to invite London's children and young people to follow Jesus!

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

“Start children off on the way they should go, and even when they are old they will not turn from it.” Proverbs 22:6

LCM missionary, Charlie Macdonald has been helping to lead the Family Activity Club, hosted at a hostel where some families are staying who have been displaced from their homes elsewhere in the world.

“The children love the crafts activities, play-dough is especially popular. Then we get together and retell a story from the Bible – the lost sheep in the first week, followed by the lost coin and then the lost son. Being lost and far from home are themes that the children can really relate to.”

“Between them, the children speak six different languages, so we make it as interactive as possible. They love to participate – they’re always able to recount the stories from the previous weeks.”

“We know that the children and their families could move on at any time, but it’s about giving them an idea of who Jesus is. You have to trust that you’re working alongside the Holy Spirit, and that you’re playing a part in that person’s journey.”

LCM has been helping churches to connect with families in the hostels.

Charlie says, “It’s been so encouraging to support church volunteers to form friendships that grow without our direct involvement. Please pray this would continue!”

Housing estates

Jesus’s first disciples were mostly everyday people. As Christians we know that economic status makes no difference to our identity in Christ. Nearly a quarter of households in London are social housing – meaning most of the capital’s churches have an estate close by.

London’s housing estates are a melting pot of people from different walks of life and nationalities. People from a traditional white working-class background represent around half of residents – communities that have largely stopped attending church.

We come alongside churches to get to know residents, their needs and their aspirations. We meet people by visiting them in their homes, through shared meals, through parents and tots’ clubs and foodbanks.

The gospel is incredibly good news for all kinds of people and we praise God that He is changing the lives of people on estates across London. So many churches are just around the corner from an estate which is waiting to hear the life-giving hope of Jesus!

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

“Because we loved you so much, we were delighted to share with you not only the gospel of God but our lives as well.” 1 Thessalonians 2:8

LCM is partnering with more and more churches across the city. At the heart of these partnerships is a desire to see ordinary Christians thriving in their gospel-witness to others in their community.

Forestdale in Croydon was developed in the early 1970s, homes for thousands of people were built, but no church! Since then a community has established and grown up without a public and visible Christian witness.

LCM Missionaries Simon Knightly and Patrick Kangi have been helping pastor Joseph Bediako and members of the newly planted Forestdale Church to plan how they can make connections with the local community. Simon and Patrick have been training church members in making these connections and how to start conversations about Jesus and have been accompanying them into Forestdale to meet residents.

Maria, a member of the church says “I went out with Simon one afternoon – I learnt so much. Then I started to go out regularly with the team from church – going into the neighbourhood, meeting people on their doorsteps. It’s about finding natural opportunities to talk about Jesus – listening well and asking questions.”

“I had often noticed one particular lady. We struck up a conversation and exchanged numbers and we’ve been meeting up every fortnight. It’s gone from talking about the weather, to praying together, talking about Jesus.”

“This ministry is uplifting, it’s like someone filling you up.”

Pastor Joseph describes his vision for the area. “We want to plant churches in places where the gospel is not immediately accessible. There is now a church in Forestdale, and we want everyone locally to know that goodness, peace and joy has come to their doorsteps - literally!” .”

Seniors

The Bible has much to say about the later years of life. As Christians, we are called to respect and honour those who are older than us – grey hair is a ‘crown of splendour’. Someone’s later years are hugely significant – with great potential not only for spiritual growth, but also for giving and serving in unique ways in the church.

But so often, people are increasingly neglected and lonely as they get older. Our missionaries often meet men and women on London’s estates who go days without seeing another person. One woman described how she would look forward to phone calls from salespeople, because of the chance to talk to someone. Loneliness and isolation, which has worsened through the pandemic, also has wider physical and mental health impacts.

We come alongside churches to meet older people in their local area, to build friendships and to start gospel conversations which are so often fruitful!

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

We've seen incredible stories of people coming to faith in Jesus in their later years of life and joining – and serving – new families of believers.

In London, the number of older people is set to double by 2035. Our vision is that thousands of these people will be shown the love of Jesus and will be invited to follow Him and enjoy an eternal future with Him!

"They will flourish... and bear fruit in old age." Psalm 92:13-14

Homeless and marginalised

Jesus sought out people on the edges of society, so often overlooked.

Thanks to the generosity of those who partner with us in the gospel, The London City Mission is working alongside the local church, to reach people on the margins of society, each with their own painful story, with the life giving news of Jesus Christ.

In London the number of rough sleepers has risen dramatically over the past decade, with an average age of death at just 44 years old, with many from suicide¹. Out of sight, many thousands of women are enduring the horror of being involved or even enslaved in sex work², and London's seven prisons are full to overflowing.

According to the Combined Homelessness and Information Network (CHAIN) there were 8,329 people who slept rough in London during April 2021 – March 2022³, which was a decrease on the previous year but still almost 30% more than ten years ago. LCM cares for and loves people who are homeless, sharing the gospel in word and deed.

As Christians, we have an amazing message of new life in Christ to share. We work alongside local churches to reach vulnerable people with the life-giving news of Jesus Christ.

In ministries such as our Webber Street day centre, prison ministry, and in visiting hostels, we offer practical help and genuine care, creating environments where healing and restoration of the whole person can take place.

We equip churches to develop and grow caring ministries with people on the edges of society and rejoice as people encounter the hope found in Jesus.

¹

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2020registrations>

² <https://www.gov.uk/government/publications/2021-uk-annual-report-on-modern-slavery/2021-uk-annual-report-on-modern-slavery-accessible-version>

³ <https://data.london.gov.uk/dataset/chain-reports>

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

“For I was hungry and you gave me food, I was thirsty and you gave me drink, I was a stranger and you welcomed me” (Matthew 25:35)

This year we celebrate 60 years of caring for some of the most vulnerable and overlooked people in London at the Webber Street day centre in Waterloo, helping to restore people to sustainable living, to community and to hope in Christ.

“For 60 years we have been here to show people who are in desperate situations that there is hope,” says Webber Street team leader Daniel Coghil. “When they’re no longer in touch with any family, friends, no one else is helping them, we’re the ones that are still there for them.

However, bad things have got, however difficult times are, there’s always hope. That’s really the message that our team share with anyone who walks through our doors every day.

There is a guy who’s been coming in for a few years now who has a very difficult background of living on the street. We have to be patient and don’t expect instant results. And although God can do this, we don’t necessarily expect for the staff to explain the gospel and in a miraculous moment turn his life around. Instead, over a long period of time, quite a lot of people are around him, gently supporting him.

He’s been through the pandemic with us. During the lockdowns we were having great conversations on the street in which he started asking serious questions about faith. Since then, he has been on a slow journey towards Jesus.

Now he’s growing in his faith and developing a faith of his own. He’s going to the church where one of the team members is involved and is talking about wanting to get baptised.”

[Islam and other religions](#)

There are around 2.3 million followers of other religions in London – that’s one in four Londoners, and over half are Muslims. We long to see more churches in London filled with people from other faith backgrounds.

The Lord calls us to be a witness to all nations; following in the footsteps of Jesus, reaching all people for the kingdom.

Thanks to the generosity of supporters, London City Mission is working alongside local churches to reach out to followers of other religions in every part of London; from the Bangladeshi community in Tower Hamlets, to the Turkish-speaking people in North London and the Hindu community in Harrow.

We work alongside local churches to reach out with truth, love and compassion to followers of other religions in every part of London.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

We are seeing many from other faiths turning to Christ – we give God the thanks and praise! There remains an enormous opportunity for churches in London to reach people from other faiths, otherwise unlikely to hear the saving message of Jesus Christ.

“I am the way and the truth and the life. No one comes to the Father except through me.” John

In the run-up to Easter, churches across London took up LCM’s encouragement to reach out to their Muslim neighbours and are discovering that it is easier than they expected to invite Muslims to ‘Believe in Jesus’.

In busy Watney market, among the Saturday shoppers and traders buying and selling Bangladeshi goods and groceries, members of local churches hand out bright yellow tracts and invite people to talk about Jesus for a few minutes.

Missionary Matt Brinkley has led much of the training for ‘Believe in Jesus’ in Tower Hamlets and is beginning to see a change in the churches that are involved. “When churches get involved, it gives them an impetus to start owning outreach in their community, rather than relying on other initiatives or campaigns,” he says. “Now we want to support churches engaging regularly on their own book tables.”

One local church member, Liz, has just been talking to an interested passer-by for half an hour about how none of us is good enough to have a relationship with God. In sending Jesus, when he died on the cross, he made that bridge from us to God, giving us the opportunity to know God’s forgiveness.

She says, “All my life I have found it difficult to talk about God, but it’s become a lot more natural for me to talk about my faith and not to be worried or to be ashamed. Now I can get to know people and be more genuine, sharing from my heart that what I believe in is real. I might not be able to answer every question, but in my heart, all I want to do is share the love of Jesus.”

14:6

Diaspora Communities

London is one of the most influential cities in the world. Here you can find 83% of the world's nations and over 250 languages are spoken. The world is truly on our doorsteps.

At London City Mission, we are inspired by God’s vision for all tribes and all nations to worship the Lord Jesus Christ. So we share Jesus with diaspora people and communities, whose heritage or origin is from elsewhere in the globe, where the gospel isn’t widely known.

Some have arrived in London for business, education or employment opportunities, others are displaced; forced to leave their homes due to war, persecution or natural disasters.

People have come to be in London in so many different ways. The biggest priority for the Church is to see everyone invited into the Kingdom of God, and as people from diaspora communities come to faith in Jesus, the impact ripples throughout London, to the ends of the earth.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

We have the amazing opportunity to do global mission alongside a global church in a global city like London.

“Before me was a great multitude that no one could count, from every nation, tribe, people and language...” Revelation 7.9

Missionary Marlene Botha describes how LCM has been helping churches connect with hundreds of families who have been displaced from their homes and temporarily living in hostels in Tower Hamlets.

“There are about 350 displaced people living in one of the local hostels. We did art and craft with the kids to try and build relationships, get to know them. English is a barrier, but love overcomes everything. You get to know their names. You get to know where they're from and you've just built relationships.

These people are so hungry for Jesus. So I really, really value working with these people who have suffered so much.

The main contractor for housing these families also has the contract for other hostels who together serve 10,000 refugees over London. Very excitingly we have a memorandum of understanding, which means we're allowed to go to these hostels, and that's absolutely amazing.

You don't get these opportunities easily. So we really, really need to invest and are talking to churches about getting on board right now!”

Equipping workers for the harvest

LCM serves and equips the Church in London and beyond to reach out into their communities with the hope of Christ. Our experience tells us that on the ground, outreach alongside the local church is the best way of bringing sustained change resulting in effective gospel outreach into communities where there are very few Christians. However, training courses are incredibly useful, particularly for those who are already fully engaged with the biblical mandate to share the good news of Jesus.

“You will be my witnesses in Jerusalem, and in all Judea and Samaria, and to the ends of the earth.” Acts 1:8 NIV

So, we share our experience and insight through our on-the-ground practical equipping sessions, training resources and courses which are designed to resource Christians for evangelistic outreach in an urban context. We provide training to Christians on urban mission, ranging from a one-day course in Practical Evangelism to studying for a two-year Graduate Diploma.

The Pioneers Training Programme

Our training programmes also provide education and training to young adults. The Pioneers Training Programme is a specialised programme for people who are from the communities we are seeking to reach with the good news of Jesus. Pioneers may not have much formal education, may have English as a second language, have no access to funds, or may even have a criminal record and so traditional routes into ministry would not be accessible for them.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

Thanks to the generosity of our partners, we can support and train Pioneers to develop outreach ministries in their own churches, to help share the gospel with others. At least 26 ministries have been pioneered across London since the start of the initiative a few years ago. The programme combines Christian discipleship and classroom learning with practical experience, to offer a holistic education in urban ministry.

The scheme aims to raise up more people from marginalised backgrounds to play a valuable ministry role in urban churches and communities across London and beyond, where they are currently not well represented in ministry leadership positions.

“If you show special attention to the man wearing fine clothes and say, “Here’s a good seat for you,” but say to the poor man, “You stand there” or “Sit on the floor by my feet,” have you not discriminated among yourselves and become judges with evil thoughts?” James 2:3-4

LCM Pioneer, Craig Webb was brought up in North West London in a non-religious household. Craig says “At the age of 21, I was living a very chaotic life, committed a crime and was sent to prison. I felt God speak to me during a Sunday chapel service, extending the offer of his forgiveness through Jesus.”

“I accepted the good news of the gospel and began attending bible studies where I began to learn more about Jesus and slowly my life changed day by day. I realised that this news was so good, I couldn’t keep this to myself and on release from prison, I felt called to mission.”

“I went on the London City Mission website and applied for Pioneers. I have found it to be a blessing, an invaluable source of strengthening.”

Craig serves his church, Westminster Chapel, in a range of ways, working at their foodbank and running other outreach ministries. Craig was able to do 1:1 bible studies with a man recovering from addiction who later joined the church and was baptised. Craig says, “it was an absolutely amazing blessing being able to witness that.”

Partnership in mission

We give thanks for the many partnerships LCM has with churches and organisations across the city and beyond. Complementing the relationships and partnerships which our missionaries are developing with a variety of churches across London, we continue to grow in our desire to build networks with gospel organisations, as together we seek to reach out with the good news of Jesus Christ.

In the last year we appointed a new Director of Church Networks to spearhead this activity and we also joined the Affinity Gospel Churches network, as well as continuing to support the national City Mission Movement.

In London, following the ending of covid restrictions, the group of senior church leaders who make up the LCM Ministry Reference Panel met again in person. The Ministry Reference Panel and the LCM leadership has spent time exploring our vision and hearing from the church leaders about how the

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

pandemic impacted their ministry. This remains a key forum for LCM to listen to the church in London as we strive to serve them effectively.

In all of this activity we continue to recognise God's providence and grace as we seek to equip churches in sharing the gospel with people and communities least likely to hear the good news of Jesus.

Training our staff

In the autumn of 2020, LCM put a comprehensive training programme in place to support missionary field staff as they started their adapted roles working alongside local churches, encouraging and resourcing them to share the amazing news of God's love shown in Jesus Christ, with those least likely to otherwise hear the good news. This important two-year training programme continued throughout 2021.

2F. PLANS FOR FUTURE YEARS - MINISTRY

2021 continued to be a time of global challenge as the pandemic continued to alter our experience of normal life. This has resulted in a new paradigm for work, church and mission. London's communities and churches have all been impacted by loss, economic uncertainty and difficulty, and fewer people than ever are aware of the redeeming work of Christ.

For The London City Mission (LCM), this challenging season coincided with the implementation of a refreshed approach to ministry to change the way we operate, by working alongside more churches. Our prayer is that by being a catalyst to help churches into outreach, we can reach more of the three million people in London who are otherwise unlikely to hear of God's great salvation plan. The missionary field roles were revised and the ministries we were involved in changed.

In all of this, LCM has been able to come alongside around 5% of London's evangelical churches, pray with local leaders for their communities and share God's heart for the lost in London. Missionaries have been able to equip congregations, ministering alongside them as they seek to respond to both the health and economic crises of the pandemic, and reach out to the people who are least likely to be reached with the gospel in their areas. And by God's grace, we have seen people come to faith in Jesus Christ.

In 2021, LCM continued a long-term project to review its processes, systems and structures of office-based teams to better support field staff in their roles, improve the way we work, and to better align the Mission with our vision, goals and values.

LCM intends to review its voluntary programmes of training young adults (City Vision), providing year-long opportunities for mission (City Challenge), and opportunities for people experienced in ministry and mission who want to help grow and support gospel outreach in London, to serve for a period of 1-2 years (Urban Track). These programmes had been put on hold for 2020/21 due to the pandemic and while field staff settled into their new roles.

By God's grace, we want to be able to share the insights, experiences and learnings we have gained, and continue to gain, over decades of ministry in urban communities where Jesus Christ is not widely known.

So, we are looking forward to developing our communications to enable better sharing of resources, equipping the church for outreach in London and beyond. We plan to do this by sharing more content

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

with the wider evangelical church through Christian media platforms and speaking at more churches, events and conferences. Sharing biblical insight, stories of hope and models of effective ministry, inspiring the Church to reach out to those least likely to hear the good news of Jesus.

We highly value collaboration with others in the body of Christ and seek to share urban missiological research with the Church of London and beyond. Our approach is always to be working with and learning from practitioners in other organisations and churches as we seek to grow together.

2G. FINANCIAL SUSTAINABILITY

The London City Mission (LCM) carefully stewards the resources God provides through our partners in the Gospel. Our target reserves equate to 8 months of annual running costs. We have planned expenditure from investments, mainly properties no longer required to support the outreach ministries of LCM, to sustain LCM ministry at current levels. These investments are set aside in a Ministry Sustainability Fund.

There are more people than ever in London who live as part of communities where Jesus Christ is not known. The missionary need is immense and LCM income doesn't cover expenditure at present – related mainly to the need to house missionaries embedded in the communities in which they serve. Our funding request to those who can partner with us in the gospel, is specifically for sponsorship of missionaries who are able to work with local churches to see the life-changing truth about Jesus Christ shared with those yet to hear.

We currently have an underlying annual cash shortfall on this funding of an average of £3m per year. This urgently needs to be reduced as income from the sales of property investments decline, to avoid reducing the overall numbers of active missionaries. Recruitment of missionaries to replace those who have left or moved on is already being slowed as we work on sharing the great gospel need in London, as we wait to see underlying income increase as individuals, churches and trusts respond to this need.

The LCM Board agreed a revised financial sustainability objective in January 2021 to cover the next 10 years. The Mission intends to: -

“Steadily reduce Excess Investments and the Annual Cash Shortfall to approximately Nil by the mid-2030’s”

Underlying this financial objective is the principle of stewarding God's provision (LCM's assets) to keep gospel ministry sustainable in the long term. The generosity of supporters who provide for gospel mission in so many ways – gifts, grants, fundraising and legacies – is incredibly important to LCM and we are very grateful to everyone who partners with us in the gospel.

Investments

In previous years, Mission centres were built by LCM in areas where there was not an evangelical church. As churches have sprung up across London, the mission now holds a number of these centres that it no longer uses. As a result of this we are either responsibly disposing of those properties commercially or partnering with a church aligned with our vision and values, which is seeking to

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

develop Kingdom ministry from within the space. This is releasing funds that can be then used to support vital gospel ministry initiatives.

The properties we no longer directly use are generally recognised as investment properties in our accounts. Steadily disposing of these properties means LCM can spend more than it receives in donated income, but only for a limited time. This is sustainable only while we invest in engaging with the wider evangelical church in supporting mission to those one in three people in London otherwise unlikely to hear the good news of Jesus during their lifetime.

Excess investments are regarded to be the total of all investments, including properties no longer needed for ministry, less the target reserves needed for the financial stability of the Mission. LCM intends to invest these funds in direct ministry, leading to an annual cash shortfall, made up of an operating deficit and the purchase of new ministry assets. The level of operating deficit is finalised through the annual financial planning cycle each year based on this long-term plan.

The long-term strategy will require an above inflation growth in donations and legacies to reduce the cash shortfall. In the meantime, the cash shortfall will be funded from the sale of properties no longer required to support the outreach ministries of LCM. This will enable operating costs to be maintained at their current level. The partnership of prayer and giving from new and existing supporters is increasingly vital to the ongoing sustainability of our work in sharing the gospel with those in London yet to hear.

The Trustees of LCM, through the Property & Finance sub-committees, oversee the disposal of properties and ensure the value and timing of these disposals, along with any financial assumptions are reasonable. LCM's clear objective is to steward the resources provided by God, so that the good news of Jesus can continue to be shared in London for the foreseeable future.

2H. STRATEGIC SUMMARY

In conclusion, we pray that in the face of a famine of the word of God, The London City Mission can act as a catalyst for the church to rise up, so more people than ever will hear of the saving message of Jesus Christ.

By God's grace, we will continue to faithfully and lovingly take the good news out into the communities and homes of those people in London least likely to hear about Jesus Christ, and engage with even more churches across the city, building them up to share the gospel with their neighbours and those on the margins. We will widely share our experience to inspire and resource the Church in London and beyond to speak effectively of the redeeming work of Christ.

Thanks to our partners in the gospel, together, we will step out in faith alongside ordinary Christians to share the amazing news of God's love shown in Jesus Christ. By God's grace, the gospel will be effectively shared with even more people and many will find eternal life in Christ.

Jesus said to them, "Go into all the world and preach the gospel to all creation. Whoever believes and is baptised will be saved, but whoever does not believe will be condemned." Mark 16:15-16

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

3. OPERATIONAL REPORT

3A. ENABLING MISSION

Fundraising and Supporter Partnerships

Sharing our hope in Christ with the estimated one in three people in London least likely to hear the good news would not be possible without faithful gospel partners, who generously enable mission in London through their giving and prayers. We are hugely grateful for every supporter who partners with us and we praise God and thank our supporters for the changed lives we are privileged to witness as a result. As our staff directly engage in mission, our supporters are a vital part of the team alongside us as they pray, give and volunteer, and we deeply value every partnership we have.

We are grateful for God's provision through the faithfulness of those gospel partners, who stood with us during a difficult season, to share the gospel with those in London yet to hear. Donation income in 2021 totalled £3.2m, an increase of £0.7m from the year before, for which we gratefully thank our supporters and God for his provision. It is worth mentioning that much of this increase was because of a one-off exceptional gift by a single generous individual whose kindness made a significant difference to The London City Mission (LCM) in 2021.

Thanks to the incredible faithfulness of those who partner with us in the gospel, we were able to plan to recruit a small number of missionaries to replace some of those missionaries who have either retired or moved on. There is still an urgent recruitment need which we are currently unable to meet and we are grateful to everyone who partners with us to shine the light of the gospel into the darkness of London.

Through the great kindness of those special supporters who wanted to share a message of eternal hope in Christ through a gift in their will, our legacy income was £2.2m (up from £1.2m in 2020). Income from gifts in wills makes a significant difference to the amount of gospel mission LCM is able to do and we rejoice in the many people who, by God's grace, join the family of God as a lasting legacy of such gifts.

LCM staff work hard to connect supporters with what God is doing in London today, and 2021 was a hybrid year with both in person and online interactions. We were grateful to have the opportunity to speak online and in person in hundreds of churches across the country, hold prayer meetings, attend conferences, give insights into what was happening through reports, videos and letters, host supporters to meet our team, organise a sponsored sleepout and create a number of events for church leaders. We also enjoyed hosting special hybrid events such as our Thanksgiving Service, which was a great encouragement as several hundred people joined us in person at All Souls, Langham Place, and over two thousand people online gathered to praise God together.

Communications

In 2021, LCM continued to inspire and engage with our various audiences, sharing the need for this vital gospel ministry with supporters and the wider Church in London and beyond.

We did this by:

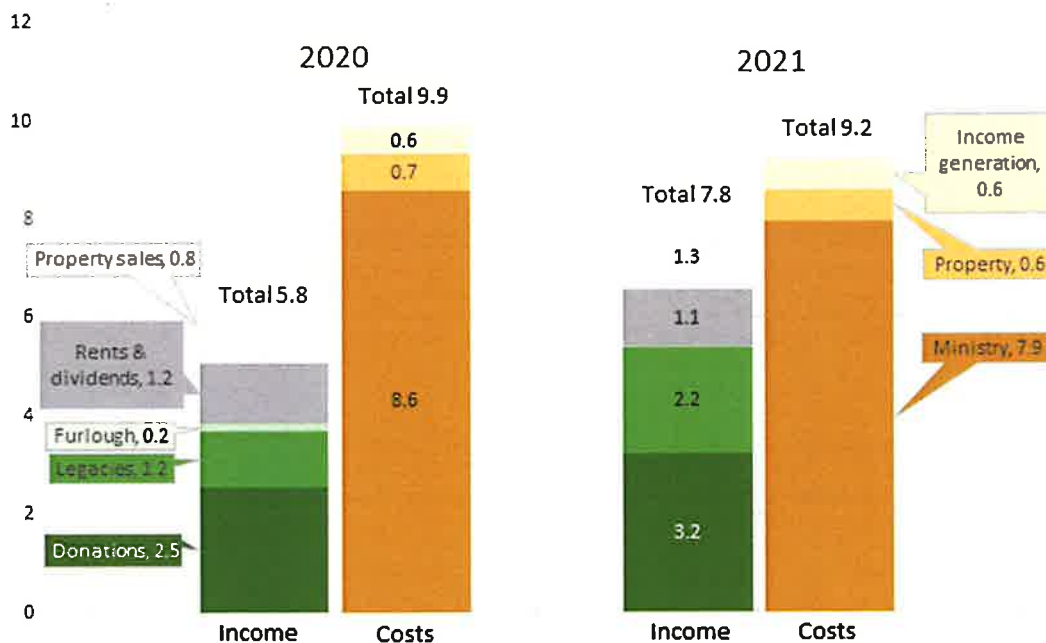
- Building relationships with key Christian media such as Evangelicals Now and Premier Christian Radio to secure content sharing our best practice and insight into urban mission. Over the year we secured 20 pieces of coverage, reaching over 10 million online readers, 40k estimated coverage views and 3.2 million estimated listeners. This is an encouraging start to a new area of audience engagement we're seeking to grow and sustain.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

- Continuing to produce a quarterly magazine, *Changing London*, which highlights the need for ministry and the impact that God is having in these spiritually deprived communities. Publishing various prayer resources, including a quarterly prayer diary, *Together*, which enables supporters to pray specifically for our team, contacts, churches and communities.
- Hosting weekly online prayer meetings, providing an opportunity for supporters to join with missionaries to learn more about their ministry and pray for specific needs.
- Increasing our followers and engagement across all of our social media platforms by 12%, where we share opportunities to get involved, ideas to inspire churches for mission, and resources to equip them. We saw an extra 10k people visit the website, and overall the proportion of new visitors to the website grew from 35% to 70%.
- Reviewing LCM’s branding and messaging across various ministries to ensure it supports and reflects the organisational strategy.
- Starting a new website project with the aim to increase engagement of users on the website, by providing them with clear, relevant and engaging content.

3B. OPERATING RESULT FOR THE YEAR

Results for the year



The London City Mission’s donation and legacy income is supplemented by income from investments (rents and dividends) of £1.1m (£1.2m in 2020). This is expected to be steadily replaced by the growth in support from donors as excess investments are sold to fund ministry. In 2020 this income was topped up with nearly £0.2m from the government through the Coronavirus Job Retention Scheme during the lockdowns, with many Cafés staff on furlough.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The accounts also include a £1.3m gain (£0.8m in 2020) from residential properties being sold to be replaced by other residential properties in areas closer to LCM ministries. In line with accounting standards, the surplus from the sale of ministry properties is immediately recognised as income, whilst the costs of replacement properties are recorded as capital expenditure. This capital cost is not recognised in the year it is spent but is recognised, through depreciation, over the following 50 years. This results in a notional cash surplus each time a ministry is relocated which we aren't able to spend immediately but we need to keep the cash for purchasing replacement residential properties

LCM's income was used for a range of ministry activities, with expenditure totalling £7.9m (£8.6m in 2020). Expenditure fell significantly from 2020, as many missionaries, who didn't want to take up new roles focused on mobilising churches, left LCM in the second half of that year. They moved into a wide range of ministries, mostly with local congregations and LCM was able to fund this ministry transition, through extending employment, redundancy payments and providing short-term accommodation. Replacement Missionaries are steadily being recruited, and trained, as people are called to join the Mission. Meanwhile the cost of income generation £0.6m (Same as 2020) included both the fundraising supporter partnerships team and investment managers. Finally, property costs £0.6m (£0.7m in 2020) included managing staff housing, landlord responsibilities and the costs of property disposal.

LCM's property disposal programme has continued. For example, planning permission was granted for the development of the Battersea Bridge site and LCM received new, or updated, offers on other properties in the programme. In addition, the last missionary left Nasmith Court in mid-2022 and therefore the site is now classified as an investment property and has been revalued (£2.2m) to market value. The revaluation of properties provided an unrealised gain of £4.7m whilst the value of all investments increased by £5.1m (£3.5m in 2020). These gains are factored into our financial planning around the steady reduction of our operating deficit to ensure the long-term sustainability of LCM and so aren't an unexpected windfall but represent vital funds needed to sustain current and future ministry. Smaller investment property gains are expected as contracts are finalised and planning permission granted over the next few years

In 2021, the Defined Benefit Pension scheme reported an actuarial loss of £0.3m compared to a loss of £0.1m in 2020.

All these factors combined to produce a gain in the funds available during the year of £3.4m, made up of an operating deficit (£1.4m) and actuarial loss (£0.3m), offset by property & investment gains (£5.1m).

3C. THE MISSION'S ASSETS

Property

Over many decades, through the generosity of supporters, the Lord has provided The London City Mission (LCM) with properties for use in serving the gospel. Some of these are used to house current and retired missionaries, others are used as bases for missional activity, some are venues for churches, and some provide a rental or investment income which is invested in ministry across London.

Only one property was purchased in 2021 for a retired member of staff, whilst four residential properties and a centre no longer directly used for LCM ministry were sold. Meanwhile the sales of two centres were completed in January 2022. These receipts were used to fund ministry.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The Ministry Review implementation will require the sale of approximately 20 residential properties which will be replaced with nearly 20 new properties to better position our staff in the areas of London in which they are serving. This is a significant change for LCM and may not be completed until 2026.

Retirement housing

LCM continues to provide retirement housing for those missionaries who, by 2012, had achieved 20 years' service with the Mission. While we no longer offer this to more recently employed missionaries, the support of current retirees remains an important function of our property team's workload.

Christian Centre disposals and development

Meanwhile, the sale of properties no longer needed for ministry and the sale of development rights continues. The planning requirements mean new centre space will be created at nearly half of these developments. The Mission will either rent out to churches and other tenants or sell this space. This means they would be considered investments and valued appropriately in future accounts. Properties with no current strategic value are being sold, with the funds being retained to sustain future ministry, a vital source of funding given our current operating deficit.

As the needs of London change, so our ministry needs to change over time, and our ownership of assets must reflect this for us to be effective as an organisation. The disposal programme of properties with no current strategic value commenced in 2021 and continues to progress. By September 2022, seven properties had been sold unconditionally, two sold subject to planning and eight were under offer subject to contract. Meanwhile, the recently completed Hoxton House (the flats and centre at Penn St, Hoxton) and a further six had reasonable offers. In addition, Nasmith Court and two more centres, and are being actively considered for unconditional sale. In recent and future agreements, where the construction of a new centre could be a strategic gain for the church in London, LCM hopes to facilitate but not fund this., LCM will not receive any more residential properties from developments. Instead, it will ensure that the Mission benefits from increases in residential property values through negotiated development contract terms as any profits are vital funding for ongoing ministry.

LCM is committed to realising the value from disposals in the short-term, to sustain mission purposes in the medium to long-term. These receipts are a result of God's provision over decades and will reasonably take several years to be converted into cash. The continued and growing financial support from our existing and new supporters will ensure that the income from these property sales can cover the cash shortfall of the Mission into the middle of the 2030's, but only if donated income increases at the same time. Failure to consistently increase donated income would inevitably mean LCM scales back its ministry ambitions. With such a great gospel need in London, this is a situation, with God's help, we are working hard to avoid.

Pension provision

The Defined Benefit pension scheme closed to all new and existing employees in 2006. In 2021, LCM provided funds of £0.3m to the scheme to meet long-term liabilities. There is a potential cost of extinguishing the pension deficit and the Board has designated £2.5m (£3.5m in 2020) to cover this risk. This provision is likely to reduce further in the future based on the latest estimates from the scheme actuaries and quotations from the actuaries supporting the buy-out.

In June 2022, the charity and pension scheme Trustees jointly appointed Lane Clarke and Peacock to advise on a bulk annuity purchase to cover the defined benefit pension scheme's liabilities – known as a scheme buy-out. Once the liabilities are fully insured then the Pension Scheme Trustees will be

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

able to wind-up the scheme. This is a protracted process which may be completed by early 2024 but is likely to take longer. No quotations have been received for a buy-out or purchase contracts entered into at this time.

Reserves policy

General reserves at the end of 2021 were £8.2m and there was no provision required for the pension deficit (compared to £8.3m before provision for the pension deficit of <£0.1m at the end of 2020). Under the risk adjusted general reserve policy, the Board reviewed the target in 2022 and due to the operational deficit, decided to increase it by £1.5m to between £6m and £7m, which represents around 8 months of operating costs.

The Trustees recognise that the general reserve remains above target partly because current assets (operating cash and legacy accruals) were higher than normal at the end of 2021. They expect to designate additional funds for the Ministry Sustainability Fund if this persists.

Investing for sustainable ministry

The value of LCM's investment portfolio was £35.8m at the end of 2021, up from £32.0m in 2020. The vast majority of this is held in properties which we no longer need for ministry.

The Board agreed to designate £19.5m of investments into a new Ministry Sustainability Fund in 2020, with a further £3.0m from the 2020 closing reserve and £1.0m from the Pension provision at the end of 2021. Following review of the 2021 financial performance the Trustees were able to designate the £3.5m of 2021's unrealised investment gains that was not required to fund ministry during the year before releasing £1.5m to fund capital purchases and £1.5m to recognise the increase in the general reserves target.

As a result, the designated Ministry Sustainability Fund has increased to £24m at the end of 2021 and is expected to remain close to this for a few years before falling steadily to approximately nil by the mid-2030's.

To avoid scaling back ministry ambitions, the Trustees still anticipate using future investment gains to either fund ministry in the year they are recognised or to designate them to the Ministry Sustainability Fund.

Debt policy

The Trustees have authorised the raising of up to £10m of debt to secure funding. It expects any debt to be paid back from planned property asset disposals no later than the end of 2028. LCM has drawn down a £2m facility of operational debt secured against 3 properties. Additional facilities are unlikely to be sought but the Mission plans to use mortgage debt to purchase new residential properties and reduce the number that are rented in.

Cash and Going Concern

LCM continues to hold enough cash to cover month-to-month expenses for the foreseeable future. From time to time, LCM can use funds held as equities and has a debt facility in place. At the end of 2021, LCM held £4.4m in liquid assets. The Trustees have taken a conservative view and now aim to hold liquid reserves at least in line with the general reserve target before making significant property purchases.

In 2022, LCM does not expect to extend its debt facility and will only seek mortgage offers on new property purchases. In addition, the sales of underused properties and development rights are

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

expected to provide more than £7.5m in 2022, of which £4.6m has already been received. Up to a further £6m could be received in 2022 if all contracts currently under negotiation or exchanged are completed in line with expectations. In addition, the Mission has recently put Nasmith Court on the market with an asking price of over £6.75m. The cash generated from these disposals will be invested to purchase desperately needed new residential properties, so our staff can live in the area they are working and provide long-term sustainability for the mission.

Coronavirus, war in Ukraine and the subsequent economic shock will have an impact on the UK and LCM. The most significant impact on cashflow was the delay to the legal processes which is mitigated by the close monitoring of property sale & purchase transactions. The impact of higher inflation can be comfortably mitigated by adjusting the property programme in the medium-term whilst LCM would remain reliant on the generosity of supporters in the long-term. The Trustees confirm that, in their view, there are sufficient liquid assets within LCM for it to be considered a going concern despite the current economic turbulence.

3D. COMPLIANCE

Statement on Fundraising

The London City Mission (LCM) greatly values the support it receives in so many ways from so many different people and organisations - we could not fulfil our objectives without the financial and prayer support that we receive from you each year. Supporters are vital partners in this ministry, so we seek to be grateful, respectful, and relational in all our interactions.

During 2020 the fundraising team was restructured, with the purpose of keeping gospel ministry to the least reached sustainable by seeking to develop more gospel partnerships, growing donation income by an additional £1m from 2019 levels by 2024. This resulted in several new roles which were all recruited by mid-2021, with the new fundraising strategy now being implemented.

We prioritise thanking donors as soon as possible and seek to communicate the impact of donations to supporters through our letters, magazines, e-newsletters, and bespoke publications. We build trust with supporters by being honest and transparent in our communications. Individuals must opt in to receive communications from LCM unless they reasonably meet the criteria of legitimate interest, where there is clear evidence of their recent interest in our work. We provide opportunities for individuals to opt out from any of our communications in clear and easy ways.

Our records show that we received four complaints about our fundraising from supporters or members of the public in 2021. One complaint was resolved without further action, another necessitated additional team training, another was due to a temporary technical fault with our website which was escalated to our website provider and resolved. The remaining complaint was due to a fault in our CRM reporting of anonymous gifts and was escalated to our CRM provider and we are still waiting for resolution but have developed an interim work around.

We did not use commercial fundraisers in 2021 – all our fundraising was carried out by LCM employees who sign up to our Statement of Faith and Conduct and seek to adhere to the Fundraising Promise. We occasionally use the services of trusted external consultants who align with our charitable purposes and values.

LCM is registered with the Fundraising Regulator and we pay the fundraising levy.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

Statement on Data Protection

LCM is committed to ensuring that all personal data is kept safe and used in a way that individuals are aware of and would reasonably expect. We aim to be clear about how we use all personal data and to give individuals a choice of what they would like to receive from us, which channels they receive this through and how often. We always seek to provide clear and easy ways for people to stop receiving communications from us. We have a Data Protection Officer and an Information Governance Working Group made up of senior staff throughout the organisation.

We have a Privacy and Fair Use Policy (www.lcm.org.uk/privacy) and continue to upgrade our IT network and practices, to ensure all personal data is secure in line with industry standards and regulations.

Public Benefit

The Trustees of LCM confirm that they have had regard to the guidance contained in the Charity Commission's General Guidance on Public Benefit when reviewing LCM's aims and objectives and in planning future activities.

3E. PRINCIPAL RISKS AND UNCERTAINTIES

As the Covid pandemic continued to significantly impact London and the work of The London City Mission in 2021 the Leadership Team kept the risk register under regular review. The risk register continued to be a means for the Board not only to identify risks, but also an effective means to manage and mitigate them wherever possible.

FINANCIAL AND FUNDRAISING RISKS

Fundraising

LCM continues its strategy of partnering with evangelical Christians and churches to reach marginalised Londoners with the Gospel. Making progress on this strategy requires strong and increasing financial support from donors. Plans are undertaken not only to retain, but also to increase supporters' engagement through the giving of money, prayer and time to the Mission's goals. The new fundraising strategy and recruitment to the Fundraising team, started in 2020, saw fruit in 2021 through increasing donation levels.

Work is progressing on identifying and communicating clear examples of where supporters' giving is making an impact for the Gospel. Legacy gifts make a significant difference to ministry in London and continue to be welcomed by the Board, and plans to actively connect with potential legacy givers continue to be developed.

Financial

The potential likelihood of increase in costs due to current economic factors (higher inflation, the developing cost of living crisis and the possibility of recession) is recognised and additional measures taken to mitigate cash shortfalls. LCM's financial sustainability objective continues to have an emphasis on income growth and the reduction of staff costs through natural turnover. The continued receipts from sales of LCM properties that had been developed also releases money to be invested in resources to realise the Mission's strategy.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees value the donations of supporters and prioritise the good stewardship of LCM funds through strong financial controls. The Finance Subcommittee continues to review the control infrastructure to ensure high standards are maintained at all times. Alongside existing measures, an end-to-end review of key processes, Project Optimise, is also in progress.

Data Protection

Robust compliance with GDPR regulation continues to be a high priority at LCM and to this end a DPO (Data Protection Officer) has been appointed, reporting directly to the CEO. All data including that of supporters is being held securely, with processes being improved to ensure personally identifiable information was being used appropriately at all times. Threats of hacking and data leaks are being mitigated by frequently updated anti-virus and firewall software. An upgraded Wi-Fi infrastructure has been implemented at 175 Tower Bridge Road and secure two factor authentication is being used in addition to passwords on all staff office accounts.

PEOPLE-RELATED RISKS

Safeguarding

The Board continues to recognise the seriousness of safeguarding both of the marginalised Londoners they seek to reach out to and to the LCM staff. The HR Department and HR Board Subcommittee reviewed procedures to ensure that the Safeguarding Policy is implemented as effectively as possible. The Mission has worked in partnership with external safeguarding agency, Christian Safeguarding Services, so as to follow best practice in this area across the charity. The safeguarding training plan has been updated and the implementation of an increased number of staff DBS checks is in progress.

Collaborative Staff Working

The flexibility and remote working required during the pandemic is being developed intentionally by the Leadership Team at an organisation wide level. A specific project group is working on how improvements in technology and new working patterns could be most effectively adopted across the Mission. LCM leaders want to model agile working and grow a culture of effective team working, communication and collaboration to maximise the impact of the charity resources in London.

Staff Wellbeing

The Board want to maintain a high level of care and support for staff that recognises the demands of urban mission in a modern city. Staff are frequently encouraged to work in the strength of God's grace and not only their own resources. Opportunities to pray daily in teams and as an organisation are created and encouraged for the spiritual health of staff and to help avoid the risk of burnout over time. A specific working group has been started to hear from employees across the organisation and address staff wellbeing and issues. Line managers are encouraged to support their teams pastorally as well as in work related issues.

The LCM Values

The four LCM Values, based on scripture, are frequently referenced throughout the year at the Mission and are at the root of the evangelical Christian culture of the London City Mission. The Values are included in LCM job descriptions, the onboarding process, and are at the root of prayer meetings and Team Days that were scheduled throughout the year. Prayer continues to be a priority as staff sought to be rooted in Christ and the year began with the Week of Prayer devoted to prayer and biblical reflection for all staff.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. GOVERNANCE

REGISTERED OFFICE:

The London City Mission
175 Tower Bridge Road
London
SE1 2AH

REGISTERED CHARITY NUMBER:

247186

REGISTERED COMPANY NUMBER:

4284615

Status:

The London City Mission is a charity registered in England and Wales and a company limited by guarantee registered in England and Wales. The London City Mission is governed by its Memorandum and Articles of Association. Incorporated on 10 September 2001, the company took on the charitable activities, assets and liabilities of The London City Mission, an unincorporated association and registered charity (Charity Number 247186), on 1 January 2003.

The Company operates under the working name 'London City Mission'.

Objects:

The objects of the Charity are for the public benefit, to further such exclusively charitable purposes according to the law of England and Wales, as the Trustees in their absolute discretion from time to time determine, and in particular (but without prejudice to the generality of the foregoing), to advance and extend the knowledge of the Gospel among the inhabitants of London and its vicinity (especially amongst those living in poverty), without any reference to denominational distinctions or the peculiarities of Church Government.

Directors and professional advisors:

All Trustees acted as Directors of The London City Mission and were also the members of The London City Mission. The Directors who served during the year were as follows: -

Director appointment dates:

Carolyn Ash – May 2007 (resigned at the July 2022 board meeting)

John Bulmer – March 2015

Andrew Burkinshaw – March 2015

Mosun Dorgu – December 2008

Bryan Duncan – March 2018

Richard Godden – September 2001

Roger Evans – September 2013

Mark Harding (Chairman) – November 2002

Anne Hudson – July 2018

Graham Miller (CEO) – January 2014

Richard Montgomery – March 2018

Ian Nash – November 2002

Nigel Parrington – May 2016

Marcia Shields – March 2015

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Advisors and others acting for The London City Mission during the year:

Solicitors: Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Stockbrokers: Investec Wealth and Investment Limited
30 Gresham Street
London
EC2V 7QN

Bankers: Barclays Bank plc
100 Fenchurch Street
London
EC3M 5JD

Insurance advisors: Arthur J Gallagher Insurance Brokers Limited
Spectrum Building
7th Floor, 55 Blythswood Street
Glasgow
G2 7AT

Pension advisors: Mercer Limited
1 Tower Place West
Tower Place
London
EC3R 5BU

Punter Southall Defined Contributions Consulting Limited
11 Strand
London
WC2N 5HR

Registered auditors: Moore Kingston Smith LLP
9 Appold Street,
London
EC2A 2AP

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

4A. GOVERNANCE OF THE LONDON CITY MISSION

The Board of The London City Mission (LCM) met on nine occasions during the year, among other things to establish overall strategy and policy, to determine matters of principle, deal with financial planning and other financial matters, including the oversight of the properties, and review progress towards achieving the plans and goals it has set. As permitted by the Articles of Association, the Chief Executive Officer, who is also a member of the Board of Directors, is the only paid member of the Board. The Chief Executive Officer is appointed by the Board and, together with his senior management team, manages the day-to-day operations of LCM. Management decisions are relayed to field staff through Field Directors, with support from Team Leaders. Communications with all employees are maintained through regular meetings, monthly Team Days, staff newsletters, annual appraisals, email and written documentation.

LCM's Board completed its comprehensive review of the Charity Governance Code in early 2021. Whilst recognising that the requirements of the code are not mandatory, it believes they should be largely applied by the Mission and has agreed an action plan to reflect recommended practice from the Charity Commission.

4B. SUBSIDIARY COMPANIES

The London City Mission group is made up of a collection of companies which are wholly owned by LCM. These companies enter into transactions with the charity and each other. The board of the London City Mission has approved these transactions on behalf of the charity.

The London City Mission Trust exists solely to hold properties and securities as nominee on behalf of The London City Mission. It has an issued share capital of 181 £4 shares, 50p partly paid, of which The London City Mission has 170 shares and London City Mission Services Limited has the remaining 11 shares. London City Mission Services Limited, a fully owned subsidiary of The London City Mission, has no trading activity and solely exists to be one of the two corporate shareholders in the London City Mission Trust.

In November 2015, London City Mission Property Services Ltd (LCMPS), a company limited by guarantee, was set up as a subsidiary of The London City Mission. At 31 December 2017, an asset purchased from The London City Mission had subsequently been impaired to £nil and, as a result, an intercompany loan from The London City Mission to LCMPS, which had been drawn to pay for the said asset, had been deemed to be unlikely to be repaid, and had also been written down to £nil. In 2021, the activities of LCMPS were transferred to LCMPH as part of a corporate restructure. LCMPS is in the process of becoming dormant.

In November 2019, London City Mission Property Holdings Ltd (LCMPH), a company limited by shares was set up as a subsidiary of The London City Mission. LCMPH will act as a wholly owned trading subsidiary of the charity, to provide segregation of trading, or potential trading activity, from charitable activity as recommended by the Charity Commission.

LCMPH commenced trading from the 1st July 2021. The directors of LCMPH entered into a contract to purchase 27 properties from the parent company (LCM). The wholly owned subsidiary (LCMPH) used an intercompany loan from LCM to purchase these properties with any difference to their holding value being treated as an investment in LCMPH by LCM. These transactions are reflected in the accounts of LCM as investment properties replaced by a subsidiary investment and an inter-company loan. Similarly, LCMPH leased back these properties to the parent company. Finally, the directors of LCMPH have novated certain existing London City Mission Property Services Ltd

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

contracts to the company. These transactions were in line with the scheme authorised by the Charity Commission dated 30th June 2021.

4C. MANAGEMENT STRUCTURE

The London City Mission's (LCM) Leadership Team are accountable to the Board of Directors to collectively lead and serve LCM. They have responsibility to recommend and implement the strategy of the overall organisation.

The Rev Dr Jason Roach took up his role as Director of Ministries in September 2021. Before coming to the Mission Jason was a medical doctor and as an ordained Anglican minister he served as a special advisor to the Bishop of London. His previous role was as the founder and pastor of The Bridge Church in Battersea.

Carl Knightly was appointed as Director of Church Networks in September 2021. Carl had previously worked in partnership with LCM as the CEO of Faith in Later Life, a national Christian charity focused on older people. This followed a role as the Director of Engagement for a national Christian care home provider, where Carl held a wide-ranging portfolio including marketing, communications, and stakeholder engagement.

During the course of 2021, LCM was delighted to announce that a number of internal staff were appointed to the Leadership Team, as God called others to serve in new ways.

Shantelle Richardson was promoted to Head of Communications and joined the Leadership Team in May 2021. She joined LCM in 2016 and has 10 years of communications and marketing experience. She serves on the Council for the Evangelical Alliance and is also a part of the strategic advisory group for the One People Commission. She is passionate about seeing everyday Christians grow their confidence to share the gospel.

Chesman Isle joined LCM in January 2015, working in the CEO's Office with the CEO Graham Miller as EA and Company Secretary. He was promoted to Chief of Staff at LCM in June 2021. He has served in Christian charities in London since 2007 and before that he worked in banking in the City of London.

Members of The London City Mission's Leadership Team are as follows:

- Chief Executive Officer: Graham Miller
- Director of Finance: Nicholas Allenson
- Deputy CEO and Director of Training & Mentoring: Efrem Buckle
- Director of People & Organisational Development: Christian Fielder
- Interim Director of Ministries: Terry Puttick (March - September 2021)
- Director of Ministries: Jason Roach (appointed September 2021)
- Director of Church Networks: Carl Knightly (appointed September 2021)
- Director of Engagement: Rachel Wagstaff
- Head of Communications: Shantelle Richardson (appointed to LT in May 2021)
- Chief of Staff and Company Secretary: Chesman Isle (appointed to LT in June 2021)

Resignations in 2021:

- Director of Ministries: Ibitayo Arikawe (left March 2021)
- Director of Communications & Programmes: Johanna Sutton (left May 2021)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

Board members

There were no new appointments to the Board of Directors in 2021.

When new members join the Board, they are provided with key Board documents such as annual reports, Articles of Association, and strategic future plans. The company secretary is investigating alternative sources of on-going training. The governance action plan includes an audit of skills, experience and diversity every three years to ensure the Board of Directors can fulfil its duties.

Carolyn Ash stepped down from the Board in July 2022 after 16 years of service. The Chair, Mark Harding, expressed the thanks of the whole Board for her faithful work, particularly her consistent support and prayers with so many individual staff members.

4D. PAY POLICY FOR SENIOR STAFF

The Board of Directors and the Leadership Team comprise the key management personnel of The London City Mission, in charge of directing and controlling, running and operating LCM on a day-to-day basis. All Trustees, with the exception of the Chief Executive Officer, give their time freely and received no remuneration in the year. Details of Trustees' expenses are disclosed in Note 4 to the Accounts, and related party transactions in Note 21.

The salaries and benefits of the senior staff on the Leadership Team (excluding the CEO) are set by the Chief Executive Officer and Director of People & Organisational Development and approved by the HR Subcommittee of the Board, with reference to levels of responsibility and rates of remuneration in charities of similar size and objects. The Chief Executive Officer's salary and benefits are set by the Board of LCM. Rates of pay are reviewed annually and normally increased in line with inflation. Details are disclosed in Note 4 to the Accounts.

4E. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4F. AUDITORS

A resolution to re-appoint Moore Kingston Smith as auditors to LCM will be proposed to the members.

4G. DIRECTORS' STATEMENT

Each of the Directors has confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

REPORT OF THE DIRECTORS SIGNED ON BEHALF OF THE DIRECTORS



GRAHAM D MILLER, CHIEF EXECUTIVE AND DIRECTOR
24 October 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONDON CITY MISSION

5. INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of London City Mission and its subsidiaries for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LONDON CITY MISSION**

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LONDON CITY MISSION

liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LONDON CITY MISSION**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LONDON CITY MISSION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 28 October 2022

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street,
London,
EC2A 2AP

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

6. GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Voluntary income						
Donations		2,325,553	873,053	-	3,198,606	2,361,944
Legacies		2,156,027	-	-	2,156,027	1,151,032
Grants		-	40,536	-	40,536	177,104
Income from investments	2	628,788	21,516	-	650,304	677,546
Income from charitable activities						
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres		19,514	-	-	19,514	161,808
Income from other trading activities						
Rents		481,493	-	-	481,493	461,248
Fees and other charges		182	-	-	182	56,004
Other income						
Net gain on sale of tangible fixed assets		1,290,423	-	-	1,290,423	791,143
TOTAL INCOME		<u>6,901,980</u>	<u>935,105</u>	<u>-</u>	<u>7,837,085</u>	<u>5,837,829</u>
Expenditure on raising funds						
Management of rented properties		345,732	-	-	345,732	337,445
Fundraising & Supporter Partnerships		619,809	-	-	619,809	525,001
Investment management fees		12,175	-	-	12,175	13,921
		<u>977,716</u>	<u>-</u>	<u>-</u>	<u>977,716</u>	<u>876,367</u>
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES		<u>5,924,264</u>	<u>935,105</u>	<u>-</u>	<u>6,859,369</u>	<u>4,961,462</u>
EXPENDITURE ON CHARITABLE ACTIVITIES						
Mission activities		4,492,465	758,976	-	5,251,441	5,856,161
LCM Pioneers		207,180	86,175	-	293,355	250,592
Training and church development		325,426	-	-	325,426	296,635
City Vision, City Challenge and Urban Track		125,420	-	-	125,420	115,516
Christian Centres		1,401,494	-	-	1,401,494	1,561,012
Retirement housing and other costs		371,226	3,820	-	375,046	239,853
Relief to the needy		435,759	3,000	-	438,759	408,288
Hope Community Homes		93,174	-	-	93,174	83,059
Trading costs at cafés, HQ Bookroom and at Christian Centres		5,641	-	-	5,641	38,600
Christian Centre developments	6	(89,927)	-	-	(89,927)	151,774
TOTAL CHARITABLE EXPENDITURE		<u>7,367,858</u>	<u>851,971</u>	<u>-</u>	<u>8,219,829</u>	<u>9,001,490</u>
TOTAL EXPENDITURE	3	<u>8,345,570</u>	<u>851,971</u>	<u>-</u>	<u>9,197,541</u>	<u>9,877,857</u>
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES		<u>(1,443,590)</u>	<u>83,134</u>	<u>-</u>	<u>(1,360,456)</u>	<u>(4,040,028)</u>
Realised net gains on investments	6	328,608	-	-	328,608	350,276
Unrealised gains/(losses) on investments	6	4,643,629	87,029	9,328	4,739,986	3,135,491
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		<u>3,528,647</u>	<u>170,163</u>	<u>9,328</u>	<u>3,708,138</u>	<u>(554,261)</u>

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

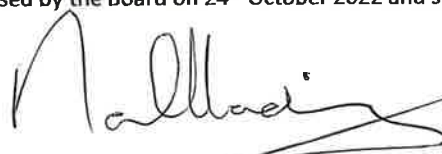
	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		3,528,647	170,163	9,328	3,708,138	(554,261)
Transfer between funds	13	-	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		3,528,647	170,163	9,328	3,708,138	(554,261)
Actuarial (losses)/gains on defined benefit pension scheme	9	(316,175)	-	-	(316,175)	(99,000)
NET MOVEMENT IN FUNDS		3,212,472	170,163	9,328	3,391,963	(653,261)
RECONCILIATION OF FUNDS						
Total funds brought forward		62,510,348	1,541,340	1,242,082	65,293,770	65,947,031
FUND BALANCES CARRIED FORWARD		65,722,820	1,711,503	1,251,410	68,685,733	65,293,770

THE LONDON CITY MISSION
GROUP & PARENT BALANCE SHEET AS AT 31 DECEMBER 2021

7. GROUP & PARENT BALANCE SHEET

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible fixed assets	5a	31,604,456	32,833,001	24,756,564	31,438,743
Intangible fixed assets	5b	184,428	227,822	184,428	227,822
Investments	6	35,842,678	32,021,451	29,428,090	32,021,451
		<u>67,631,561</u>	<u>65,082,274</u>	<u>54,369,082</u>	<u>63,688,016</u>
CURRENT ASSETS					
Stocks		3,270	3,811	3,270	3,811
Debtors	7	2,415,051	1,614,122	18,870,292	3,465,819
Cash at bank and in hand		1,511,574	745,841	374,340	724,182
		<u>3,929,895</u>	<u>2,346,924</u>	<u>19,247,902</u>	<u>4,176,963</u>
LIABILITIES					
Amounts falling due within one year	8a	(875,723)	(1,130,970)	(513,216)	(680,899)
NET CURRENT ASSETS		3,054,171	1,232,804	18,734,687	3,496,064
Amounts falling due in more than one year	8b	(2,000,000)	(1,000,000)	(2,000,000)	(1,000,000)
PENSION LIABILITY	9	-	(21,308)	-	(21,308)
NET ASSETS		<u>68,685,733</u>	<u>65,293,770</u>	<u>71,103,768</u>	<u>66,162,772</u>
FUNDS					
Designated funds	11	57,141,801	54,198,744	57,477,011	54,198,744
General reserve	12	8,581,019	8,332,912	10,663,844	9,201,914
Pension deficit		-	(21,308)	-	(21,308)
UNRESTRICTED FUNDS		65,722,820	62,510,348	68,140,855	63,379,350
RESTRICTED FUNDS	13	1,711,503	1,541,340	1,711,503	1,541,340
ENDOWMENT FUNDS	14	1,251,410	1,242,082	1,251,410	1,242,082
TOTAL FUNDS		<u>68,685,733</u>	<u>65,293,770</u>	<u>71,103,768</u>	<u>66,162,772</u>

Approved and authorised by the Board on 24th October 2022 and signed on its behalf by:


Mark D Harding,
Chairman of the Board
The London City Mission
Company number - 04284615


Richard Montgomery,
On behalf of the Finance committee

THE LONDON CITY MISSION
GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

8. GROUP CASHFLOW STATEMENT

Cash flows from operating activities:	2021	2020
	£	£
Net cash used in operating activities	<u>(4,035,012)</u>	<u>(4,740,199)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	650,304	677,546
Proceeds from sale of tangible fixed assets	2,155,827	1,150,000
Purchase of tangible fixed assets	(2,193,340)	(2,868,362)
Proceeds from sale of fixed asset investments	5,672,766	8,304,483
Purchase of fixed asset investments	<u>(2,484,814)</u>	<u>(3,146,540)</u>
Net cash provided by investing activities	<u>3,800,743</u>	<u>4,117,127</u>
Cash flows from financing activities:		
Loan Received	<u>1,000,000</u>	<u>1,000,000</u>
Net cash provided by financing activities	<u>1,000,000</u>	<u>1,000,000</u>
Increase in cash and cash equivalents	<u>765,731</u>	<u>376,928</u>

NOTES TO CASH FLOW STATEMENT		2021	2020
		£	£
1. Reconciliation of net income for the year to net cash outflow from continuing operating activities			
Net income		3,391,962	(653,262)
Investment income		(650,304)	(677,546)
Gain on disposal of tangible fixed assets		(1,290,423)	(791,143)
Realised (gains)/losses on investments		(328,608)	(350,276)
Unrealised (gains)/losses on investments		(4,739,985)	(3,135,491)
Depreciation on tangible fixed assets		615,895	613,434
Amortisation of Intangible assets		43,395	43,395
Decrease/(increase) in stocks		541	(653)
Decrease/(increase) in debtors		(817,779)	577,955
(Decrease)/increase in creditors		<u>(259,705)</u>	<u>(366,613)</u>
Net cash outflow from operating activities		<u>(4,035,012)</u>	<u>(4,740,199)</u>
2. Analysis of changes in net debt equivalents during the year			
	1 Jan 2021	Change in year	31 Dec 2021
	£	£	£
Cash and cash equivalents			
Cash	<u>745,841</u>	<u>765,732</u>	<u>1,511,574</u>
Borrowings			
Debt due within one year	-	-	-
Debt due after one year	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(2,000,000)</u>
Total	<u>(254,159)</u>	<u>(234,268)</u>	<u>(488,426)</u>

9. NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The presentational currency used is British pound sterling. Balances are rounded to the nearest £.

The London City Mission meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The London City Mission is the only member of two subsidiary companies. London City Mission Property Services Ltd limited (Company no. 09881533), a company limited by guarantee, and London City Mission Property Holdings limited (Company no. 12320018), a company established in November 2019. Group accounts have therefore been prepared and the assets, liabilities and results of the subsidiaries are consolidated into these financial statements. Summarised details see Note 6.

Going concern

The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future. Under its financial sustainability plan, LCM is planning operating deficits in the medium term, financed by the sales of investment property. The disposal of investment properties is expected to provide more than £20m to fund the planned operational deficits, currently averaging £3m per annum, and a sustainable level of working capital. Meanwhile, the trustees aim to hold liquid assets equivalent to the general reserve target, have a mortgage facility for £2m in place and only expect to seek debt financing to aid property purchases. Having made enquiries, the Directors believe that the planned programme of property disposals is achievable without recourse to additional

borrowing facilities and do not consider there are any material uncertainties about the charity's ability to continue as a going concern for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

(b) Tangible fixed assets and depreciation

Freehold and long leasehold buildings are capitalised at historical cost or probate value if donated to the charity.

For each freehold property, we assume a cost ratio of 50:50 divided between land and buildings. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful lives, taken to be 50 years (at 2% per year).

Leasehold property is depreciated over the shorter of the remaining useful life or the remaining period of the lease.

Motor Vehicles and Fixtures and fittings, are depreciated at 25%, and 20%, on a reducing balance basis respectively. IT capitalisation is capitalised at 33.33% on cost and Property development is not capitalised until it comes into use.

(c) Intangible fixed assets and amortisation

Software is amortised over a useful economic life of 7 years, once it has entered into use.

(d) Property Repairs and Improvement costs

Repairs to properties are accounted for under charitable expenditure except where the floor area of a property is extended, or the improvement is considered to be to the fabric of the building and its fixtures and fittings, in which case the cost is capitalised.

(e) Investments

Investments (including investment properties) are stated at market value. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities. Investment income is credited to income on an accruals basis. The portfolio management fees are included in the Statement of Financial Activities.

Investment property is property deemed to be held for the sole purpose of financial gain to LCM, is held at the Trustees' best estimate of valuation and is not depreciated, which is permitted under the Charity SORP 2019. The Trustees perform a review of the valuation annually. All changes in value in the year are reported in the Statement of Financial Activities.

(f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(h) Property awaiting sale

Properties are held at book value where they have been given to LCM as gifts, and are awaiting sale, being either on the market, or earmarked for sale but not yet marketed. They are not depreciated since they fall under Current Assets. Where properties that have been held for charitable purposes, or for investment purposes, are not deemed to be awaiting sale, they are kept in Tangible Fixed Assets or Investment Properties, respectively.

(i) Financial instruments

The London City Mission only has financial assets and financial liabilities of a kind that qualify as basic financial instruments (for example cash). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(j) Funds

- Unrestricted Funds –
- 1) Designated Funds are funds set aside at the discretion of directors.
 - 2) Other Charitable Funds are available for use in the furtherance of LCM's charitable objectives.

Restricted Funds - are restricted income funds, which are expendable at the discretion of the trustees in furtherance of particular aspects of the objects of LCM and assets subject to specific purposes and conditions imposed by the donors.

Endowment Funds - are funds held in trust by LCM and only the income arising can be expended.

(k) Donations and legacies

Donations, and income under gift aid, are accounted for when receivable. Legacies are recognised as receivable when there is an entitlement to the funds, it is considered probable that they will be received and can be measured reliably. Donations of investments are accounted for at market value at date of transfer and properties at probate value or valuation.

(l) Rent receivable

Rents receivable are accounted for on an accruals basis.

(m) Value Added Tax

Value Added Tax, which cannot be recovered in respect of most of the costs of the charity, is included in those costs in the Statement of Financial Activities.

(n) Pension costs

The pension scheme is a defined benefit (final salary) funded scheme now closed to new entrants. For defined benefit schemes, the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested, i.e. entitlement to benefits has become unconditional. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Net interest cost is charged to expenditure and is calculated by multiplying the net scheme liability by the discount rate used to determine the defined benefit obligation. Actuarial gains and losses are recognised immediately.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of LCM, in a separate trustee administered fund. Pension scheme assets are measured

at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The defined contribution scheme costs are included as part of staff costs and included in the Statement of Financial Activities.

(o) Resources expended

Direct costs are allocated to the particular activity where the cost relates directly to that activity when invoiced. Salaries of staff, national insurance and pension contributions paid are allocated on a proportioned basis relating to the time spent.

(p) Leases

Payments made under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

(q) Support costs

Support costs include property costs, HR, finance, IT, fundraising and other administrative costs associated with supporting the charitable activities. They also incorporate governance costs associated with the management of the Mission's assets and with constitutional and statutory requirements including advisory and audit expenditure. Support costs have been allocated to the cost of charitable activities on a headcount basis. This allocation is set out in Note 20.

(r) Significant estimates and judgements

The group's investment properties are valued by the Trustees at their estimated market value at the balance sheet date. This represents a significant judgement, however the Trustees believe that the market values of the investment properties are not materially different from their carrying values at the balance sheet date.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Investment income

	2021	2020
	£	£
Income from listed investments	88,826	106,374
Income from other investments	-	-
Income from deposits	2,727	4,093
Income from investment properties	558,751	567,079
	<u>650,304</u>	<u>677,546</u>

3. Analysis of resources expended

Group	Staff			Total
	Costs	Other	Dep'n	2021
	£	£	£	£
Expenditure on raising funds	655,711	306,996	15,005	977,712
Charitable expenditure	5,370,309	2,179,532	669,988	8,219,829
	<u>6,026,020</u>	<u>2,486,528</u>	<u>684,993</u>	<u>9,197,541</u>

Charity	Staff			Total
	Costs	Other	Dep'n	2021
	£	£	£	£
Expenditure on raising funds	655,711	306,996	15,005	977,712
Charitable expenditure	5,370,309	2,216,685	669,988	8,256,982
	<u>6,026,020</u>	<u>2,523,681</u>	<u>684,993</u>	<u>9,234,694</u>

	2021
	£
Included in both group and charity above:	
Audit fees net of VAT	40,250
Prior year under accrual	-
Support costs (Note 20)	3,946,453

Analysis of Resources Expended-2020 for comparison

Group	Staff			Total
	Costs	Other	Dep'n	2020
	£	£	£	£
Expenditure on raising funds	456,592	387,415	32,361	876,368
Charitable expenditure	5,805,364	2,615,052	581,073	9,001,489
	<u>6,261,956</u>	<u>3,002,467</u>	<u>613,434</u>	<u>9,877,857</u>

Charity	Staff			Total
	Costs	Other	Dep'n	2020
	£	£	£	£
Expenditure on raising funds	456,592	387,415	32,361	876,368
Charitable expenditure	5,805,364	2,411,279	581,073	8,988,273
	<u>6,261,956</u>	<u>2,798,694</u>	<u>613,434</u>	<u>9,674,084</u>

	2020
	£
Included in both group and charity above:	
Audit fees net of VAT	25,500
Prior year under accrual	11,120
Support costs (Note 20)	3,563,564

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Staff costs

	2021	2020
	£	£
Salaries	4,608,053	4,597,076
Social Security	423,848	377,841
Settlement Costs	157,656	502,134
Pension and Life Insurance	836,463	784,904
	<u>6,026,020</u>	<u>6,261,956</u>

The only member of the Board who is remunerated is Graham Miller, the Chief Executive, and his total emoluments for 2021 were £58,011 (2020 £50,625). Pension contributions of £8,400 (2020 £9,907) were also paid on his behalf. He also receives rent-free accommodation in his role as Chief Executive. Travel expenses reimbursed to board members amounted to £47 (2020 £141).

During 2020 the LCM commenced a review of mission strategy and ministry operations and reached settlement with one employee who subsequently left the organisation. This continued during 2021 and further settlements were agreed.

	2021	2020
The number of employees analysed by function was:		
Field staff – evangelists	109	85
Other ministry staff	8	26
Maintenance staff	2	3
Support and administration staff	59	43
Employed staff	178	157
City Vision team	-	-
Urban Track	-	2
Employees & formal volunteer programmes	178	159

The number of employees receiving emoluments for the year greater than £60,000 falling within the following band were:

	2021	2020
£60,000 to £69,999	2	3
£70,000 to £79,999	2	-

Emoluments for the Leadership Team are shown below. The composition of the Leadership Team is set out in the Directors' Report on Page 13. The figures below are the total cost to the LCM, including gross salaries, benefits in kind, and employer's pension contributions

	2021	2020
	£	£
Key management emoluments	492,508	512,154

5a. Tangible fixed assets

Group	Freehold	Long	Fixtures	Motor	IT	Property	Total
	Land & Buildings	Leasehold Land & Buildings					
	£	£	£	£	£	£	£
Cost or valuation at 1 January 2021	27,918,406	4,056,599	1,951,953	314,429	102,184	1,539,087	35,882,658
Transfers at cost	(1,940,586)	-	-	-	-	-	(1,940,586)

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Additions	322,500	-	569,634	-	49,836	1,251,370	2,193,340
Disposals	(612,577)	-	-	(16,540)	-	(297,437)	(926,554)
at 31 December 2021	25,687,753	4,056,599	2,521,587	297,889	152,020	2,493,021	35,208,858

Depreciation

at 1 January 2021	1,450,979	305,805	952,921	305,894	34,058	-	3,049,657
Dep'n eliminated on disposal	(52,015)	-	-	(9,135)	-	-	(61,150)
Dep'n eliminated on transfer	(69,098)	-	-	-	-	-	(69,098)
Charge for period	272,726	47,585	313,733	281	50,668	-	684,993
at 31 December 2021	1,602,592	353,390	1,266,654	297,040	84,726	-	3,604,402

Net book values

at 31 December 2021	24,085,151	3,703,209	1,254,933	849	67,294	2,493,021	31,604,456
at 31 December 2020	26,467,438	3,750,791	999,031	8,529	68,126	1,539,086	32,833,001

	Freehold Land & Buildings	Long Leasehold Land & Buildings	Fixtures & Fittings	Motor Vehicles	IT Capitalisation	Property Development	Total
	£	£	£	£	£	£	£
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	5,636,233	474,342	444,308	843	67,294	2,493,021	9,116,041
Missionary and Staff Housing	15,133,438	2,705,357	308,525	-	-	-	18,147,320
New Missionary Housing	-	-	-	-	-	-	-
Hope Community Homes	1,377,736	-	-	-	-	-	1,377,736
Tenanted Properties	559,784	421,471	137,659	-	-	-	1,118,914
Christian Centres	1,377,959	102,039	364,441	-	-	-	1,844,439
	24,085,150	3,703,209	1,254,933	843	67,294	2,493,021	31,604,450

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Charity	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Cost or valuation at 1 January 2021	27,918,406	4,056,599	1,951,953	314,423	102,184	144,830	34,488,395
Transfers	(1,240,386)	-	-	-	-	-	(1,240,386)
Additions	322,500	-	569,634	-	49,836	87,080	1,029,050
Disposals	(6,067,998)	-	-	(16,540)	-	(231,910)	(6,316,448)
at 31 December 2021	20,932,522	4,056,599	2,521,587	297,883	152,020	-	27,960,611
Depreciation at 1 January 2021	1,450,979	305,805	952,921	305,894	34,058	-	3,049,657
Dep'n eliminated on disposal	(52,015)	-	-	(9,135)	-	-	(61,150)
Dep'n eliminated on transfer	(418,456)	-	-	-	-	-	(418,456)
Charge for period	221,735	47,585	313,733	281	50,668	-	634,002
at 31 December 2021	1,202,243	353,390	1,266,654	297,040	84,726	-	3,204,053
Net book values at 31 December 2021	19,730,279	3,703,209	1,254,933	843	67,294	-	24,756,558
at 31 December 2020	26,467,436	3,750,791	999,031	8,529	68,126	144,830	31,438,743

	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	3,794,834	474,342	444,308	843	67,294	-	4,781,621
Missionary and Staff Housing	14,928,121	2,705,357	308,525	-	-	-	17,942,003
Tenanted Properties	559,784	421,471	137,659	-	-	-	1,118,914
Christian Centres	447,540	102,039	364,441	-	-	-	914,020
	19,730,279	3,703,209	1,254,933	843	67,294	-	24,756,558

The Charity disposed of material amount of Property as part of its investment in the new trading subsidiary LCM Property Holdings Ltd during 2021.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

5b. Intangible fixed assets

Group and charity	Software £
Cost or valuation	
at 1 January 2021	303,763
Additions	-
Disposals	-
at 31 December 2021	<u>303,763</u>
Amortisation	
at 1 January 2021	75,941
Amortisation eliminated on disposal	-
Charge for period	43,395
at 31 December 2021	<u>119,336</u>
Net book values	
at 31 December 2021	<u>184,428</u>
at 31 December 2020	<u>227,822</u>

6. Fixed asset investments

Group	Investec £	Cash and COIF £	Property £	Total £
Valuation at 1 January 2021	3,086,401	967,050	27,967,999	32,021,450
Additions	857,260	1,627,554	-	2,484,814
Disposals	(1,624,174)	(2,398,592)	(1,650,000)	(5,672,766)
Transfers at book value	-	-	1,940,586	1,940,586
Net realised (losses)/gains	328,608	-	-	328,608
Net unrealised (losses)/gains	20,040	14,968	4,704,614	4,739,986
Valuation at 31 December 2021	<u>2,668,499</u>	<u>210,980</u>	<u>32,963,199</u>	<u>35,842,678</u>
Cost at 31 December 2021	<u>2,340,883</u>	<u>197,414</u>	<u>6,983,584</u>	<u>9,521,881</u>

Charity	Investec £	Cash and COIF £	Property £	Investment in LCMPH	Total £
Valuation at 1 January 2021	3,086,401	967,050	27,967,999	-	32,021,450
Additions	857,260	1,627,554	-	16,900,026	19,384,840
Disposals	(1,624,174)	(2,398,592)	(21,890,000)	-	(25,912,766)
Transfers at book value	-	-	1,240,386	-	1,240,386
Net realised (losses)/gains	328,608	-	-	-	328,608
Net unrealised (losses)/gains	20,040	14,967	2,330,200	-	2,365,571
Valuation at 31 December 2021	<u>2,668,499</u>	<u>210,979</u>	<u>9,648,585</u>	<u>16,900,026</u>	<u>29,428,089</u>
Cost at 31 December 2021	<u>2,340,883</u>	<u>197,414</u>	<u>6,400,386</u>	<u>16,900,026</u>	<u>25,838,709</u>

LCM holds a wide range of investments managed by Investec and COIF. At year end 46% (2020: 45%) are overseas investments.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Unrealised gains on property represent gains on revaluations of investment properties to market value on the basis of Trustees estimates. In the case of properties that have been transferred from tangible fixed assets this year, this is a revaluation to market value from depreciated historic cost.

London City Mission Property Services Ltd is a private company limited by guarantee without share capital (Company No. 09881533) which is controlled by LCM.

	2021 £	As restated 2020 £
Turnover	182	658,004
Expenditure	(7,930)	(243,211)
Deficit for the year	(7,748)	414,793
Total Assets	316,169	1,615,931
Total Liabilities	(346,285)	(2,185,444)
Net Funds	(30,116)	(569,513)

A prior year adjustment of £345,927 has been recognised in respect of property development costs which were expensed rather than capitalised in 2020. These expenses were capitalised in the transfer of assets from LCMPs to LCMPH in 2021, hence expenses have been reduced in 2021 accounts.

London City Mission Property Holdings Ltd is a private limited company (Company No. 12320018) which is controlled by LCM.

During the year, as part of the charity's property strategy a number of properties were transferred to its trading subsidiary, LCM Property Holdings Limited. Properties were transferred at values approved by the Charity Commission. In some cases, where properties were held as investment properties in the charity, the values used for the transfer were less than the carrying value in the charity. As there has been no loss to the group the difference between carrying values and values used for the transfer has been reallocated to the Investment in LCMPH, in the charity's balance sheet.

	2021 £
Turnover	2,375,000
Expenditure	-
Deficit for the year	2,375,000
Total Assets	36,168,239
Total Liabilities	(34,103,259)
Net Funds	2,064,980

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Debtors

	2021	2020	2021	2020
	Group	Group	Charity	Charity
	£	£	£	£
Cash due from legacies	1,434,981	999,333	1,434,981	999,333
Cash due from stockbrokers				
Staff loans and season tickets	14,828	7,755	14,828	7,755
Gift Aid tax recoverable	46,730	43,841	46,730	43,841
Insurance premiums prepaid	51,011	42,961	51,011	42,961
Pension costs prepaid	-	10,768	-	10,768
Ministry prepayment	3,826	3,826	3,826	3,826
Other prepayments	54,671	40,926	54,671	40,926
Intercompany balances	-	5,535	17,092,792	1,976,857
Other debtors	809,004	442,327	171,453	332,703
	<u>2,415,051</u>	<u>1,597,272</u>	<u>18,870,292</u>	<u>3,448,970</u>

Debtors falling due in more than one year total £17,092,792 (2020: nil)

8a Creditors

Amounts falling due within one year:	2021	2020	2021	2020
	Group	Group	Charity	Charity
	£	£	£	£
Accruals	416,599	763,878	76,873	350,457
Tax and social security	102,189	84,398	102,189	84,398
Trade creditors	199,836	202,496	177,056	182,696
Rent deposits & deferred rent receivable	87,077	76,153	87,077	76,153
Life assurance scheme	4,044	4,044	4,044	4,044
Other creditors	65,978	(16,850)	65,978	(16,850)
	<u>875,723</u>	<u>1,114,120</u>	<u>513,216</u>	<u>680,899</u>

8b. Creditors due in more than one year

Amounts falling due in more than one year:	2021	2020	2021	2020
	Group	Group	Charity	Charity
	£	£	£	£
Bank loan	2,000,000	1,000,000	2,000,000	1,000,000
	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>

The bank loan Was agreed in 2020 for £2m of which £1m was drawdown in 2020 and the remaining £1m drawdown in the year. Capital repayments are due to start in January 2022 repayable in mothly instalemnts over 9 years with a floating interest rate. The loans are secured by way of charges over the freehold land and buildings.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Pension Commitments – group and charity

LCM operates a closed funded pension scheme. The scheme is a defined benefit scheme for all qualifying employees who elected to join the scheme. The assets of the scheme are held separately from the assets of LCM. Contributions and costs of the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with LCM.

A formal triennial valuation of the scheme was completed as at 31 May 2020 by the scheme actuary and the valuation method used was the Projected Unit Method. The May 2020 valuation showed that the market value of the scheme's assets was £5,392,000 (2017 - £4,498,000) excluding insured pensioners' assets and that the actuarial value of those total assets represented 67% (2017 - 63%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The deficit on the scheme funding basis was £2,696,000 (2017 - £2,655,000).

In the agreed recovery plan an allowance for the impact of changes in market conditions since the valuation date (primarily in respect of an increase in bond yields) reduced the funding shortfall to £1,373,000 as at 31st May 2021. The board has authorised contributions of £528,232 to be paid a year in arrears on 31st August 2022, followed by £544,079 on 31st August 2023 and £196,000 on 31st August 2024 as part of the recovery plan. LCM and are seeking insurers to quote for a bulk annuity purchase before the recovery plan is fully implemented.

The actuary has carried out a further full valuation of the scheme as at 31 December 2021 to produce the information required under FRS 102 – Section 28 Disclosure Report.

The assets in the scheme were as follows:

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Equities	850	686	731	587	519
Bonds and gilts	4,207	3,931	3,517	3,092	3,145
Diversified growth funds	741	641	681	616	518
Cash	100	142	287	204	356
Insured pensioners	5,741	6,888	6,676	6,270	6,676
Total market value of assets	11,639	12,288	11,892	10,769	11,214
Present value of scheme liabilities	(11,125)	(12,309)	(12,154)	(11,085)	(11,983)
Changes in asset ceiling	(514)	-	-	-	-
Deficit at 31 December	-	(21)	(262)	(316)	(769)

Analysis of the amounts charged to resources expended would be:

	2021	2020
	£'000	£'000
Expenses	-	-

Analysis of the amount credited to pension finance income would be:

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Interest on pension scheme liabilities	(182)	(244)
Expected return on pension scheme assets	184	242
Losses on settlements	-	(221)
	<u>2</u>	<u>(223)</u>

Analysis of actuarial loss:

Difference between actual and assumed return on asset	(767)	876
Experience (loss) on obligations	(142)	93
Change of basis gain/(loss) on obligations	1,107	(1,068)
Changes in asset ceiling	(514)	-
Actuarial gain/(loss) on obligations	<u>(316)</u>	<u>(99)</u>

Movement in deficit during the year:	2021	2020
	£'000	£'000
Deficit at 1 January 2020	(20)	(262)
Expenses		
Contributions	334	563
Pension finance income	2	(222)
Actuarial gain/(loss)	<u>(316)</u>	<u>(99)</u>
Deficit at 31 December 2021	<u>-</u>	<u>(20)</u>

History of experience gains and losses

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets					
amount	(767)	876	832	(751)	140
percentage of scheme assets	(6.6%)	7.1%	7.0%	(7.0%)	1.2%
Experience gain/(loss) on obligations					
amount	(142)	93	39	(19)	462
percentage of scheme liabilities	(1.3%)	0.8%	0.3%	(0.2%)	3.9%
Total actuarial gain/(loss)					
amount	(316)	(99)	(430)	99	550
percentage of scheme liabilities	(2.8%)	(0.8%)	(3.5%)	0.9%	4.6%

Changes in the present value of the obligation and in the fair values of assets

	31 December 2021	31 December 2020
	£'000	£'000
Present value of obligation at beginning of year	12,309	12,154
Interest cost	182	244
Benefits paid	(400)	(421)
Charges paid	-	-
Actuarial (gain)/loss	(966)	975
Liabilities extinguished on settlements	-	(643)
Present value of obligation at end of year	<u>11,125</u>	<u>12,309</u>

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	31 December 2021	31 December 2020
	£'000	£'000
Fair value of scheme assets at beginning of year	12,288	11,892
Expected return on scheme assets	184	242
Contributions	334	563
Benefits paid	(400)	(421)
Actuarial gain/(loss) on scheme assets	(767)	876
Assets distributed on settlements	-	(864)
Fair value of scheme assets at end of year	<u>11,639</u>	<u>12,288</u>

10. Taxation

As a registered charity, LCM is not liable to taxation on its income from charitable activities. Income tax is recovered on gifts donated by supporters under the Gift Aid Scheme.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Designated funds

Group	Balance					Balance 31 Dec 2021 £
	1 Jan 2021 £	Disposals £	Trfs £	Additions £	Dep'n £	
Headquarters, retirement, other properties and vehicles	8,260,306	(473,977)	(840,386)	1,973,567	(154,909)	8,764,601
Missionary and staff housing	17,833,489	(186,000)	(400,000)	1,141,133	(241,302)	18,147,320
New Missionary Housing	-	-	-	-	-	-
Housing for the Marginalised	1,391,652	-	-	-	(13,917)	1,377,735
Tenanted properties	1,385,935	(266,577)	-	30,316	(30,760)	1,118,914
Christian Centres	2,327,365	-	(700,200)	48,312	(107,038)	1,568,439
Designated Assets (Fixed Assets less Debt)	31,198,747	(926,554)	(1,940,586)	3,193,328	(547,925)	30,977,010
Investment property	-	(1,940,586)	1,940,586	-	-	-
Ministry sustainability	19,500,000	(1,500,000)	1,000,000	5,000,000	-	24,000,000
Pension deficit	3,500,000	-	(1,000,000)	-	-	2,500,000
	54,198,747	(4,367,140)	-	8,193,328	(547,925)	57,477,010

Transfers represent the reallocation of properties, at book value, between funds.

Charity	Balance					Balance 31 Dec 2021 £
	1 Jan 2021 £	Disposals £	Trfs £	Additions £	Dep'n £	
Headquarters, retirement, other properties and vehicles	8,260,306	(2,408,450)	(840,386)	809,288	(129)	5,820,629
Missionary and staff housing	17,833,489	(409,000)	(400,000)	141,131	(223,618)	16,942,002
Housing for the Marginalised	1,391,652	(1,468,960)	-	-	77,308	-
Tenanted properties	1,385,935	(266,577)	-	30,317	(30,759)	1,118,916
Christian Centres	2,327,365	(1,763,460)	-	48,314	22,802	635,021
	31,198,747	(6,316,447)	(1,240,386)	1,029,050	(154,396)	24,516,568

Headquarters, Retirement, Holiday and Other Properties Used for Designated Purposes

This fund represents the carrying value of properties and other tangible fixed assets which are used for charitable purposes, including LCM's largest asset Nasmith House, and is not available to spend on the general running of LCM. Nasmith Court flats no longer remain within this fund as they are now held as investment properties.

Missionaries' and Staff Housing

This fund represents the value of residential properties used to house LCM staff. Property which is not currently needed to house staff and is being rented out to partner organisations with similar aims or to private tenants is included in the Tenanted Properties Fund.

Housing for the Marginalised

This fund includes the cost of six properties in Brixton which are used to provide housing and support to the vulnerably housed under the banner of Hope Community Homes and a single property in King's Cross, known as Banquet House.

New Missionary Housing

At 31 December 2021, there were no properties intended for missionary housing that were under offer. The trustees expect to designate funds for new missionary housing from time to time.

Tenanted Properties

This fund includes houses and Christian Centres not needed at the present time for housing or ministry needs, and are being rented out until such time that they can be used directly by LCM. Rented out properties that are considered to be held solely for the purpose of financial gain are held as Investment Properties.

Christian Centres

This fund represents the value of the Centres used in the activities of LCM as well as the residential accommodation on the site and other tangible fixed assets. Christian Centres currently not being used by LCM for ministry purposes and which are rented out are generally classified as investment properties because they are held solely for financial gain whilst one is classified as a Tenanted Property.

Ministry sustainability fund

The ministry sustainability fund was created at the end of 2020 to fund net expenditure before investments which makes up most of the projected annual cash shortfall, and in doing so, keeps LCM's ministry sustainable at its target size. In line with the Long-term Financial Sustainability Objective, the fund is expected to steadily reduce over the next 10 years. As this fund inevitably reduces, the planned needs of LCM will be met by steadily increasing donation income. If donation income does not increase over the coming years, the ambition for LCM's gospel ministry will inevitably need to reduce.

It is expected that the ministry sustainability fund will be adjusted each year in increments of £0.5m.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Pension deficit

Having reviewed the triennial actuarial valuation of the closed pension scheme and the FRS 102 – Section 28 Disclosure Report for 31 December 2021, the LCM board have designated £2.5m (£3.5m in 2020) to eliminate the deficit at a time in the future, dependent on the considerations of the Board, including, but not limited to, prevailing market conditions.

12. General funds

Group	Balance 1 Jan 2021 £	Net movement £	Balance 31 Dec 2021 £
General reserve less pension deficit	8,311,604	(65,795)	8,245,809

Charity	Balance 1 Jan 2021 £	Net movement £	Balance 31 Dec 2021 £
General reserve less pension deficit	9,180,606	1,818,448	10,999,054

13. Restricted funds

Group and charity	Balance 1 Jan 2021 £	Income £	Gains on investments £	Expenses £	Trf from General reserve £	Balance 31 Dec 2021 £
Grants		40,536		(40,536)		-
LCM Pioneers	-	86,175	-	(86,175)	-	-
Retired fund - Property	355,260	-	-	(3,820)	-	351,440
Holiday homes fund	711,380	21,516	87,029	-	-	819,925
Relief fund - Property	279,000	-	-	(3,000)	-	276,000
Relief fund - General	40,680	348,848	-	(313,751)	-	75,726
Restricted Christian Centre fund	4,000	11,547	-	-	-	15,547
Restricted ministry fund	151,070	426,483	-	(404,688)	-	172,864
	1,541,340	935,105	87,029	(851,971)	-	1,711,503

LCM Pioneers

Donations received specifically as a contribution towards the employment and training of the LCM Pioneers are treated as restricted and are offset against such costs.

Retired Fund (Retired Missionaries, Widows and Orphans fund)

Set up as a separate fund in 1846 to help missionaries who could no longer work, the fund today enables allowances to be paid to retired staff who retired before the establishment of LCM's pension scheme in 1993. This fund also covers the running cost of properties used to house retired staff. The value of this fund is represented by the book value of the two properties contained within this fund.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Holiday Homes Fund

The first holiday home in Ventnor, Isle of Wight, was donated to LCM in 1869 and the fund's purpose was to ensure missionaries and their families could enjoy a break from the pressure of urban mission work. The Board decided in 2012 that the properties used for holiday homes should be sold and the one property belonging to the Fund was sold in 2013 with the proceeds transferred to a new Restricted Fund to set against the Pension Deficit. The balance of the fund is represented by investments and it is intended to transfer the balance to the Retired Fund for the benefit of retired missionaries and staff.

Relief Fund

From the early days of LCM, the desperate need of the people amongst whom the missionaries worked became apparent. Supporters of LCM specifically sent donations to help the needy that they read or heard about from missionaries' reports and a relief fund was established. The Fund now is represented by the Webber Street Centre.

Restricted Christian Centre Fund and Restricted Ministry Fund

These funds represent aggregated smaller donations that are restricted for LCM's work through Christian Centres or other ministries.

14. Endowment funds

	Balance		Balance
Group and charity	1 Jan 2021	Net movement	31 Dec 2021
	£	£	£
Perpetual trusts	1,242,082	9,328	1,251,410

Perpetual trusts

These consist of a number of separate funds established during the history of LCM to provide an income towards the on-going costs of particular aspects of the Mission's work. The donors have insisted that the capital cannot be spent. The income generated has been used against the salary costs of the designated ministries. The net movement solely relates to the movement in the value of the investments.

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Analysis of net assets between funds

Fund balances at the end of year are represented by:

Group	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£	£	£	£	£
Tangible fixed assets	31,604,455	-	-	31,604,455	32,833,001
Intangible fixed assets	184,428	-	-	184,428	227,822
Investments	32,879,764	1,711,503	1,251,410	35,842,677	32,021,451
Current assets	3,929,895	-	-	3,929,895	2,346,924
Current liabilities	(875,723)	-	-	(875,723)	(1,114,120)
Long-term debt	(2,000,000)	-	-	(2,000,000)	(1,000,000)
Pension liability	-	-	-	-	(21,308)
Total net assets	65,722,819	1,711,503	1,251,410	68,685,732	65,293,770

Charity	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£	£	£	£	£
Tangible fixed assets	24,756,564	-	-	24,756,564	31,438,743
Intangible fixed assets	184,428	-	-	184,428	227,822
Investments	26,465,177	1,711,503	1,251,410	29,428,090	32,021,451
Current assets	19,247,903	-	-	19,247,903	4,176,963
Current liabilities	(513,216)	-	-	(513,216)	(680,899)
Long-term debt	(2,000,000)	-	-	(2,000,000)	(1,000,000)
Pension liability	-	-	-	-	(21,308)
Total net assets	68,140,854	1,711,503	1,251,410	71,103,768	66,162,772

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Prior year comparative funds – incoming and outgoing resources

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
	£	£	£	£
INCOME				
Voluntary income				
Donations	1,597,505	764,439	-	2,361,944
Legacies	1,151,032	-	-	1,151,032
Grants	-	177,104	-	177,104
Income from investments	663,280	14,266	-	677,546
Income from charitable activities				-
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres	101,969	59,839	-	161,808
Income from other trading activities				-
Rents	461,248	-	-	461,248
Fees & other charges	56,004	-	-	56,004
Other income				
Net gain on sale of tangible fixed assets	791,143	-	-	791,143
TOTAL INCOME	4,822,181	1,015,648	-	5,837,829
Expenditure on raising funds				
Management of rented properties	337,445	-	-	337,445
Fundraising and supporter relations	525,001	-	-	525,001
Investment management fees	13,921	-	-	13,921
	876,367	-	-	876,367
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES	3,945,814	1,015,648	-	4,961,462
EXPENDITURE ON CHARITABLE ACTIVITIES				
Mission activities	4,918,341	937,820	-	5,856,161
LCM Pioneers	177,981	72,611	-	250,592
Training and church development	296,635	-	-	296,635
City Vision, City Challenge and Urban Track	115,516	-	-	115,516
Christian Centres	1,561,012	-	-	1,561,012
Retirement housing and other costs	236,033	3,820	-	239,853
Relief to the needy	405,288	3,000	-	408,288
Hope Community Homes	83,059	-	-	83,059
Trading costs at cafés, HQ Bookroom and at Christian Centres	38,600	-	-	38,600
Christian Centre developments	151,774	-	-	151,774
TOTAL CHARITABLE EXPENDITURE	7,984,239	1,017,251	-	9,001,490
TOTAL EXPENDITURE	8,860,606	1,017,251	-	9,877,857
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES	(4,038,425)	(1,603)	-	(4,040,028)
Realised net gains on investments	350,276	-	-	350,276
Unrealised gains/(losses) on investments	3,171,142	(32,736)	(2,915)	3,135,491
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	(517,007)	(34,339)	(2,915)	(554,261)
Transfer between funds	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS	(517,007)	(34,339)	(2,915)	(554,261)
Actuarial (losses)/gains on defined benefit pension scheme	(99,000)	-	-	(99,000)
NET MOVEMENT IN FUNDS	(616,007)	(34,339)	(2,915)	(653,261)
RECONCILIATION OF FUNDS				
Total funds brought forward	63,126,354	1,575,679	1,244,998	65,947,031
FUND BALANCES CARRIED FORWARD	62,510,347	1,541,340	1,242,083	65,293,770

THE LONDON CITY MISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Capital and other commitments

There are no capital commitments as at 31 December 2021.

18. Post balance sheet events – investment property

As at 31 December 2021, LCM was in discussions with a number of developers to purchase or enter into development agreements for a number of properties. Any material changes from these negotiations were reflected by the Trustees when re-valuing properties.

19. Operating lease commitments – group and charity

Total commitments under non-cancellable operating leases for photocopiers, and office equipment computers which expire:

	2021	2020
	£	£
Within one year	20,219	17,783
Between two and five years	20,106	21,189
In more than five years	-	-
	<u>40,325</u>	<u>38,972</u>

THE LONDON CITY MISSION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

19. Support costs

Group and charity	HQ staff	HR, IT, and premises	Pension and life insurance	Total
	£	£	£	£
Management of rented properties	103,278	49,288	3,260	155,826
Fundraising and supporter relations	218,904	34,241	13,144	266,289
Mission activities	1,055,961	821,869	107,019	1,984,849
Christian Centres	110,178	84,711	11,415	206,304
Retirement housing	84,063	40,118	2,654	126,835
City Vision and City Challenge	112,902	12,422	76	125,400
Relief to the needy	192,331	128,360	18,367	339,058
Development of Christian Centres	37,763	-	-	37,763
LCM Pioneers	204,306	77,902	11,147	293,355
Training and church development	228,552	77,901	11,147	317,600
Hope Community Homes	66,190	23,606	3,378	93,174
Total	2,414,428	1,350,418	181,607	3,946,453

Allocable costs

Head office staff	£	£
IT, HR, office supplies	360,462	2,414,428
Departmental costs	203,068	
Insurance	112,601	
Premises	674,287	
Pension and life insurance		1,350,418
		181,607
		<u>3,946,453</u>

20. Related party transactions

There were no related party transactions in the year in respect of Board members and members of the Leadership Team.

21. Donations from Trustees

Twelve (2020: twelve) trustees made donations in the year totalling £67,909 (2020: £103,705).

THE LONDON CITY MISSION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Charity Statement of Financial Activities

The below Charity Statement of Financial Activities relates to the Charity only, and so excludes the activities of the subsidiary undertaking.

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
INCOME					
Voluntary income					
Donations	2,325,553	873,053	-	3,198,606	2,361,943
Legacies	2,156,027	-	-	2,156,027	1,151,032
Grants	-	40,536	-	40,536	177,104
Income from investments	628,789	21,516	-	650,304	677,546
Income from charitable activities					
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres	19,514	-	-	19,514	161,808
Income from other trading activities					
Rents	481,493	-	-	481,493	461,248
Other income					
Fees and other charges	-	-	-	-	50,000
Management fees	-	-	-	-	9,000
Net gain on sale of tangible fixed assets	5,251,791	-	-	5,251,791	791,143
TOTAL INCOME	10,863,166	935,105	-	11,798,271	5,840,825
Expenditure on raising funds					
Management of rented properties	345,732	-	-	345,732	337,445
Fundraising and supporter relationships	619,809	-	-	619,809	525,001
Investment management fees	12,175	-	-	12,175	13,921
	977,716	-	-	977,716	876,367
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES	9,885,450	935,105	-	10,820,555	4,964,457
EXPENDITURE ON CHARITABLE ACTIVITIES					
Mission activities	4,384,712	758,976	-	5,143,688	5,754,344
LCM Pioneers	207,180	86,175	-	293,355	250,592
Training and church development	325,426	-	-	325,426	296,635
City Vision, City Challenge and Urban Track	125,420	-	-	125,420	115,516
Christian Centres	1,401,494	-	-	1,401,494	1,561,012
Retirement housing and other costs	371,226	3,820	-	375,046	239,853
Relief to the needy	435,759	3,000	-	438,759	408,288
Hope Community Homes	93,174	-	-	93,174	83,059
Trading costs at cafés, HQ Bookroom and at Christian Centres	5,641	-	-	5,641	38,600
Christian Centre developments	54,980	-	-	54,980	49,817
TOTAL CHARITABLE EXPENDITURE	7,405,012	851,971	-	8,256,983	8,797,716
TOTAL EXPENDITURE	8,382,728	851,971	-	9,234,699	9,674,083
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES	2,480,438	83,134	-	2,563,572	(3,833,258)
Realised net gains on investments	328,608	-	-	328,608	350,276
Unrealised gains/(losses) on investments	2,268,629	87,029	9,328	2,364,986	3,135,491
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	5,077,675	170,163	9,328	5,257,165	(347,492)

THE LONDON CITY MISSION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Charity Statement of Financial Activities (continued)

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS					
Transfer between funds	5,077,675	170,163	9,328	5,257,165	(347,492)
NET INCOME/(EXPENDITURE) AFTER TRANSFERS					
Actuarial (losses)/gains on defined benefit pension scheme	5,077,675	170,163	9,328	5,257,165	(347,492)
NET MOVEMENT IN FUNDS					
RECONCILIATION OF FUNDS	(316,175)	-	-	(316,175)	(99,000)
Total funds brought forward	4,761,500	170,163	9,328	4,940,911	(446,492)
FUND BALANCES CARRIED FORWARD					
	63,379,349	1,541,340	1,242,083	66,162,772	66,609,264
	68,140,849	1,711,503	1,251,411	71,103,763	66,162,772