



THE LONDON CITY MISSION

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**ANNUAL REPORT
& FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2022

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1. LETTER FROM THE CEO & CHAIRMAN

God is on the move in London today! The light of the gospel is shining out, reaching through doorways on doorsteps, school gates and food banks. *'The people walking in darkness have seen a great light; on those living in the land of deep darkness a light has dawned.'* Isaiah 9:2 (NIV)

Right now, we face a profound gospel need as more people than ever, half of all Londoners, don't know a single Christian. People disconnected from the Church are often part of the most marginalised and deprived communities among us. We are standing shoulder to shoulder with the Church in London as she rises to the significant challenges of this time.

It is exciting to see bridges being built, stepping out to meet people at a point of great need. As the cost-of-living crisis hit in late 2022, we saw around 5% of households going without food for more than a day and churches throughout London have stepped up to care for the most vulnerable around them. Congregations have taken their place back at the heart of communities bringing hope, light and good news at times of difficulty.

It has been London City Mission's privilege to come alongside and partner with the Church at this time, to serve her in her vision and to point people to their most pressing need: their need of Jesus Christ as their Lord and Saviour. So often for this to be possible, deep relationships need to be built over time so that real trust can be established. For the Church to have an impact, we need to genuinely love the people we are reaching.

Daily, stories are coming back from our missionaries of lives transformed in the churches we're mobilising. We praise the Lord for his saving grace at work. This helps fuel our prayers and increases our desire to see God do even more in this great city where 250 languages are spoken, and where the salvation of a single person can ripple across the globe.

We rely on God's provision through the prayers and generosity of supporters and we are deeply grateful for those who partner with us to sustain teams of missionaries across London.

As you read this report, please prayerfully consider how the Lord may be asking you to be involved. Reaching London for Christ can't just be for a specialist few and needs all of us to step out with the light of the gospel together.

Yours in Him,

GRAHAM D MILLER, CHIEF EXECUTIVE

MARK D HARDING, CHAIRMAN OF THE BOARD OF TRUSTEES



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“Every church in London needs to be reminded of those hidden, poorer communities within a stone’s throw from our buildings. London City Mission are serving local churches in revealing where these are, and helping equip believers to reach them with the gospel.”

GUY MILLER, FROM WESTMINSTER CHAPEL



“London City Mission aligning its ministry to work with, in, and through the local churches is a hugely significant development in biblical gospel partnership.”

TREVOR ARCHER, DIRECTOR OF THE FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES (FIEC) IN LONDON



“London City Mission’s approach, in working alongside the local church, envisioning, equipping, and enabling, is an answer to prayer. This kind of partnership and generous sharing of resources will strengthen the Church, get God’s attention and bring salvation and healing to our broken communities.”

DELROY POWELL, NATIONAL PRESIDING BISHOP OF THE NEW TESTAMENT ASSEMBLY



“We moved into this building in Grove Park. Our prayer was God, I need help because when it comes to evangelism, I don’t think we were good at it. Then one day, I just got a telephone call [from LCM]. ... I said I believe you are an answered prayer. And we’ve been walking with LCM since then.”

PASTOR ROWLAND, WORLD OF LIFE CHURCH GROVE PARK.



“What we’d like to do with LCM is build on what we’ve already got going, broadening those ministries so that we reach more people.”

REV. NAT CHARLES, ST BARNABAS DALSTON

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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 two people in London today are unlikely to know a Christian. During their lifetime, they are unlikely to hear someone they know share their faith, be encouraged to read a bible, be invited to church, or hear the best news ever – the life-giving gospel of Jesus.

This is a tragedy. And the situation is only getting worse with more people than ever, half of all Londoners, now disconnected from knowing a Christian.

What is even more heartbreaking is that many of these people live in particular communities within 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.

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, every young person and everyone from people groups without a Christian witness.

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

So, we are coming alongside 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.

Our heart is to see God releasing the potential of local bible believing 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 2022 our missionaries came alongside 276 churches which are located in our urban priority areas, actively partnering in active ministry outreach projects with 33 of them. These 276 churches represent approximately 6% of the 4,800 churches in London¹. 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.
- To date, 55 churches have now formed new partnerships with LCM, since the post pandemic launch of our new model of working with churches. This is resulting in many more everyday Christians taking part in activities to see the powerful message of the gospel reach those communities where people are least likely to have a Christian friend. We are excited to see churches grow into deeply missional communities and many Christians have increased confidence in stepping out to build trusting relationships where they can share with others of God's grace in Jesus.
- Outside of the ministry church partnership model, external training provision in 2022 extended to four conferences covering a range of specialisms: council estates, urban mission, reaching Muslim migrants and personal evangelism. We also hosted a number of events with partner organisations designed to foster missional unity amongst evangelicals. We also visited 252 supporter churches throughout the UK, encouraging congregations in their local mission and partnering with them through their prayers and giving. This is supported by a network of around 540 Church Reps who are vital advocates for reaching the marginalised with the good news of Jesus.
- In 2022 there were around 17 million views 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, 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.

1 <https://cra.org.au/growth-in-london-churches/>





TRAINING UP CHRISTIANS FOR MINISTRY

Luke Carson, LCM Team Leader for Prisons and Resettlement, has been working alongside King's Cross Church (KXC) on Pentonville Road since the church was established and has seen the partnership grow in recent months.

The partnership started with Luke training ordinary church members to reach people in prisons with the good news of Jesus Christ. And he has been encouraged to see how this simple act of volunteering is changing the lives of both prisoners and the church members who are reaching out to them.

"We know of at least two people serving regularly in the monthly Sunday church service in prison who have deepened their commitment to this ministry recently. One volunteer recently changed her job and asked her new employer for part-time hours so she could come and serve in this way. Another volunteer, who works as a freelance designer, is giving up his time and money to regularly support us as well," says Luke.

"The men in prison often feel forgotten and left behind. They are some of the most marginalised people in our society. So, it is hugely encouraging when I see people from KXC, which historically has been quite middle class, educated, and young, coming in, sitting alongside and talking with vulnerable prisoners."

"Just to be able to listen to the prisoners, chat with them and pray with them is such a blessing. It gets people coming back to our prison services."

Working alongside trained church members, enables Luke to scale this ministry. In three months, the team were able to connect with 173 prisoners, involving 19 gospel conversations.

The partnership with KXC then grew beyond ministering to people who have spent time both in and out of prison to include others who are unlikely to otherwise know a Christian. Luke has been working alongside church members to provide support and training.

"We are pushing forward with engaging Muslims in our community and looking at outreach to people who have been forced to flee their homes and are now living in London."

"As a way of building connections, we regularly play football together. There are also weekly English lessons. There's a café space on Saturday mornings. We have people coming to our drop-ins and they're turning up to church on Sunday." Luke highlights.

"The church is seeing people come to faith and we're seeing a flourishing of these ministries. We now have to plan how we can train even larger groups of people to serve in these ways, which is fantastic."



MINISTRY CHURCH PARTNERSHIP IMPACT

Each individual church partnership is unique as we seek to serve the vision of the church and align with the gospel needs of the local area.

A church partnership typically involves one or more LCM missionaries, a church frontline outreach team and a larger number of committed church member volunteers and is focused on one or more specific outreach ministries.

Although typically the core outreach team of church volunteers is smaller, the ministry needs a larger rota of committed volunteers to fill those places on a regular basis. Behind the frontline outreach team is a committed, prayerful congregation who are obediently stepping out in faith to become a welcoming, inclusive and intercultural church where new believers can belong and thrive.

The estimated annual impact of the 33 new partnerships established in 2022 between LCM and partner churches is:



132
new frontline regular ministry team roles established.



11,880
relational connections with people who are unlikely to otherwise know a Christian.



1,848
gospel conversations, many of which will be sharing the good news of Jesus Christ for the first time.

As we look at this impact and beyond 2022, we see our current number of ministry church partnerships rapidly scale and expand, the exciting potential for long-term gospel impact across London can be seen. Already, the number of new frontline evangelism team roles in our partner churches exceed our number of active LCM ministry staff (124 people) and we are seeing church members growing and maturing as they are disciplined in their outreach ministries.

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

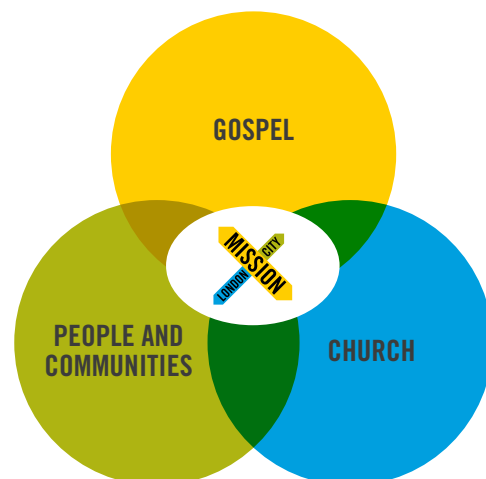


2B. STRATEGIC FOCUS

The London City Mission (LCM) has a dual strategy to help reach the one in two people who are otherwise unlikely to hear the good news of Jesus Christ. Missionaries model relational evangelism, working alongside ordinary Christians from London's churches, to build up the Church and resource her 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 practically help and encourage the evangelical church to develop a missional culture of intentional gospel outreach beyond the friends and family of the current church members.

Thought Leadership objectives



*“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 (NIV)





GOD ON THE MOVE IN NEWHAM

“Our desire is to see everyone love their neighbour and sometimes there can be a hesitancy to start a conversation with someone from another faith living next door”, says Simon Clinton, senior pastor at Highway Vineyard Church in Stratford.

“This is where London City Mission coming alongside us will enable us to grow in confidence to start conversations and equip our volunteers in our ministries where more specific expertise is needed.”

LCM Mission Associate Scott Gentry has been helping the church reach the youth in the local area. Many of the young people coming to the church’s Friday night youth group are refugees who are living in a hotel less than five minutes’ walk from the church.

“One encouraging moment was listening to a young person from a refugee background who recently got baptised. He couldn’t stop telling me about Jesus. All the while, his friend was listening in the background. I asked his friend what he thought and he said that he’s not too sure at the moment, but that he was interested. It is my hope that their friendship will lead to him knowing more about Jesus and ultimately coming to faith in Him.”

On Thursdays, LCM Missionary Ilyas Ayoub has been supporting the church’s food bank in Manor Park.

He has been equipping volunteers to speak with the guests and gently shift the conversation to Jesus and to perhaps invite them to church. Church volunteers are also being trained by LCM missionaries to engage with people from Muslim backgrounds.

“I have seen volunteers who I’ve been training now doing the work by themselves. They have grown in confidence and talk with guests while looking for opportunities to share the love of Jesus,” says Ilyas. “It’s encouraging because our vision is to equip the church and mobilise them for mission. And I pray there will be more people who will take the good news to the hurting and needy world.”

David is one of the volunteers.

“One of the ladies said to me last week that she wasn’t doing too well. I said, let’s just pray. So, we just prayed as we were picking food off the shelves for her dad.”

Interactions like these are proving fruitful. Over a third of the connections which church members are making with local community members are leading to gospel conversations. One week, three families who came to the food bank also decided to visit Highway Vineyard church.

Seventeen people were baptised last Easter!

They are people like Amir (pictured on the page 10), who made a dangerous trip to London with his son and niece, found the love of Jesus through a Farsi Alpha course run by the church, and now can’t stop singing Jesus’ praises.

2C. WHAT MATTERS TO US

London needs Jesus! The ministry of The London City Mission (LCM) 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 2022

Post pandemic challenges

The legacy of the pandemic continued to evidence itself in the struggle for many churches to recover their ministry team volunteers to pre-pandemic levels. Additionally, the narrowing of our social relationships and the domestic decline in practicing Christianity, saw new research evidence the staggering reduction in the number of people who, when asked, say they know a practising Christian. This is now at only 53% of people, down from 68% in 2015², which means that around half of the entire population are effectively disconnected from the church, compared to approximately a third of people just a few years earlier.

Cost of Living Crisis

Pastoral and practical challenges for churches continued as the cost-of-living crisis saw many church overheads rise, the giving from their congregations drop, and their most vulnerable members left in crisis. In light of this, the response of churches has been truly incredible, despite their own challenges. We have supported churches with dozens of initiatives to provide practical help, build community and share the hope of Jesus Christ with those in great need in the community around them.

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

The cost-of-living crisis also impacted LCM's budget which resulted in us scaling back our future recruitment plans by two full time staff. The Board of Directors and Leadership Team felt it was important that, in the face of rapidly rising living costs, our current staff were provided for first even though our ministry staff team headcount is still not back at pre-pandemic levels.

It is only thanks to our faithful supporters, that we have been able to continue to serve practically and spiritually at this time. If there was ever a time when London needs Jesus, it's now.

² <https://talkingjesus.org/>, figures are for UK.

Ministry review and strategy

In 2022, the new ministry strategy to come alongside the church in London and mobilise them in sharing the gospel with people unlikely to hear it, began to see full implementation in the field, and by God's grace quickly bearing fruit with 33 new partnerships formed within the year.

In 2020 our training team began the ambitious task of re-training all of our ministry staff to better equip them to serve church mobilisation purposes. The Ministry Training Course (MTC) was spread part-time over 2 years and represented a considerable resource investment in the future of LCM's ministry. During 2022, exactly 100 ministry staff took part in this internal training in mobilisation with the majority having now completed their training.

LCM has been recruiting new Missionaries and Team Leaders. We thank God that 8 gifted and experienced gospel workers joined us in 2022, 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 fewer missionaries than planned in our five-year plan due to concerns about the wider economic environment impacting the underlying growth in donations. Every person and organisation 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 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.





WESTMINSTER CHAPEL AND LONDON CITY MISSION:

SEEKING THE LOST IN THE HEART OF LONDON

In partnership with London City Mission, Westminster Chapel has been undertaking the work of gospel outreach in their local area, intentionally seeking people in their community who need to hear the love and salvation found in Jesus Christ.

The church has a big heart to be a blessing to the people who live in the most deprived local areas, reaching the lost with the good news of Jesus Christ.

“LCM has been able to support a lot of what we are doing here at Westminster Chapel and has helped us to develop plans and ideas to go onto the estate, to put on different events and how we can create a welcoming environment for people when they come into the church,” explains Craig Webb, Community Engagement Lead at Westminster Chapel.

LCM missionary Petra Zimmermann and volunteers from the church have been getting to know people on the local estate.

For women like Terry, who recently moved into the area, such outreach from Westminster Chapel has been more than an encouragement. It’s been a godsend. Suffering from mobility issues, Terry often feels isolated and lonely.

“When I first met Craig and Petra, they were very welcoming. I wasn’t feeling very happy at the time. I’d moved to an area that I didn’t really want to be in, and I didn’t know anybody. So, it was just lovely to see friendly faces,” explains Terry.

“They gave me some leaflets saying what was going on at their church. And Craig not only invited me to go to the carol concert but made it possible for me to attend.”

Westminster Chapel had previously opened a food bank and a warm space for people to come into and find food and, more importantly, Christian friendships. These ministries are now supported by Petra as well, who is helping the church volunteers grow in confidence in talking about Jesus with those who attend.

“We have guys on that estate that have been coming along to the warm space because we have been calling at their homes and getting to know them, and also because of their time here at the Food Bank. So, all these ministries are intersecting with each other,” Craig highlights.

“It is creating that environment where people feel welcomed. We want them to feel there is a place for them here.”

2E. MISSIONAL ACTIVITIES

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

Partnership in Mission

At The London City Mission (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.

Sending out missionaries

We send out missionaries, called, gifted by God 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.

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 serving local churches in their vision 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 to become missional, interculturally welcoming, and by doing evangelistic activities together.
- Taking every opportunity to cross-culturally 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 and 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.
- Inviting 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.
- Building long-term relationships with all churches through active Church Reps – who we then equip with practical evangelistic resources, inspiring stories, training opportunities and updates on what God is doing in London, to share with the rest of their church.

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 intercultural understanding and love for our neighbour regardless of age, socio-economic status, religion, ethnicity or country of origin.



GOD AT WORK AMONGST PEOPLE WHO ARE DISPLACED

Every Thursday night, in the heart of East London, 15 members of a small church plant gather to host a friendship café for people who have been forced to flee their homes elsewhere in the world and are now newly arrived in the UK.

They meet at 6:30pm to set up the space and to pray. At 7pm, they head to the hotel up the road to invite people who are displaced to the café.

Games, activities, food and beverages are provided. But more than that, welcome, compassion, and friendship are offered.

For Isabella Dias, LCM Mission Associate who has been working with this church for the last six months, it is an opportunity to share the gospel with people from all over the world.

“There’s a lot of people in the hotels of different ages, from different cultures and religions. There are families. There are young people who have travelled alone or with their families. A lot of children and their mothers,” highlights Isabella.

“We want them to know there is a community they can be a part of, to belong to if they are interested. We would love people to feel welcome, to come back and start attending other activities we have at the church such as bible study or prayer groups.”

“We can share our stories and we can share the love of Jesus with them.”

Isabella is also grateful for the opportunities to pray with people who have yet to know Jesus as their Lord and Saviour.

“Sometimes it’s not easy because they can’t speak English. We use google translator sometimes to open up the conversation and we listen as they share deeply personal stories with us. This is where we get to pray with them and share that God loves them and we are so encouraged to see God working.”

“Some families have started coming to church and they are getting more interested in understanding the impact of the gospel on their lives.”



MAKING THE INVISIBLE, VISIBLE.

As the cost-of-living crisis deepens, it's often those most vulnerable – like those at risk of homelessness – who pay the price. Once a month, Globe Church, based in Southwark host a meal for guests at LCM's Webber Street Day Centre for people facing life without a home.

Sometimes it doesn't take much to share the love of Jesus. Sitting next to someone and listening to their story can be a start.

A young man who had just started coming to Webber Street was in crisis and desperately needed help. He received it at the meal one evening put on by Globe Church. A volunteer sat down with him and just listened to his story for the entire evening.

"I can't remember the last time that somebody just sat and listened to me," said the young man.

Volunteers lead the whole evening. They organise everything from the serving rotas to the meal preparation. They've even created their own recipes with special dishes they know the guests will enjoy.

On a typical evening they'll see up to 25 guests. They sit across various tables, each with a church volunteer who can help them feel welcome.

They start with a short word from the Bible before the generous meal is served.

As one Globe Church volunteer, Sam, explains, "There's a very clear overlap between our faith and what we do here. We're faced with the reality of a creation that's broken... But to be able to love people like Jesus did, talk to people in a way that Jesus would've done ...is a fantastic way to live out that calling to love your neighbour. It's at the heart of why we're here."

It's an incredible blessing for the missionaries who work at Webber Street to know that there are people out there who care just as much and just as deeply as they do for those who are experiencing homelessness.

“Some weeks it genuinely brings me to tears because it’s our heart to create an environment where local churches can get involved with what we’re doing – to build relationships and see the guests hear the good news of Jesus, encountering his life-changing message,” says LCM missionary Jennifer Garibay.

For volunteer Rachel, “It challenges you to appreciate how real the gospel is – the gospel gets involved in the messiness of life. We are so encouraged to see guests come along to Sunday services or to other events and it’s because there’s a friendship there already.”



There was a Webber Street guest called Bob who started going along to the meals and then started attending Globe Church. When Bob died he didn’t pass away anonymously like so many others living on the streets. Bob had people who cared for him, loved him and supported him right to the very end.

LCM’s Webber Street day centre, based in Waterloo partners with 5 churches, including Globe Church. Our heart is to share practical help and gospel hope with people on the margins of society and see them rebuild broken lives and become part of loving church families.

Diaspora Churches

Churches whose members have a shared heritage or origin from elsewhere in the globe are a great blessing to London today and hold much of the potential for seeing London reached for Christ. 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.

Specialisms

Gospel poverty in London is greatest in the areas where there is also the greatest socio-economic deprivation. Amongst adults, university graduates are five times more likely to know a practising Christian than those with a more basic educational outcome³. It is in these most deprived areas of London, where our missionaries are partnering with local churches around the vision of the church to take the gospel to those yet to hear the good news. Our core specialism is in working to serve the vision of the church leadership in mobilising churches into becoming deeply missional communities, and discipling members into effective evangelism.

LCM has identified broad areas of additional specialism within these 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. Expertise in these specialisms, which were described at length in the 2021 annual report, informs our ministry church partnerships and equips our ministry staff to serve churches more effectively.

We have expertise in:

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

³ <https://talkingjesus.org/>



GOD'S GRACE AT WORK IN WEST CROYDON

Missionary Patrick (left) visiting the Croydon area.

Since January, LCM missionaries have been partnering with West Croydon Baptist Church to reach the local estate right outside their doorstep. Every Friday afternoon, around seven church members meet with the LCM team to pray before going out onto the estate to meet residents.

One encounter was especially significant for LCM Missionary Patrick, and church member Simon.

“Simon and I went to this block of flats. Usually, they’re behind a closed front door and difficult to access. But the front door was open that day,” explains Patrick.

They went inside and knocked on the first door of that block of flats. It was opened by an elderly man, John*. Introductions were made, and they struck up a conversation.

“We found out that John’s family moved to the UK from India three or four generations ago. He was very open to hearing more about Jesus. But when we asked if he was a Christian, he said that although he had Christian experiences growing up in the Roman Catholic Church, he wasn’t sure if he was a Christian or not.”

“We started asking big life and death questions. Simon asked if he was sure he was going to heaven if he died this evening. The man said he didn’t know.”

Patrick watched on as emboldened by the Holy Spirit, Simon asked if he wanted to be sure. In the space of 45 minutes, Patrick and Simon were able to welcome John as a fellow brother in Christ. John became a follower of Jesus.

There have been regular follow ups with John since that initial meeting. While he hasn’t come to church yet, the church is now coming to him. Patrick and Simon have been meeting John regularly to offer practical help, but also to read the Bible together. They’ve even recently set up a Bible study in John’s house.

“It has been so encouraging to see John’s knowledge and hunger for God’s word grow,” says Patrick.

“This just goes to show we are sitting on a harvest field that’s ready to be harvested. We just need to be faithful and go. All it takes is the opportunity to find the right conversations at the right time.”

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 very 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 1:8b (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 delivered in partnership with Union School of Theology.

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.

Thanks to the generosity of our partners, we can support and train Pioneers to develop outreach ministries in their own urban churches, to help share the gospel with others. As of July 2022, 43 evangelists; 31 men and 12 women from a total of 35 churches, equipped to mobilise the local church for mission, have graduated from LCM's two-year Pioneer Programme.

Students' self-evaluation feedback from the July 2022 graduates shows strong growth in confidence across a range of areas of ministry competencies vital for mission. All graduates scored themselves very or extremely confident both in sharing the gospel with people from different religions and developing and training believers to work alongside them in a community outreach project.

At least 26 new outreach ministries have been pioneered across London since the start of the Pioneers Training Programme a few years ago. The programme combines Christian discipleship and classroom learning with practical experience, to offer a holistic education in urban ministry.

“I am married with five children, four of them still at home. I have no savings, wealthy relatives or family members, and my church wasn't in a position to cover my salary. I couldn't find a way to leave work or put it on hold to explore what I believed I was being called to pursue. My education was at a secondary school with average marks and no higher education. There are very few options, if any, for someone like me to get biblical evangelistic training that also provides an income to take care of a family. The fact that this course was funded was essential to me being able to attend The Pioneer Programme.” Robert Bridges

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 (NIV)



FEEDBACK FROM OUR PRACTICAL EVANGELISM TRAINING DAY ATTENDEES

“The sessions affirmed and provided new ideas of outreach in many differing settings.”

“Challenged to make evangelism central to church life and to remember the people who are harder to reach.”

“Personally and practically just knowing that there are other Christians who speak cockney slang and are Millwall fans makes me feel part of something I feel apart from at my middle class church so thank you.”

“Insightful training that will equip you with knowledge concepts and relevant practical ideas for making disciples for Christ.”

“The need feels very great, please keep blessing the wider church with Biblical and contextual wisdom of this kind.”

“So refreshing to hear practical ideas to support persons living in estates, to show Jesus love to them in a way they can understand”

Pioneer class, Mark Goodbody
back row in the middle



MARK GOODBODY, 1ST YEAR PIONEER - IN HIS WORDS

“It has been the most spiritually uplifting year of my life. I have learned much and grown in God’s wisdom, knowledge, and confidence, especially within my church ministry setting. I previously only attended church but am now a key figure in the community, leading parish members into evangelical outreach ministry. God has turned my life around, and I have gone from ‘zero to hero’ for my parish.

God has helped me to put my local church back on the map as I continue to help to mobilise it in outreach ministry.

When I started, I wasn’t confident to speak or preach publicly or defend my faith. The training I have received at LCM has helped me overcome these things, and now I am confident in them all. I can confidently counsel those in need, train others for ministry, lead Bible study, speak publicly, and lead outreach ministries like book tables.

I have supported a Seniors coffee morning one day a week, comforting those bereaved of loved ones and any who are sick or suffering, serving them with Christ-like love, sharing my faith, and strengthening theirs.

LCM has given me the skills and the tools to become effective in several ministries, which can be used to spread the gospel everywhere. God has expanded my knowledge on many subjects I had no knowledge of before and brought me closer to Him.

I feel much more like the early disciples, particularly when I put my faith into action and pass on God’s message as they did to future generations. The support has been second to none. I have been trained by the best tutors and learnt from the masters.

I am looking forward to another year with LCM, God willing.”

Wider Partnership in mission

We thank God for the growing number of partnerships LCM has with churches and organisations across the city and beyond. Complementing these relationships which our missionaries are developing with a variety of churches across London, we continue to press ahead building networks with gospel organisations, as together we seek to reach out with the good news of Jesus Christ.

In the last year we made positive strides in raising our profile and partnering for the sake of the gospel. This activity included signing a partnership agreement with the City Prayer Breakfast which is enabling us to share our vision and mission more widely and raise our profile in the City of London. As well as the profile for LCM at the event itself, it is exciting to see this already opening other doors through relationships being built with strategic Christian leaders from that network.

We continue to deepen our relationship with Evangelical Alliance and exploring with their senior leadership how we can work more closely and strategically, particularly as we plan for the launch of our 'Everyday Evangelism' resources.

As we serve and partner with gospel hearted churches from different denominations, last year we reconvened our Ministry Reference Panel and that has been a great encouragement as we have seen excellent engagement from these leaders, with positive feedback around how we are serving the church of London. Alongside this, last year we were involved with sponsoring the annual Ministers' Appreciation Ball, an event of strategic importance across many black majority churches, and this provided an excellent platform to share our work in and an entry point to build relationships with evangelical churches who might be new to LCM.

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

2F. PLANS FOR FUTURE YEARS - MINISTRY

For The London City Mission (LCM) 2022 was the year when our new ministry partnership strategy became fully implemented and in future years will be further accelerated. The investment in mobilising the Church in London has great potential to enrich and influence the culture of the evangelical church. As a result of this ministry, we long to see flourishing intercultural church families, filled with believers from every possible background who have been fully welcomed and belong as brothers and sisters in Christ.

This is a pivotal moment in the history of Christianity in our nation. Fewer people than ever are aware of the redeeming work of Christ. Millions of people, right on our doorsteps, approach an eternal destiny without a saving knowledge of Christ. The gospel urgency is great, many Christians lack confidence, and our need for more workers on the ground is pressing.

In all of this, LCM has been able to come alongside around 6% of London's churches, pray with local leaders for their communities and share God's heart for the lost in London. Missionaries have been able to equip evangelical congregations, ministering alongside them as they seek to respond to both the pandemic and the cost-of-living crisis, 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 many people come to faith in Jesus Christ.

In 2022, 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 previously been put on hold 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 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. We currently have an underlying cash shortfall of approximately £4m per year, which is the difference between our expected income levels from donations, legacies and investment income and our current operating expenditure.

Properties that are no longer required to support the current ministry of LCM are allocated to the Ministry Sustainability Fund and recognised as investment properties. Sales of these properties are then used to fund our deficit, keeping our ministry sustainable in the short term. Clearly this cannot be sustained indefinitely and our cash shortfall needs to be eliminated before the Ministry Sustainability Fund is exhausted.

The LCM Board agreed a revised financial sustainability objective in July 2023 to cover the next 10 years. The Mission intends to: -

“Steadily reduce the Annual Cash Shortfall to approximately nil by the mid-2030’s, using the Ministry Sustainability Fund to cover the deficit until our donations and other income increase to enable us to fully cover our costs.”

We plan to do this by growing our level of annual donation income from individuals, churches and trust funds who share our vision. Without a growth in such income, we will be unable to sustain the current level of front-line mission activity in the long term.

The generosity of supporters who provide for gospel mission in so many ways – gifts, grants, fundraising and legacies – is vital to sustaining the work of LCM and we are very grateful to everyone who partners with us in the gospel.

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 our prayer is that many will find eternal life in Christ.

He 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 (NIV)



3. OPERATIONAL REPORT

3A. ENABLING MISSION

Fundraising and Supporter Partnerships

Sharing our hope in Christ with the estimated one in two 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 people in London yet to hear it. Donation income in 2022 totalled £2.9m, a decrease of £0.3m from 2021. It is worth mentioning that almost £0.7m of income in 2021 from the previous year was thanks to a one-off exceptional gift by a single generous individual whose kindness made a significant difference to The London City Mission (LCM) in 2021. We have therefore seen an underlying increase in gifts for which we gratefully thank our supporters and God for his provision.

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 during 2022 was £4.7m (up from £2.2m in 2021). Income from gifts in legacies 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 2022 was an opportunity for us to get out and connect with the evangelical church. 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, a sponsored walk, and create a number of events for church leaders. We also enjoyed hosting special events such as our Thanksgiving Service, which was a great encouragement as over five hundred people joined us in person at Westminster Chapel, and over two thousand people gathered online to praise God together.

Communications

In 2022, 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:

- Working with christian media to share our best practice and insights into urban mission. We secured over 50 pieces of coverage, and over 80,000 estimated online views. This is an encouraging growth on the previous year as we prioritise engaging with new audiences.
- Producing our quarterly magazine, *Changing London*, highlighting the need for ministry and the impact that God is having in spiritually deprived communities. Publishing various prayer resources, including a quarterly prayer diary, *Together* and a weekly online prayer meeting which enables supporters to pray specifically for our team, contacts, churches, and communities.
- Launching a new website aimed to improve the user experience, increase engagement of users online and demonstrate the impact of mission in London. We saw nearly 30,000 more engagements with the website in 2022, showing our efforts to grow and engage with audiences online and social media are bearing fruit.

3B. PROPERTY MANAGEMENT

Over many decades, through the generosity of supporters, the Lord has provided 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.

Staff Housing

Two properties were purchased to house staff in 2022 (none in 2021), whilst 7 residential properties (4 in 2021) no longer required for LCM ministry were sold. We continue to realign our portfolio of properties to best meet the needs of LCM's ministry. By the end of 2022, 15 properties were rented-in to house missionaries where we did not have a suitable property available and were unable to acquire a suitable property for financial or operational reasons. This led to an increase in operating costs and has caused difficulties in some cases where a landlord has decided to sell their property and served notice to end the tenancy. An ongoing focus for the Estates team is to reduce our use of rented properties by acquiring properties to house our missionaries.

Retirement housing

LCM provides retirement housing for those missionaries who, by 2012, had achieved 20 years' service with the Mission. At the end of 2022, 38 properties (39 at end 2021) were provided for the use of retired missionaries or their spouses, with one having been sold in 2022. While we no longer offer this to more recently employed missionaries, the support of current retirees remains an important function of our property team.

Christian Centre disposals and development

The Property Disposal Programme continues to progress the sale of properties no longer needed for ministry. Working with professional advisors LCM is pursuing appropriate actions for each property identified as no longer needed by LCM. In some cases, this is a straight disposal, often to a church or other existing user. In other cases, we are forming partnerships with developers to seek planning consent for development of the site, thereby enhancing the disposal proceeds for LCM.

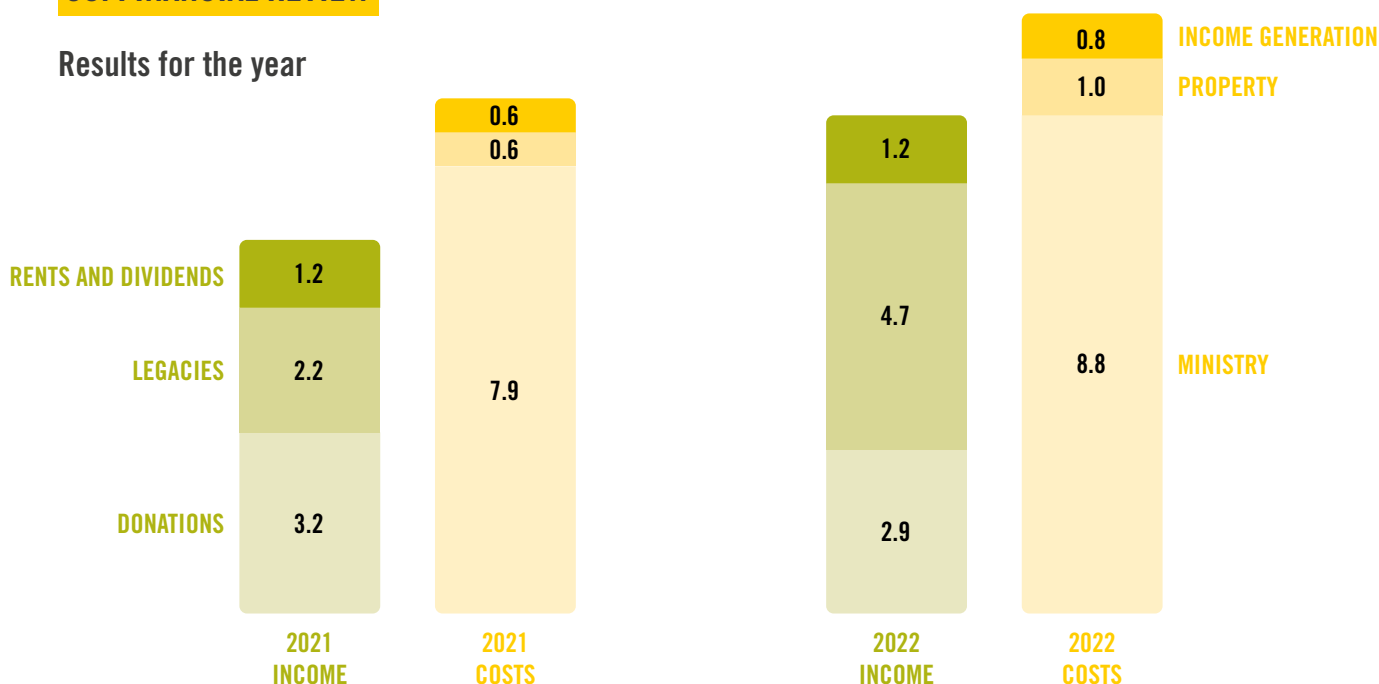
During 2022, two Centres were sold, one for use by a church and one to a special educational needs school. A further sale to a church completed in early January 2023. Contracts were exchanged for the sale of another two centres on a subject to planning basis and the developers are working on obtaining planning consents to allow these sales to complete.

Following the completion of the Hoxton House development in Hoxton, two of the three flats returned to LCM were sold in 2022, with the sale of the third completing in January 2023. Following the development partner achieving planning consent, the sale of Battersea Christian Centre completed and construction works commenced. The community space will be returned to LCM on completion of this development.

In aggregate, these disposals generated £5.5m for LCM in 2022. These property sales provide the necessary cash to fund our cash deficit until we can grow our donation income to cover the ongoing cost of our work.

3C. FINANCIAL REVIEW

Results for the year



LCM's operational income (excluding gains on sales of properties), increased to £8.8m in 2022 from £6.5m in 2021, due to a significant increase in legacy income to £4.7m (£2.2m in 2021). We are deeply thankful to God for His provision. Given that just over £2.3m of the 2022 legacy income was from a single legacy, our forward planning is therefore based on a more typical level of legacies of £1.5m - £2.0m per annum.

Donation income decreased from £3.2m in 2021 to £2.9m in 2022. However, if adjusted to account for a single one-off gift of almost £0.7m in 2021, underlying growth in donations was 14%, which is very encouraging. Continued substantial growth in donation income is a key target in LCM's financial plan.

Income from investments (rents and dividends) and other sources remained steady at £1.2m in 2022 (£1.2m in 2021).

The accounts also include a £1.3m gain from sale of tangible fixed assets (£1.3m in 2021). This is primarily from residential properties being sold to be replaced by other residential properties in areas closer to LCM ministries. In line with accounting standards, the difference between the book value of operational properties sold and their sale price is recognised as income in the year of sale. This reported income is a result of the substantial increases in property prices since the properties were originally acquired. However, because replacement properties are acquired at current market prices this does not in practice result in a cash surplus for LCM.

LCM's income was used for a range of ministry activities, with ministry expenditure totalling £8.8m in 2022 (£7.9m in 2021). This increase was primarily due to the recruitment of new missionaries to fill posts left vacant following the reorganisation of the missionary teams in 2020.

The cost of management of property increased from £0.6m in 2021 to £1.0m in 2022, primarily as a result of the ongoing property disposal programme and increasing amounts of properties being rented out to generate income.

Fundraising costs increased from £0.6m in 2021 to £0.7m in 2022. A key strategic focus for LCM is growing our base of donors and we are visiting more Christian conferences and investing in other engagement with potential new partners to achieve this.

Overall, LCM had a deficit of £0.5m (gain of £1.4m in 2021) before gains and losses on investments. Without the accounting gains on fixed asset sales and one exceptional legacy, this would have been a deficit of £4.1m, which is more representative of our underlying financial position.

As the property disposal programme progressed, gains of £3.1m were recognised on investment properties in 2022 due to increasing certainty over the values that can be achieved for our surplus properties, although this was offset by a loss of £0.5m on our investments in marketable securities. During the year, properties valued at £3.2m were identified as surplus to operational requirements and transferred to Investment Property. Disposals of investment properties held within our Ministry Sustainability Fund totalling £6.0m were completed in the course of 2022. From these proceeds £2.4m was added to our investment portfolio of marketable securities and £1.8m was invested in fixed term bonds to generate interest income, with the remainder used to fund our operational cash shortfall for 2022.

LCM's Total funds increased to £70.7m at the end of 2022 from £68.7m a year earlier, with general reserves decreasing from £8.6m to £7.2m. The cash balance increased slightly to £1.6m at the end of 2022 from £1.5m at the end of 2021, representing just under 2 months of operating expenditure.

Favourable financial market conditions resulted in a reduction in the funds required to be set aside to fund a buyout of the pension scheme so £1.0m was transferred out of the Pension deficit fund to the general fund. LCM's operational fixed assets which are used to directly support the ministry needs of LCM reduced to £27.2m (down from £31.6m in 2021). The reduction in operational fixed assets, reduction in the Pension Deficit fund and gains on investments allowed an additional £9.0m to be set aside into the Ministry Sustainability Fund, in line with the policy agreed by the Board of Directors. This left a balance of £7.2m in general reserves.

Pension provision

The defined benefit pension scheme closed to all new and existing employees in 2006. In 2022, LCM did not make any contributions to the scheme (£0.3m in 2021) as there is currently no actuarial deficit.

In June 2022, the charity and pension scheme trustees jointly appointed Lane Clark & Peacock (LCP) to advise on a bulk annuity purchase to cover the defined benefit pension scheme's liabilities, known as a scheme buy-out. This would eliminate the ongoing costs of operating the scheme, which are borne by LCM, and any risk of a deficit arising in future. £1.5m has been set aside in the Pension reserve to cover LCP's estimate of the costs of this process. Once the liabilities are fully insured then the pension scheme trustees would be expected to wind-up the scheme. This process is expected to be completed in 2024. At this stage no quotations have been received for a buy-out.

Reserves policy

Under the risk adjusted general reserves policy, the Directors 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. General reserves at the end of 2022 were £7.2m, which is slightly above the policy. With the budgeted deficit for 2023, the Directors expect that the general reserve will return to the target range.

The Ministry Sustainability Fund is a designated fund set aside outside of the general reserves to cover future deficits until LCM is able to break-even with its operating income covering its operating costs. The fund amounted to £33.0m at the end of 2022. The Directors expect to draw on this fund to cover operating deficits into the mid-2030s as LCM reduces from the current underlying level of around £4m per annum.

Debt policy

To accommodate fluctuations in cash flow, the Directors have authorised the raising of up to £10m of debt. It expects any debt to be paid back from planned future property disposals no later than the end of 2028. LCM has drawn down a £2m facility of operational debt secured against 3 properties. LCM currently has no plans to increase the level of borrowing and is considering accelerating repayment of borrowing as receipts accrue from the Property Disposal Programme.

Cash and Going Concern

The Directors of LCM confirm that in their view LCM has access to sufficient cash resources to cover its expenditure for the foreseeable future. The Directors acknowledge that there are financial risks to the organisation including elevated inflation, a possible slowdown in the UK economy and falling property prices. These could increase LCM's costs, reduce donation income and reduce proceeds from sale of property.

At the end of 2022, LCM held £6.1m in liquid assets, comprising cash or marketable securities that can be liquidated at short notice, which amounts to around 7 months of operating expenses. A further £4.6m of receipts are anticipated from known legacies where probate has been received and sufficient information is available to reliably estimate the amount due to LCM. The Property Development Programme is forecast to provide more than £10m of cash receipts in 2023. If necessary, further cash can be obtained by either accelerating the disposal of properties currently let out commercially or borrowing against the value of these properties.

Having reviewed these factors, the Directors believe that LCM has access to the resources needed to ensure that LCM continues as a going concern.

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.

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.

LCM values our supporters and take complaints seriously. Our records show that we received seven complaints about our fundraising from supporters or members of the public in 2022. Two complaints were due to the *Changing London* and *Together* diary not being mailed in a timely manner. One complaint was made by a Church about the time it took to acknowledge their gift. Two complaints were received advising that they thought they were being asked too frequently for donations. One complaint was made regarding unsolicited mail. Lastly there was a complaint made by the husband of an Executor to a will about our contact with their solicitor. The contact had been once in 6 months and was within regulatory timescales. In all cases we listen to the experience of the supporter, seek to reflect, learn and apologise where we have fallen short of our ideals. Time taken to acknowledge gifts has been an issue this year which we are working to resolve with the employment of more dedicated resource.

We used one contracted specialist fundraiser in 2022 who personally aligns with our Statement of Faith and Conduct and works 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.

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 Directors 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

The Leadership Team, Subcommittees and Directors completed an extensive annual review of the risk register. The risk register continued to be a means for the Board not only to identify risks, but also an effective means to prioritise and mitigate them wherever possible.

FINANCIAL AND FUNDRAISING RISKS

Fundraising

The London City Mission (LCM) continues its strategy of partnering with more evangelical Christians and churches to reach marginalised Londoners with the gospel. Making progress on this strategy requires strong, increasing financial support from an increasing number of gospel partners. Plans are underway to increase our reach by raising greater awareness of the work of LCM throughout the evangelical church and provide audiences with compelling opportunities to support mission in London. We are planning 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, continued to see fruit in 2022 through increasing underlying donation levels.

Work is progressing on identifying and widely 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. Plans to actively connect with, and appreciate, potential legacy givers are being developed.

Financial

The potential likelihood of increases in costs due to current economic factors (higher inflation, the developing cost of living crisis and the possibility of recession) is recognised and measures taken to mitigate these. LCM's financial sustainability objective continues to have an emphasis on income growth and operational efficiency. The continued receipts from sales of LCM properties releases funds to be invested in the Mission's strategy.

The Directors 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.

Data Protection

Robust compliance with GDPR regulation continues to be a high priority at LCM and to this end a DPO (Data Protection Officer) continues to work with senior executives, reporting directly to the CEO. All data including that of supporters is being held securely, with processes being improved to ensure personally identifiable information is being used appropriately at all times. The DPO and IT team are working together to mitigate threats of hacking and data leaks through measures such as frequently updated anti-virus and firewall software. In 2023, an email protection system has been added as a mitigation to phishing and other email related risks. 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

Safeguarding for both staff and those the charity is aiming to reach out to is of paramount importance at LCM. The annual review and update of safeguarding policy and procedures have been completed by both the HR dept and the HR Board Subcommittee. The safeguarding risk of a “serious incident of child, vulnerable adult or staff member abuse involving LCM” is on both the LT and Board priority risks section of the risk register, leading to it being given particularly attention when reviewing on a quarterly basis. A specialist case management safeguarding software solution, ‘My Concern’ has been introduced across the Mission to improve reporting and management of incidents.

Post Pandemic Working

Following the sudden and significant changes to working patterns during the pandemic, the Mission continues to develop the organisation-wide working structures. A working group with staff representatives from across the charity continue to meet to receive feedback on current guidelines and discuss ways to improve hybrid working. A mixture of office and remote working continue to be used both internally and externally using Microsoft Office particularly Teams. A number of large screens have been installed in meeting rooms across the head office building to enable teams to meet both in the office and at home. The Leadership Team continues to welcome the balance of flexible staff working while ensuring strong team dynamics though staff meet face to face regularly too.

Staff Wellbeing

LCM recognises that the staff are working in demanding environments over a sustained period of time, and they require robust support. A number of interactive workshops were organised to equip staff and line managers in assessing and managing wellbeing, including an awareness of burnout. Proactively, in the planning of the annual programme of objectives, time was included to assess capacity within and across the teams. The People, Wellbeing and Safety Forum continues to meet bimonthly and is chaired by the People Director with staff representatives from across the Mission. Resources are being collected and made available online through a dedicated SharePoint site that is accessible by all staff.

Christian Values

Since 1835 LCM has been an evangelical mission agency seeking to share the gospel with the marginalised of the city. The four LCM values (God glorifying excellence; rooted in Christ; Christ-like love; and Spirit inspired courage and perseverance) continue to be at the root of the thinking and behaviours across the organisation. Based on scripture the four LCM Values recognise the necessity of doing God’s gospel work in the power of God’s grace looking to God for the fruit of its work. To this end the LCM Values are embedded in the organisational culture from recruitment in job descriptions and onboarding process through to ongoing annual appraisals. The Mission recognises the need to be rooted in Christ through daily prayer meetings and mutual spiritual encouragement in monthly Team Days and the annual Week of Prayer.

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

Roger Evans – September 2013

Richard Godden – September 2001

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

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



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 plans a further review of the Charity Governance Code in 2023. Whilst recognising that the requirements of the code are not mandatory, it continues to believe they should be largely applied by the Mission and has an ongoing action plan to reflect recommended practice from the Charity Commission.

Induction of Board Members

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.

4B. SUBSIDIARY COMPANIES

The London City Mission (LCM) 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 LCM. 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 LCM, has no trading activity and solely exists to be one of the two corporate shareholders in the London City Mission Trust.

London City Mission Property Services Ltd (LCMPS), a company limited by guarantee, was established in November 2015 as a subsidiary of LCM. At 31 December 2017, an asset purchased from LCM 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 London City Mission Property Holdings Ltd as part of a corporate restructure. LCMPS is in the process of becoming dormant.

London City Mission Property Holdings Ltd (LCMPH), a company limited by shares was established in November 2019 as a subsidiary of The London City Mission. LCMPH acts 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 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.

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

- Chief Executive Officer: Graham Miller
- Director of Finance, Property & IT: Nicholas Allenson (resigned December 2022)
- Director of Finance, Property & IT: Richard Wilson (appointed February 2023)
- Deputy CEO and Director of Training & Mentoring: Efreem Buckle
- Director of People & Organisational Development: Christian Fielder
- Director of Ministries: Jason Roach
- Director of Church Networks: Carl Knightly
- Director of Engagement: Rachel Bradley
- Head of Communications: Shantelle Richardson
- Chief of Staff and Company Secretary: Chesman Isle

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 Directors 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 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.

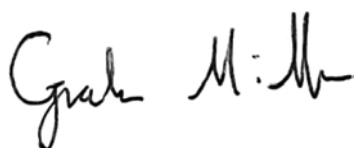
4F. AUDITORS

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

17 July 2022



5. INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of The London City Mission (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 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 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 groups and the parent charitable company's affairs as at 31 December 2022 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 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 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.

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.

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.

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

6. GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total £'000	2021 Total £'000
Voluntary income							
Donations		1,893	-	999	-	2,892	3,199
Legacies		4,699	-	-	-	4,699	2,156
Grants		-	-	-	-	-	41
Income from investments		661	-	10	-	671	650
Income from charitable activities	2						
Guaranteed payments and trading receipts at cafés, HQ Book room and at Christian Centres		20	-	-	-	20	20
Income from other trading activities							
Rents		479	-	-	-	479	481
Other income		66	-	-	-	66	-
Fees and other charges		1	-	-	-	1	-
Other income							
Net gain on sale of tangible fixed assets		543	713	-	-	1,256	1,290
TOTAL INCOME		8,362	713	1,009	-	10,084	7,837
Expenditure on raising funds							
Management of rented properties		438	51	-	-	489	346
Fundraising & Supporter Partnerships		739	-	-	-	739	620
Investment management fees		13	-	-	-	13	12
		1,190	51	-	-	1,241	978
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES		7,172	662	1,009	-	8,843	6,859

Expenditure on Charitable Activities							
Mission activities		4,194	535	977	-	5,706	5,251
LCM Pioneers		217	-	169	-	386	293
Training and church development		465	-	-	-	465	325
City Vision, City Challenge and Urban Track		212	-	-	-	212	125
Christian Centres		1,321	124	-	-	1,445	1,401
Retirement housing and other costs		397	-	4	-	401	375
Relief to the needy		449	-	3	-	452	439
Hope Community Homes		95	3	-	-	98	93
Trading costs at cafés, HQ Book room and at Christian Centres		7	-	-	-	7	6
Christian Centre developments	6	220	-	-	-	220	(90)
TOTAL CHARITABLE EXPENDITURE		7,577	662	1,153	-	9,392	8,218
TOTAL EXPENDITURE	3	8,767	713	1,153	-	10,633	9,198
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES		(405)	-	(144)	-	(549)	1,360
Realised net gains on investments	6	212	-	-	-	212	329
Unrealised gains/(losses) on investments	6	2,445	-	(54)	(9)	2,382	4,740
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		2,252	-	(198)	(9)	2,045	3,708

	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total £'000	2021 Total £'000
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		2,252	-	(198)	(9)	2,045	3,708
Transfer between funds	11, 13	(3,626)	3,626	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		(1,374)	3,626	(198)	(9)	2,045	3,708
Actuarial (losses)/gains on defined benefit pension scheme	9	-	-	-	-	-	(316)
NET MOVEMENT IN FUNDS		(1,374)	3,626	(198)	(9)	2,045	3,392
RECONCILIATION OF FUNDS							
Total funds brought forward		8,581	57,142	1,712	1,251	68,686	65,294
FUND BALANCES CARRIED FORWARD		7,207	60,768	1,514	1,242	70,731	68,686



7. GROUP & PARENT BALANCE SHEET

	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
FIXED ASSETS					
Tangible fixed assets	5a	27,224	31,604	21,273	24,757
Intangible fixed assets	5b	141	184	141	184
Investments	6	39,953	35,843	37,834	29,428
		67,318	67,631	59,248	54,369
CURRENT ASSETS					
Stocks		3	3	3	3
Debtors	7	4,503	2,415	14,293	18,870
Cash at bank and in hand		1,598	1,512	1,407	374
		6,104	3,930	15,703	19,247
LIABILITIES					
Amounts falling due within one year	8a	(886)	(876)	(490)	(513)
NET CURRENT ASSETS		5,218	3,054	15,213	18,735
Amounts falling due in more than one year		(1,805)	(2,000)	(1,805)	(2,000)
PENSION LIABILITY	8b	-	-	-	-
NET ASSETS		70,731	68,685	72,656	71,103
FUNDS					
Designated funds	11	60,768	57,142	61,103	57,477
General reserve	12	7,207	8,581	8,796	10,664
Pension deficit		-	-	-	-
UNRESTRICTED FUNDS		67,675	65,723	69,899	68,141
RESTRICTED FUNDS	13	1,514	1,712	1,514	1,712
ENDOWMENT FUNDS	14	1,242	1,251	1,243	1,251
TOTAL FUNDS		70,731	68,686	72,656	71,104

The charity has taken the exemption under Companies Act 2006 s.408 to omit its profit and loss account from the statutory group accounts. The Total Incoming Resources for the charity during the year ended 31 December 2022 was £10,374k (2021: £11,798k) and Net Income during the year ended 31 December 2022 was £1,551k (2021: £4,941k).

Approved and authorised by the Board on 17 July 2023 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

8. GROUP CASHFLOW STATEMENT

	2022 £'000	2021 £'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET CASH USED IN OPERATING ACTIVITIES	(3,797)	(4,035)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends, interest and rents from investments	671	650
Proceeds from sale of tangible fixed assets	4,051	2,156
Purchase of tangible fixed assets	(2,376)	(2,193)
Proceeds from sale of fixed asset investments	9,839	5,672
Purchase of fixed asset investments	(8,107)	(2,485)
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,078	3,800
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Received	-	1,000
Repayment of Loans	(195)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	(195)	1,000
INCREASE IN CASH AND CASH EQUIVALENTS	86	766

NOTES TO CASH FLOW STATEMENT	2022 £	2021 £
1. RECONCILIATION OF NET INCOME FOR THE YEAR TO NET CASH OUTFLOW FROM CONTINUING OPERATING ACTIVITIES		
Net income	2,045	3,392
Investment income	(671)	(650)
Gain on disposal of tangible fixed assets	(1,256)	(1,290)
Realised (gains)/losses on investments	(212)	(329)
Unrealised (gains)/losses on investments	(2,382)	(4,740)
Depreciation on tangible fixed assets	714	616
Amortisation of Intangible assets	43	43
Decrease/(increase) in stocks	1	1
Decrease/(increase) in debtors	(2,089)	(818)
(Decrease)/increase in creditors	10	(260)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,797)	(4,035)

2. ANALYSIS OF CHANGES IN NET DEBT EQUIVALENTS DURING THE YEAR	1 Jan 2021 £'000	Change in year £'000	31 Dec 2021 £'000
Cash and cash equivalents Cash	1,512	86	1,598
Borrowings			
Debt due within one year	-	-	-
Debt due after one year	(2,000)	195	(1,805)
Total	(488)	281	(207)

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 limited by shares. 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 £4m 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 in subsidiaries are held at cost, less any impairment recognised.

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.

Investments in subsidiaries are held at cost, less any impairment recognised.

(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 comprise:

- 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 19.

(r) Significant estimates and judgements

In the application of the company's accounting policies, the directors required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment property

In the absence of current prices in an active market for similar properties, the directors consider information from a variety of sources, including:

- a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences.
- b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the carrying values and key assumptions used for the fair value measurement, are given in note 6 to the financial statements.

2. INVESTMENT INCOME

	2022 £'000	2021 £'000
Income from listed investments	91	89
Income from other investments	-	-
Income from deposits	4	3
Income from investment properties	576	558
	671	650

3. ANALYSIS OF RESOURCES EXPENDED

GROUP	Staff Costs £'000	Other £'000	Dep'n £'000	Total £'000
Expenditure on raising funds	650	576	15	1,241
Charitable expenditure	5,705	2,988	699	9,392
	6,355	3,564	714	10,633

CHARITY	Staff Costs £'000	Other £'000	Dep'n £'000	Total £'000
Expenditure on raising funds	650	577	15	1,242
Charitable expenditure	5,705	2,650	699	9,054
	6,355	3,227	714	10,296

INCLUDED IN BOTH GROUP AND CHARITY ABOVE:	£'000
Audit fees net of VAT	36
Prior year under accrual	19
Support costs (Note 19)	4,654

ANALYSIS OF RESOURCES EXPENDED-2021 FOR COMPARISON

GROUP	Staff Costs £'000	Other £'000	Dep'n £'000	Total £'000
Expenditure on raising funds	656	307	15	978
Charitable expenditure	5,370	2,178	670	8,218
	6,026	2,485	685	9,196

CHARITY	Staff Costs £'000	Other £'000	Dep'n £'000	Total £'000
Expenditure on raising funds	656	307	15	978
Charitable expenditure	5,370	2,217	670	8,257
	6,026	2,524	685	9,235

INCLUDED IN BOTH GROUP AND CHARITY ABOVE:	£'000
Audit fees net of VAT	28
Prior year under accrual	12
Support costs (Note 19)	3,946

4. STAFF COSTS

	2022 £'000	2021 £'000
Salaries	4,954	4,608
Social Security	462	424
Termination Costs	19	158
Pension and Life Insurance	920	836
	6,355	6,026

The only member of the Board who is remunerated is Graham Miller, the Chief Executive, and his total emoluments for 2022 were £59,082 (2021 £58,011). Pension contributions of £8,655 (2021 £8,400) were also paid on his behalf. He also receives rent-free accommodation in his role as Chief Executive. Travel expenses reimbursed to one (2021: one) board member amounted to £146 (2021 £47).

During 2022 paid termination costs relating to 3 staff members (2021: 10)

THE NUMBER OF EMPLOYEES ANALYSED BY FUNCTION WAS:	2022	2021
Field staff – evangelists	110	109
Other ministry staff	20	8
Maintenance staff	3	2
Support and administration staff	70	59
EMPLOYED STAFF	203	178
City Vision team	-	-
Urban Track	-	-
EMPLOYEES & FORMAL VOLUNTEER PROGRAMMES	203	178

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

	2022	2021
£60,000 to £69,999	2	2
£70,000 to £79,999	2	2

Emoluments for the Leadership Team are shown below. The composition of the Leadership Team is set out in the Directors' Report on Page 35. The figures below are the total cost to the LCM, including gross salaries, benefits in kind, employers NICs and employer's pension contributions

	2022 £'000	2021 £'000
Key management emoluments	668	553

5A. TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Development £'000	Total £'000
Cost or valuation							
at 1 January 2022	25,688	4,057	2,522	297	152	2,493	35,209
Transfers at cost	(1,999)	(1,475)	-	-	-	-	(3,474)
Additions	875	65	555	-	136	745	2,376
Disposals	(2,246)	-	-	(41)	-	(709)	(2,996)
at 31 December 2022	22,318	2,647	3,077	256	288	2,529	31,115
Depreciation							
at 1 January 2022	(1,603)	(353)	(1,267)	(297)	(85)	-	(3,604)
Dep'n eliminated on disposal	161	-	-	41	-	-	201
Dep'n eliminated on transfer	133	92	-	-	-	-	225
Charge for period	(223)	(32)	(362)	-	(96)	-	(714)
at 31 December 2022	(1,532)	(293)	(1,629)	(256)	(181)	-	(3,891)
Net book values							
at 31 December 2022	20,786	2,354	1,448	-	108	2,529	27,224
at 31 December 2021	24,085	3,703	1,255	1	67	2,493	31,604

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Development £'000	Total £'000
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	5,421	470	536	-	108	2,529	9,064
Missionary and Staff Housing	12,971	1,375	357	-	-	-	14,702
Hope Community Homes	176	-	-	-	-	-	176
Tenanted Properties	554	412	147	-	-	-	1,113
Christian Centres	1,664	97	408	-	-	-	2,169
Net book values at 31 December 2022	20,786	2,354	1,448	0	108	2,529	27,224

Charity	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Development £'000	Total £'000
Cost or valuation							
at 1 January 2022	20,933	4,057	2,522	297	152	-	27,961
Transfers	(1,894)	(1,475)					(3,369)
Transfer to LCMPH						(91)	(91)
Additions	875	65	555	-	136	91	1,722
Disposals	(1,371)	-	-	(41)	-	-	(1,412)
at 31 December 2022	18,544	2,647	3,077	256	288	-	24,811

Depreciation							
at 1 January 2022	(1,203)	(353)	(1,267)	(296)	(85)	-	(3,204)
Dep'n eliminated on disposal	84	-	-	40	-	-	124
Dep'n eliminated on transfer	125	92	-	-	-	-	217
Charge for period	(185)	(32)	(362)	-	(96)	-	(676)
at 31 December 2022	(1,177)	(293)	(1,629)	(256)	(181)	-	(3,538)

Net book values							
at 31 December 2022	17,364	2,353	1,448	-	108	-	21,273
at 31 December 2021	19,730	3,703	1,255	1	67	-	24,757

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Development £'000	Total £'000
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	3,599	470	536	-	108	-	4,713
Missionary and Staff Housing	12,768	1,374	357	-	-	-	14,499
Tenanted Properties	554	412	147	-	-	-	1,113
Christian Centres	443	97	408	-	-	-	948
Net book values at 31 December 2022	17,364	2,353	1,448	-	108	-	21,273

5B. INTANGIBLE FIXED ASSETS

GROUP AND CHARITY	Software £'000
Cost or valuation	
at 1 January 2022	304
Additions	-
Disposals	-
at 31 December 2022	304
Amortisation	
at 1 January 2022	119
Amortisation eliminated on disposal	-
Charge for period	44
at 31 December 2022	163
Net book values	
at 31 December 2022	141
at 31 December 2021	184

6. FIXED ASSET INVESTMENTS

GROUP	Investec £'000	Cash and COIF £'000	Property £'000	Total £'000
Valuation at 1 January 2022	2,668	211	32,963	35,843
Additions	4,380	3,727	-	8,107
Disposals	(1,974)	(1,904)	(5,961)	(9,839)
Transfers at book value	-	-	3,249	3,249
Net realised (losses)/gains	9	-	203	212
Net unrealised (losses)/gains	(451)	(14)	2,847	2,382
Valuation at 31 December 2022	4,632	2,020	33,301	39,953
Cost at 31 December 2022	2,341	270	6,984	9,595

CHARITY	Investec £'000	Cash and COIF £'000	Property £'000	Investment in LCMPH £'000	Total £'000
Valuation at 1 January 2022	2,668	211	9,649	16,900	29,428
Additions	4,380	3,727	-	-	8,107
Disposals	(1,974)	(1,904)	(448)	-	(4,326)
Transfers at book value	-	-	3,152	-	3,152
Net realised (losses)/gains	9	-	-	-	9
Net unrealised (losses)/gains	(451)	(14)	1,929	-	1,464
Valuation at 31 December 2022	4,632	2,020	14,282	16,900	37,834
Cost at 31 December 2022	2,341	270	6,400	16,900	25,912

LCM holds a wide range of investments managed by Investec and COIF. At year end 46% (2021: 46%) are overseas investments.

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

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

	2022 £'000	2021 £'000
Turnover	-	-
Release of intercompany debt	-	-
Expenditure	26	(8)
Surplus/(Deficit) for the year	26	(8)
Total Assets	306	316
Total Liabilities	(310)	(346)
Net Funds	(4)	(30)

London City Mission Property Holdings Ltd

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

During the prior 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.

	2022 £'000	2021 £'000
Turnover	4	-
Expenditure	(1,289)	(310)
Other operating income	61	-
Fair Value gains and losses	1,010	2,375
Deficit for the year	(214)	2,065
Total Assets	28,239	35,965
Total Liabilities	(10,035)	(17,547)
Net Funds	18,204	18,418

7. DEBTORS

	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Cash due from legacies	4,058	1,435	4,058	1,435
Staff loans and season tickets	12	15	12	15
Gift Aid tax recoverable	53	47	53	47
Insurance premiums prepaid	54	51	54	51
Ministry prepayment	4	4	4	4
Other prepayments	73	55	73	55
Intercompany balances	-	-	9,829	17,093
Other debtors	249	808	210	170
	4,503	2,415	14,293	18,870

8A. CREDITORS

Amounts falling due within one year:	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Accruals	343	417	82	77
Tax and social security	116	102	116	102
Trade creditors	277	200	142	177
Rent deposits & deferred rent receivable	72	87	72	87
Life assurance scheme	4	4	4	4
Other creditors	74	66	74	66
	886	876	490	513

8B. CREDITORS DUE IN MORE THAN ONE YEAR

Amounts falling due in more than one year:	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Bank loan	1,805	2,000	1,805	2,000
	1,805	2,000	1,805	2,000

The bank loan was agreed in 2020 for £2m of which £1m was drawn down in 2020 and the remaining £1m drawdown in 2021. Capital repayments started in January 2022 repayable in monthly instalments over 9 years with a floating interest rate. The loans are secured by way of charges over the freehold land and buildings.

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 £5,392k (2017 - £4,498k) 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 £2,696k (2017 - £2,655k).

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 £1,373k 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 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 2022 to produce the information required under FRS 102 – Section 28 Disclosure Report.

The assets in the scheme were as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Equities	-	850	686	731	587
Bonds and gilts	3,709	4,207	3,931	3,517	3,092
Diversified growth funds	-	741	641	681	616
Cash	76	100	142	287	204
Insured pensioners	4,106	5,741	6,888	6,676	6,270
Total market value of assets	7,921	11,639	12,288	11,892	10,769
Present value of scheme liabilities	(7,478)	(11,125)	(12,309)	(12,154)	(11,085)
Effect of asset ceiling	(443)	(514)	-	-	-
Deficit at 31 December	-	-	(21)	(262)	(316)

Analysis of the amounts charged to resources expended would be:

	2022 £'000	2021 £'000
Expenses	-	-
Analysis of the amount credited to pension finance income would be:		
Interest on pension scheme liabilities	(196)	(182)
Expected return on pension scheme assets	205	184
Losses on settlements	(9)	-
	-	2

Analysis of actuarial loss:

Difference between actual and assumed return on asset	(3,489)	(767)
Experience (loss) on obligations	(590)	(142)
Change of basis gain/(loss) on obligations	3,999	1,107
Changes in asset ceiling	80	(514)
Actuarial gain/(loss) on obligations	-	(316)

Movement in deficit during the year:

	2022 £'000	2021 £'000
Deficit at 1 January	-	(20)
Expenses		
Contributions	-	334
Pension finance income	-	2
Actuarial gain/(loss)	-	(316)
Deficit at 31 December	-	-

History of experience gains and losses

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Difference between the expected and actual return on scheme assets					
amount	(3,489)	(767)	876	832	(751)
percentage of scheme assets	(44.0%)	(6.6%)	7.1%	7.0%	(7.0%)
Experience gain/(loss) on obligations					
amount	(590)	(142)	93	39	(19)
percentage of scheme assets	(7.9%)	(1.3%)	0.8%	0.3%	(0.2%)
Total actuarial gain/(loss)					
amount	-	(316)	(99)	(430)	99
percentage of scheme assets	(0.0%)	(2.8%)	(0.8%)	(3.5%)	0.9%

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

	31 December 2022 £'000	31 December 2021 £'000
Present value of obligation at beginning of year	11,125	12,309
Interest cost	196	182
Benefits paid	(435)	400
Charges paid	-	-
Actuarial (gain)/loss	(3,408)	(966)
Liabilities extinguished on settlements	-	-
Present value of obligation at end of year	7,478	11,125

	31 December 2022 £'000	31 December 2021 £'000
Fair value of scheme assets at beginning of year	11,639	12,288
Expected return on scheme assets	206	184
Contributions	-	334
Benefits paid	(435)	(400)
Actuarial gain/(loss) on scheme assets	(3,489)	(767)
Assets distributed on settlements	-	-
Fair value of scheme assets at end of year	7,921	11,639

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.

11. DESIGNATED FUNDS

Group	Balance 1 Jan 2022 £'000	Income £'000	Expenses £'000	Gains/ losses £'000	Net transfers £'000	Balance 31 Dec 2022 £'000
Headquarters, retirement, other properties and vehicles	8,429	-	(294)	137	108	8,380
Missionary and staff housing	18,147	-	(241)	1,476	(4,679)	14,703
Housing for the Marginalised	1,378	-	(3)	(192)	(1,007)	176
Tenanted properties	1,119	-	(51)	-	45	1,113
Christian Centres	1,568	-	(124)	-	452	1,896
Designated Assets (Fixed Assets less Debt)	30,642	-	(713)	1,420	(5,081)	26,268
Ministry sustainability	24,000	-	-	-	9,000	33,000
Pension deficit	2,500	-	-	-	(1,000)	1,500
Total	57,142	-	(713)	1,420	2,919	60,768

Charity	Balance 1 Jan 2022 £'000	Income £'000	Expenses £'000	Gains/ losses £'000	Net transfers £'000	Balance 31 Dec 2022 £'000
Headquarters, retirement, other properties and vehicles	8,765	-	(321)	137	135	8,716
Missionary and staff housing	18,147	-	(245)	1,476	(4,676)	14,703
Housing for the Marginalised	1,378	-	(3)	(192)	(1,007)	176
Tenanted properties	1,119	-	(52)	-	46	1,113
Christian Centres	1,568	-	(124)	-	452	1,896
Designated Assets (Fixed Assets less Debt)	30,977	-	(745)	1,420	(5,050)	26,603
Ministry sustainability	24,000	-			9,000	33,000
Pension deficit	2,500	-			(1,000)	1,500
Total	57,477	-	(745)	1,420	2,950	61,103

Group	Balance 1 Jan 2021 £'000	Disposals £'000	Transfers £'000	Additions £'000	Dep'n £'000	Balance 31 Dec 2021 £'000
Headquarters, retirement, other properties and vehicles	8,765	(809)	(840)	1,974	(155)	8,429
Missionary and staff housing	17,833	(186)	(400)	1,141	(241)	18,147
Housing for the Marginalised	1,392	-	-	-	(14)	1,378
Tenanted properties	1,386	(267)	-	30	(31)	1,119
Christian Centres	2,327	-	(700)	48	(107)	1,568
Designated Assets (Fixed Assets less Debt)	31,199	(927)	(1,940)	3,193	(548)	30,641
Investment property	-	(1,941)	1,941	-	-	-
Ministry sustainability	19,500	(1,500)	1,000	5,000	-	24,000
Pension deficit	3,500	-	(1,000)	-	-	2,500
Total	54,199	(4,702)	(1,941)	8,193	(548)	57,142

Charity	Balance 1 Jan 2021 £'000	Disposals £'000	Transfers £'000	Additions £'000	Dep'n £'000	Balance 31 Dec 2021 £'000
Headquarters, retirement, other properties and vehicles	8,260	(474)	(840)	1,974	(155)	8,765
Missionary and staff housing	17,833	(186)	(400)	1,141	(241)	18,147
Housing for the Marginalised	1,392	-	-	-	(14)	1,378
Tenanted properties	1,386	(267)	-	30	(31)	1,119
Christian Centres	2,327	-	(700)	48	(107)	1,568
Designated Assets (Fixed Assets less Debt)	31,198	(927)	(1,940)	3,193	(548)	30,977
Investment property	-	(1,941)	1,941	-	-	-
Ministry sustainability	19,500	(1,500)	1,000	5,000	-	24,000
Pension deficit	3,500	-	(1,000)	-	-	2,500
Total	54,199	(4,368)	(1,941)	8,193	(548)	57,477

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

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

On 31 December 2022, 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. During 2022 a further £9.0m was allocated to the Ministry Sustainability Fund, bringing the total fund value to £33.0m (£24.0m in 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 2022, the LCM board have designated £1.5m (£2.5m in 2021) 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 2022 £'000	Net movement £'000	Balance 31 Dec 2022 £'000
General reserve	8,581	(1,374)	7,207

Charity	Balance 1 Jan 2022 £'000	Net movement £'000	Balance 31 Dec 2022 £'000
General reserve	10,664	(1,868)	8,796

13. RESTRICTED FUNDS

Group and charity	Balance 1 Jan 2022 £'000	Income £'000	Gains on investments £'000	Expenses £'000	Transfers £'000	Balance 31 Dec 2022 £'000
LCM Pioneers	-	169	-	(169)	-	-
Retired fund - Property	351	-	-	(3)	-	348
Holiday homes fund	820	10	(54)	-	-	776
Relief fund - Property	276	-	-	(3)	-	273
Relief fund - General	76	357	-	(401)	-	32
Restricted Christian Centre fund	16	5	-	(17)	-	4
Restricted ministry fund	173	468	-	(560)	-	81
Total	1,712	1,009	(54)	(1,153)	-	1,514

Group and charity	Balance 1 Jan 2021 £'000	Income £'000	Gains on investments £'000	Expenses £'000	Trf from General reserve £'000	Balance 31 Dec 2021 £'000
Grants	-	41	-	(41)	-	-
LCM Pioneers	-	86	-	(86)	-	-
Retired fund - Property	355	-	-	(4)	-	351
Holiday homes fund	711	22	87	-	-	820
Relief fund - Property	279	-	-	(3)	-	276
Relief fund - General	41	349	-	(314)	-	76
Restricted Christian Centre fund	4	12	-	-	-	16
Restricted ministry fund	151	426	-	(405)	-	173
Total	1,541	936	87	(853)	-	1,712

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.

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.

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.

14. ENDOWMENT FUNDS

Group and charity	Balance 1 Jan 2022 £'000	Net movement £'000	Balance 31 Dec 2022 £'000
Perpetual trusts	1,251	(9)	1,242

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 LCM'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.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at the end of year are represented by:

Group	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 £'000	2021 £'000
Tangible fixed assets	335		621	-	27,224	31,604
Intangible fixed assets	141	26,268	-	-	141	184
Investments	3,317	-	893	1,242	39,953	29,428
Current assets	6,105	34,500			6,105	2,347
Current liabilities	(886)				(886)	(876)
Long-term debt	(1,805)				(1,805)	(2,000)
Total net assets	7,207	60,768	1,514	1,242	70,731	60,687

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 £'000	2021 £'000
Tangible fixed assets	-	20,652	621	-	21,273	24,757
Intangible fixed assets	141	-	-	-	141	184
Investments	1,198	34,500	893	1,243	37,834	29,428
Current assets	9,752	5,951			15,703	19,248
Current liabilities	(490)				(490)	(513)
Long-term debt	(1,805)				(1,805)	(2,000)
Total net assets	8,796	61,103	1,514	1,243	72,656	71,104

16. CAPITAL AND OTHER COMMITMENTS

There are no capital commitments as at 31 December 2022.

17. POST BALANCE SHEET EVENTS – INVESTMENT PROPERTY

As at 31 December 2022, 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.

18. OPERATING LEASE COMMITMENTS – GROUP AND CHARITY

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

	2022 £'000	2021 £'000
Within one year	20	20
Between two and five years	20	20
In more than five years	-	-
	40	40

19. SUPPORT COSTS

Group and charity	HQ staff £'000	HR, IT, and premises £'000	Pension and life insurance £'000	Total 2022 £'000
Management of rented properties	140	75	3	218
Fundraising and supporter relations	227	41	13	281
Mission activities	1,159	951	102	2,212
Christian Centres	122	99	11	232
Retirement housing	114	61	3	178
City Vision and City Challenge	192	20	-	212
Relief to the needy	201	144	18	363
Development of Christian Centres	38	-	-	38
LCM Pioneers	287	88	11	386
Training and church development	338	87	11	436
Hope Community Homes	68	27	3	98
Total	2,886	1,593	175	4,654

Allocable costs

	£'000
Head office staff	2,886
IT, HR, office supplies	446
Departmental costs	289
Insurance	126
Premises	732
Pension and life insurance	175
	4,654

Group and charity	HQ staff £'000	HR, IT, and premises £'000	Pension and life insurance £'000	Total £'000
Management of rented properties	103	49	3	156
Fundraising and supporter relations	219	34	13	266
Mission activities	1,056	822	107	1,985
Christian Centres	110	85	11	206
Retirement housing	84	40	3	127
City Vision and City Challenge	113	12	-	125
Relief to the needy	192	128	18	339
Development of Christian Centres	38	-	-	38
LCM Pioneers	204	78	11	293
Training and church development	229	78	11	318
Hope Community Homes	66	24	3	93
Total	2,414	1,350	180	3,946

Allocable costs - 2021

	2021 £'000
Head office staff	2,414
IT, HR, office supplies	360
Departmental costs	203
Insurance	113
Premises	674
Pension and life insurance	182
Total	3,946

21. RELATED PARTY TRANSACTIONS

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

22. DONATIONS FROM TRUSTEES

Eleven (2021: twelve) trustees made donations in the year totalling £67,039 (2021: £67,909).

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BECAUSE LONDON NEEDS JESUS

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