

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

REGISTERED CHARITY NO: 253669

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA

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LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

The trustees present their annual report and accounts for the year ended 31 December 2006

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document deed, the Charities Act 1993 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Legal and Administrative Information

Constitution

London Inter-Diocesan Council Of The Apostleship Of The Sea was established under a trust deed dated 31 August 1967.

Charity Number

253669

Trustees

Right Reverend Cormac Murphy-O'Connor STL Phl

Most Reverend Michael G Bowen

Right Reverend Thomas McMahan

Principal Address

Secretary to the Trustees, Mr Gerald P Curran, Cathedral House, Ingrave Road, Brentwood, Essex, CM15 8AT

Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

Solicitors

IBB Solicitors, 23 High Street, Ingatestone, Essex, CM4 9DU

Bankers

AIB Group (UK) Plc, City Branch, 9-10 Angel Court, London, EC2R 7AB

Structure Governance & Management

We are a registered charity No. 253669 and our Committee of Management meets on a quarterly basis. The skill sets of the Committee include Financial Management, Business Planning, Human Resources and Diversity, Risk Management, Social Care and Community Involvement.

We have a resident involvement system whereby the view of our service users are heard at the fortnightly resident representative meetings and every quarter a wider general meeting is held. We were one of the first hostels to use the Hostels Review Kit produced by the ODPM.

We are an accredited supplier of housing and support services to the North East London Boroughs.

We have appointed a new management team led by our Director Keith Fernett and they have extensive experience in housing, change management and business process re-engineering.

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

Objectives & Activities

"When I was homeless you gave me shelter.."

Our objective is to give homeless and vulnerable people the opportunity to improve their quality of life by providing a caring, stable and supportive environment which enables greater independence.

Anchor House aspires to be the outstanding centre for homeless people in London.

It is our intention to provide high quality and strategically planned accommodation, to provide life skills for all our residents and for the wider community in Canning Town. We will work with partner agencies so that we are the partner of choice known for our ethos of quality, civility and respect regardless of race, creed, or religion.

We will seek to break the cycle of homelessness and unemployment by providing training education and job sourcing opportunities for our residents and the wider community.

Achievements, Performance and Financial Review

We presented our development plans to Canning Town and Custom House Community Forum and they were very supportive in our bid for funding for our development proposals from Access to Excellence which resulted in a grant of over £1 Million.

Our resident group won a national award, The Michael Whippman award for service user involvement.

We had an average occupancy rate of 96.4% throughout 2006 and despite investing about £100k in systems and infrastructure we managed to turn a deficit of £41k in 2005 to a surplus of £26k in 2006.

Unrestricted funds stand at £2,057,372 (2005 £2,030,900) of which £1,415,434 is represented by the fixed assets and £383,944 by investments. It is the policy of the trustees to maintain reserves of at least three months' expenditure.

Risk Management

The Trustees have examined the financial and operational risks which the charity faces and confirm that systems, controls and review procedures have been established to mitigate exposure to these risks.

Investment Policy

The charity's investment powers are governed by the Trustee Act 2000. The trustees meet with the Investment Advisors at regular intervals to review the portfolio performance. The trustees pursue an ethical investment policy in line with the objectives of the Charity. The strategy is to maximise total return within acceptable levels of risk.

Plans for Future Periods

We intend to refurbish all of our resident accommodation to a standard comparable to a 2 or 3 star hotel. We believe that providing a better living environment for our residents' results in a greater feeling of self worth and will encourage our residents to aspire to better things in other areas of their lives.

We will build a state of the art training facility for our residents and the wider community which will enable them to become economically active again.

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

Statement of Trustees' Responsibilities

The purpose of this statement is to distinguish the trustees' responsibilities for the financial statements from those of the auditors as stated in their report.


The Charities Act 1993 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end.

In preparing the financial statements the Trustees should follow best practice and:

1. select suitable accounting policies and apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the financial statement, or to disclose and explain any departures therefrom; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives.

The Trustees are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the charity at any time, and to enable the Trustees to ensure that the financial statements comply with the disclosures regulations and the trust deed. They are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Signed on behalf of the Board


.....

29 March 2007

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA**

We have audited the financial statements of London Inter Diocesan Council of the Apostleship of the Sea for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

* give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's and group's affairs as at 31 December 2006 and of its incoming resources and application of resources in the year then ended; and

* have been properly prepared in accordance with the Charities Act 1993.

haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

Dated..... *13th July 2007*

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | Unrestricted 2006 £ | Restricted 2006 £ | Total 2006 £ | Total 2005 £ |
|--|------|---------------------------|-------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Income from charitable activities: | | | | | |
| Anchor House | 2 | 809,483 | - | 809,483 | 807,483 |
| Incoming resources from generated funds: | | | | | |
| Investment income | | 21,761 | - | 21,761 | 22,325 |
| Rent receivable | | 15,937 | - | 15,937 | 17,746 |
| Restricted grant | | - | - | - | 15,313 |
| Donations | | 3,280 | - | 3,280 | 1,302 |
| Sundry | | 500 | - | 500 | - |
| Total Incoming Resources | | 850,961 | - | 850,961 | 864,169 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities: | | | | | |
| Anchor House | 3 | 837,110 | - | 837,110 | 918,603 |
| Costs of grant making | | | | | |
| Governance costs | 4 | 18,136 | - | 18,136 | 17,263 |
| Total Resources Expended | | 855,246 | - | 855,246 | 935,866 |
| Net outgoing resources before other recognised gains and losses | | (4,285) | - | (4,285) | (71,697) |
| Other recognised gains and losses: | | | | | |
| Gain on investment assets | 6 | 30,757 | - | 30,757 | 29,862 |
| NET MOVEMENT IN FUNDS | | 26,472 | - | 26,472 | (41,835) |
| TOTAL FUNDS BROUGHT FORWARD | | 2,030,900 | - | 2,030,900 | 2,072,735 |
| TOTAL FUNDS CARRIED FORWARD | | 2,057,372 | - | 2,057,372 | 2,030,900 |

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA

BALANCE SHEET AS AT 31 DECEMBER 2006

| | Note | 2006 | | 2005 | |
|---|------|---------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 5 | | 1,415,434 | | 1,425,718 |
| Investments at market value | 6 | | 599,530 | | 560,052 |
| | | | 2,014,964 | | 1,985,770 |
| CURRENT ASSETS | | | | | |
| Stocks | 7 | 11,530 | | 9,989 | |
| Debtors | 8 | 58,258 | | 37,582 | |
| Cash at Bank and on deposit | | 55,035 | | 72,494 | |
| | | 124,823 | | 120,065 | |
| CREDITORS: Amounts falling due within one year | | | | | |
| | 9 | 82,415 | | 74,935 | |
| | | 82,415 | | 74,935 | |
| NET CURRENT ASSETS | | | 42,408 | | |
| NET ASSETS | | | 2,057,372 | | |
| | | | | 45,130 | |
| | | | | 2,030,900 | |
| REPRESENTED BY | | | | | |
| Unrestricted Funds | 10 | | | | |
| General | | | 53,766 | | 51,208 |
| Designated | | | 2,003,606 | | 1,979,692 |
| | | | 2,057,372 | | 2,030,900 |

The financial statements were approved by the Trustees on 29 March 2007 and signed on their behalf by:-

+ Thomas M. Mule
.....
Trustee

The notes on pages 6 to 9 form part of these financial statements.

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

(a) **Basis of accounting**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets. The accounts have been prepared to comply with the Statement of Recommended Practice: 'Accounting for Charities' (revised 2005).

(b) **Income**

Donations and legacies are accounted for when received by the charity. Other income is accounted for on an accruals basis as far as it is prudent to do so.

(c) **Grants**

Revenue grants are credited to the statement of financial activities as received, unless they are to be spent in a later period, when they are deferred.

(d) **Interest Receivable**

Interest receivable is accounted for gross.

(e) **Anchor House**

Income from Anchor House represent receipts from residential accommodation, meals, bar and shop sales, excluding Value Added Tax.

(f) **Tangible Fixed Assets**

The properties are freehold, being situated in the complex of Anchor House, 81 Barking Road, London E16 4HB. The property is currently held in the balance sheet at Trustees' valuation with the latter being included at cost.

Other tangible fixed assets are stated at cost net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their estimated useful economic lives. The rates generally applicable are:

| | |
|----------------------------------|----------------------|
| Freehold Buildings | 2% straight line |
| Fixtures, Fittings and Equipment | 15% reducing balance |
| Motor Vehicles | 25% straight line |

(g) **Investments**

Investments are stated at their middle-market values ruling at the balance sheet date. The realised and unrealised gains and losses on investments are calculated based on the opening market values and are accounted for within the Statement of Financial Activities.

Income arising from these investments is accounted for when it is receivable.

(h) **Resources expended**

Expenditure is recognised on an accruals basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(i) **Stocks**

Stocks are shown at lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

(j) **Taxation**

As a registered charity, the London Inter-Diocesan Council of the Apostleship of the Sea benefits from rates relief and is generally exempt from taxation but not from Value Added Tax. Irrecoverable Value Added Tax is included in the cost of those items to which it relates.

(k) **Designated Fund**

The trustees may set aside amounts of unrestricted funds, at their discretion, for specific future purposes. Such funds are shown within unrestricted funds as designated funds. Where the trustees decide that designated funds are no longer required for the purposes specified, these are released from designated funds.

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
NOTES TO THE FINANCIAL STATEMENTS

| 2. Income from Anchor House | 2006 | 2005 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Residential Accomodation | 634,782 | 661,502 |
| Meals | 174,700 | 122,389 |
| Bar | - | 23,592 |
| | <u>809,483</u> | <u>807,483</u> |

| 3. Direct Charitable Expenditure | 2006 | 2005 |
|---|----------------|----------------|
| | £ | £ |
| <u>Staff Costs:</u> | | |
| Salaries | 450,827 | 470,520 |
| Social security costs | 39,961 | 38,322 |
| Pension | 37,138 | 31,025 |
| | <u>527,926</u> | <u>539,867</u> |
| Depreciation | 17,564 | 18,007 |
| Other costs | 291,620 | 360,729 |
| | <u>837,110</u> | <u>918,603</u> |

There were 28 members of staff during the year (2005: 28). No employee earned more than £60,000 during the year. The trustees received no remuneration or reimbursed expenses this or the previous year

| 4. Governance costs | 2006 | 2005 |
|--|---------------|---------------|
| | £ | £ |
| Auditors remuneration - audit services | 7,500 | 5,000 |
| Auditors remuneration - other | 500 | 2,380 |
| Accountancy fees | 3,518 | - |
| Legal fees | 6,618 | 9,883 |
| | <u>18,136</u> | <u>17,263</u> |

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
NOTES TO THE FINANCIAL STATEMENTS

| 5 Tangible Fixed Assets | Freehold Land and Buildings | Motor Vehicles | Furniture & Equipment | 2006 Total |
|-------------------------|--------------------------------|-------------------|--------------------------|------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| As at 1 January 2006 | 1,528,000 | 21,636 | 59,038 | 1,608,674 |
| Additions | - | - | 7,280 | 7,280 |
| As at 31 December 2006 | <u>1,528,000</u> | <u>21,636</u> | <u>66,318</u> | <u>1,615,954</u> |
| Depreciation | | | | |
| As at 1 January 2006 | 108,360 | 21,636 | 52,960 | 182,956 |
| Charge for the year | 15,560 | - | 2,004 | 17,564 |
| As at 31 December 2006 | <u>123,920</u> | <u>21,636</u> | <u>54,964</u> | <u>200,520</u> |
| Net Book Value | | | | |
| As at 31 December 2005 | <u>1,419,640</u> | <u>-</u> | <u>6,078</u> | <u>1,425,718</u> |
| As at 31 December 2006 | <u>1,404,080</u> | <u>-</u> | <u>11,354</u> | <u>1,415,434</u> |

6. Investments

Investments are revalued by reference to market values as at 31 December 2006

Investments (held as fixed assets) comprise the following:

| | 2006 £ | 2005 £ |
|--|----------------|----------------|
| Market value at 1 January 2006 | 253,186 | 230,224 |
| Additions/(Disposals) | 100,000 | (6,900) |
| Realised/Unrealised gains | 30,757 | 29,862 |
| Cash held in long term deposit account | <u>383,943</u> | <u>253,186</u> |
| Market value at 31 December 2006 | <u>599,530</u> | <u>560,052</u> |

7. Stocks

| | 2006 £ | 2005 £ |
|-----------------|---------------|--------------|
| Consumables | 10,374 | 8,828 |
| Good for resale | 1,156 | 1,161 |
| | <u>11,530</u> | <u>9,989</u> |

LONDON INTER-DIOCESAN COUNCIL OF THE APOSTLESHIP OF THE SEA
NOTES TO THE FINANCIAL STATEMENTS

| 8. Debtors | 2006 £ | 2005 £ |
|-----------------|---------------|---------------|
| Trade Debtors | 35,926 | 17,478 |
| Prepayments | 8,176 | 20,104 |
| Rent deposits | 6,067 | - |
| Rent receivable | 8,089 | - |
| | <u>58,258</u> | <u>37,582</u> |

| 9. Creditors | 2006 £ | 2005 £ |
|-----------------|---------------|---------------|
| Accruals | 54,769 | 58,638 |
| Other Creditors | 244 | 5,715 |
| Union Fees | 54 | - |
| PAYE/NIC | 12,144 | 10,948 |
| VAT | 9,715 | (366) |
| Pension Fund | 5,489 | - |
| | <u>82,415</u> | <u>74,935</u> |

| 10. Unrestricted Funds | Balance at 1 January 2006 | Income | Resources Expended/ Transfers | Unrealised (Losses)/ Gains | Balance at 31 December 2006 |
|------------------------|---------------------------------|----------------|-------------------------------------|----------------------------------|-----------------------------------|
| General Fund | 51,208 | 842,244 | (839,686) | - | 53,766 |
| Designated Fund | | | | | |
| Fixed Assets | 1,419,640 | - | (15,560) | - | 1,404,080 |
| Investment Fund | 560,052 | 8,717 | - | 30,757 | 599,526 |
| | <u>2,030,900</u> | <u>850,961</u> | <u>(855,246)</u> | <u>30,757</u> | <u>2,057,372</u> |

The Fixed Assets Designated Fund has been set aside by the trustees for the land and buildings of the charity.

The Investment Designated Fund has been set aside by the trustees to provide a regular source of income for the charity.