THE LONDON CITY MISSION

England & Wales · Charity number 247186

Details

Other names	LONDON CITY MISSION
Status	Registered
Legal form	Charitable company
Company number	04284615
Registered	1966-03-01
Register	View on the Charity Commission register

Contact

Address	London City Mission 175 Tower Bridge Road London SE1 2AH
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Website	www.lcm.org.uk

Activities

Objects: TO CARRY ON, DEVELOP AND EXTEND THE CAUSE AND WORK OF THE SAID EXISTING LONDON CITY MISSION, AND GENERALLY TO EXTEND THE KNOWLEDGE OF THE GOSPEL AMONG THE INHABITANTS OF LONDON AND ITS VICINITY (ESPECIALLY THE POOR) WITHOUT ANY REFERENCE TO DENOMINATIONAL DISTINCTIONS OR THE PECULIARITIES OF CHURCH GOVERNMENT

Activities: The London City Mission exists to share with the people of London, patiently, sensitively and individually the transforming love of Jesus Christ , and to enable them to join His Church.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

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Geography

- **Area of benefit:** LONDON AND ITS VINICITY
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£8,923,000	£14,277,000	£58,640,000	180
2023-12-31	£8,158,000	£12,410,000	£63,303,000	184
2022-12-31	£10,084,000	£10,633,000	£70,731,000	203
2021-12-31	£7,837,085	£9,197,541	£68,685,733	178
2020-12-31	£5,837,829	£9,877,857	£65,293,770	159

Trustees

Name	Role	Appointed
ANNE KATHARINE HUDSON		2018-07-31
Bryan Duncan		2018-03-26
GRAHAM DAVID MILLER		2014-01-20
George Stylianides		2023-09-30
IAN ERIC NASH		
Marcia Shields		2015-03-16
Nigel Parrington		2016-05-09
Oladapo Ojo		2026-03-17
RICHARD BULMER		2015-03-16
Rebekah Brown		2023-09-30
Richard Montgomery		2018-03-26
Tim Moger		2023-09-30

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Linked charities

- HORACE LAMING BEQUEST (247186-1)
- HORSMONDEN HOP-PICKERS MEDICAL MISSION (247186-2)
- RELIEF FUND (247186-3)
- THE LONDON CITY MISSION (247186-4)
- LCM COMBINED CHARITY (247186-5)

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THE LONDON CITY MISSION

England & Wales - Charity number 247186

Accounts

ANNUAL REPORT 2024

BECAUSE LONDON NEEDS JESUS



Trustees' Annual Report and Accounts
Year ended 31 December 2024

LONDON CITY MISSION
Company Number: 04284615
Charity Number: 247186

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1. LETTER FROM THE CEO AND CHAIRMAN

DEAR FRIEND,

We give thanks to God for His continued faithfulness to London City Mission.

As we reflect on another year of gospel ministry, the need in our city remains as urgent as ever. Millions of people in London still live without a clear opportunity to hear the good news of Jesus Christ. And yet, we are encouraged — because the Lord continues to work through His people.

In 2024, we partnered with churches across London to share the hope of the gospel with those on the margins. Many of these churches are in areas facing deep material and spiritual poverty — but in those very places, we are seeing the Holy Spirit at work. Believers stepping out in faith. Churches building bridges into their communities. People hearing the name of Jesus, sometimes for the first time.

We are humbled to play our part in this story. Every conversation, every act of kindness, every moment of witness is part of a much bigger work — God's mission to redeem and restore.

Looking ahead, we do so with both conviction and expectation. Our vision remains: **to see Jesus known by people on the margins**. As we enter a new season of ministry, our focus is sharpening around one central aim: **to ignite a movement of mission within the local church.**

We believe that the local church is God's chosen instrument to bring the gospel to a city in need. Our role is to walk alongside churches — equipping, encouraging and enabling them to step into mission with confidence and compassion. We will continue to support Christians on the ground, while also sharing what we've learned more widely through training and resources that serve the Church beyond London.

Throughout our 190-year history, the Lord has used ordinary people to share the extraordinary gospel in the hardest-to-reach places. That continues today. We are deeply grateful for every missionary, church, partner in the gospel, and prayer warrior who makes this work possible.

We remain utterly dependent on God. We are praying for His Spirit to move, in our hearts, in our churches, and in every community of this city. And we are encouraged by your partnership in this calling.

Thank you for standing with us in the gospel.

Thank you for praying, giving, and going.

Let us continue to serve Christ faithfully, trusting His promise that He will be with us always, even to the end of the age.

Yours in Christ Jesus,



GRAHAM MILLER
Chief Executive



RICHARD MONTGOMERY
Chairman of the Board of Trustees

THE SPIRIT OF THE SOVEREIGN LORD IS ON ME, BECAUSE THE LORD HAS ANOINTED ME TO PROCLAIM GOOD NEWS TO THE POOR.

HE HAS SENT ME TO BIND UP THE BROKEN-HEARTED, TO PROCLAIM FREEDOM FOR THE CAPTIVES AND RELEASE FROM DARKNESS FOR THE PRISONERS, TO PROCLAIM THE YEAR OF THE LORD'S FAVOUR AND THE DAY OF VENGEANCE OF OUR GOD, TO COMFORT ALL WHO MOURN, AND PROVIDE FOR THOSE WHO GRIEVE IN ZION— TO BESTOW ON THEM A CROWN OF BEAUTY INSTEAD OF ASHES, THE OIL OF JOY INSTEAD OF MOURNING, AND A GARMENT OF PRAISE INSTEAD OF A SPIRIT OF DESPAIR.

ISAIAH 61:1-3 (NIV)



"Our vision is to make Jesus known, in Newham, east London and beyond. Our heart is that we can reach the world on our doorstep. And through LCM's support, we're seeing a beautiful bridge between Newham, the church and to Jesus."

MARK WATERFIELD, PASTOR, HOPE CHURCH NEWHAM



"Church is the only place where the diverse groups across our borough mix on level terms. Missionally, this is also a profound witness to the outside world. And our partnership with LCM has really helped to fuel that."

RICHARD BRAY, RECTOR, ST ANNE'S, LIMEHOUSE



"We have tried before to encourage the church in evangelism. But this never really took off until London City Mission came alongside us. The partnership got our members to see that they have a duty to share the gospel. But also, that God gives them the ability to do this!"

STEPHEN AGILINKO, PASTOR, WEST GREEN BAPTIST CHURCH



"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."

TONY UDDIN, PASTOR, TOWER HAMLETS COMMUNITY CHURCH



"One of the things I love about LCM, they know that when you come into a community, you've got to understand it. We found their mapping exercise of the local area invaluable - especially understanding its spiritual history. It's helped so much in the way we relate to people here."

ED DIX, MINISTER, ST. LUKE'S CHURCH, MILLWALL



2. STRATEGIC REPORT

2A. OUR PURPOSE AND VISION

WE LONG TO SEE JESUS KNOW BY PEOPLE ON THE MARGINS.

As much as ever, London is home to people whose everyday experience is one of rejection, helplessness and often shame – those who are overlooked, struggling, and pushed to the edges of society. People who face daily challenges, often invisible to others – they lack resources, forced to get by from one day to the next.

But it goes deeper than that.

They lack status, connections, community… options. Things many of us take for granted.

They lack the family member to call when they face eviction from their home. The friend waiting for them outside the prison gates. The community they once enjoyed, now replaced by loneliness in their older age. They lack the knowledge of 'the right thing to say' when they enter a new environment. The language skills to find help for their family.

Perhaps more than anything, they lack hope.

It's clear throughout the Bible that God has a heart for people who are marginalised and overlooked – people whose physical poverty can help expose their helplessness before Him.

We know it's here, and only here – recognising our helplessness before a Holy God – that Jesus meets us and invites us to repentance and into eternal hope in Him.

Tragically it's in London's most deprived communities that people are least likely to hear this invitation. Here, Jesus is someone they once heard about a long time ago, just another prophet, a myth… or a complete mystery.

And yet it's also here, often on the doorstep of these communities, or just around the corner, that a source of eternal hope exists.

The local church.

The local church is God's plan for sharing the eternal hope of the gospel. To be a city on a hill, a light to the world.

And it's the local church that holds incredible potential to reach the very people so often forgotten by the world. To go out quickly "into the streets and alleys of the town" (Luke 14:21), seeking out the poor, the overlooked, and the broken, and calling them to the feast of God's kingdom.

Wherever we gather as believers, our location is no accident. We've been placed by God to draw the people around us into relationship with Him and into the family of His Church. Our neighbourhood is our mission field – and we carry the best news in the world.

Yet too often, something gets in the way. It's possible to go through the life of a church without truly connecting with those just outside our doors. Many of our neighbours may not even know we exist.

That's why we come alongside Christians across London and beyond – to encourage, equip and support them to step into the purpose God has given them. To help unlock the amazing potential He has placed within them. **To ignite a movement of mission in the local church.**

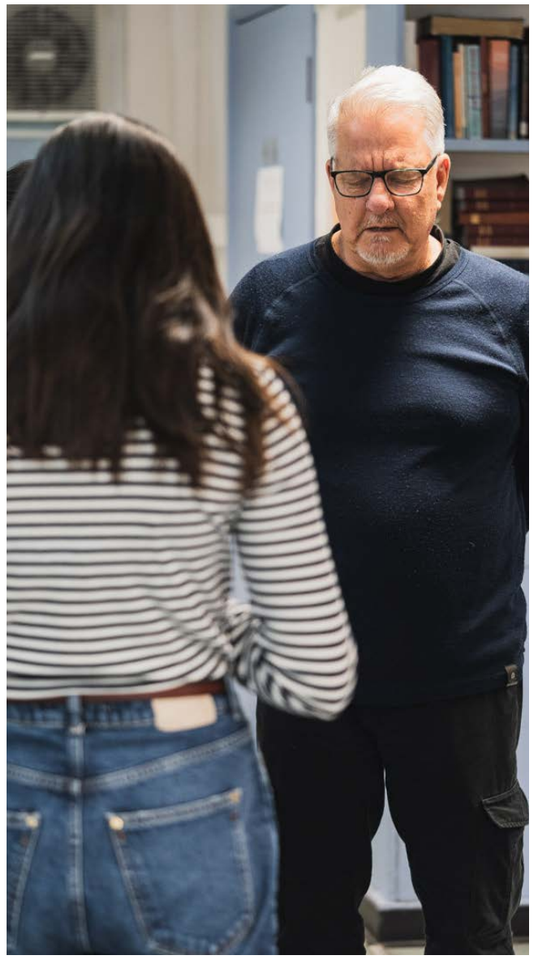
We want to see churches thriving and flourishing as they grow in number and diversity. We long to serve churches in partnership, building them up to reflect the many cultures and backgrounds of the city, and to become a more powerful witness of God's love to anyone looking in.

Working as a catalyst alongside local churches in the most deprived areas of London, and following the leading of the Holy Spirit, we help to build sustainable **missional teams** that take the lead in building long-term connections with the community outside the church, that are designed to continue on long after we step back.

Together we follow Christ's example in seeking out people – especially those overlooked by others – and sharing the gospel in a relevant and loving way. We support the church in pursuing intentional, committed relationships, where Christians can effectively share their faith in Jesus, and demonstrate it practically.

People from marginalised backgrounds have a valued place as part of God's people, and an important contribution to bring to our church families. So, we help churches build welcoming cultures so that when someone accepts an invitation, it's a place where they can grow and thrive… regardless of their background.

All that we do is rooted in prayer, completely dependent on the work of the Holy Spirit. And we pray that as the gospel is heard and experienced, many men, women and children – who may never previously have stepped into a church – would come to follow Jesus… and invite others to do the same.



2B. WHAT MATTERS TO US

London City Mission (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.

GOD-GLORIFYING EXCELLENCE
We pursue the best that we can be to glorify God and serve each other in all we do.

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.

SPIRIT-INSPIRED COURAGE AND PERSEVERANCE
We stand firm, push through, and pay the price for the sake of Christ and the gospel.



BRINGING JESUS INTO THE CONVERSATION

LCM Missionary Scott (right) chats to a guest at Hope Church Newham's community drop-in.

Many guests are struggling to get by. Newham has more evictions than any other part of the city and one of the highest rates of homelessness.

"We'd initially thought this would be a social space, where we might invite people to church," explains Jenny, one of the church volunteers. "But Scott and other missionaries have encouraged us to look for opportunities to share our faith."

More and more people are coming through the doors of the church every Tuesday which provides a big opportunity for evangelism. In one month, the team recorded **17 gospel conversations**, most with people who may not otherwise hear the good news of Jesus.

READ THE FULL STORY AT LCM.ORG.UK/HOPE



2C. MISSIONAL ACTIVITIES

ACHIEVING OUR VISION

All Christians have amazing potential to share the life-saving news of Jesus. At London City Mission (LCM), we long to see this potential released.

We long to see churches across London and beyond confidently and effectively sharing the good news of Jesus, especially with people otherwise unlikely to hear it.

To achieve this, we come alongside Christians, sharing our time and expertise, to take them on a journey, from head to feet.

To make this journey a reality, we undertake a number of core activities as a mission.

PRAYER

We have a vision to see Jesus known in every community in London. To see this vision realised, we are completely reliant on the work of the Lord. And so, our first and most foundational 'activity' as a mission is prayer – in partnership with Christians across the UK and beyond.

We provide resources, such as our daily prayer guide and our weekly online prayer meetings, to enable people to do this effectively.

On a daily basis, prayer is woven into every activity we do as a mission, but we also set aside specific times for it – gathering each morning to pray and dedicating a full week at the start of the year to seek the Lord together.

CHURCH MOBILISATION

In the areas of London least reached by the gospel, there are hundreds of churches, all with brilliant potential to share the life-saving news of Jesus. Our trained urban missionaries come alongside these churches, wherever they are on that journey, to support them to fulfil their potential.

We do this by:

- **Supporting churches to envision the congregation** – to see the need for sharing the gospel in their local area and their calling as the church to meet that need. This might look like a missionary speaking at a church service or spending time at the church's Bible study groups.
- **Getting to know the area a church is based in** – to understand who lives there and what their needs are. This might involve a missionary and a church leader mapping out the local area, and the communities that live there. It may also involve going out together to meet these people and hearing from them first-hand.
- **Supporting the church to plan a new ministry** – or build on an existing one – which will be effective in connecting with the local community, and which matches with the gifts and passions of individuals within the church. For example, if loneliness and isolation are a common experience of people in the local area, and there are people gifted in hospitality in the church, the church may decide to start a lunch club with a simple Bible study. Our missionaries share their insights and experience to help shape the ministry.
- **Building and training a missional team** – we support the church to recruit members of the congregation to form a team and put structures in place so that they can continue the ministry once our missionaries have stepped back. Our missionaries will train the team in building lasting connections with the people they meet and find opportunities to share their faith. Missionaries may also provide training for the wider church, to support them in sharing their faith or for example how to welcome people from different backgrounds into a church family.



- **Sharing the gospel together with churches** – with the ministry developed, our missionaries go out with church members to put it into action! If it involves door-to-door outreach, missionaries will accompany the missional team into a local council estate, building connections with residents and finding natural opportunities to bring Jesus into conversation. This environment enables missionaries to train church members 'on-the-job', sharing insights and feedback both during and after the ministry activity.

All these activities take place within a partnership between LCM and the church. These partnerships are intentionally time-bound, with the goal of equipping the church to sustain and grow the ministry independently through a strong missional team supported by the wider church.

MOBILISING THROUGH LCM MINISTRIES

LCM also runs its own ministries, which it invites churches to get involved with.

For example, every day, Webber Street Centre in Waterloo hosts men and women experiencing homelessness, providing breakfast, hot showers and clothing. Trained missionaries spend time with guests, helping them take practical steps out of homelessness, as well as sharing the gospel – through conversations as well as daily Bible talks.

In the evenings, groups from local partner churches, trained by Webber Street missionaries, host meals for homeless guests – seeking to build friendships, to share their faith and, when appropriate, invite them to church.

The longer-term goal is to equip these churches to develop their own ministries – multiplying the gospel impact across the city.



WEBBER STREET DAY CENTRE

Webber Street is LCM's Day Centre for people who are homeless – based just around the corner from Waterloo Station. Every weekday morning, we welcome guests who have often spent the night sleeping rough, offering not only relief from life on the streets, but also hope for a transformed future.

We long to see our guests come to know Jesus and become part of a church family. That's why, alongside hot breakfasts, showers, clothing, and practical support, we share the gospel with every guest and create opportunities for meaningful conversations about faith.

In 2024, we welcomed 11,400 visits to the centre. Each guest received a warm meal and other practical help, with 4,301 guests hearing a gospel talk while eating breakfast. Our team and church volunteers had gospel conversations with 880 guests, and 92 accepted an invitation to join a Bible study group.

We also referred 121 guests to external organisations for further support, provided 709 toiletries, 512 items of clothing, and 92 sleeping bags. Healthcare remained a vital part of our ministry, with 287 guests seeing a nurse, 67 visiting a podiatrist, and others receiving doctor's appointments. And 237 guests signed up for Thursday consultation drop-in sessions, offering personalised guidance.

This ministry takes place in partnership with volunteers from local churches, who walk alongside guests both practically and spiritually. And at the heart of it all is our conviction that every guest is made in the image of God - seen, known, and loved by their Creator.

At the end of last year, the centre underwent a much-needed refurbishment. After decades of heavy use, the space had grown tired. Thanks to God's provision and generous supporters, 2025 began with a transformed Webber Street: brighter, warmer, more welcoming. It's easier to sit through a Bible study after a hot shower; private spaces have made difficult conversations more respectful; and comfortable seating has created space for deeper connections over meals.

We pray that, just as the building reflects renewal, our guests would experience the renewal that comes through faith in Christ.

That's been true for Susan*, a long-term guest who is now housed and off the streets after struggling with alcohol and homelessness. "Who am I that God should love me?" she says. "I am so happy because I know that I am loved."

WELCOMED 10,450 VISITS TO THE CENTRE

3,943 GUESTS HEARING A GOSPEL TALK

GOSPEL CONVERSATIONS WITH 807 GUESTS

84 ACCEPTED AN INVITATION TO JOIN A BIBLE STUDY GROUP

A NEW HOME A NEW HOPE

Eric's (right) desperate situation changed when an outreach worker met him one day and connected him to Corner House – a London City Mission project that offers loving support and a short term home to people experiencing homelessness.

There, Eric was assessed by the team and was offered a room. For the first time in months, Eric had safe and stable accommodation. And he was in community.

"I am all alone in London. I don't have family in this country. But the people at Corner House, they're my family," says Eric.

"As part of the Corner House community, we cook and eat together. We open the Word, and we recognise that we all are works in progress needing to be restored to bear His image and likeness," explains Pancho Miller, LCM Ministry Leader at Corner House.



TRAINING IN URBAN MISSION

At its heart, the gospel is a simple message.

And evangelism at its heart is relational and Spirit-led. It can be as straightforward as one person telling someone about Jesus on the bus.

But in a diverse and ever-changing city like London, effective mission also requires thoughtfulness, cultural awareness, and theological depth. Our Training Department ensures that our missionaries – and by extension the churches they serve – are equipped with the best tools, frameworks, and strategies to share it wisely and well.

Drawing from the field of missiology – the study of how the Church carries out its mission – our training team develops resources and delivers teaching that helps Christians think deeply about what faithful, fruitful evangelism looks like in an ever-changing, multicultural city.

The application might look like a church in east London learning how to explain the concept of grace in ways that connect with honour-shame cultures in their neighbourhood. Or training Christians to have meaningful gospel conversations with people who believe science has made faith redundant, or who see truth as entirely personal. We also explore the challenges of **urban poverty** – like how to walk alongside someone struggling with addiction or homelessness, sharing with them the hope of Christ.

Underpinning all of this is a strong emphasis on the **biblical and theological foundations of mission**, helping believers see that mission isn't a side project of the Church, but flows from the very heart of God throughout Scripture.

We don't just train people to do evangelism – we help them understand why and how to do it in a way that reflects Christ and reaches people where they really are.

Through a range of training events, courses, and resources, we help Christians grow in confidence, skill, and clarity as they reach out with the love of Christ, especially in areas of significant gospel need.

Our training to Christians ranges from **Practical Evangelism Training (PET) days**, where participants engage in hands-on workshops – such as launching door-to-door ministries, reaching young people, or sharing the gospel through creative arts — to our in-depth **Foundation Course**, a two-year programme that combines biblical study with practical sessions on topics like engaging with Muslims and reaching marginalised communities. In the past year, we have trained over 500 Christians to share their faith more effectively.

We also partner with theological colleges and church leaders to embed a missional mindset in the next generation of gospel workers.

None of this is simply academic. Our training is forged in real-life ministry. Our trainers are practitioners who share not just knowledge but lived experience. They help others navigate the challenges and opportunities of urban mission because they are doing it themselves.

As the city continues to change, so must our approach to mission. The Training Department ensures that we are always learning, adapting, and sharing what we've learned with others. By investing in training, we are investing in long-term, sustainable mission – not just for the Mission, but for the whole Church across our city and beyond.

2. STRATEGIC REPORT





PIONEER PROGRAMME:
CELEBRATING 10 YEARS OF RELEASING UNTAPPED POTENTIAL IN URBAN EVANGELISM

The Pioneer Programme, now celebrating its 10th anniversary, has played a crucial role in releasing the untapped potential of men and women who may not fit the traditional mould for ministry. These are individuals who, due to their backgrounds, lack of formal education, financial resources, or social standing, would typically be overlooked by conventional ministry training pathways. The Pioneer Programme gives them the tools and opportunities to serve effectively in their communities and beyond.

Over the past decade, the programme has trained 49 evangelists – 35 men and 14 women from 39 churches – empowering them to mobilise their communities for mission. Almost all students and churches report significant improvements in confidence, with graduates becoming "very competent" in ministry practices and sharing the gospel. This newfound confidence and competence are having a direct and positive impact on their churches' outreach initiatives.

The programme combines classroom instruction with hands-on ministry experience, offering a well-rounded approach that includes biblical studies, discipleship, and community-based outreach. Graduates are equipped to not only preach the gospel but also to lead and disciple others, with many establishing new outreach ministries within their churches.

One such graduate is Harrison, whose journey to ministry began with a very different perspective. Harrison grew up in a challenging environment, where he struggled with issues of identity and belonging. He became involved in nationalist movements that fostered division and exclusion, believing that certain groups were not worthy of love or respect. But through the Pioneer Programme, Harrison encountered a transformative message of grace and inclusion.

"When I first joined the programme, I didn't think it was going to work out," Harrison reflects. "I had a lot of personal baggage and views that were hard to let go of. But I felt like I had nothing to lose, and the programme gave me the tools to reshape my understanding of ministry."

Through the training, Harrison began to see his gifts as a tool for reaching others, and over time, his perspectives began to shift. The programme provided him with a deeper understanding of scripture and a new sense of calling. "During the programme, I have been equipped to serve the church, gained a deep understanding of the scriptures and ministry as a life practice. I have grown in my giftings and Christian life and now feel the weight of service to other Christians as practical and theological. My growth in knowledge these past few years has been enhanced by having a framework to work from, and I can think much more clearly when I study and teach the Bible."

Today, Harrison is actively involved in leading outreach efforts in his community, helping others who are struggling with issues of identity and division to find unity in Christ. His story of transformation reflects the power of the Pioneer Programme to release untapped potential and equip individuals to serve in ways that make a real difference in their communities.

As we celebrate the 10th anniversary of the Pioneer Programme, we're reminded of the incredible potential in those who may have been overlooked or underestimated. Through this programme, individuals are not only empowered to transform their own lives but are also equipped to transform their communities and churches. We look forward to the next decade of seeing even more men and women reach their full potential in Christ, furthering God's mission in urban areas.

WATCH THE INSPIRING MINI-DOCUMENTARY, 'DIAMONDS IN THE ROUGH' AT LCM.ORG.UK/DIAMONDS



THOUGHT LEADERSHIP

Over decades of ministry, God has entrusted us with a growing wealth of insight into how the gospel connects in a complex, urban environment. This wisdom isn't locked away in a training manual or a lecture hall – it's being lived out every day by our missionaries on the ground and by our training department who shape and sharpen our approach.

We believe this learning isn't just for us.

We want to make it available to Christians everywhere – especially those seeking to reach cities with the life-changing news of Christ.

That's why **Thought Leadership** is a growing and essential part of our work. We're committed to taking what God is teaching us on the streets, in homes, and in churches across London, and sharing it widely to equip others for mission.



WE DO THIS IS A NUMBER OF KEY WAYS.



Our **blogs** and **thought pieces** offer timeless reflections on sharing faith in the city – like how to avoid "Christianese" or how to meet strangers and build gospel connections. Others respond to what's happening in the wider culture. When national conversations began around the influence of figures like Andrew Tate on teenage boys, we responded with a blog titled Five ways Jesus offers teenage boys what they're really looking for – and much more. It's just one example of how we're seeking to help Christians speak into real-life situations with gospel clarity.



We also produce the **Everyday Evangelism podcast**, hosted by our Director of Ministries, Jason Roach. Each episode is a conversation about what it means to share Jesus in today's London – whether that's with people from other faith backgrounds or finding natural ways to bring Jesus into everyday chats with colleagues, neighbours, and friends. It's practical, honest, and deeply rooted in Scripture.



For those looking for more step-by-step help, our **how-to guides** are designed to move people from inspiration to action. Whether someone wants to start a lunch club for isolated neighbours or build relationships across cultural divides, these guides offer practical tools grounded in real-life mission experience.



Stories, alongside our other resources, play an important role in bringing gospel work to life. They help Christians see how God is at work in real people's lives through simple acts of faith – whether that's a conversation on a doorstep, a meal shared with someone in need, or a warm welcome at church. By showing what gospel outreach can look like in practice, these stories encourage and equip others to step out in faith themselves.



In the past year we have produced **Sharing Jesus with Muslims** – a seven-part video course for church groups. The course inspires and equips Christians to build meaningful relationships with Muslims and share the love and truth of Jesus with confidence and compassion. Each session includes biblical reflections, teaching insights and real-life testimonies. The seven sessions explore topics including: the origins of both faiths, the Bible and the Qur'an, views on sin and salvation, and how to share the truth that Jesus is more than just a prophet.

AS WE LOOK TO THE FUTURE, WE WANT TO GROW THIS AREA OF MINISTRY. THE MORE WE SHARE WHAT WE'RE LEARNING, THE MORE WE CAN HELP CHURCHES AND CHRISTIANS IN THEIR OWN MISSION FIELDS.



PEOPLE REACHED

ALL OUR INTERVENTIONS ARE DESIGNED TO EQUIP CHRISTIANS TO SHARE THE GOSPEL AMONGST SPECIFIC COMMUNITIES WITHIN LONDON.

IT REMAINS A TRAGEDY THAT GOSPEL POVERTY IN LONDON IS GREATEST IN THE AREAS WHERE THERE IS ALSO THE GREATEST SOCIO-ECONOMIC DEPRIVATION.



ESTATES

Nearly a quarter of households in London live in social housing – meaning most of the capital's churches have an estate close by. Especially amongst white working-class communities, the church is often associated with mistrusted authorities. The result is that many residents go their whole lives without hearing who Jesus really is.



HOMELESS AND MARGINALISED

Whether it's people who are homeless, women exploited by the sex industry or people who have been in prison, each one has their own story to tell – often involving rejection. There are often huge social barriers amongst these men and women, to hearing the gospel in a way they can understand – we help churches to address these and reach out with Christ-like love.



SENIORS

People can be increasingly neglected and lonely as they get older and consequently have fewer opportunities to hear the gospel. We come alongside churches to meet older people in their local area, to build friendships and to start gospel conversations which are so often fruitful.



YOUNG PEOPLE

In London today, we estimate that just one in twenty children go to church, and around half don't even have a Christian friend to invite them to church activities. And yet our experience shows that children are incredibly open to talking about Jesus Christ and exploring who He is.



PEOPLE FROM OTHER RELIGIOUS BACKGROUNDS

One in four Londoners are followers of other religions; over half are Muslims. We work alongside local churches to build connections with people around them - whether that's Bengali Muslims in Tower Hamlets or Punjabi Hindus in West London - engaging them with the gospel in an effective and loving way.



DIASPORA

Almost every church we partner with is home to people from other parts of the world. And our experience is that this diversity can make for more effective outreach. 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're increasingly partnering with diaspora congregations. This involves resourcing them to share the gospel with the people yet to hear the gospel in their local area. This could involve connecting them with other local churches from other cultural backgrounds to do mission together, training church members in cross-cultural outreach ministry, or supporting them to start church services in different languages.

MINISTRY REFERENCE PANEL (MRP) MEMBERS

Trevor Archer (MRP Chair)	FIEC, former London Director
Rev Dr Girma Bishaw	London Project Co-Director; Reality Church leader
Bishop Delroy Powell	New Testament Assembly, former Presiding Bishop
Dr Pamela Brown-Peterside	Director, All Souls Serve the City - All Souls Langham Place
Pastor Mary McCauley	Pastor, True Vine Centre RCCG; national teenage ministry lead RCCG
Pastor Osh Ong	Former Senior Pastor, Chinese Church in London
Archbishop Moses Owusu-Sekyere	Archbishop, Apostolic Pastoral Congress; Director, Christ Theological Centre (CTC)
Pastor Young Joo Lee	Senior Pastor, God's Vision Church, London
Pastor Alex Brito	Senior Pastor, Mosaic Multicultural Church
Pastor Dr Cornelius Alalade	RCCG regional pastor; Redeemed Christian School of Mission
Rev Lis Goddard	Vicar of St James the less, Pimlico
Johnny Prime	FIEC London Director
Pastor Tony Uddin	Senior Pastor Tower Hamlets Community Church; AOG



WIDER PARTNERSHIP IN MISSION



By God's grace we have continued to see growth in the number of partnerships and relationships LCM has with Christian organisations, church denominations, and networks across London and beyond. Complementing the relationships which our missionaries are developing with a variety of churches across the city, we have continued to widen our reach, building networks with gospel-hearted denominations and organisations, as together we seek to share the good news of Jesus Christ with those least likely to hear it.

During the year, we continued to press on in the work of raising our profile and partnering for the sake of the gospel. A key aspect to this work is close partnership with gospel-hearted denominations and networks, and to that end we were pleased to be able to share about our ministry at the annual London Baptist Ministers conference as well as at regional London gatherings of the Fellowship of Independent Churches (FIEC). We were also pleased to be invited to feature and speak at the annual leadership summit of the New Testament Church of God (135 churches), where we shared our work with over 500 leaders.

Our ongoing partnership with the City Prayer Breakfast continues to provide an excellent and encouraging opportunity to raise the profile of LCM, and the 2024 prayer event saw LCM Director of Ministries Rev. Dr Jason Roach deliver the keynote Bible talk. This event provides a strategic entry point to sharing LCM more widely across the City of London and beyond. Another excellent ongoing partnership saw LCM featuring prominently at the Ministers' Appreciation Ball, an annual event where we were able to address over 200 church leaders and strategic Christian leaders.

We were also pleased to partner with Jubilee+, a national charity with links to the New Frontiers church network. This partnership saw LCM as key partners in the development of a gospel centred resource for youth leaders, and 1000 copies of this resource have already been distributed for use in churches. Another important partnership opportunity saw LCM invited to partner with Grace Publications in the distribution of 10s of 1000s of Marks gospels in London at Easter in 2025, as together we work alongside churches to share the good news of the Lord Jesus.

Alongside this activity our Ministry Reference Panel (MRP) remains an important way that we gather input from and listen to the church in London. During the year we saw additions to the MRP, including welcoming the new London Director of FIEC to the panel, and we continue to have broad representation from across gospel-hearted church denominations and networks in London. We continue to strengthen our relationships with the diverse senior evangelical church leaders who serve us through their membership on our MRP and we are very grateful for them.

The work of the wider City Mission Movement (CMM) has continued to develop, with our Director of Networks, Carl Knightly, leading this membership of 16 City Missions across the UK and Ireland. Last year Carl led the development of a new CMM strategy to support each City Mission in the work of gospel transformation. Carl leads this wider national network as part of his LCM role and it provides an excellent opportunity to point to our work in London and also to contribute to our thought leadership, sharing our online resources across the UK as well as raising the profile of the work of LCM more broadly, as we seek to call more people across the nation to pray for our work.

In all of this, we are thankful to God for His goodness and favour as we continue to seek to mobilise churches in sharing the gospel with people and communities least likely to hear the good news of Jesus.

A PRECIOUS FELLOWSHIP

LCM missionary Alice (left) has been supporting members of Asha church in east London to build bridges into the local community.

“There is such a need for Christians to reach out to Bangladeshi Sylhetis. Many can spend years within their community. Going to schools where the majority of the children speak Sylheti. Getting their groceries from Sylheti-speaking stores. There is no real need to leave their community.”

One of women Alice has been supporting is Anna.*

“Through Alice, I saw that talking to my people about Jesus wasn’t that difficult. I just felt like this was what I was meant to do. I was meant to share the gospel with my people,” says Anna.

READ THE FULL STORY AT LCM.ORG.UK/ASHA



2D. KEY EVENTS IN 2024

2024 continued to bring challenges for London’s communities. The cost-of-living crisis remains severe, with rising rents and food prices pushing more people into hardship and increasing demand for practical support. Global conflicts and instability have led to even more refugees and asylum seekers arriving in the city, many facing isolation and uncertainty. At the same time, churches and charities continue to feel the strain of rising costs and limited resources.

Amid these challenges, we are seeing fresh signs of spiritual hunger. Recent research points to a growing interest in Christianity across the UK, particularly among young people. We have witnessed this firsthand, as churches we work alongside report more people asking questions about faith and seeking hope in the gospel.

The Holy Spirit is at work, drawing people to Jesus in the midst of uncertainty. London City Mission continues to partner with churches to share the good news with those most in need – bringing practical help alongside the message of Christ. In a city where so many still lack a Christian friend to tell them the gospel, this openness is a timely and precious opportunity.

We are now delighted to be handing over evangelistic ministry leadership to local church partners. We have now fully mobilised 19 churches (up from seven the previous year) to confidently reach out to their neighbours, crossing social, religious and cultural barriers with the hope of Christ. This means our teams can move on to partnering with new churches that are seeking to work together, accelerating our impact across London.

Alongside the work missionaries do on the ground, we continue to create resources and provide in-person training to complement and accelerate their ministry. Once developed, some of these resources can then be digitally shared with urban churches across London and beyond at no additional cost, allowing us to be increasingly effective.

We thank God that nine gifted and experienced gospel workers joined us as ministry staff in 2024, with recruitment of 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.

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 continue to innovate within our ministries as we adapt to the ever-changing people of London, each of whom carries the same great gospel need as the generations before.

We are prayerfully dedicated to sharing the good news of Jesus, 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.

2E. OUR IMPACT

MINISTRY REVIEW AND STRATEGY

During 2024, we partnered with 86 evangelical churches across a range of denominations, located in or near the most deprived areas of London. Working with the local church leaders, we have sought to share and serve their vision for local mission. We have enabled the development and building of sustainable teams made up of committed church members whom we can then encourage and train - building them up for urban mission.

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 London City Mission (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. Behind the frontline mission team, we seek to work with the church leadership to inspire a committed, prayerful congregation who are growing as welcoming, inclusive and intercultural churches where new believers can be discipled, belong and thrive.

On average, churches we supported this year saw significant growth in their evangelistic reach and community engagement – here's a snapshot of what that looked like in practice:

For the average church supported by LCM:

- More than **250 lasting connections** were made between Christians from the church with people in the local community.
- More than **100 gospel conversations** as part of these connections, where Christians have sensitively shared their faith.
- More than **18 people from the church** regularly engaged in gospel outreach to the local community – and doing this **every two weeks**, as part of the life and rhythm of the church.



CHURCH MOBILISATION IMPACT MEASURES FROM 2024

EVANGELISTIC OUTREACH ACTIVITIES ALONGSIDE CHURCHES

2024 **1,732** 2023 1,133

RELATIONAL CONNECTIONS WITH PEOPLE WHO ARE UNLIKELY TO OTHERWISE KNOW A CHRISTIAN

2024 **20,241** 2023 17,231

CHURCH VOLUNTEERS TRAINED BY LCM*

2024 **1,417** 2023 457

GOSPEL CONVERSATIONS, MANY OF WHICH WILL BE SHARING THE GOOD NEWS OF JESUS CHRIST FOR THE FIRST TIME

2024 **7,767** 2023 5,185

*The recorded total turnout for all these activities was 6,149 and we know that at least 1,417 different volunteers participated, filling the team places within these missional church teams. The structure of our church partnerships means that we cannot perfectly track individual church members, so undercounting is inevitable.

ONE DOORSTEP TO MANY NEW BELIEVERS

Wonderfully, as churches have been impacted, we have seen people following Jesus, and becoming part of church families.

People like Kenny.

"I seem to be telling everybody about the Lord these days," says Kenny.

Kenny's story began when LCM missionary Michael and church member Winston were out in the local neighbourhood, getting know neighbours, and sharing the gospel.

One neighbour, Ruby, accepted Winston's invitation to church, after a long conversation on her doorstep.

Ruby came that Sunday with her best friend, Georgina. A few weeks later, the Holy Spirit worked in their hearts, and they both made a commitment to follow Jesus.

Michael encouraged them both to share their newfound faith when they attended his training course. Georgina began sharing the good news of Jesus Christ with her family and friends.

Her father, Kenny, moved by Georgina's faith, started coming to church. He committed his life to the Lord and was baptised this year.

This was just the beginning.

WATCH THE FULL STORY AT LCM.ORG.UK/DOORSTEP



IMPACT SUMMARY

- Over the course of the year, through all our interactions with Christians and churches across the UK and beyond, we estimate we have inspired and encouraged over **75,000 people to share the gospel** with someone otherwise unlikely to hear it.
- In 2024 our missionaries came alongside 86 churches, located in our urban priority areas, (up from 71 in 2023). 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.
- Outside of the ministry church partnership model, external training provision in 2024 extended to four conferences covering a range of specialisms: Children and young people, Hindu and Sikh outreach, and inter-generational evangelism within diaspora churches. We also hosted a number of events with partner organisations designed to foster missional unity amongst evangelicals. We visited 378 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 298 Church Reps who are vital advocates for reaching the marginalised with the good news of Jesus.

2F. STRATEGIC FOCUS AND FUTURE DIRECTION

Our new five-year strategy (2025-2029) presents an opportunity to sharpen our focus and enter into a fresh season continuing with Spirit-led ministry rooted in one defining aim:

TO IGNITE A MOVEMENT OF MISSION WITHIN THE LOCAL CHURCH TO PEOPLE ON THE MARGINS.

1. BUILDING SUSTAINABLE MISSIONAL TEAMS

We will continue to work alongside churches to **build missional teams in London churches. Teams of ordinary believers committed to praying together, going out together, and sharing Jesus together in the hardest-to-reach parts of London** and with people on the margins.

These teams won't be visitors to their communities. They will be part of them. Forming warm, trusted relationships with people who feel forgotten, disconnected, or even hostile to the gospel. As churches share with their community and people on the margins, an intercultural church, where all cultures are welcomed and shape the overall culture of the church community, is the future of mission. This brings a powerful witness to a divided world. Looking outwards at London's changing landscape, our desire is to increasingly partner, with the Lord's blessing, in bringing brothers and sisters in Christ from across the globe, enriching the Church in London.

And as they listen, love, and share, we believe, by God's grace, thousands of gospel conversations take place.

"Day after day, in the temple courts and from house to house, they never stopped teaching and proclaiming the good news that Jesus is the Messiah." – Acts 5:42

The gospel spreads through relationships, the preaching of the gospel and the power of the Holy Spirit. Through churches that don't just gather on Sundays but step out in faith and build bridges into their community.

We have seen that when churches are equipped and empowered, something amazing happens:

- Mission becomes a way of life.
- New believers come to faith, and the church grows.
- New missional teams are formed, and the movement multiplies.

Every conversation is a seed planted. **Every team is a spark that ignites a fire. And every church awakened to mission can set another church ablaze.**

We long to see churches become outposts of light in dark places, with mission embedded in their identity — long after our missionaries move on.

2. EQUIPPING EVERYDAY CHRISTIANS, WHEREVER THEY ARE

Our missionaries remain focused on mobilising churches across London — because this is where the Lord has called us to minister.

But as we reflect on nearly two centuries of gospel work, we recognise that the insights, best practise and tools shaped on the streets of London can serve the wider Church. So, we plan to **focus our efforts on leading and shaping the conversation around mission to people on the margins**, developing resources — podcasts, guides, training content and stories — designed to build up ordinary Christians wherever they are, helping them grow in understanding, prayerfulness and confidence in urban mission. We long to see these materials spark fresh vision for evangelism not only in London, but across the UK.

Alongside these resources, we are committed to delivering practical, hands-on training that helps believers move from inspiration, to a changing of heart and minds, to action.

Through in-person courses, digital learning platforms, and tailored coaching, we're equipping Christians with the tools they need to share Jesus with spirit-inspired courage in today's world. Whether supporting a local church team or encouraging individuals to step into mission for the first time, we're coming alongside God's people to be effective and faithful witnesses.

By God's grace and the power of the Holy Spirit, we'll be sowing the seeds of a gospel movement that outlives us — churches ablaze with mission, believers equipped and ready, and communities transformed by Christ.

"'How beautiful are the feet of those who bring good news!'... Faith comes from hearing the message, and the message is heard through the word about Christ." – Romans 10:15,17

The harvest is plentiful. But the workers are few. More beautiful feet are needed to see a message of hope shared with a lost and broken world.

WE INVITE YOU TO PARTNER WITH US ON MISSION.

- To **pray** with us.
- To **give** to see this movement grow.
- To **go**, step out in faith and be part of the seeing Jesus known in every community in London, and beyond.

The opportunity is before us. The time is now.

For the glory of God and the salvation of souls.



3. OPERATIONAL REPORT

3A. ENABLING MISSION

FUNDRAISING AND SUPPORTER PARTNERSHIPS

As we inspire and encourage London to walk alongside us in serving the church, it is humbling to see many partner with us through their generosity. We consider supporters a vital part of the team alongside us as they pray, give and volunteer, and we deeply value every partnership we have.

Through this partnership, we saw donation income in 2024 reach £3.9m against a target of £3.4m. This represents an increase of £1.1m compared to 2023. We acknowledge and give thanks for the generosity of our gospel partners who have made this possible.

We saw a 25% increase in donations from partners who support our missionaries, a 57% increase from our key supporters and a doubling of income from Trusts and Foundations. We are so grateful for this diversified supporter base that allows us to grow year on year.

It is worth noting that 2024's income was bolstered by the Webber Street Capital Appeal. We thank God for everyone who responded generously to ensure funds were available for the refurbishment of Webber Street. We are grateful for the resources provided to us that will allow us to sustain and increase underlying income to meet future targets.

We also saw an increase in the number of gospel partners with over 1,100 new donors, a positive net growth. We connected to over 377 churches online and in person, holding speaking engagements, prayer meetings, conferences and other interactions. We remain eternally grateful for the continued generosity of our supporters and trust in continued growth in the coming year.

COMMUNICATIONS

In 2024 there were over one million people connecting with our content at varying levels. At every step we seek to connect, inspire and encourage people, believers or not, with the life-changing truth about Jesus Christ.

We did this by:

- Working with Christian media to share our best practice and insights into urban mission. We secured 44 pieces of coverage, bringing over one million estimated online views. This is an encouraging growth on the previous year as we prioritise engaging with new audiences.
- Growing our audiences across social media 20% notably reaching 10k followers on Facebook.
- 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.



3B. PROPERTY MANAGEMENT

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

STAFF HOUSING

Eight properties were purchased to house staff in 2024 (3 in 2023) whilst eight residential properties (7 in 2023) 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 2024, 8 (10 at end 2023) 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. An ongoing focus for the Estates team is to reduce our use of rented properties by acquiring properties to house our missionaries to reduce our operating costs and improve the security of tenure for our staff.

RETIREMENT HOUSING

LCM provides retirement housing for those missionaries who, by 2012, had achieved 20 years' service with the Mission. At the end of 2024, 37 properties (39 at end 2023) were provided for the use of retired missionaries or their spouses, with 2 having been sold, one vacant and for sale and one property purchased in 2024. 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 our professional advisors, London City Mission Property Holdings (LCMPH) is pursuing an appropriate approach to disposal of 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 2024, five Centres were sold (three held in LCMPH), four of which were to Churches / Christian organisations and one to a Developer / Investor. Four were on an Unconditional basis and one on an Option Agreement, with 3% of the sale amount received as an upfront deposit and the remainder is expected to be received in 2 years' time.

Additionally, Heads of Terms were agreed on four sites, two of which were with Christian organisations (existing occupiers), one on an Unconditional basis with the sale targeted for 2025 and the other on an Option Agreement with the sale targeted for completion in 2027 at the earliest. The other two were with Developers / Investors on an Unconditional basis with sale completion targeted for 2025.

The Hoxton House development in Hoxton still has a vacant Commercial space. The aim is to rent it to the same Church tenant who rented the other space. Thereafter, our intention is to proceed with the sale of the freehold of this site.

The total amount received from the five centres disposed of in 2024 was £3.5m (an additional £1m from the Option Agreement will potentially be collected in 2027). These property sales provide the necessary cash to fund our cash deficit until we can grow our income and reduce our costs to cover the ongoing costs.

3C. FINANCIAL REVIEW

This year's financial story is one of faithful generosity and bold commitment - but also one that underscores the financial pressures of gospel outreach in London.

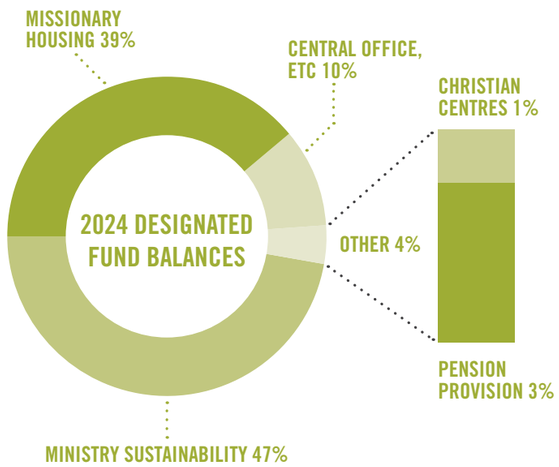
In 2024, London City Mission (LCM) received a total income of £8.9m, a welcome increase from 2023 (£8.2m), made possible by the sacrificial giving of donors and the generosity of those who left legacies in their wills. Donations rose to £3.9m (2023: £2.9m), and legacies contributed £2.6m (2023: £2.3m). Investment income remained steady at just over £1.0m. Additional income from leases, book sales, and property sales provided some relief, but these are not guaranteed sources of future funding.

However, the cost of ministry continues to rise sharply. LCM invested over £14.3m in its work (2023: £12.4m)—a significant increase that reflects both the scale of the need across London and the Mission's commitment to respond. While £2.5m was spent on fundraising and investment management, the vast majority—over £11.8m—was directed to frontline mission activities (2023: £9.7m). This includes vital ministries to children, youth, diaspora communities, and those experiencing homelessness.

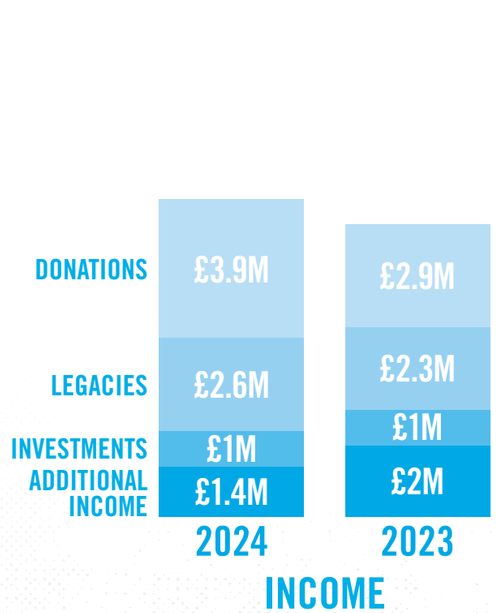
A one-off pension scheme buyout of nearly £1m added further pressure to the year's finances. Though strategic, this decision contributed to a net deficit of £4.7m (2023: £7.4m), funded largely from designated reserves. As a result, total funds fell from £63.3m to £58.6m.

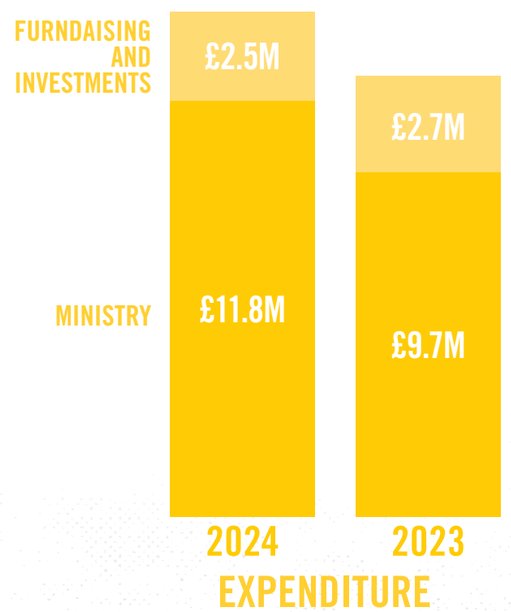
While LCM remains financially stable for now, this stability is under strain. General reserves declined slightly to £6.2m (2023: £6.4m), and designated funds dropped to £49.5m (2023: £54.0m). These designated funds are held for several purposes, with the graph below showing that the two main reasons are for housing our missionaries and their families, and for our Ministry Sustainability fund. Our Board-approved recovery plan (increasing income and reducing costs) shows that we will utilise the Ministry sustainability fund by the mid-2030s. This plan reflects a careful stewardship of resources, but also a reality: the Mission is drawing heavily on past provisions to meet present needs.

The balance sheet shows fixed assets of £52.9m (2023: £59.3m), and cash reserves rose to £4.0m (2023: £2.4m), largely due to asset sales. However, the operational cash position was negative - highlighting the ongoing challenge of sustaining ministry through current levels of regular income alone.



Looking ahead, LCM's vision remains unchanged: to bring the hope of Christ to those least likely to hear it. But to do so, we urgently need the continued and increased support of those who share this calling. Every gift, prayer, and partnership is vital in helping us meet the growing spiritual and practical needs of London's communities.





PENSION PROVISION

The defined benefit pension scheme closed to all new and existing employees in 2006. In 2024, as was the case in 2023, LCM did not make any contributions to the scheme as there was 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, while maintaining security for members of the scheme. Following a formal quotation process, a bulk annuity contract was signed with Aviva in May 2024. To fund the purchase of this contract the scheme assets have been liquidated and LCM made a contribution of £0.5m to fund the initial premium. It is anticipated that a further contribution of approximately £0.1m will be needed to cover the final premium once the data verification process has been completed. It is estimated that there will be a further £0.6m required to cover the costs of the scheme buy-out and wind up, which will be paid directly by LCM, the majority of which is anticipated to be paid in 2025. £1.3m has therefore been retained in the Pension Deficit Fund to cover LCP's estimate of the costs of this process. Once the liabilities are fully insured then the pension scheme trustees will be expected to wind-up the scheme.

RESERVES POLICY

Under the risk adjusted general reserves policy, the Directors reviewed the target in 2024 and, due to the operational deficit, decided to maintain it at between £6m and £7m, which represents 7 to 8 months of operating costs. General reserves at the end of 2024 were £6.2m (£6.4m in 2023), which is within the policy range. This was achieved by drawing from the Ministry Sustainability Fund.

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 Ministry Sustainability Fund amounted to £23.5m at the end of 2024 (£30.5m at the end of 2023). The Directors expect to draw on this fund to cover operating deficits into the mid- 2030s as LCM reduces the operating deficit from the current underlying level of £3-4 million per annum.

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 inflationary pressures, a possible slowdown in the UK and global economy and changes in property prices. These could increase LCM's costs, reduce donation income and reduce proceeds from sale of property.

At the end of 2024, LCM held £6.8m in liquid assets (2023: £8.7m), comprising cash or marketable securities that can be liquidated at short notice, which amounts to around 6 months of operating expenses. The Property Development Programme is forecast to provide more than £5m of cash receipts in 2025. 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

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 takes complaints seriously. Our records show that we received nine complaints about our fundraising from supporters or members of the public in 2024 (2023: four).

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 have resolved with the employment of more dedicated resource.

We used one contracted specialist fundraiser in 2024 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 who reports directly to the CEO. Staff training in both data protection and cyber awareness is in place across the Mission.

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 Board and Leadership Team completed the annual review of the risks and mitigations taken on the risk register. Existing and planned mitigations were focused on in the review to ensure the risk register enabled London City Mission to manage, as well as identify risks. The following risks were highlighted during the annual risk register review.

FINANCIAL SUSTAINABILITY

LCM is committed to faithfully stewarding the resources God provides through our gospel partners. At present, we face an annual operating cash shortfall of £3–4 million, due to a gap between expected income from donations, legacies, and investments, and our current operating costs. Properties no longer needed for ministry are being sold through a Property Development Programme (PDP) and proceeds are allocated to the Ministry Sustainability Fund to help cover this deficit.

While this provides short-term support, it is not a long-term solution. In July 2023, the LCM Board adopted a revised financial objective: to reduce the annual shortfall to near zero by the mid-2030s. This will be achieved by increasing income from individuals, churches, and trusts who share our vision and reducing our costs. Without this growth, sustaining current front-line mission work will be difficult. We are deeply thankful for the generosity of our supporters—through gifts, grants, fundraising, and legacies—whose partnership is vital to the ongoing work of the gospel through LCM.

CRM (CUSTOMER RELATIONSHIP MANAGEMENT)

Good progress has been made in 2024 (and 2025) with the planning and design of a brand-new CRM at the Mission, based on Dynamics 365. It was recognised that a smooth implementation, rollout, and training of this system was essential to the effective management and use of data across the organisation. Therefore, we have had dedicated internal resources to help with project management and solution design/testing, with roles backfilled to mitigate this risk.

CYBER SECURITY AND DATA PROTECTION

In response to recent high-profile cyber-attacks on UK organisations such as Marks & Spencer and TFL, LCM has significantly strengthened its cybersecurity posture. The organisation maintains robust IT security protocols, including multi-factor authentication, antivirus email protection, and strong password practices. Staff receive annual cyber awareness training to reduce the risk of social engineering attacks, and cyber insurance is in place to help cover recovery costs, legal fees, and reputational damage. Regular annual penetration testing and bi-monthly vulnerability scans are conducted to proactively identify and address potential threats. A geo-fencing system now blocks Microsoft 365 login attempts from outside the UK, and WiFi networks at key sites have been upgraded to support modern encryption standards.

Over the past year, LCM has not experienced any known cyber-attacks that resulted in personal data exposure. Two phishing attempts targeting the PLEO expenses system were successfully intercepted by staff, demonstrating the effectiveness of training and vigilance. These incidents reflect broader trends identified in the UK Government's 2024 Cyber Security Breaches Survey, which reported that 32% of charities experienced breaches, with phishing being the most common (83%).

LCM is currently pursuing Cyber Essentials accreditation, followed by Cyber Essentials Plus, which includes an external audit to independently verify the strength and effectiveness of its cybersecurity measures.

SAFEGUARDING

LCM maintains a high priority for safeguarding of both beneficiaries and staff. There has been a dedicated safeguarding team in place for a number of years and the safeguarding policy and procedures are reviewed annually. As part of the mitigations for safeguarding, there are mandatory DBS checks required for all relevant staff roles. In addition, all Board and Leadership Team members complete DBS checks. Reviews of policy and procedures are completed at both the HR Subcommittee and Board level and safeguarding reports are regularly made to trustees for transparency. Training has also been completed by all members of the Board and the HR Subcommittee, who have a particular need to be informed and up to date on the charity's legal duties.

In terms of handling safeguarding issues with excellence, the Mission continues to use bespoke safeguarding software My Concern to receive, track and resolve all issues raised. Where necessary there is specific follow-up by the DSL (Designated Safeguarding Lead) to ensure 'human' individual follow up in addition to the software. The Mission continues to look for ways to improve safeguarding so that case raised are handled both effectively and sensitively.





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 and up to the date of this report were as follows: -

DIRECTORS AND DATES OF CHANGES:
- Rebekah Brown
- John Bulmer
- Andrew Burkinshaw (left March 2025)
- Mosun Dorgu
- Bryan Duncan
- Roger Evans (left February 2025)
- Richard Godden (left April 2025)
- Anne Hudson
- Graham Miller (CEO)
- Tim Moger
- Richard Montgomery
- Ian Nash
- Nigel Parrington
- Marcia Shields
- George Stylianides

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

Investment Managers:
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

Surveyors:
Rapleys
66 St James's St
St. James's
London
SW1A 1NE



4A. GOVERNANCE OF THE LONDON CITY MISSION

The Board of The London City Mission (LCM) met on six occasions during 2024, among other things to agree overall strategy and policy; to determine matters of principle; deal with strategic financial and property planning; and review progress towards achieving the annual objectives 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. Communications with all employees are maintained through regular team meetings, monthly Team Days, staff newsletters, annual appraisals, email and written documentation.

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

INDUCTION OF BOARD MEMBERS

New Board members are set up with dedicated LCM Office 365 accounts which include numerous core documents. They also complete DBS checks and are assigned more experienced Board members as 'buddies' to support them in onboarding. A series of in-person meetings are organised to get to know other Board members and senior staff as well as supporters at the annual Thanksgiving Service. In addition, more formal trustee training is offered, as is ongoing training where appropriate.

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.

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. This company formally wound up its activities at the 31 December 2023 and was dissolved during the year ended 31 December 2024

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 1 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 which is subject to an annual impairment review as the properties are being sold. 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.

4C. MANAGEMENT STRUCTURE

London City Mission (LCM)'s Leadership Team are accountable to the Board of Directors to collectively lead and serve LCM. They have responsibility to plan, propose and implement the strategy of the organisation. The members of the Leadership Team are as follows:

- Rachel Cruz (nee Bradley) (Director of Engagement) – left March 2025
- Efrem Buckle (Deputy CEO and Director of Training & Mentoring)
- Rui Domingues (Director of Finance, Property and IT) – joined September 2024
- Christian Fielder (Director of People & Organisational Development)
- Chesman Isle (Chief of Staff and Company Secretary)
- Carl Knightly (Director of Networks)
- Graham Miller (Chief Executive Officer)
- Shantelle Richardson (Director of Communications and Marketing)
- Rev Dr Jason Roach (Director of Ministries)
- Richard Wilson (Director of Finance, Property & IT) – left September 2024

4D. PAY POLICY FOR SENIOR STAFF

The Board of Directors and the Leadership Team comprise the key management personnel of The London City Mission (LCM), in charge of directing 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 3 to the Accounts, and related party transactions in Note 20.

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 LCM Directors. Rates of pay are reviewed annually. Details are disclosed in Note 3 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.

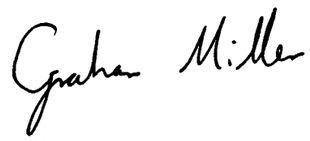
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the requirements 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. 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
21 JULY 2025





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 2024 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 group's and the parent charitable company's affairs as at 31 December 2024 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 purpose 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.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP Date: 29 July 25



6. GROUP STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

	Notes	Unrestricted funds £'000	Designated Funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total £'000	2023 Total £'000
Voluntary income							
Donations		1,545	-	2,349	-	3,894	2,811
Legacies		2,605	-	-	-	2,605	2,315
Income from investments							
Listed Investments		312	-	-	-	312	219
Investment Property		707	-	-	-	707	753
Income from charitable activities							
Leases to churches & charitable organisations		267	-	-	-	267	269
Income from book sales, training & resources		10	-	-	-	10	14
Income from other trading activities							
Income from unsold properties		78	-	-	-	78	72
Other income							
Other income		6	-	-	-	6	17
Net gain on sale of tangible fixed assets		-	1,044	-	-	1,044	1,688
TOTAL INCOME		5,530	1,044	2,349	-	8,923	8,158
Expenditure on raising funds							
Management of investment properties		1,031	4	28	-	1,063	1,303
Fundraising & Supporter Partnerships		1,392	46	13	-	1,451	1,401
Investment management fees		20	-	-	-	20	20
		2,443	50	41	-	2,534	2,724
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES		3,087	994	2,308	-	6,389	5,434
EXPENDITURE ON MISSION ACTIVITIES							
Church Mobilisation							
Diaspora		1,214	156	101	-	1,471	1,307
Children, Youth & Schools		1,218	153	139	-	1,510	1,286
Islam & Other Religions		972	131	107	-	1,210	1,105
Webber Street		681	119	325	-	1,125	1,191
Cornerhouse		380	42	15	-	437	442
Other Homeless & Marginalised Ministry		876	137	297	-	1,310	1,386
Council Estates & Seniors		749	94	88	-	931	754
LCM Pioneers		338	27	257	-	622	436
Thought Leadership							
Training, Thought Leadership & Church Development		919	32	69	-	1,020	838
Organisational Fitness							
Retirement Housing, Christian Centre upkeep & other costs.		578	489	54	-	1,121	941
Exceptional Item – Pension Scheme buyout	*3*	-	152	834	-	986	-
TOTAL CHARITABLE EXPENDITURE		7,925	1,532	2,286	-	11,743	9,686
TOTAL EXPENDITURE	*3*	10,368	1,582	2,327	-	14,277	12,410
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES		(4,838)	(538)	22	-	(5,354)	(4,252)
Realised net gains on investments	*6*	837	-	-	-	837	388
Unrealised gains/(losses) on investments	*6*	(148)	-	-	2	(146)	(3,564)
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(4,149)	(538)	22	2	(4,663)	(7,428)
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(4,149)	(538)	22	2	(4,663)	(7,428)
Transfer between funds	*11, 13*	3,928	(3,985)	57	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		(221)	(4,523)	79	2	(4,663)	(7,428)
Actuarial (losses)/gains on defined benefit pension scheme	*9*	-	-	-	-	-	-
NET MOVEMENT IN FUNDS		(221)	(4,523)	79	2	(4,663)	(7,428)
RECONCILIATION OF FUNDS							
Total funds brought forward		6,422	54,011	1,622	1,248	63,303	70,731
FUND BALANCES CARRIED FORWARD		6,201	49,488	1,701	1,250	58,640	63,303



7. GROUP & PARENT CHARITY BALANCE SHEET

	Notes	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
FIXED ASSETS					
Tangible fixed assets	*4*	30,143	27,008	26,182	23,010
Intangible fixed assets	*5*	296	98	296	98
Investments	*6*	22,501	32,188	19,340	28,379
		52,940	59,294	45,818	51,487
CURRENT ASSETS					
Debtors	*7*	2,818	2,428	13,777	13,658
Cash at bank and in hand		4,014	2,440	3,998	2,425
		6,832	4,868	17,775	16,083
LIABILITIES					
Amounts falling due within one year	*8*	(1,132)	(859)	(1,493)	(351)
NET CURRENT ASSETS		5,700	4,009	16,282	15,732
NET ASSETS		58,640	63,303	62,100	67,219
FUNDS					
Designated funds	*11*	49,488	54,011	49,488	54,316
General reserve	*12*	6,201	6,422	9,661	10,033
Pension deficit		-	-	-	-
UNRESTRICTED FUNDS		55,689	60,433	59,149	64,349
RESTRICTED FUNDS	*13*	1,701	1,622	1,701	1,622
ENDOWMENT FUNDS	*14*	1,250	1,248	1,250	1,248
TOTAL FUNDS		58,640	63,303	62,100	67,219

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 2024 was £10,564k (2023: £13,994k) and Net (Expenditure) Income during the year ended 31 December 2024 was £(5,118)k (2023: (£5,436k)). This figure reflects the charitable donations made by LCMPH to LCM, and the impairment of LCM's investment of LCMPH, both of which are eliminated in the group SOFA.

Approved and authorised by the Board on 21 July 2025 and signed on its behalf by:

Richard Montgomery,
Chair of the Board

George Stylianides,
On behalf of the Finance Subcommittee

The London City Mission,
Company number – 04284615

8. GROUP CASHFLOW STATEMENT

Cash flows from operating activities:	2024 Total £'000	2023 Total £'000
Net cash used in operating activities	(5,956)	(4,028)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,019	972
Proceeds from sale of tangible fixed assets	3,608	2,675
Purchase of tangible fixed assets	(6,518)	(3,514)
Purchase of intangible fixed assets	(256)	-
Proceeds from sale of fixed asset investments	20,834	13,624
Purchase of fixed asset investments	(11,157)	(7,082)
Net cash provided by investing activities	7,530	6,675
Cash flows from financing activities:		
Repayment of Loans	-	(1,805)
Net cash provided by financing activities	-	(1,805)
Increase in cash and cash equivalents	1,574	842

NOTES TO CASH FLOW STATEMENT	2024 Total £'000	2023 Total £'000
1. Reconciliation of net income for the year tonet cash outflow from continuing operating activities		
Net income	(4,663)	(7,428)
Investment income	(1,019)	(972)
Gain on disposal of tangible fixed assets	(1,044)	(1,688)
Realised (gains)/losses on investments	(837)	(388)
Unrealised (gains)/losses on investments	146	3,564
Depreciation on tangible fixed assets	1,520	790
Amortisation of Intangible assets	58	43
Decrease/(increase) in stocks	-	3
Decrease/(increase) in debtors	(390)	2,075
(Decrease)/increase in creditors	273	(27)
Net cash outflow from operating activities	(5,956)	(4,028)

	1 Jan 2024 £'000	Change in year £'000	31 Dec 2024 £'000
2. Analysis of changes in net debt equivalents during the year			
Cash and cash equivalents	2,440	1,574	4,014

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 (LCM) 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 its' subsidiary company 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 subsidiary are consolidated into these financial statements. Summarised details see Note 6.

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 inflationary pressures, a possible slowdown in the UK and global economy and changes in property prices. These could increase LCM's costs, reduce donation income and reduce proceeds from sale of property.

At the end of 2024, LCM held £6.8m in liquid assets (2023: £8.7m), comprising cash or marketable securities that can be liquidated at short notice, which amounts to around 6 months of operating expenses. The Property Development Programme is forecast to provide more than £5m of cash receipts in 2025. 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. 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 straight-line basis respectively. IT capitalisation is capitalised at 33.33% on cost. Property development costs were transferred to be held within the net book value of the property they relate to in 2024, they are depreciated at the same rates as the corresponding property (freehold or leasehold).

(c) Intangible fixed assets and amortisation
Software is amortised over a useful economic life of 5 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 fair value, 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.

(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 market 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. 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 and listed investments). 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 is included in those costs in the Statement of Financial Activities.

(n) Pension costs
The defined benefit pension scheme (final salary) is 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, Communications 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 in proportion to the headcount spent on direct charitable activities. Property costs are allocated based on the usage of the property. This allocation is set out in Note 19.

(r) Significant estimates and judgements
In the application of the company's accounting policies, the directors are 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.

Accrued legacy income

Legacies are recognised when there is an entitlement to the funds, it is considered probable that they will be received and can be measured reliably. Any legacies not received at year end are accrued at 85% of their expected value for prudence.

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.

Where a property is subject to a firm offer, that value is used as the value on the active market. Where a property is being marketed, the sale value is taken to represent market value. Where an investment property is not currently marketed, local postcode data is used to identify market value.

2. ANALYSIS OF RESOURCES EXPENDED

Group	Staff Costs £'000	Other £'000	Dep'n £'000	Total 2024 £'000
Expenditure on raising funds	1,032	1,496	6	2,534
Charitable expenditure	7,163	3,066	1,514	11,743
	8,195	4,562	1,520	14,277

Included in both group and charity above:	2024 £'000
Audit fees	77
Support costs (Note 19)	9,472

Analysis of Resources Expended-2023 for comparison

Group	Staff Costs £'000	Other £'000	Dep'n £'000	Total 2023 £'000
Expenditure on raising funds	772	1,937	15	2,724
Charitable expenditure	6,092	2,819	775	9,686
	6,864	4,756	790	12,410

Included in both group and charity above:	2023 £'000
Audit fees	54
Prior year under accrual of audit fees	25
Support costs (Note 19)	5,325

Of resources expended, £2,326,904 related to restricted funds (2023 - £1,276,585). London City Mission (LCM) went live with a new accounting system in the year ended 31 December 2024, allowing the group to develop a new support costs methodology and refresh the layout of the Statement of Financial Activities to reflect the 5-year strategy. Because the year to 2023 contains data from a different accounting system, it has not been possible to compare support costs totally like for like. The apparent increase between 2023 and 2024 reflects a change in how costs are recorded rather than a change in the underlying costs. A further breakdown of support costs is provided in note 19.

3. STAFF COSTS

	2024 £'000	2023 £'000
Salaries	5,591	5,357
Social Security	527	469
Settlement Costs	84	20
Pension and Life Insurance	1,007	1,018
	7,209	6,864
Expenditure on pension scheme buy-in (note 9).	986	-
	8,195	-

The 986k above is inclusive of the 530k annuity purchase disclosed in note 9, along with professional fees associated with the buy-in and buy-out of the scheme.

The only member of the Board who is remunerated is Graham Miller, the Chief Executive, and his total emoluments for 2024 were £63,529 (2023 £60,578). Pension contributions of £9,428 (2023 £9,019) were also paid on his behalf. He also received rent free accommodation as part of as his role as chief executive until April 2024. From April 2024 onward, London City Mission (LCM) rented a non-LCM owned property for him at a cost of £27,450. Expenses reimbursed amounted to £0 (2023 £0). One board member claimed expenses totalling £313 (2023 £783).

During 2024, the LCM reached settlement agreements with eight employees who subsequently left the organisation. There were two settlements with employees in 2023.

The average number of employees analysed by function was:	2024	2023
Field staff – evangelists	108	113
Other ministry staff	13	9
Maintenance staff	13	13
Support and administration staff	48	49
Employed staff	182	184

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

	2024	2023
£60,000 to £69,999	3	2
£70,000 to £79,999	2	2
£80,000 to £89,999	1	1

Emoluments for the Leadership Team are shown below. The composition of the Leadership Team is set out in the Directors' Report on page 36. The figures below are the total cost to the LCM, including gross salaries, benefits in kind, employers NICs and employer's pension contributions

	2024 £'000	2023 £'000
Key management emoluments	705	691

4. TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property develop-ment £'000	Total £'000
Cost or valuation							
at 1 January 2024	24,118	2,580	3,577	256	337	696	31,564
Transfers	(611)	1,910	-	-	-	(696)	603
Additions	3,858	1,601	1,040	-	19	-	6,518
Disposals	(2,750)	-	-	(256)	-	-	(3,006)
at 31 December 2024	24,615	6,091	4,617	-	356	-	35,679
Depreciation							
at 1 January 2024	(1,683)	(290)	(2,034)	(256)	(293)	-	(4,556)
Dep'n eliminated on disposal	186	-	-	256	-	-	442
Dep'n eliminated on transfer	98	-	-	-	-	-	98
Charge for period	(630)	(24)	(838)	-	(28)	-	(1,520)
at 31 December 2024	(2,029)	(314)	(2,872)	-	(321)	-	(5,536)
Net book values							
at 31 December 2024	22,586	5,777	1,745	-	35	-	30,143
at 31 December 2023	22,435	2,290	1,543	-	44	696	27,008

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Central Office, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	6,340	813	302	-	35	-	7,490
Missionary and Staff Housing	14,432	4,411	413	-	-	-	19,256
Tenanted Properties	175	-	43	-	-	-	218
Christian Centres	1,639	553	987	-	-	-	3,179
	22,586	5,777	1,745	-	35	-	30,143

Charity	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Cost or valuation							
at 1 January 2024	20,362	2,580	3,577	256	337	80	27,192
Transfers	(1,227)	1,910				(80)	603
Additions	3,858	1,601	1,041	-	19	-	6,519
Disposals	(2,750)	-	-	(256)	-	-	(3,006)
at 31 December 2024	20,243	6,091	4,618	-	356	-	31,308
Depreciation							
at 1 January 2024	(1,309)	(290)	(2,034)	(256)	(293)	-	(4,182)
Dep'n eliminated on disposal	183	-	-	256	-	-	439
Dep'n eliminated on transfer	98	-	-	-	-	-	98
Charge for period	(590)	(24)	(839)	-	(28)	-	(1,481)
at 31 December 2024	(1,618)	(314)	(2,873)	-	(321)	-	(5,126)
Net book values							
at 31 December 2024	18,625	5,777	1,745	-	35	-	26,182
at 31 December 2023	19,053	2,290	1,543	-	44	80	23,010

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	4,115	813	302	-	35	-	5,265
Missionary and Staff Housing	14,233	4,411	413	-	-	-	19,057
Tenanted Properties	-	-	43	-	-	-	43
Christian Centres	277	553	987	-	-	-	1,817
at 31 December 2023	18,625	5,777	1,745	-	35	-	26,182

5. INTANGIBLE FIXED ASSETS

Group and charity	Software £'000
Cost or valuation	
at 1 January 2024	304
Additions	256
at 31 December 2024	560
Amortisation	
at 1 January 2024	(206)
Charge for period	(58)
at 31 December 2024	(264)
Net book values	
at 31 December 2024	296
at 31 December 2023	98



6. FIXED ASSET INVESTMENTS

Group	Investec £'000	Cash and COIF £'000	Property £'000	Total £'000
Valuation at 1 January 2024	6,251	415	25,522	32,188
Additions	11,157	-	-	11,157
Disposals	(14,929)	-	(5,905)	(20,834)
Transfers at book value	-	-	(701)	(701)
Net realised (losses)/gains	512	-	325	837
Net unrealised (losses)/gains	(170)	2	22	(146)
Valuation at 31 December 2024	2,821	417	19,263	22,501
Cost at 31 December 2024	1,935	405	9,914	12,254

Charity	Investec £'000	Cash and COIF £'000	Property £'000	Investment in LCMPH £'000	Total £'000
Valuation at 1 January 2024	6,251	415	12,723	8,990	28,379
Additions	11,157	-	-	-	11,157
Disposals	(14,929)	-	(2,608)	-	(17,537)
Transfers at book value	-	-	(701)	-	(701)
Net realised (losses)/gains	512	-	(136)	-	376
Net unrealised (losses)/gains	(170)	2	653	(2,819)	(2,334)
Valuation at 31 December 2024	2,821	417	9,931	6,171	19,340
Cost at 31 December 2024	1,935	405	7,217	16,900	26,457

London City Mission (LCM) holds a wide range of investments managed by Investec and COIF. At year end 59% (2023: 56%) 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 Holdings Ltd

London City Mission Property Holdings Ltd is a private limited company (Company No. 12320018) which is controlled by LCM. Its' results are consolidated into the LCM group accounts.

	2024 £'000	2023 £'000
Turnover	3,330	4,450
Cost of sales	(828)	(1,783)
Other operating income	57	1
Administrative expenses	(890)	(1,108)
Profit for the year	**1,669**	**1,560**
Total Assets	11,695	11,198
Total Liabilities	(11,696)	(11,448)
Net Funds	**(1)**	**(250)**

Each year, any taxable profit of London City Mission Property Holdings Ltd is distributed to London City Mission.

9. NOTES TO THE ACCOUNTS

7. DEBTORS

	2024 Group £'000	2023 Group £'000	2024 Charity £'000	2023 Charity £'000
Cash due from legacies	2,187	1,979	2,187	1,979
Staff loans and season tickets	15	15	15	15
Accrued Income	128	50	128	50
Prepayments	160	218	159	218
Intercompany balances	-	-	11,030	11,235
Other debtors	328	166	258	161
	2,818	2,428	13,777	13,658

Of the intercompany balance, in 2023 £11,705k related to an intercompany loan from LCM to LCMPH with the remainder consisting of balances from the day to day activities of group entities. in 2024, the balances have been separated out for clearer presentation, with the intercompany loan presented as owed to the charity above, the £955k owed to LCMPH by LCM presented in note 8 below.

The £11,030k intercompany loan (2023 - £11,705k) is receivable over more than one year, being paid off as LCMPH sells the properties it owns.

8. CREDITORS

Amounts falling due within one year:	2024 Group £'000	2023 Group £'000	2024 Charity £'000	2023 Charity £'000
Accruals	192	310	127	278
Trade creditors	128	-	128	-
Rent deposits	34	67	34	67
Deferred Income	279	176	103	-
Intercompany Balances	-	-	955	-
Other creditors	499	306	146	6
	1,132	859	1,493	351

9. PENSION COMMITMENTS – GROUP AND CHARITY

London City Mission (LCM) operates a defined benefit pension scheme for all qualifying employees who elected to join the scheme but was closed to new entrants in 2006. 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 as at 31 May 2023 was completed in July 2024 by the scheme actuary. The May 2023 valuation showed that the market value of the scheme's assets was £3.772m (2020: £5.392m). The actuarial value of those total assets represented 101% (2020: 67%) of the benefits that had accrued to members. The funding position calculated on a technical provisions basis as at 31 May 2023 showed a surplus and no deficit repair contributions are therefore required. The next triennial review is due 31 May 2026.

On 31 May 2024, the Trustees of the scheme transacted a buy-in policy with Aviva. This insures all member benefits in the scheme, apart from AVCs. The buy-in annuity is treated as an investment strategy change. On the basis that the buy-in policy exactly matches the amount and timing of some or all of the benefits payable under the scheme, the asset value of the buy-in annuity policy has been set equal to the liabilities. Under this treatment the reduction in asset value is recognised as an asset loss via OCI. LCM contributed £530k to the scheme, which is made as part of this transaction.

The actuary has carried out a further full valuation of the scheme as at 31 December 2024 to produce the information required under FRS 102 – Section 28 Disclosure Report.

London City Mission Retirement and Death Benefit Scheme	**2024 £'000**	**2023 £'000**
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	7,395	7,478
2. Cost (excluding interest)		
a. Change arising from employee service in reporting period	-	-
b. (Gain)/ loss on curtailments / changes / introductions	-	-
c. (Gain)/ loss on settlements	-	-
3. Interest expense	346	362
4. Cash flows		
a. Benefit payments from plan assets	(337)	(496)
b. Benefit payments from employer	-	-
c. Settlement payments from plan assets	-	-
d. Settlement payments from employer	-	-
e. Participant contributions	-	-
f. Administrative expenses included in the DBO	-	-
g. Taxes included in the DBO	-	-
h. Insurance premiums for risk benefits	-	-
5. Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	-	-
b. Increase (decrease) due to plan combinations	-	-
6. Remeasurements		
a. Effect of changes in assumptions	(672)	5
b. Effect of experience adjustments	(619)	46
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	**6,113**	**7,395**

London City Mission Retirement and Death Benefit Scheme	**2024 £'000**	**2023 £'000**
B. Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	7,554	7,921
2. Interest income	354	384
3. Cash flows		
a. Total employercontributions		
(i) Employer contributions	530	-
(ii) Employer direct benefit payments	-	-
(iii) Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	(337)	(496)
d. Benefit payments from employer	-	-
e. Settlement payments from plan assets	-	-
f. Settlement payments from employer	-	-
g. Administrative expenses paid from plan assets	-	-
h. Taxes paid from plan assets	-	-
i. Insurance premiums for risk benefits	-	-
4. Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	-	-
b. Increase (decrease) due to plan combinations	-	-
5. Remeasurements		
a. Return on plan assets (excluding interest income)	(1,932)	(255)
6. Effect of changes in foreign exchange rates	-	-
7. Fair value of plan assets at end of year	**6,169**	**7,554**

C. Change in reimbursement rights		
1. Reimbursement rights at end of prior year	-	-
2. Change arising from employee service in reporting period to reimbursement rights	-	-
3. Gain / (loss) on settlements	-	-
4. Interest income	-	-
5. Cash flows		
a. Employer contributions to reimbursement rights	-	-
b. Reimbursements to employer	-	-
6. Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	-	-
b. Increase (decrease) due to plan combinations	-	-
7. Remeasurements		
a. Return on reimbursement rights (excluding interest income)	-	-
8. Effect of changes in foreign exchange rates	-	-
9. Reimbursement rights at end of year	**-**	**-**

D. Change to asset ceiling		
1. Asset ceiling at end of prior year	159	443
2. Interest income	8	22
3. Remeasurements		
a. Changes in asset ceiling (excluding interest income)	(111)	(306)
4. Effect of changes in foreign exchange rates	-	-
5. Asset ceiling at end of year	**56**	**159**

London City Mission Retirement and Death Benefit Scheme	2024 £'000	2023 £'000
E. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	6,113	7,395
2. Fair value of plan assets	(6,169)	(7,554)
3. Funded status	**(56)**	**(159)**
4. Effect of asset ceiling	56	159
5. Net defined benefit liability (asset)	**-**	**-**
F. Cost relating to defined benefit plans		
1. Cost (excluding interest)		
a. Change arising from employee service in reporting period	-	-
b. Change arising from employee service in reporting period to reimbursement rights	-	-
c. (Gain)/ loss on curtailments / changes I introductions	-	-
d. (Gain)/ loss on settlements	-	-
e. Total cost	**-**	**-**
2. Net interest cost		
a. Interest expense on DB0	346	362
b. Interest (income) on plan assets	(354)	(384)
c. Interest (income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)	8	22
e. Total net interest cost	**-**	**-**
3. Remeasurements of Other Long Term Benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DB0)	**-**	-
5. Cost relating to defined benefit plans included in P&L	-	**-**
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in assumptions	(672)	5
b. Effect of experience adjustments	(619)	46
c. (Return) on plan assets (excluding interest income)	1932	255
d. (Return) on reimbursement rights (excluding interest income)	-	-
e. Changes in asset ceiling (excluding interest income)	(111)	(306)
f. Total remeasurements included in OCI	**530**	**-**
7. Total cost related to defined benefit plans recognized in P&L and OCI	**530**	**-**

London City Mission Retirement and Death Benefit Scheme	2024 £'000	2023 £'000
G. Net defined benefit llabllty (asset) reconciliation		
1. Net defined benefit liability (asset) at beginning of year	-	-
2. Cost relating to defined benefit plans included in P&L	-	-
3. Total remeasurements included in OCI	530	-
4. Other significant events		
a. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-
b. Amounts recognized due to plan combinations	-	-
5. Cash flows		
a. Employer contributions	(530)	-
b. Employer direct benefit payments	-	-
c. Employer direct settlement payments	-	-
6. Credit to reimbursements	-	-
7. Effect of changes in foreign exchange rates	-	-
8. Net defined benefit liability (asset) at end of year	-	-
H. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	-	-
b. Vested deferreds	2,812	3,224
c. Retirees	3,300	4,171
d. Total	**6,113**	**7,395**
I. Plan assets		
1. Fair value of plan assets		
a. Cash and cash equivalents	56	61
b. Equity instruments	-	-
c. Debt instruments	-	3,322
d. Real estate	-	-
e. Other	6,113	4,171
f. Total	**6,169**	**7,554**
2. Amount invested in entity's own assets		
a. Equity instruments	-	-
b. Debt instruments	-	-
c. Real estate	-	-
d. Other	-	-
e. Total	-	-
3. Actual return on plan assets	(1 ,578)	129

London City Mission Retirement and Death Benefit Scheme	2024 £'000	2023 £'000
J. Significant actuarial assumptions		
Weighted-average assumptions to determine defined benefit obligation		
Discount rate	5.50%	4.80%
Duration used to set discount rate (in years)	11.00	12.00
Price inflation rate (RPI)	3.20%	3.20%
Price inflation rate (CPI)	2.80%	2.80%
Post-retirement mortality assumption	110% (males) and 105% (females) of the standard tables S3PMA / S3PFA_M, Year of Birth, no age rating projected using CMI_2023 converging to 1.25% p.a.	113% of the standard tables S3PMA / S3PFA_M, Year of Birth, no age rating projected using CMI_2022 converging to 1.25% p.a.
Assumed life expectancy on reti rement at age 65		
Retiring today (member age 65)	20.7 (M) / 23.0 (F)	20.5 (M) / 22.4 (F)
Retiring in 20 years (member age 45 today)	21.9 (M) / 24.5 (F)	21 .8 (M) / 23.9 (F)
Weighted-average assumptions to determine cost relating to defined benefit plans		
Discount rate	4.80%	5.00%
Price inflation rate (RPI)	3.20%	3.30%
Price inflation rate (CPI)	2.80%	2.80%
Post-retirement mortality assumption	113% of the standard tables S3PMA / S3PFA_M, Year for Birth, no age rating projected using CMI_2022 converging to 1.25% p.a.	119% of the standard tables S3PMA / S3PFA_M, Year for Birth, no age rating projected using CMI_2021 converging to 1.25% p.a.
Assumed life expectancy on retirement at age 65		
Retiring today (member age 65)	20.5 (M) / 22.4 (F)	20.9 (M) / 22.6 (F)
Retiring in 20 years (member age 45 today)	21 .8 (M) / 23.9 (F)	22.2 (M) / 24.2 (F)

K. Sensitivity analysis	£'000	£'000
Present value of defined benefit obligation		
Discount rate - 50 basis points	6,454	7,832
Discount rate + 50 basis points	5,803	6,998
Price inflation rate - 25 basis points	6,069	7,332
Price inflation rate + 25 basis points	6,166	7,459
Post-retirement mortality assumption - 1 year age rating	6,328	7,716

London City Mission Retirement and Death Benefit Scheme	2024 £'000
L. Expected cash flows for following year	
1. Expected employer contributions	-
2. Expected contributions to reimbursement rights	-
3. Expected total benefit payments	
Year1	391
Year2	383
Year3	400
Year4	425
Years	399
Next 5 years	2,122

M. Membership statistics	2024	2023
1. Census date	31 May 2023	31 May 2020
2. Actives		
a. Number	-	-
b. Total annual pensionable pay	-	-
c. Average annual pensionable pay	-	-
d. Average age	-	-
e. Average past service	-	-
3. Vested deferreds		
a. Number	94	106
b. Average annual pension	876	910
c. Average age	58.00	55.00
4. Retirees		
a. Number	52	66
b. Average annual pension	5,812	5,494
c. Average age	77.00	76.00

10. TAXATION

As a registered charity, London City Mission (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 2024 £'000	Income £'000	Expenses £'000	Gains/losses £'000	Net transfers £'000	Balance 31 Dec 2024 £'000
Central Office, retirement, other properties and vehicles	4,085	-	(541)	597	740	4,881
Missionary and staff housing	16,309	-	(425)	271	2,902	19,057
Housing for the Marginalised	-	-	-	175	(175)	-
Tenanted properties	1,087	-	(118)	-	(926)	43
Christian Centres	530	-	(346)	1	474	659
Designated Assets (Fixed Assets less Debt)	**22,011**	**-**	**(1,430)**	**1,044**	**3,015**	**24,640**
Ministry sustainability	30,500		-	-	(7,000)	23,500
Pension deficit	1,500	-	(152)	-	-	1,348
	54,011	**-**	**(1,582)**	**1,044**	**(3,985)**	**49,488**

Transfers of designated assets represent the reallocation of properties, at book value, between funds. The transfer out of the Ministry Sustainability Fund is released to the General Fund in line with the Long-Term Financial Sustainability objective.

Charity	Balance 1 Jan 2024 £'000	Income £'000	Expenses £'000	Gains/losses £'000	Net transfers £'000	Balance 31 Dec 2024 £'000
Central Office, retirement, other properties and vehicles	4,393	-	(541)	289	740	4,881
Missionary and staff housing	16,130	-	(425)	450	2,902	19,057
Housing for the Marginalised	176	-	-	-	(176)	-
Tenanted properties	1,087	-	(118)	-	(926)	43
Christian Centres	530	-	(346)	-	475	659
Designated Assets (Fixed Assets less Debt)	**22,316**	**-**	**(1,430)**	**739**	**3,015**	**24,640**
Ministry sustainability	30,500	-	-	-	(7,000)	23,500
Pension deficit	1,500	-	(152)	-	-	1,348
	54,316	**-**	**(1,582)**	**739**	**(3,985)**	**49,488**

Group	Balance 1 Jan 2023 £'000	Income £'000	Expenses £'000	Gains/losses £'000	Net transfers £'000	Balance 31 Dec 2023 £'000
Central Office, retirement, other properties and vehicles	8,380	-	(249)	553	(4,599)	4,085
Missionary and staff housing	14,703	-	(322)	619	1,309	16,309
Housing for the Marginalised	176	-	-	-	(176)	-
Tenanted properties	1,113	-	(48)	-	22	1,087
Christian Centres	1,896	-	(96)	533	(1,803)	530
Designated Assets (Fixed Assets less Debt)	**26,268**	**-**	**(715)**	**1,705**	**(5,247)**	**22,011**
Ministry sustainability	33,000		-	-	(2,500)	30,500
Pension deficit	1,500	-	-	-	-	1,500
	60,768	**-**	**(715)**	**1,705**	**(7,747)**	**54,011**

Charity	Balance 1 Jan 2023 £'000	Income £'000	Expenses £'000	Gains/losses £'000	Net transfers £'000	Balance 31 Dec 2023 £'000
Central Office, retirement, other properties and vehicles	8,715	-	(276)	553	(4,599)	4,393
Missionary and staff housing	14,703	-	(325)	619	1,133	16,130
Housing for the Marginalised	176	-	-	-	-	176
Tenanted properties	1,113	-	(48)	-	22	1,087
Christian Centres	1,896	-	(96)	533	(1,803)	530
Designated Assets (Fixed Assets less Debt)	**26,603**	**-**	**(745)**	**1,705**	**(5,247)**	**22,316**
Ministry sustainability	33,000	-	-	-	(2,500)	30,500
Pension deficit	1,500	-	-	-	-	1,500
	61,103	**-**	**(745)**	**1,705**	**(7,747)**	**54,316**

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

Central Office, 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.

Housing for the Marginalised

This fund included 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. This project is being wound down at the 31 December 2024 to be replaced with an alternative ministry so the property is no longer recognised within this fund.

Tenanted Properties

This fund included 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. Most properties in this fund have been reclassified as Christian Centres or Investment Properties in year to better reflect their use.

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. It also includes Christian Centres rented out to other charitable organisations. Christian Centres currently not being used for ministry purposes and rented out commercially or with the intention of being sold are classified as investment properties.

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. £7m was drawn from the fund in 2024 to cover the deficit in the general fund.

Pension deficit

As LCM furthers the buyout of the closed pension scheme, the Pension Deficit designated fund is being used to fund this. During the year, £152k was used toward the buyout of the scheme, with a further £834k being funded by the Holiday Homes Fund, which is explained in note 13. The trustees anticipate that the remaining £1.3m in this designated fund will be sufficient to complete the buyout process.

12. GENERAL FUNDS

Group	Balance 1 Jan 2024 £'000	Net movement £'000	Balance 31 Dec 2024 £'000
General reserve	6,422	(221)	6,201

Charity	Balance 1 Jan 2024 £'000	Net movement £'000	Balance 31 Dec 2024 £'000
General reserve	10,033	(372)	9,661

Group	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
General reserve	7,207	(785)	6,422

Charity	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
General reserve	8,796	1,237	10,033

13. RESTRICTED FUNDS

Group and charity	Balance 1 Jan 2024 £'000	Income £'000	Gains on investments £'000	Expenses £'000	Transfers £'000	Balance 31 Dec 2024 £'000
LCM Pioneers	-	242	-	(242)	-	-
Retired fund - Property	344	-	-	(4)	8	348
Holiday homes fund	834	-	-	(834)	-	-
Relief fund - Property	270	742	-	(6)	152	1,158
Relief fund - General	116	438	-	(457)	(97)	-
Restricted Christian Centre fund	4	153	-	(8)	-	149
Restricted ministry fund	54	774	-	(776)	(6)	46
	1,622	**2,349**	**-**	**(2,327)**	**57**	**1,701**

Group and charity	Balance 1 Jan 2023 £'000	Income £'000	Gains on investments £'000	Expenses £'000	Transfers £'000	Balance 31 Dec 2023 £'000
LCM Pioneers	-	151	-	(151)	-	-
Retired fund - Property	348	-	-	(4)	-	344
Holiday homes fund	776	17	41	-	-	834
Relief fund - Property	273	-	-	(3)	-	270
Relief fund - General	32	519	-	(435)	-	116
Restricted Christian Centre fund	4	6	-	(6)	-	4
Restricted ministry fund	81	584	-	(611)	-	54
	1,514	**1,277**	**41**	**(1,210)**	**-**	**1,622**



LCM Pioneers

Donations received specifically as a contribution towards the employment and training of the London City Mission (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. In 2024, as LCM has continued to progress the buyout of this pension scheme, in line with legal advice taken, the balance of this fund has been used to fund this work. The remainder of the buyout will be funded by the Pension deficit fund disclosed in note 11.

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, which underwent renovation in 2024.

Restricted Christian Centre Fund

This fund is made up of donations kindly given, specifically as a contribution toward running the Christian Centres owned by LCM, offset against direct costs.

Restricted Ministry Fund

This fund is made up of specific donations generously given to support individual LCM missionaries or ministries. Donations received are spent against the direct cost of supporting the missionary or ministry in question.

14. ENDOWMENT FUNDS

Group and charity	Balance 1 Jan 2024 £'000	Net movement £'000	Balance 31 Dec 2024 £'000
Perpetual trusts	1,248	2	1,250

Group and charity	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
Perpetual trusts	1,242	6	1,248

Perpetual trusts

These consist of a number of separate funds established during the history of London City Mission (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	2024 £'000	2023 £'000
Tangible fixed assets	3,996	24,640	1,507	-	30,143	27,008
Intangible fixed assets	296	-	-	-	296	98
Investments	-	21,057	194	1,250	22,501	32,188
Current assets	3,041	3,791	-	-	6,832	4,868
Current liabilities	(1,132)		-	-	(1,132)	(859)
Long-term debt	-		-	-	-	-
Total net assets	6,201	49,488	1,701	1,250	58,640	63,303

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2024 £'000	2023 £'000
Tangible fixed assets	35	24,640	1,507	-	26,182	23,010
Intangible fixed assets	296	-	-	-	296	98
Investments	-	17,896	194	1,250	19,340	28,379
Current assets	10,823	6,952	-	-	17,775	16,083
Current liabilities	(1,493)		-	-	(1,493)	(351)
Long-term debt	-		-	-	-	-
Total net assets	9,661	49,488	1,701	1,250	62,100	67,219

16. CAPITAL AND OTHER COMMITMENTS

There are no capital commitments as at 31 December 2024.

17. POST BALANCE SHEET EVENTS – INVESTMENT PROPERTY

As at 31 December 2024, London City Mission (LCM) was in discussions with a number of third parties to purchase or enter into development agreements for some of LCM's investment 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:

	2024 £'000	2023 £'000
Within one year	14	33
Between two and five years	8	18
In more than five years	-	-
	22	**51**

19. SUPPORT COSTS

2024	Ministries	CEO's Office	Networks	People & Organisational Development	Technology	Finance	Communications & Marketing	Property	Totals
Expenditure on Raising Funds	-	29	14	77	77	163	57	2,031	2,448
Church Mobilisation	365	194	88	510	504	1,077	408	2,364	5,510
Thought Leadership	36	19	9	50	48	105	40	111	418
Organisational fitness	8	4	2	11	11	24	10	1,026	1,096
Total	409	246	113	648	640	1,369	515	5,532	9,472

2023	Ministries	CEO's Office	Networks	People & Organisational Development	Technology	Finance	Communications & Marketing	Property	Totals
Expenditure on Raising Funds	-	17	9	70	57	135	57	1,048	1,393
Church Mobilisation	376	119	54	467	368	902	407	655	3,348
Thought Leadership	-	12	5	45	36	87	40	28	253
Organisational fitness	9	3	1	10	8	20	9	271	331
Total	385	151	69	592	469	1,144	513	2,002	5,325

20. RELATED PARTY TRANSACTIONS

Travel expenses of £313 were reimbursed to one trustee (2023 – £783, one trustee). There were no other related party transactions in the year in respect of Board members and members of the Leadership Team.

21. DONATIONS FROM TRUSTEES

Eleven (2023: fourteen) trustees and connected persons made donations in the year totalling £31,434 (2023: £89,760).





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THE LONDON CITY MISSION

England & Wales - Charity number 247186

Accounts

ANNUAL REPORT 2023

BECAUSE LONDON NEEDS JESUS



THE LONDON CITY MISSION
Company Number: 04284615
Charity Number: 247186

THE SPIRIT OF THE SOVEREIGN LORD IS ON ME, BECAUSE THE LORD HAS ANOINTED ME TO PROCLAIM GOOD NEWS TO THE POOR.

HE HAS SENT ME TO BIND UP THE BROKEN-HEARTED, TO PROCLAIM FREEDOM FOR THE CAPTIVES AND RELEASE FROM DARKNESS FOR THE PRISONERS, TO PROCLAIM THE YEAR OF THE LORD'S FAVOUR AND THE DAY OF VENGEANCE OF OUR GOD, TO COMFORT ALL WHO MOURN, AND PROVIDE FOR THOSE WHO GRIEVE IN ZION— TO BESTOW ON THEM A CROWN OF BEAUTY INSTEAD OF ASHES, THE OIL OF JOY INSTEAD OF MOURNING, AND A GARMENT OF PRAISE INSTEAD OF A SPIRIT OF DESPAIR.

ISAIAH 61:1-3 (NIV)



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1. LETTER FROM THE CEO AND CHAIRMAN

DEAR FRIEND

We face a task of great urgency. Over four million people in London today are heading towards an eternal destiny without the opportunity to hear of the saving grace to be found in Jesus Christ.

Before His ascension, the Lord Jesus gave us the Great Commission to 'Go and make disciples of all nations' (Matthew 28:19). The Lord has brought the nations to our doorstep in London and yet many are still to hear the gospel.

When God moves, miracles happen - every salvation is a miracle! We are a small mission full of all kinds of missionaries. Some of us are people who came to faith in prison, who have been homeless, refugees, who have worked in the sex industry. We dare to intercede to the Lord for a movement of His Spirit amongst the 4 million people who would never otherwise hear of Jesus Christ.

Those 4 million unlikely to hear the life-changing message of Jesus Christ are the poorest and most forgotten among us. Tragically, in London today, gospel poverty and socio-economic deprivation go hand in hand.

Yet, the Lord Jesus quoted Isaiah 61:1, 'the Lord has anointed me to proclaim good news to the poor' (Luke 4:18). The message we share is such incredibly good news when we realise our spiritual bankruptcy in the face of the 'day of judgment' spoken about in Isaiah 61:2.

Those we seek to reach are often much more willing to recognise their poverty before the Lord's judgment - there is much we can learn from them.

We are on our knees, praying for a move of the Spirit in London. As we increasingly partner with local urban churches, we are longing by God's grace to see the truth of His word set hearts ablaze for mission to those on the margins of London.

Together, let us keep working in the Great Commission; praying, giving and sharing the gospel, encouraged that the Lord Jesus has said that 'He will be with us always until the end of the age'. (Matthew 28:20)

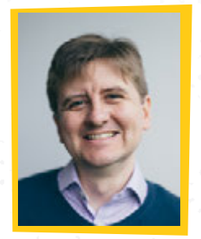
That is our heartbeat. This is what drove us 189 years ago and this is what still drives us today.

Thank you for your partnership in the gospel.

Yours in Christ Jesus,



Graham Miller
Chief Executive, London City Mission.



Richard Montgomery
Chairman of the Board of Trustees







"We're seeing so much happening as a result of LCM partnership. And many people in the church are excited about the spiritual battles we're winning and seeing new people coming to church."

PHIL WOOLLEY, PASTOR, RYE LANE CHAPEL



"London City Mission are there for us. Not only to provide evangelism training but also to encourage churches to get involved in evangelism and preaching the gospel. They are very useful. And they are always ready whenever the church needs them."

PASTOR IMMANUAL CHRISTIAN, HOLY TRINITY HOUNSLOW



"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



"One of the things I love about LCM, they know that when you come into a community, you've got to understand it. We found their mapping exercise of the local area invaluable - especially understanding its spiritual history. It's helped so much in the way we relate to people here."

ED DIX, MINISTER, ST. LUKE'S CHURCH, MILLWALL



2. STRATEGIC REPORT

2A. OUR PURPOSE AND VISION

WE LONG TO SEE JESUS KNOWN ACROSS EVERY COMMUNITY IN LONDON. GOD'S URGENT MESSAGE OF SALVATION IS FOR EVERYONE, BUT HIS HEART FOR THOSE ON THE MARGINS IS ESPECIALLY CLEAR IN SCRIPTURE.

The Spirit of the Sovereign Lord is on me, because the Lord has anointed me to proclaim good news to the poor. He has sent me to bind up the broken-hearted, to proclaim freedom for the captives and release from darkness for the prisoners, to proclaim the year of the Lord's favour and the day of vengeance of our God, to comfort all who mourn, and provide for those who grieve in Zion—to bestow on them a crown of beauty instead of ashes, the oil of joy instead of mourning, and a garment of praise instead of a spirit of despair

Isaiah 61:1-3 (NIV)

As much as ever, London is home to people whose everyday experience is one of rejection, helplessness and often shame. People who face daily challenges, often invisible to others - they lack resources, forced to get by from one day to the next.

But it goes deeper than that.

They lack status, connections, community… options. Things many of us take for granted.

They lack the family member to call when they face eviction from their home. The friend waiting for them outside the prison gates. The community they once enjoyed, now replaced by loneliness in their older age. They lack the knowledge of 'the right thing to say' when they enter a new environment. The language skills to find help for their family.

Perhaps more than anything, they lack hope.

It's clear throughout the Bible that God has a heart for people who are marginalised and overlooked – people whose physical poverty can help expose their helplessness before Him.

We know it's here, and only here – recognising our helplessness before a Holy God – that Jesus meets us, and invites us to repentance and into eternal hope in Him.

And yet, tragically it's in London's most deprived communities, on the doorsteps of almost every church in the city – that people are least likely to hear this invitation. Here, Jesus is someone they once heard about a long time ago, just another prophet, a myth… or a complete mystery.

Our vision is that Jesus is known in every one of these communities, that everyone is invited to follow Him. This can only happen if the local church thrives and flourishes as it grows in number and diversity. We long to serve churches in partnership, building them up to reflect the many cultures and backgrounds of the city, and become a more powerful witness of God's love to anyone looking in.

We are building up and equipping the Church to share the urgent message of salvation – to share His offer of forgiveness and new life.

The time is now.

Working as a catalyst alongside local churches in the most deprived areas of London, following the leading of the Holy Spirit, we help to build ministries that make connections with the communities around them.

Together we follow Christ's example in seeking out people – especially those overlooked by others – and sharing the gospel in a relevant and loving way. We support the church in pursuing intentional, committed relationships, where Christians can effectively share their faith in Jesus, and demonstrate it practically.

People from marginalised backgrounds have a valued place as part of God's people, and an important contribution to bring to our church families. So, we help churches build welcoming cultures so that when someone accepts an invitation, it's a place where they can grow and thrive… regardless of their background.

All that we do is rooted in prayer, completely dependent on the work of the Holy Spirit. And we pray that as the gospel is heard and experienced, many men, women and children – who may never previously have stepped into a church – would come to follow Jesus… and invite others to do the same.



"AS LONG AS IT IS DAY, WE MUST DO THE WORKS OF HIM WHO SENT ME. NIGHT IS COMING, WHEN NO ONE CAN WORK."
John 9:4

2B. 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 about it. We do this by working alongside the Church in London, helping churches build bridges into communities in their local areas 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.

2C. MISSIONAL ACTIVITIES

We have a vision to see Jesus known in every community in London. To see this vision realised, we are completely reliant on the work of the Lord. And so, our first and most foundational 'activity' as a mission is prayer – in partnership with Christians across the UK and beyond.

However, it is also wise and Biblical to define the steps which we need to take to have our desired impact as an organisation.

As such, LCM has a developed Theory of Change – **a framework for mission impact**, which outlines the problem we are facing, the missional activities we believe will address this problem and the outcomes we prayerfully seek from these interventions.

2. STRATEGIC REPORT



2. STRATEGIC REPORT

LCM FRAMEWORK FOR MISSION IMPACT

SITUATION ADDRESSED

What problem does LCM address?

The UK church can face challenges living out God's mission to share Jesus with people who may not otherwise hear the gospel – who are in the city's most deprived communities

Christians may not have the conviction, capability, or capacity to engage in missional activities to people who may not otherwise hear the gospel

Friendship evangelism is often the focus of Christians yet this doesn't encourage the crossing of social, religious and cultural boundaries to people who may not otherwise hear

Other mission agencies focus on Christians who are already confident to speak about their faith

PEOPLE ENGAGED

Who does LCM engage?

Church engagement

Church leaders and Christians in London and beyond

Churches, local communities and Christian organisations

Direct engagement alongside churches

People unlikely to hear the gospel

Priority characteristics

- Young people
- Islam and other religions
- Homeless and marginalised
- Seniors and estates
- Diaspora

ACTIVITIES DELIVERED

What does LCM deliver?

Develop and release envisioning thought leadership

Calling the church

Provision of thought leadership and trained missionaries through ministry church partnerships. Missionaries go out and share the good news with people in communities least likely to hear the gospel, with Christians in the local church, building up the local church in their outreach.

Serving the church

Provision of specific training in mission

SUCCESS FACTORS

What will make LCM effective?

External reputation
LCM need credibility and respect from Christians and the wider church

Expertise in mission
LCM need to maintain thought leadership and practical expertise in mission to people otherwise unlikely to hear the gospel

High quality of delivery
LCM need to deliver their work in a way that is effective for the churches and people we are serving

Strong organisational culture
LCM need to live out their values, engage with humility, and act with integrity

Biblical missiology and **active partnership with God**

FIRST STAGE OUTCOMES CREATED

What will the first stage of LCM's outcomes be?

Mobilisation of the church

HEAD — **Christians in London and beyond demonstrate a transformed faith and theology:** Belief in God's plan for salvation and that becoming more like God includes becoming missional to people who may not otherwise hear the gospel

HEART — **Christians in London and beyond demonstrate a transformed heart:** Personal conviction for mission to people who may not otherwise hear the gospel

HANDS — **Christians in London and beyond demonstrate a transformed ability:** Confidence and capability to share Jesus

FEET — **Christians in London and beyond demonstrate transformed behaviours:** Frequency of everyday missional activities to people who may not otherwise hear the gospel, encouraging others to do the same

FEET — **Local churches have a sustainable, structured, innovative missional team** which invites people from communities least likely to hear the gospel to follow Jesus, welcoming and discipling those who respond

Transformed identity

SECOND STAGE OUTCOMES CONTRIBUTED TO

What will the second stage of outcomes be?

Spread of the gospel

London, and then the wider UK, sees a growth in organised and organic collective mission

Churches understand local needs and visibly share their vision for mission to people who may not otherwise hear the gospel

Regular activities taking place, led by churches or local mission initiatives to serve the spiritual, emotional and physical needs of people who may not otherwise hear the gospel in their local community

More of people who may not otherwise hear the gospel hear about Jesus

People who may not otherwise hear the gospel, come to know Jesus

More people who may not otherwise hear the gospel become part of a church community and are discipled

Churches increase in diversity in membership and leadership as they become more mission focused

LINE OF ACCOUNTABILITY

STOCKWELL BAPTIST CHURCH

Every Wednesday and Friday, a team from Stockwell Baptist Church, trained by missionary Denzel Gaisie, goes out into the local estate to meet people on their doorsteps.

"FOR MANY PEOPLE WE MEET, THIS IS THEIR FIRST TIME HEARING THE TRUE MESSAGE ABOUT JESUS AND A SEED IS BEING PLANTED."

The ministry has seen the church connect with new people in their local community, opening up exciting new opportunities to share the grace of God in Jesus. In a single three month period, there were 41 gospel conversations, many of which were sharing the good news of Jesus Christ for the first time.

Hear the full story at lcm.org.uk/stockwell

LCM FRAMEWORK FOR MISSION IMPACT

SITUATION ADDRESSED

The Bible tells us that the Church is God's primary means of reaching people with the gospel.

Our heart as evangelists is to work to build up the potential of local churches to reach people, especially those in deprived communities, with the hope of Jesus. And our prayer is to see God at work, with churches growing in number and diversity as they're joined by people from these communities.

But obstacles hinder this potential from being released.

Christians can lack the conviction, capability, or capacity to engage in urban mission, and there is little evangelism support for people who lack confidence.

Where there is evangelism training, it tends to be directed to a Christian's existing network of friends, family and colleagues, rather than to people from other backgrounds.

ACTIVITIES DELIVERED

To release the incredible potential of the local church, LCM's response is to both **serve** and **call** the local church in London and beyond, as we step out into the Great Commission together.

We act as a **servant of the Church**.

We do this by building **gospel partnerships** with churches across London and beyond.

Having identified areas of the city where the greatest gospel poverty exists, we place Christian evangelists – whom we have trained in urban mission – into these areas to reach communities with the gospel, alongside local churches.

We serve the vision of the local church, building up the church in urban outreach, and sharing the good news of Jesus alongside members of the church. This usually involves working with the church to:

- research the local area and understand its needs
- plan and evaluate our outreach efforts together
- build up the congregation to become welcoming, missional, and interculturally sensitive
- train up future ministry leaders and workers, establishing missional teams
- encourage the whole church to support missional activities in prayer.

We serve the church in a spirit of humility and mutual generosity. We want to invest in mission in the most deprived areas of London, and do not pass the full costs directly to our partner churches – we subsidise them in line with the churches' income, and instead ask for their generous engagement in our partnership together in the gospel.

A GLOBAL CITY, A GLOBAL CHURCH

Almost every church we partner with is home to people from other parts of the world. And our experience is that this diversity can make for more effective outreach. 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're increasingly partnering with diaspora congregations. This involves resourcing them to share the gospel with the people yet to hear the gospel in their local area. This could involve connecting them with other local churches from other cultural backgrounds to do mission together, training church members in cross-cultural outreach ministry, or supporting them to start church services in different languages.

We complement and accelerate our on-the-ground ministry by providing training in urban mission both to individual Christians and to churches, increasingly building links and partnerships with a wide range of supportive evangelical churches throughout the UK.

This training is delivered through church visits, in-person events and conferences throughout the year.

It's also delivered through the creation and publication of training content to Christians via our digital channels. Our how-to guides (made available on our website) are an example, distilling expertise and insights from missionaries who specialise in various areas, such as reaching seniors with the gospel.





PEOPLE REACHED

ALL OUR INTERVENTIONS ARE DESIGNED TO EQUIP CHRISTIANS TO SHARE THE GOSPEL AMONGST SPECIFIC COMMUNITIES WITHIN LONDON.

IT REMAINS A TRAGEDY THAT GOSPEL POVERTY IN LONDON IS GREATEST IN THE AREAS WHERE THERE IS ALSO THE GREATEST SOCIO-ECONOMIC DEPRIVATION



ESTATES

Nearly a quarter of households in London live in social housing – meaning most of the capital's churches have an estate close by. Especially amongst white working-class communities, the church is often associated with mistrusted authorities. The result is that many residents go their whole lives without hearing who Jesus really is.



SENIORS

People can be increasingly neglected and lonely as they get older, and consequently have fewer opportunities to hear the gospel. We come alongside churches to meet older people in their local area, to build friendships and to start gospel conversations which are so often fruitful.



YOUNG PEOPLE

In London today, we estimate that just one in twenty children go to church, and around half don't even have a Christian friend to invite them to church activities. And yet our experience shows that children are incredibly open to talking about Jesus Christ and exploring who He is.



PEOPLE FROM OTHER RELIGIOUS BACKGROUNDS

One in four Londoners are followers of other religions; over half are Muslims. We work alongside local churches to build connections with people around them - whether that's Bengali Muslims in Tower Hamlets or Punjabi Hindus in West London - engaging them with the gospel in an effective and loving way.



HOMELESS AND MARGINALISED

Whether it's people who are homeless, women exploited by the sex industry or people who have been in prison, each one has their own story to tell – often involving rejection. There are often huge social barriers amongst these men and women to hearing the gospel in a way they can understand – we help churches to address these and reach out with Christ-like love.

WITHIN ALL OUR MINISTRIES, WE CALL THE CHURCH TO THE GREAT COMMISSION.

"THEN JESUS CAME TO THEM AND SAID, 'ALL AUTHORITY IN HEAVEN AND ON EARTH HAS BEEN GIVEN TO ME. THEREFORE GO AND MAKE DISCIPLES OF ALL NATIONS, BAPTISING THEM IN THE NAME OF THE FATHER AND OF THE SON AND OF THE HOLY SPIRIT, AND TEACHING THEM TO OBEY EVERYTHING I HAVE COMMANDED YOU. AND SURELY I AM WITH YOU ALWAYS, TO THE VERY END OF THE AGE.'" *Matthew 28:18-20 (NIV)*

Our training of churches is based on **thought leadership** – sharing Biblically based resources and insights, from our rich experience of urban mission, to Christians and churches in London and beyond. We share these resources and insights both face to face, through in-person training and practical demonstrations of ministry in action, and also via mass-media channels. The purpose of this is to call, build up and inspire Christians to local urban mission.

An example of this is our *Everyday Evangelism* podcast, where a missionary specialising in reaching Muslims, may talk about the burden of legalism which Islam demands, and encouraging Christians to respond with compassion, sharing their experience of finding love and grace in Jesus Christ. It could be a blog from our Chief Executive highlighting data showing an increased confidence in the Church amongst non-Christians, and encouraging Christians to invite their friends to a service. Or it could be in less formal settings – when a missionary shares their experience and insights with a group of church members as they're about to step out together into a local estate.

2. STRATEGIC REPORT

SUCCESS FACTORS

In order to make our interventions effective, LCM seeks to ensure that:

- We maintain and build our **external reputation** amongst Christians as trusted experts in urban evangelism. LCM has built this reputation over decades and is well known by many Christians, but there is also a need to build this reputation with Christians less familiar with our history and expertise.
- We sustain our **expertise in mission** by staying ahead of changes in the shifting cultures and attitudes of London, adapting ministry approaches accordingly and continuing to place a high priority on the Biblical training of our missionaries.
- We maintain a **high quality of delivery**. Within a church partnership, this means ensuring that we understand the vision and culture of a church, and the make-up of their local community – and delivering a partnership which meets both of these needs. It also means that our resources distil the expertise of our missionaries and that the content speaks to the challenges that Christians can face in sharing the gospel, helping them to be more effective in their evangelism.

Underpinning all the above, LCM needs to continue our strong organisational culture, living out our values.

Finally, and most fundamentally, all of our ministries are undertaken **in partnership with God** through the leading and guiding of His Spirit, acknowledging that this is first and foremost the work of Christ, which LCM and churches are invited into. Likewise, the approach we take with churches is informed and directed by **faithful discernment of Scripture**.





MAKING MISSION POSSIBLE

A KEY CONTRIBUTOR TO ENSURING OUR MINISTRIES ARE EFFECTIVE IS THE SUPPORT FROM CHURCHES IN LONDON AND BEYOND.

We invite evangelical churches, wherever they are, to join us in partnership for the gospel in London. These two-way relationships involve supporting missionaries in prayer and financially. And it also involves LCM regularly communicating the impact their support has made possible. It can also involve LCM training and inspiring the church to share the good news of Jesus themselves.

We build long-term relationships, opening up channels of communication with designated church members (Church Reps), and equipping them 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.

"'EVERYONE WHO CALLS ON THE NAME OF THE LORD WILL BE SAVED.' HOW, THEN, CAN THEY CALL ON THE ONE THEY HAVE NOT BELIEVED IN? AND HOW CAN THEY BELIEVE IN THE ONE OF WHOM THEY HAVE NOT HEARD? AND HOW CAN THEY HEAR WITHOUT SOMEONE PREACHING TO THEM? AND HOW CAN ANYONE PREACH UNLESS THEY ARE SENT? AS IT IS WRITTEN: 'HOW BEAUTIFUL ARE THE FEET OF THOSE WHO BRING GOOD NEWS!'"
Romans 10:13-15 (NIV)

As a result of the above, we desire to the see two stages of outcome.

FIRSTLY, THE MOBILISATION OF THE CHURCH.

We desire to see a process of transformation both amongst individual Christians and corporately within individual churches.

The process starts with acquiring knowledge (head), leading to a stirring up of desire (heart), accompanied by learning to confidently share more about Jesus Christ (hands). This will lead to Christians and churches going out (feet), both individually and ultimately within missional church teams to share the best news ever – the hope we have in Christ!

The first step involves a richer theology of God's plan for salvation and the call upon Christians to play their part within the Great Commission. This head knowledge leads to a greater conviction for mission and a compassion for those who are yet to hear the gospel (heart).

Our experience is that this leads to a change in behaviour where Christians, whom we also train in effective evangelism, confidently share their faith on a more regular basis.

At a church level, we expect to then see local congregations build sustainable, structured, innovative missional teams who invite people from communities least likely to hear the gospel to follow Jesus, welcoming and discipling those who respond.

This whole process contributes to a transformed identity in understanding our purpose as God's people.

SECONDLY, AS A RESULT OF THE MOBILISATION OF THE CHURCH, WE ANTICIPATE THE SPREAD OF THE GOSPEL.

This means that:

- Churches understand local needs and visibly share their vision for mission to those least reached by the gospel.
- Regular activities take place, led by churches or local mission initiatives to serve the spiritual, emotional and physical needs of those least reached by the gospel in their local community.
- More of those least reached by the gospel become part of a church community and are discipled.
- Churches increase in diversity in membership and leadership as they become more mission-focused.

THE PIONEERS TRAINING PROGRAMME

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 2023, 49 evangelists; 35 men and 14 women from a total of 39 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 2023 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 49 new outreach ministries have been pioneered across London since the start of the Pioneers Training Programme 10 years ago. The programme combines Christian discipleship and classroom learning with practical experience, to offer a holistic education in urban ministry.

The Pioneers Programme 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.





"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*

WEBBER STREET DAY CENTRE

WEBBER STREET IS LCM'S DAY CENTRE FOR PEOPLE WHO ARE HOMELESS – BASED JUST AROUND THE CORNER FROM WATERLOO STATION. WE WELCOME UP TO 70 GUESTS A DAY, SEEKING TO GIVE THEM NOT ONLY RELIEF FROM LIFE ON THE STREETS, BUT ALSO HELP IN TAKING THE FIRST STEP OUT OF HOMELESSNESS.

Our Corner House ministry, situated above the day centre, provides short-term accommodation for five men looking to turn the corner on homelessness.

We seek to meet the emotional and spiritual needs of guests, as well as the physical ones, to help restore some of the dignity that life on the streets has taken from them and to share the life-transforming news of Jesus.

In 2023, we welcomed 10,939 visits from guests through the centre's doors – each receiving a warm meal, as well as other practical support.

694 guests had gospel conversations with Webber Street Staff and church volunteers and 232 accepted an invitation to a Bible study.

This vital ministry is delivered in partnership with local churches – some of which, supported by Webber Street missionaries, host regular dinners for homeless guests at the centre.

Many of the guests are helped onto the next step out of homelessness, which for Ada, also involved a journey of faith.

"Ada always tried to find safe public places to sleep while homeless, but nevertheless experienced some serious physical trauma. Just a few months ago she came into Webber Street and we referred her to a local church's night shelter. She immediately felt safe. She started attending a Bible study there, and has since given her life to Jesus! Pray for us to help more people like Ada, to connect them with local churches providing practical and spiritual help."*

Quote from Anni Uddin, Homeless and Marginalised Ministry Director

*Name has been changed



THE CORNER HOUSE

Anderley was one of the growing number of men and women in London sleeping rough every night.

He came through the doors of Webber Street day centre, and started to build friendships. The team were able find short-term supported accommodation at LCM's Corner House, and now he has his own home and a job.

"I NEVER TOOK MUCH NOTICE OF SUNDAY SCHOOL WHEN I WAS YOUNGER. EVERY MORNING AND EVERY NIGHT HERE [AT THE CORNER HOUSE] WE DID BIBLE STUDIES, SO I'M STARTING TO UNDERSTAND MORE. I'M NOT THERE YET, BUT I'M SURE I WILL BE ONE DAY."

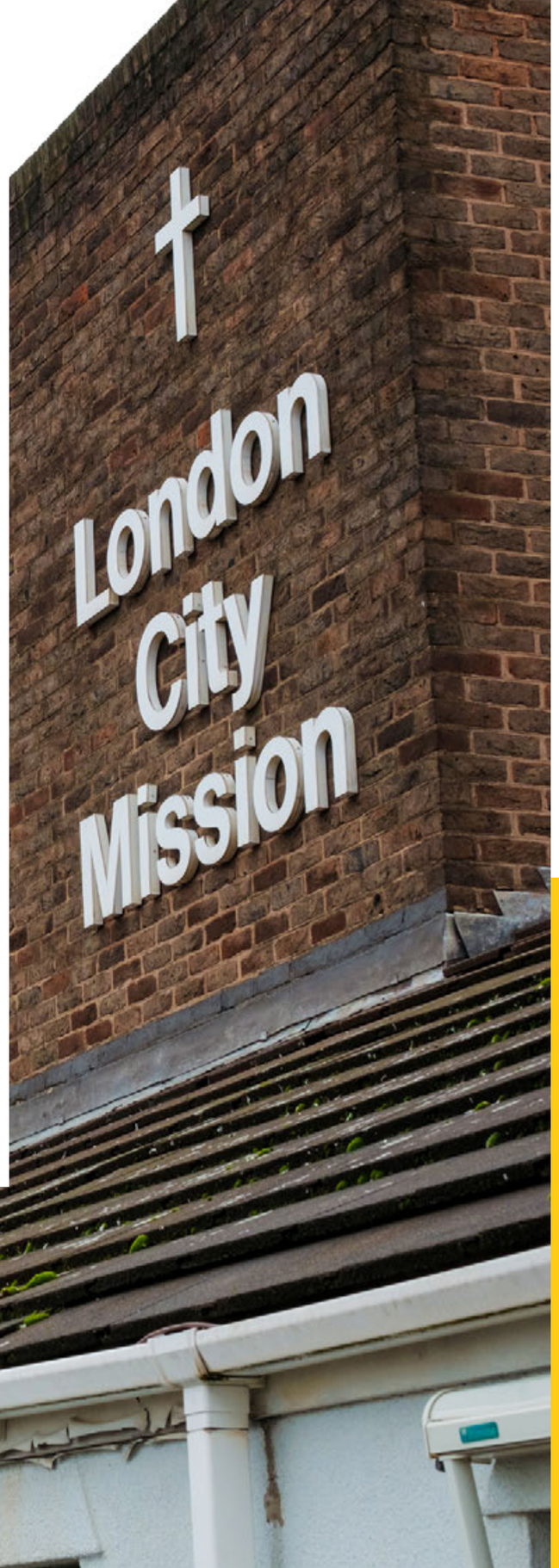
In 2023, guests like Anderley had 694 gospel conversations with Webber Street Staff and church volunteers and, for those who wanted to know more about Jesus, staff were privileged to study the Bible with guests 232 times.

Hear the full story at lcm.org.uk/anderley



MINISTRY REFERENCE PANEL (MRP) MEMBERS

Trevor Archer (MRP Chair)	FIEC
Rev Dr Girma Bishaw	London Project Co-Director; Reality Church pastor
Bishop Delroy Powell	New Testament Assembly, former Presiding Bishop
Dr Pamela Brown – Peterside	Director, All Souls Serve the City- All Souls Langham Place
Pastor Mary McCauley	Pastor, True Vine Centre RCCG; national youth lead RCCG
Apostle Guy Miller	Commission sphere (New Frontiers); leader Westminster Chapel
Pastor Osh Ong	Former Senior Pastor, Chinese Church in London
Archbishop-Elect Moses Owusu-Sekyere	Incoming Archbishop, Apostolic Pastoral Congress; Director, Christ Theological Centre (CTC)
Pastor Young Joo Lee	Senior Pastor, God's Vision Church (Korea)
Pastor Alex Brito	Senior Pastor, Mosaic Multicultural Church
Dr Cornelius Alalade	RCCG senior regional pastor; Redeemed Christian School of Mission
Rev Lis Goddard	Vicar of St James the less, Pimlico
Johnny Prime	FIEC London leader (incoming)
Pastor Chrishanthy Sathiyaraj	Bethany Faith Ministries, Southall
Pastor Tony Uddin	Senior Pastor Tower Hamlets Community Church; AOG



WIDER PARTNERSHIP IN MISSION

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

During the last year, we continued to press on in the work of raising our profile and partnering for the sake of the gospel. A key plank of this was our continued partnership with the City Prayer Breakfast, where we had enhanced visibility and an opportunity to address the audience as part of their annual event. We are delighted to build on this developing relationship - LCM Director of Ministries, Rev. Dr Jason Roach has been invited to give the keynote Bible talk at the 2024 Prayer Breakfast. This event has proved a strategic entry point to sharing LCM more widely across the City of London and beyond.

As we continued to develop our relationship with the Evangelical Alliance and particularly their One People Commission (a group of senior diaspora church leaders and national strategic Christian leaders) we were delighted at their request to host their 10 year anniversary celebration at our central office (Nasmith House), welcoming senior Christian leaders and hearing from them. This gave us an opportunity to share our work with them and introduce them to our new Everyday Evangelism online resource hub.

Our Ministry Reference Panel (MRP) remains a key way that we gather input from and listen to the church in London. We continue to strengthen our relationships with the diverse senior evangelical church leaders who serve us through their membership on our MRP. The deepening of our relationships in this space was demonstrated when we worked together with the MRP to create and deliver a conference focused on reaching different generations of people in diaspora churches across London.

Alongside this, by God's grace we have found ourselves positioned centrally within the wider City Mission Movement (CMM), a membership of 15 City Missions across the UK and Ireland. Last year, our Director of Networks, Carl Knightly, was asked to Chair the CMM, which he is now doing as part of his LCM role. This wider national network provides an excellent opportunity to point to our work in London and also to share our online resources across the UK, as well as raise the profile of the work of LCM more broadly, as we seek to call more people across the nation to pray for our work.

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.

2D. KEY EVENTS IN 2023

2023 was a difficult year for the people of London. A cost-of-living crisis created more demand for foodbanks, homeless shelters and drop ins. Global events continue to rapidly increase the number of displaced people arriving in London. Meanwhile, charity and church budgets were squeezed more tightly by inflation, and by donations that have in many cases failed to return to pre-pandemic levels.

Amid this storm, there is a great gospel opportunity. And the Holy Spirit is powerfully at work.

The Lord has been using the London City Mission to preach 'good news to the poor' and equip churches in a timely way for much needed ministry in the hardest hit parts of the capital. There is a growing awareness of the need for the Church to bring practical help as part of sharing the message of Christ. This has given us a platform to remind the Church of London of the gospel poverty that faces a city where almost half the population have no Christian friend to tell them the gospel.



RYE LANE CHAPEL

Linda (pictured) met missionary Doug on her doorstep.

"SHE STARTED TO POUR OUT HER ANGER AND FRUSTRATIONS AND HOW CHRISTIANS HAD TREATED HER IN THE PAST. HER STORY IS UNIQUE, BUT IT'S AMAZING HOW MANY PEOPLE WE MEET WITH SIMILAR EXPERIENCES," SAYS DOUG.

Doug connected Linda with Catherine, whom he had been training in evangelism. Catherine came alongside Linda, followed up with Doug's encouragement and guidance, and also invited her to church… where Linda then gave her life to Jesus and got baptised.

LINDA SAYS "FOR THE FIRST TIME IN MY LIFE, I HAVE A FATHER WHO LOVES ME…"

Hear the full story at lcm.org.uk/linda



2E. OUR IMPACT

MINISTRY REVIEW AND STRATEGY

Our impact and capacity continues to grow following the post-pandemic launch of a new approach to partnering with local churches. Our heart is to see the gospel go out to the margins; for churches to build bridges into communities in their local area where there isn't a Christian witness.

During 2023, we partnered with 71 evangelical churches across a range of denominations, located in or near the most deprived areas of London. Working with the local church leaders, we have sought to share and serve their vision for local mission. We have enabled the development and building of sustainable teams made up of committed church members whom we can then encourage and train - building them up for urban mission.

We are now delighted to be handing over evangelistic ministry leadership to local church partners. We have fully mobilised seven churches to confidently reach out to their neighbours, crossing social, religious and cultural barriers with the hope of Christ. This means our teams can move on to partnering with new churches that are seeking to work together, accelerating our impact across London.

Alongside the work missionaries do on the ground, we are creating resources and providing in-person training to complement and accelerate their ministry. Once developed, some of these resources can then be digitally shared with urban churches across London and beyond at no additional cost, allowing us to be increasingly effective.

We thank God that ten gifted and experienced gospel workers joined us as ministry staff in 2023, with recruitment of 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.

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 continue to innovate within our ministries as we adapt to the ever-changing people of London, each of whom carries the same great gospel need as the generations before.

We are prayerfully dedicated to sharing the good news of Jesus, 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.

MINISTRY CHURCH PARTNERSHIP IMPACT

Last year, LCM greatly expanded its network of ministry church partnerships to 71 (up from 33 in 2022). 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. Behind the frontline mission team, we seek to work with the church leadership to inspire a committed, prayerful congregation who are growing as welcoming, inclusive and intercultural churches where new believers can be discipled, belong and thrive.

In 2023, as a result of our ministry church partnerships, we were grateful for the Lord's leading as we served the church in bringing:

1,133 EVANGELISTIC OUTREACH ACTIVITIES

we developed or 'turbo-charged', together with our partnership churches.

THESE ACTIVITIES WERE MADE POSSIBLE BY

CHURCH VOLUNTEERS

– at least 457* people engaged and built up by LCM missionaries as part of their church's local outreach (church volunteers made at least 4,552 volunteering actions across all activities).

457*

This impacted people in communities where Jesus Christ is not known by bringing at least:

GOSPEL CONVERSATIONS,

many of which will be sharing the good news of Jesus Christ for the first time

5,185

RELATIONAL CONNECTIONS

with people who are unlikely to otherwise know a Christian

17,231

Looking to 2024 and beyond, we see the exciting potential for long-term gospel impact across London. Already, the number of Christians built up for evangelistic outreach in our partner churches well exceeds our number of active LCM ministry staff (100 people) and we are seeing church members growing and maturing as they are discipled in their outreach ministries.

*The recorded total turnout for all these activities was 4,552 and we know that at least 457 different volunteers participated, filling the team places within these missional church teams. The structure of our church partnerships means that we cannot perfectly track individual church members, so undercounting is inevitable.



ST CUTHBERT'S CHURCH

Elim, from St Cuthbert's church, Haringey, is part of a team trained and led by missionary Daniel, which goes out and meets people on their doorsteps.

"I CAN'T STOP SPEAKING ABOUT JESUS, BECAUSE OF WHAT I'VE SEEN GOD DOING THROUGH DANIEL," SAYS ELIM.

Together they visited homes in the parish, starting conversations about faith, and leaving residents with a copy of Luke's gospel. As minister Mark Jones-Parry explains, they've started to see fruit.

"ONE YOUNG MAN WALKED IN ON SUNDAY MORNING BECAUSE HE'D READ LUKE'S GOSPEL AND WANTED TO MEET WITH SOMEBODY AND UNDERSTAND WHO THIS JESUS WAS."

Hear the full story at lcm.org.uk/elim



IMPACT SUMMARY

- In 2023 our missionaries came alongside 315 churches which are located in our urban priority areas, actively partnering in ministry outreach projects with 71 of them (up from 33 in 2022). These 315 churches represent approximately 6.5% of the 4,800 churches in London. We build relationships, understand the vision of the church for outreach, and explore how LCM can provide the tools to help them realise it. Prayer is always foundational to our relationships and praying with a church for the lost in their local area is the starting place for any outreach.
- Outside of the ministry church partnership model, external training provision in 2023 extended to four conferences covering a range of specialisms: Children and young people, Hindu and Sikh outreach, and inter-generational evangelism within diaspora churches. We also hosted a number of events with partner organisations designed to foster missional unity amongst evangelicals. We visited 339 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 227 Church Reps who are vital advocates for reaching the marginalised with the good news of Jesus.
- In 2023 there were over one million people connecting with our 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.

2F. FINANCIAL SUSTAINABILITY

The London City Mission (LCM) carefully stewards the resources God provides through our partners in the gospel. We currently have an underlying operating cash shortfall of approximately £3.8m 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 on 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.

STORY

SHARING THE GOOD NEWS WITH CHILDREN

London City Mission has been coming alongside local churches, in conjunction with Counties UK ®, to help churches build relationships with their local school to share the gospel through the LIFE exhibition.

Hundreds of school children attend the multimedia event, taking them on an interactive journey using technology to introduce them to the life of Jesus.

In Tower Hamlets, more than half of the children that visited were from a Muslim background.

"THESE KIDS GROW UP BEING TOLD JESUS IS JUST A PROPHET," SAYS MISSIONARY CHARLIE MACDONALD. "ONE MUSLIM BOY SAID IN RESPONSE TO HEARING THE STORY OF THE PARALYSED MAN, 'YES, ONLY GOD CAN FORGIVE SINS!' THIS STARTED A CONVERSATION ABOUT WHO JESUS REALLY WAS!"

Hear the full story at lcm.org.uk/life

2G. STRATEGIC FOCUS AND FUTURE DIRECTION

'Let the glory of God and the salvation of souls be your chief, your only aim' were the words of David Nasmith, who founded London City Mission in 1835. This continues as our heartbeat as we partner with churches across London to see the good news shared in communities where Jesus Christ isn't known.

People from communities most cut off from a Christian witness are overwhelmingly situated in London's most deprived areas, however Jesus Christ says, 'the gospel is good news for the poor.'

For mission to be effective, we often work with churches to bring a practical demonstration of the love we proclaim. In all ministry, our goal is always to prayerfully build meaningful connections to share the best news ever – the amazing news of God's love in Jesus.

Our focus is to see the churches we partner with establish front-line teams of church volunteers, going out with the gospel, supported by a prayerful, welcoming community that will sustain mission to those on the margins long after our missionaries move onto other churches.

"Then he said to his disciples, '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 9:37-38

As London changes, our ministries innovate and adapt. Ahead of our next five-year plan, we are evaluating how we are best using our biggest asset; our people. As the gospel need in London rapidly grows around us, this is a season of increasing refinement and focus as we prayerfully seek to '...build up the Church for works of service' (Ephesians 4:12).

At the heart of our future plans is the conviction that an intercultural church, where all cultures are welcomed and shape the overall culture of the community, is the future of mission. This brings a powerful witness to a divided world. Looking outwards at London's changing landscape, our desire is to increasingly partner, with the Lord's blessing, in bringing brothers and sisters in Christ from across the globe, enriching the Church in London.

We are thankful to the Lord for all he is doing by His grace across London today. We continue to see a growing movement, praying together for outpouring of His mercy on the least, the last and the lost.

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

As we step out into the Great Commission, serving the Church and seeking the lost, we are deeply encouraged by those who partner with us to make this ministry possible. We consider supporters 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 partners, who stood with us during another difficult season, to shine the light of the gospel in the darkness of London. Donation income in 2023 totalled £2.8m, a reduction of £0.08m from 2022 (£2.9m). It is worth mentioning that in 2023, whilst remaining firm friends of LCM, our two biggest historic donors weren't able to repeat their gifts which meant that hundreds of additional gifts were needed for our income not to reduce. We are grateful to God for His provision and thankful for every penny generously given. We are encouraged that this diversified supporter base puts us in an even better position to grow income than at the same time last year.

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 2023 was £2.3m (down from £4.7m in 2022). 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 2023 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 339 churches across the nation, hold prayer meetings, attend conferences, give insights into what is 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 six hundred people joined us in person at Westminster Chapel, and around two thousand people gathered online to praise God together.

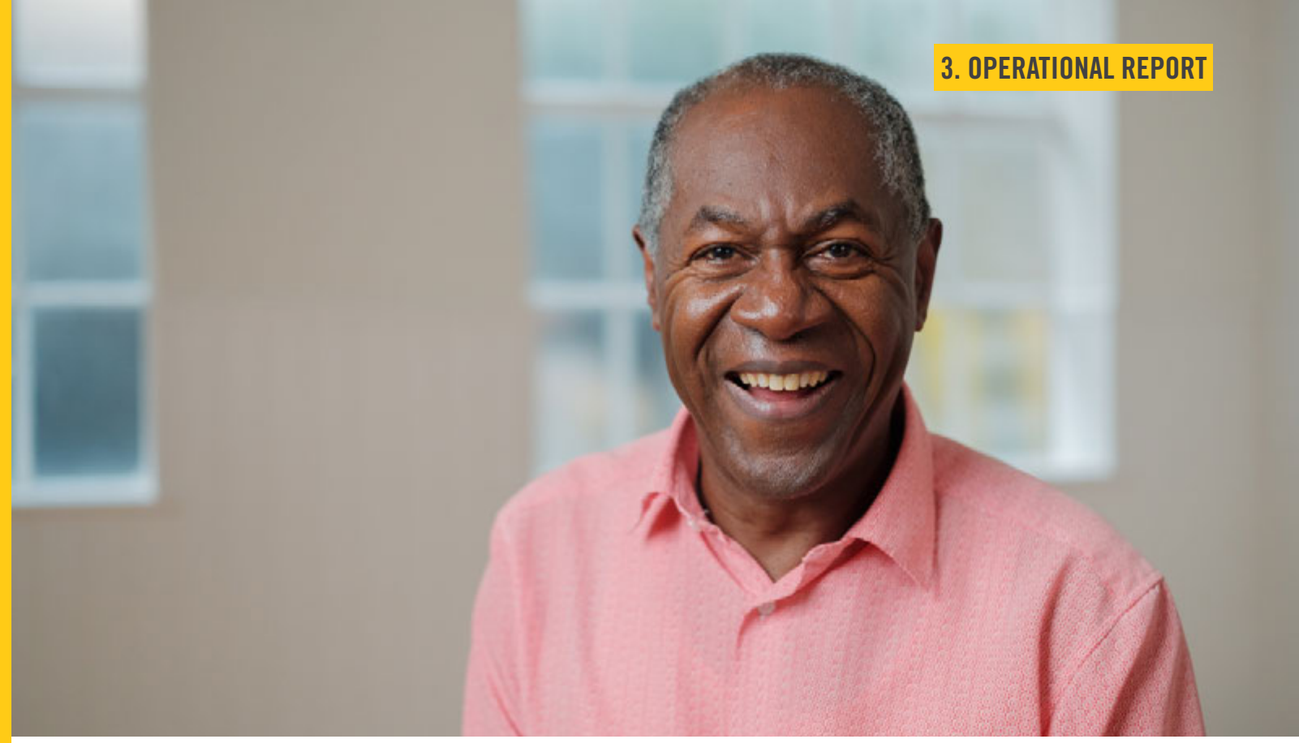
COMMUNICATIONS

In 2023, 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 59 pieces of coverage, bringing over one million 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.
- In September 2023, we launched Everyday Evangelism – an expanding range of resources, including podcasts, how-to guides, videos, and blogs. We're bringing together the expertise of our LCM community to produce free, practical, and accessible tools to build up Christians in local churches for urban evangelism. In its first 6 months, the podcast has been watched or listened to almost 6,000 times. Series 2 of the podcast is being planned, and the Everyday Evangelism resource hub will see new resources launched this year, including a range of practical How to guides.





3B. PROPERTY MANAGEMENT

Our experience of ministry is that it is more effective when missionaries live and worship in the communities that they serve – we therefore choose to house our missionaries, which is costly but necessary. 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

Three properties were purchased to house staff in 2023 (two in 2022), 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 2023, 10 (15 at end 2022) 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. An ongoing focus for the Estates team is to reduce our use of rented properties by acquiring properties to house our missionaries to reduce our operating costs and improve the security of tenure for our staff.

RETIREMENT HOUSING

LCM provides retirement housing for those missionaries who, by 2012, had achieved 20 years' service with the Mission. At the end of 2023, 39 properties (38 at end 2022) were provided for the use of retired missionaries or their spouses, with one having been sold and two purchased in 2023. 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

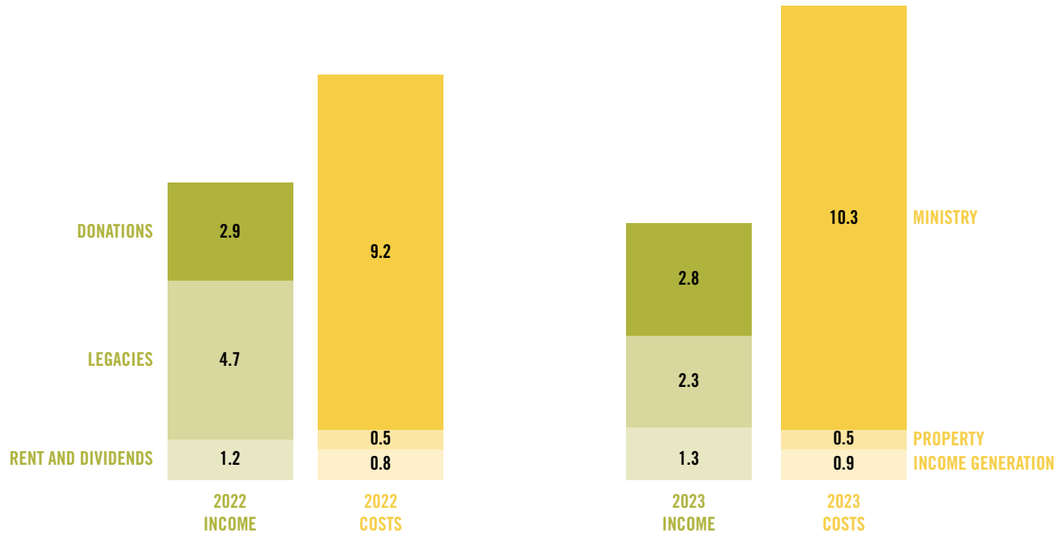
The Property Disposal Programme continues to progress the sale of properties no longer needed for ministry. Working with our professional advisors, LCM is pursuing an appropriate approach to disposal of each property identified as no longer needed by LCM. In some cases, this is a straight disposal, often 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 2023, five Centres were sold (two in 2022), three of which were to churches and two to developers. A contract was exchanged for the sale of another two centres on a subject to planning basis (two in 2022) 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 the sale of the final flat returned to LCM was completed in January 2023 following the sale of the other two flats in 2022. One of the non-residential spaces in this development has now been let to a church with a further space being marketed for nursery use. Once fully let, our intention is to sell the freehold of this development.

In aggregate, these disposals generated £6.8m for LCM in 2023 (£5.5m 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



The London City Mission (LCM) are deeply thankful to God for His provision in 2023. LCM's operational income (excluding gains on sales of tangible fixed assets), decreased to £6.4m in 2023 from £8.8m in 2022, due to a significant decrease in legacy income to £2.3m (£4.7m in 2022). Just over £2.3m of the 2022 legacy income was from a single legacy so this reduction was anticipated, and our forward planning is based on a more typical level of legacies of £1.5m - £2.0m per annum.

Donation income decreased slightly to £2.8m in 2023 from £2.9m in 2022. Whilst disappointing, this was due to the loss of two of our largest donors early in 2023, which was offset by underlying growth in our remaining donor base, an encouraging trend for our future income pipeline. Continued substantial growth in donation income is a key target in LCM's financial plan. We saw a 3% growth in the net number of active donors, which is a welcome increase and contributes positively towards our longer-term financial sustainability goal. Income from investments (rents and dividends) and other sources grew slightly to £1.3m in 2023 (£1.2m in 2022).

The accounts also include a £1.7m gain from sale of tangible fixed assets (£1.3m in 2022). 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 invested £3.5m in 2023 in purchases of tangible fixed assets, the majority of which was providing housing for missionary staff.

Fundraising costs increased from £0.7m in 2022 to £0.9m in 2023, due in part to rapid inflation. 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. Costs of generating income from property and investments was £0.5m in 2023 (£0.5m in 2022).

LCM's income was used for a range of ministry activities, with charitable expenditure totalling £10.3m in 2023 (£9.2m in 2022), excluding the costs invested in our Christian Centre Developments. 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 and inflationary cost pressures.

Overall, LCM had a deficit of £4.3m in 2023 (deficit of £0.5m in 2022) before gains and losses on investments. This deficit highlights the need to increase donation income to achieve long term financial sustainability, and the necessity of the investments held in the Ministry Sustainability Fund to fund the cash shortfall whilst income growth is accomplished.

A loss of £3.8m was recognised on our valuation of our investment property portfolio which is being disposed of through our Property Development Programme. This is due to a more challenging environment for property development projects. This loss was offset by a £0.3m gain recognised on investment property disposals. During the year we disposed of £6.8m of investment property, primarily as part of our Property Disposal Programme, and received an investment property valued at £0.6m as part of a legacy.

During the year our marketable security investment portfolio managed by Investec grew by £1.6m due to £0.3m in gains and receipt of a legacy of £1.3m in the form of a share portfolio. During the year £1.75m of fixed term bonds held in our investments matured and the proceeds were taken into our short-term cash reserves to improve our operational flexibility.

The proceeds of sales of investment properties and maturing bonds were used to fully repay our bank debt which was £1.8m at the end of 2022, reducing our ongoing interest expenditure. The remaining proceeds were used to fund our operating deficit.

LCM's operational fixed assets, used to directly support the ministry needs of LCM, reduced slightly to £27.0m (down from £27.2m in 2022). An additional £3.5m of properties were purchased to reduce our reliance on rental properties to house missionaries, offset by £1.0m of disposals, £2.0m of assets transferred to Investment property and a depreciation charge of £0.7m.

LCM's total group funds decreased to £63.3m at the end of 2023 from £70.7m a year earlier. The cash balance increased to £2.4m at the end of 2023 from £1.6m at the end of 2022, representing just under 3 months of operating expenditure. £2.5m was drawn from the Ministry Sustainability Fund to fund losses in the general fund, in line with the policy agreed by the Board of Directors. This left a balance of £6.4m in general reserves at the end of 2023, down from £7.2m at the end of 2022.

PENSION PROVISION

The defined benefit pension scheme closed to all new and existing employees in 2006. In 2023, LCM did not make any contributions to the scheme (nil in 2022) 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-in. This would eliminate the ongoing costs of operating the scheme, which are borne by LCM, and any risk of a deficit arising in future, while maintaining security for members of the scheme. £1.5m has been set aside in the Pension Deficit Fund 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.

Following a formal quotation process a bulk annuity contract was signed with Aviva in May 2024. To fund the purchase of this contract the scheme assets have been liquidated and LCM made a contribution of £0.5m to fund the initial premium. It is anticipated that a further contribution of approximately £0.1m will be needed to cover the final premium once a data verification process has been completed. It is estimated that there will be a further £0.4m required to cover the costs of the scheme buy-out and wind up, which will be paid directly by LCM, the majority of which are anticipated to be paid in 2024.

RESERVES POLICY

Under the risk adjusted general reserves policy, the Directors reviewed the target in 2023 and, due to the operational deficit, decided to maintain it at between £6m and £7m, which represents 7 to 8 months of operating costs. General reserves at the end of 2023 were £6.4m (£7.2m in 2022), which is within the policy range. This was achieved by drawing £2.5m from the Ministry Sustainability Fund.

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 Ministry Sustainability Fund amounted to £30.5m at the end of 2023 (£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 the operating deficit from the current underlying level of around £4m per annum.

DEBT POLICY

To accommodate fluctuations in cash flow, the Directors had previously authorised the raising of up to £10m of debt to support its cash needs, and LCM had taken a £2m term loan secured against 3 properties. Following progress in the Property Disposal Programme, LCM used the proceeds of property disposals to repay the outstanding balance of the loan. LCM does not currently foresee a need to raise debt finance.

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 2023, LCM held £9.1 m 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 £2.0m 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 £5m of cash receipts in 2024. 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 takes complaints seriously. Our records show that we received four complaints about our fundraising from supporters or members of the public in 2023. Two complaints were due to people inappropriately being asked to make a gift and were investigated by the database manager. One complaint was made by a donor about the time it took to acknowledge their gift; it was found that the letter was posted but had gone astray in the postal service. Lastly there was a complaint made by relatives of a legacy donor about our contact with an executor and we have changed how we approach executors as a result.

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 2023 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 who reports directly to the CEO. Staff training in both data protection and cyber awareness is in place across the Mission.

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.

3. OPERATIONAL REPORT

3E. PRINCIPAL RISKS AND UNCERTAINTIES

The Board and Leadership Team 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 2023 through increasing growth in the number of those partnering in the gospel with LCM through their giving.

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 macro-economic factors such as higher inflation, 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

The DPO (Data Protection Officer) continues to report directly to the CEO and change in this area starts from the top of the charity. In-person data protection training has been completed at an executive level and is also scheduled at Board level by the end of Q2 2024. An objective to complete in-person data protection training for all staff by the end of Q4 2024 is on track. There continues to be improvement in the culture around data privacy and security at the Mission. LCM continues to improve its data management, not only seeking to be compliant with GDPR and other legislation, but handle data robustly as a valued resource of the charity.

The DPO and IT team continue to work closely together to mitigate potential cyber-attacks. All staff are due to complete online Cyber Awareness Training by the end of Q2 2024. The email protection system implemented in 2022 has improved mitigation of phishing and other email related cyber risks. Two-factor authentication continues to be implemented via secure authenticator apps in addition to strong passwords on all staff office accounts.

PEOPLE-RELATED RISKS

SAFEGUARDING

Safeguarding, for both staff and those the charity is aiming to reach with the gospel, is of paramount importance at LCM. The annual review and update of the safeguarding policy and procedures by both the Human Resources (HR) dept and the HR Board Subcommittee has been completed. The safeguarding risk of a "serious incident of child, vulnerable adult or staff member abuse involving LCM" continues to be on both the LT and Board priority risks section of the risk register, leading to it being given particular attention when reviewing on a quarterly basis. The specialist case management safeguarding software solution, 'My Concern' continues to be used across the Mission to robustly and confidentially allow reporting of safeguarding concerns and support the subsequent management of any reported concerns.

STAFF WELLBEING

LCM staff work and minister in demanding urban environments over a sustained period of time, and they require consistent professional and pastoral support. The charity seeks to improve staff wellbeing through meetings of staff with their line managers. The People, Wellbeing and Safety Forum continues to meet bimonthly and is chaired by the Director of People and Organisational Development with staff representatives from across the Mission. A dedicated online Wellbeing Hub, continues to be developed for and by staff, making a range of helpful resources accessible. The HR Board Subcommittee also provides accountability and support at a strategic level to the LCM Leadership Team, as they seek to engage with their Christian colleagues in line with the LCM organisational values.

CHRISTIAN VALUES

LCM has a history going back to 1835 as an evangelical mission agency seeking to share the gospel with the marginalised of London. 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 and are foundational to our success in this endeavour. 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:

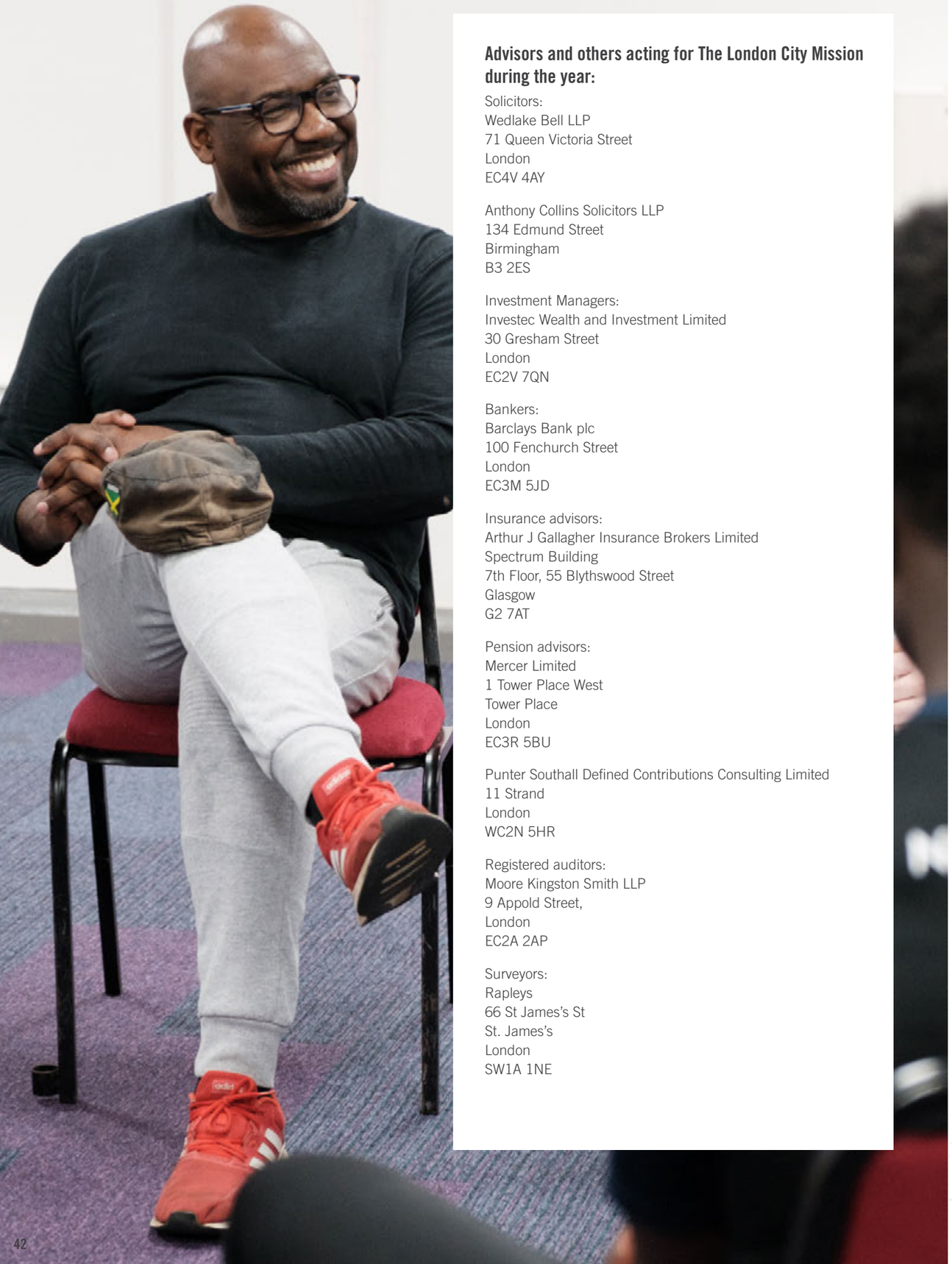
All Trustees acted as Directors of The London City Mission and were also the members of The London City Mission. The Directors who served during the year were as follows: -

Directors and dates of changes:

- Rebekah Brown (joined September 2023)
- John Bulmer
- Andrew Burkinshaw
- Mosun Dorgu
- Bryan Duncan
- Roger Evans
- Richard Godden
- Mark Harding (left September 2023)
- Anne Hudson
- Graham Miller (CEO)
- Tim Moger (joined September 2023)
- Richard Montgomery
- Ian Nash
- Nigel Parrington
- Marcia Shields
- George Stylianides (joined September 2023)

Change of London City Mission Chair

Mark Harding stepped down as a director and as Chair of London City Mission at the meeting on Monday 18th September 2023. Richard Montgomery became the new Chair at the same meeting.



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

Investment Managers:
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

Surveyors:
Rapleys
66 St James's St
St. James's
London
SW1A 1NE

4A. GOVERNANCE OF THE LONDON CITY MISSION

The Board of The London City Mission (LCM) met on nine occasions during 2023, among other things to agree overall strategy and policy; to determine matters of principle; deal with strategic financial and property planning; and review progress towards achieving the annual objectives 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. Communications with all employees are maintained through regular team meetings, monthly Team Days, staff newsletters, annual appraisals, email and written documentation.

LCM's Board plans to complete a further review of the Charity Governance Code in Q3 and Q4 of 2024. Whilst recognising that the requirements of the code are not mandatory, it continues to believe they are largely applied by the Mission and has an ongoing action plan to reflect recommended practice from the Charity Commission.

Induction of Board Members

Three new Board members joined London City Mission in September 2023 and a detailed induction process was followed. The three new Board members (Rebekah Brown, Tim Moger and George Stylianides) were set up with dedicated LCM Office 365 accounts which included numerous core documents. They also completed DBS checks and were assigned more experienced Board members as 'buddies' to support them in onboarding. A series of in-person meetings were organised to get to know other Board members and senior staff as well as supporters at the annual Thanksgiving Service. In addition, more formal trustee training was offered (where appropriate).

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 plan, propose and implement the strategy of the organisation.

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

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

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 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 20.

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 LCM Directors. Rates of pay are reviewed annually. 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.

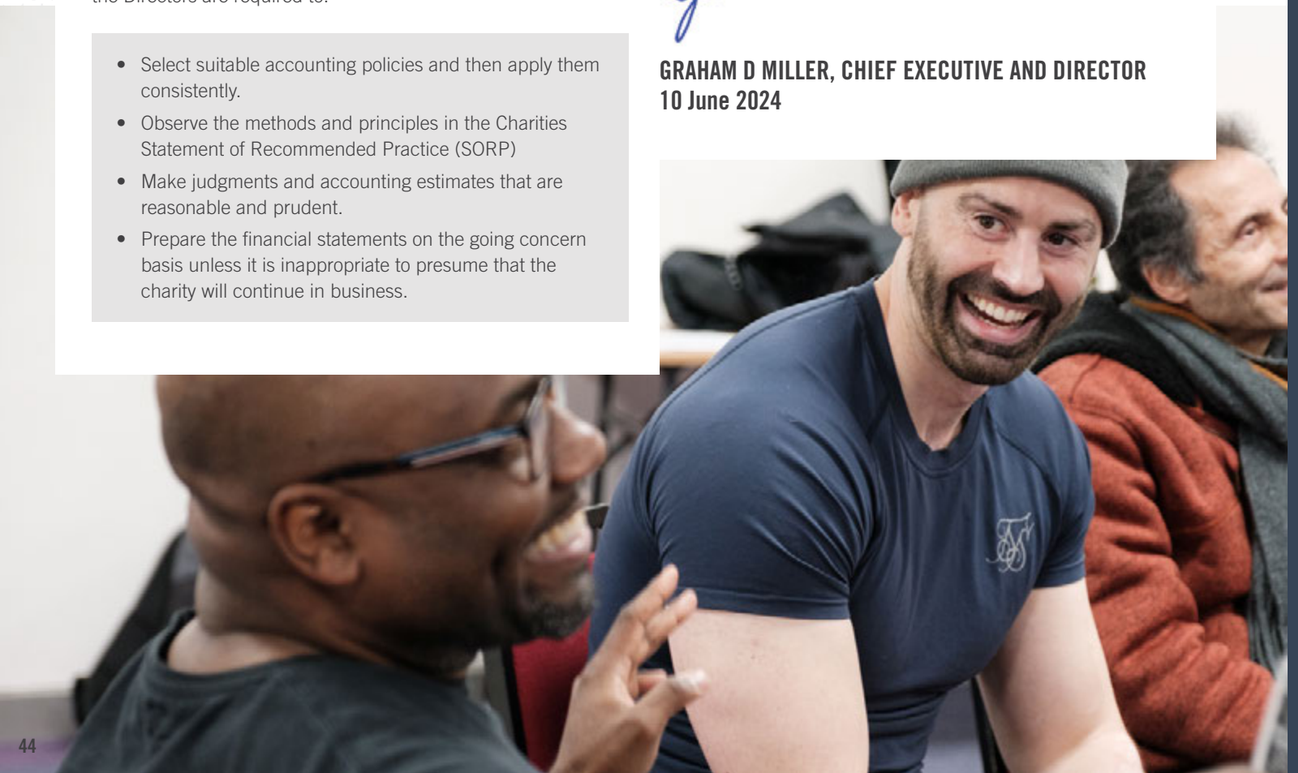
4G. DIRECTORS' STATEMENT

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
10 June 2024





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 2023 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 group's and the parent charitable company's affairs as at 31 December 2023 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.

Moore Kingston Smith LLP

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

14 June 2024

6. GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £'000	Designated Funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total £'000	2022 Total £'000
Voluntary income							
Donations		1,550	-	1,260	-	2,810	2,892
Legacies		2,315	-	-	-	2,315	4,699
Income from investments	2	811	-	17	-	828	671
Income from charitable activities							
Guaranteed payments and trading receipts at cafés, HQ Book room and at Christian Centres		14	-	-	-	14	20
Income from other trading activities							
Rents		486	-	-	-	486	479
Other income		1	-	-	-	1	66
Fees and other charges		16	-	-	-	16	1
Other income							
Net (loss) / gain on sale of tangible fixed assets		(17)	1,705	-	-	1,688	1,256
TOTAL INCOME		5,176	1,705	1,277	-	8,158	10,084
Expenditure on raising funds							
Management of rented properties		475	48	-	-	523	489
Fundraising & Supporter Partnerships		865	-	-	-	865	739
Investment management fees		20	-	-	-	20	13
Total Expenditure on raising funds		1,360	48	-	-	1,408	1,241
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES		3,816	1,657	1,277	-	6,750	8,843
EXPENDITURE ON CHARITABLE ACTIVITIES							
Mission activities		4,937	571	1,052	-	6,560	5,706
LCM Pioneers		285	-	151	-	436	386
Training and church development		526	-	-	-	526	465
City Vision, City Challenge and Urban Track		229	-	-	-	229	212
Christian Centres		1,438	96	-	-	1,534	1,445
Retirement housing and other costs		388	-	4	-	392	401
Relief to the needy		545	-	3	-	548	452
Hope Community Homes		111	-	-	-	111	98
Trading costs at cafés, HQ Book room and at Christian Centres		10	-	-	-	10	7
Christian Centre developments		656	-	-	-	656	220
TOTAL CHARITABLE EXPENDITURE		9,125	667	1,210	-	11,002	9,392
TOTAL EXPENDITURE	3	10,485	715	1,210	-	12,410	10,633
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES		(5,309)	990	67	-	(4,252)	(549)
Realised net gains on investments	6	388	-	-	-	388	212
Unrealised gains/(losses) on investments	6	(3,611)	-	41	6	(3,564)	2,382
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(8,532)	990	108	6	(7,428)	2,045
Transfer between funds	11	7,747	(7,747)	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		(785)	(6,757)	108	6	(7,428)	2,045
Actuarial (losses)/gains on defined benefit pension scheme	9	-	-	-	-	-	-
NET MOVEMENT IN FUNDS		(785)	(6,757)	108	6	(7,428)	2,045
RECONCILIATION OF FUNDS							
Total funds brought forward		7,207	60,768	1,514	1,242	70,731	68,686
FUND BALANCES CARRIED FORWARD		6,422	54,011	1,622	1,248	63,303	70,731

7. GROUP & PARENT BALANCE SHEET

FIXED ASSETS	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Tangible fixed assets	5a	27,008	27,224	23,010	21,273
Intangible fixed assets	5b	98	141	98	141
Investments	6	32,188	39,953	28,379	37,834
		59,294	67,318	51,487	59,248
CURRENT ASSETS					
Stocks		-	3	-	3
Debtors	7	2,428	4,503	13,658	14,293
Cash at bank and in hand		2,440	1,598	2,425	1,407
		4,868	6,104	16,083	15,703
LIABILITIES					
Amounts falling due within one year	8a	(859)	(886)	(351)	(490)
NET CURRENT ASSETS		4,009	5,218	15,732	15,213
Amounts falling due in more than one year	8b	-	(1,805)	-	(1,805)
PENSION LIABILITY	9	-	-	-	-
NET ASSETS		63,303	70,731	67,219	72,656
FUNDS					
Designated funds	11	54,011	60,768	54,316	61,103
General reserve	12	6,422	7,207	10,033	8,796
Pension deficit		-	-	-	-
UNRESTRICTED FUNDS		60,433	67,975	64,349	69,899
RESTRICTED FUNDS	13	1,622	1,514	1,622	1,514
ENDOWMENT FUNDS	14	1,248	1,242	1,248	1,243
TOTAL FUNDS		63,303	70,731	67,219	72,656

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 2023 was £13,994k (2022: £10,374k) and Net (Expenditure) Income during the year ended 31 December 2023 was £(5,436)k (2022: £1,551k).

Approved and authorised by the Board on 10th June 2024 and signed on its behalf by:



Richard Montgomery,
Chair of the Board



Richard Godden,
On behalf of the Finance Subcommittee

The London City Mission,
Company number – 04284615

8. GROUP CASHFLOW STATEMENT

Cash flows from operating activities:	2023 £'000	2022 £'000
Net cash used in operating activities	(3,884)	(3,797)
Cash flows from investing activities:		
Dividends, interest and rents from investments	828	671
Proceeds from sale of tangible fixed assets	2,675	4,051
Purchase of tangible fixed assets	(3,514)	(2,376)
Proceeds from sale of fixed asset investments	13,624	9,839
Purchase of fixed asset investments	(7,082)	(8,107)
Net cash provided by investing activities	6,531	4,078
Cash flows from financing activities:		
Repayment of Loans	(1,805)	(195)
Net cash provided by financing activities	(1,805)	(195)
Increase in cash and cash equivalents	842	86

NOTES TO CASH FLOW STATEMENT

1. Reconciliation of net income for the year to net cash outflow from continuing operating activities	2023 £'000	2022 £'000
Net income	(7,428)	2,045
Investment income	(828)	(671)
Gain on disposal of tangible fixed assets	(1,688)	(1,256)
Realised (gains)/losses on investments	(388)	(212)
Unrealised (gains)/losses on investments	3,564	(2,382)
Depreciation on tangible fixed assets	790	714
Amortisation of Intangible assets	43	43
Decrease/(increase) in stocks	3	1
Decrease/(increase) in debtors	2,075	(2,089)
(Decrease)/increase in creditors	(27)	10
Net cash outflow from operating activities	(3,884)	(3,797)

2. Analysis of changes in net debt equivalents during the year	1 Jan 2023 £'000	Change in year £'000	31 Dec 2023 £'000
Cash and cash equivalents			
Cash	1,598	842	2,440
Borrowings			
Debt due after one year	(1,805)	1,805	-
Total	(207)	2,647	2,440

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. 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 fair value, 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.

(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 are 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.

9. NOTES TO THE ACCOUNTS

2. INVESTMENT INCOME

	2023 £'000	2022 £'000
Income from listed investments	211	91
Income from other investments	-	-
Income from deposits	8	4
Income from investment properties	609	576
	828	671

Of the investment income recognised, £16,684 was restricted (2022 - £10,453).

3. ANALYSIS OF RESOURCES EXPENDED

Group	Staff Costs £'000	Other £'000	Dep'n £'000	Total 2023 £'000
Expenditure on raising funds	772	621	15	1,408
Charitable expenditure	6,092	4,135	775	11,002
	6,864	4,756	790	12,410

Included in both group and charity above:	2023 £'000
Audit fees net of VAT	54
Prior year under accrual of audit fees	25
Support costs (Note 19)	5,411

Analysis of Resources Expended-2022 for comparison

Group	Staff Costs £'000	Other £'000	Dep'n £'000	Total 2022 £'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

Included in both group and charity above:	2022 £'000
Audit fees net of VAT	36
Prior year under accrual of audit fees	19
Support costs (Note 19)	4,654

Of resources expended, £1,276,585 related to restricted funds (2022 - £1,152,876).

4. STAFF COSTS

Group	2023 £'000	2022 £'000
Salaries	5,357	4,954
Social Security	469	462
Settlement Costs	20	19
Pension and Life Insurance	1,018	920
	6,864	6,355

The only member of the Board who is remunerated is Graham Miller, the Chief Executive, and his total emoluments for 2023 were £60,578 (2022 £59,082). Pension contributions of £9,019 (2022 £8,655) were also paid on his behalf. He also receives rent-free accommodation in his role as Chief Executive. Travel expenses reimbursed to one (2022: one) board member amounted to £783 (2022 £146).

During 2023, LCM reached settlement agreements with two employees who subsequently left the organisation. There were three settlements with employees in 2022.

The number of employees analysed by function was:	2023	2022
Field staff – evangelists	113	107
Other ministry staff	9	9
Maintenance staff	13	13
Support and administration staff	49	51
Employed staff	**184**	**178**

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

	2023	2022
£60,000 to £69,999	2	2
£70,000 to £79,999	2	2
£80,000 to £89,999	1	-

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

	2023 £'000	2022 £'000
Key management emoluments	691	668

5A. TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Work in Progress £'000	Total £'000
Cost or valuation							
at 1 January 2023	22,318	2,647	3,077	256	288	2,529	31,115
Transfers to investment property	(419)	-	-	-	-	(1,570)	(1,989)
Additions	2,612	353	500	-	49	-	3,514
Disposals	(393)	(420)	-	-	-	(263)	(1,076)
at 31 December 2023	24,118	2,580	3,577	256	337	696	31,564
Depreciation							
at 1 January 2023	(1,532)	(293)	(1,629)	(256)	(181)	-	(3,891)
Dep'n eliminated on disposal	53	34	-	-	-	-	87
Dep'n eliminated on transfer to investment property	38	-	-	-	-	-	38
Charge for period	(242)	(31)	(405)	-	(112)	-	(790)
at 31 December 2023	(1,683)	(290)	(2,034)	(256)	(293)	-	(4,556)
Net book values							
at 31 December 2023	22,435	2,290	1,543	-	44	696	27,008
at 31 December 2022	20,786	2,354	1,448	-	107	2,529	27,224

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	5,539	465	489	-	44	696	7,233
Missionary and Staff Housing	14,614	1,329	563	-	-	-	16,506
New Missionary Housing	-	-	-	-	-	-	-
Hope Community Homes	174	-	-	-	-	-	174
Tenanted Properties	548	403	135	-	-	-	1,086
Christian Centres	1,560	93	356	-	-	-	2,009
	22,435	2,290	1,543	-	44	696	27,008

Charity	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Cost or valuation at 1 January 2023	18,543	2,647	3,077	256	288	-	24,811
Transfer from LCMPH	-	-	-	-	-	240	240
Transfer to investment property	(419)	-	-	-	-	(160)	(579)
Additions	2,631	353	500	-	49	-	3,533
Disposals	(393)	(420)	-	-	-	-	(813)
at 31 December 2023	20,362	2,580	3,577	256	337	80	27,192
Depreciation							
at 1 January 2023	(1,179)	(293)	(1,629)	(256)	(181)	-	(3,538)
Dep'n eliminated on disposal	36	34	-	-	-	-	70
Dep'n eliminated on transfer	38	-	-	-	-	-	38
Charge for period	(204)	(31)	(405)	-	(112)	-	(752)
at 31 December 2023	(1,309)	(290)	(2,034)	(256)	(293)	-	(4,182)
Net book values							
at 31 December 2023	19,053	2,290	1,543	-	44	80	23,010
at 31 December 2022	17,364	2,353	1,448	-	108	-	21,273

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT Capitalisation £'000	Property Develop-ment £'000	Total £'000
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	3,738	465	491	-	44	80	4,818
Missionary and Staff Housing	14,415	1,329	561	-	-	-	16,305
Tenanted Properties	548	403	135	-	-	-	1,086
Christian Centres	352	93	356	-	-	-	801
	19,053	2,290	1,543	-	44	80	23,010

9. NOTES TO THE ACCOUNTS

5B. INTANGIBLE FIXED ASSETS

Group and charity	Software £'000
Cost or valuation	
at 1 January 2023	304
Additions	-
Disposals	-
at 31 December 2023	304
Amortisation	
at 1 January 2023	(163)
Amortisation eliminated on disposal	-
Charge for period	(43)
at 31 December 2023	(206)
Net book values	
at 31 December 2023	98
at 31 December 2022	141

6. FIXED ASSET INVESTMENTS

Group	Investec £'000	Cash and COIF £'000	Property £'000	Total £'000
Valuation at 1 January 2023	4,632	2,020	33,301	39,953
Additions	3,240	3,251	591	7,082
Disposals	(1,954)	(4,866)	(6,804)	(13,624)
Transfers at book value	-	-	1,953	1,953
Net realised (losses)/gains	85	10	293	388
Net unrealised (losses)/gains	248	-	(3,812)	(3,564)
Valuation at 31 December 2023	6,251	415	25,522	32,188
Cost at 31 December 2023	5,935	406	10,425	16,766

Charity	Investec £'000	Cash and COIF £'000	Property £'000	Investment in LCMPH £'000	Total £'000
Valuation at 1 January 2023	4,632	2,020	14,282	16,900	37,834
Additions	3,240	3,251	591	-	7,082
Disposals	(1,954)	(4,866)	(2,351)	-	(9,171)
Transfers at book value	-	-	542	-	542
Net realised (losses)/gains	85	10	(74)	-	21
Net unrealised (losses)/gains	248	-	(267)	(7,910)	(7,929)
Valuation at 31 December 2023	6,251	415	12,723	8,990	28,379
Cost at 31 December 2023	5,935	406	9,287	16,900	32,528

LCM holds a wide range of investments managed by Investec and COIF. At year end 46% (2022: 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.

9. NOTES TO THE ACCOUNTS

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. This company formally wound up its activities at the 31 December 2023 and is in the process of being formally struck off.

	2023 £'000	2022 £'000
Turnover	-	-
Release of intercompany debt	4	-
Expenditure	-	26
Surplus/(Deficit) for the year	**4**	**26**
Total Assets	-	306
Total Liabilities	-	(310)
Net Funds	**-**	**(4)**

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 year to 31 December 2023 a number of properties held by London City Mission Properties Limited have been reclassified as trading stock where they were previously classified as investment properties, with sales of these properties being classified as turnover. As a result, the 2022 financial statements for London City Mission Property Holdings Limited have been restated to also reflect this treatment.

	2023 £'000	2022 (As Restated) £'000
Turnover	4,450	6,663
Cost of sales	(1,783)	(2,668)
Other operating income	1	61
Administrative expenses	(1,108)	(774)
Profit for the year	**1,560**	**3,282**
Total Assets	11,198	13,970
Total Liabilities	(11,448)	(14,220)
Net Funds	**(250)**	**(250)**

Each year, any taxable profit of London City Mission Property Holdings is distributed to London City Mission, meaning that the net funds of the subsidiary remain consistent.



7. DEBTORS

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Cash due from legacies	1,979	4,058	1,979	4,058
Staff loans and season tickets	15	12	15	12
Gift Aid tax recoverable	47	53	47	53
Insurance premiums prepaid	57	54	57	54
Ministry prepayment	4	4	4	4
Other prepayments	160	73	160	73
Intercompany balances	-	-	11,235	9,829
Other debtors	166	249	161	210
	2,428	4,503	13,658	14,293

Of the intercompany balance, £11,705k relates to an intercompany loan from LCM to LCMPH (2022 - £12,256k) with the remainder consisting of balances from the day to day activities of group entities.

8A CREDITORS

Amounts falling due within one year:

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Accruals	310	343	278	82
Tax and social security	-	116	-	116
Trade creditors	-	277	-	142
Rent deposits & deferred rent receivable	67	72	67	72
Deferred Income	176	-	-	-
Life assurance scheme	-	4	-	4
Other creditors	306	74	6	74
	859	886	351	490

8B CREDITORS DUE IN MORE THAN ONE YEAR

Amounts falling due in more than one year:

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2021 Charity £'000
Bank loan	-	1,805	-	1,805
	-	1,805	-	1,805

The bank loan was agreed in 2020 for £2m of which £1m was drawn down in 2020 and the remaining £1m drawn down in 2021. The bank loan was repaid in full in 2023. The charges over the freehold land and buildings that the loan was secured against are still held by the bank. These can be cancelled at any time, but allow LCM to draw down the loan again should it be required.

9. PENSION COMMITMENTS – GROUP AND CHARITY

LCM operates a defined benefit pension scheme for all qualifying employees who elected to join the scheme but was closed to new entrants in 2006. 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). The latest triennial valuation (31 May 2023) is ongoing at the date of signing the accounts.

Following an improvement in financial market conditions resulting in the scheme being in surplus on a technical provisions basis, a revised recovery plan was agreed on 30 August 2023, under which no further employer contributions are due. A contribution of £438k that was due by 31 August 2022 under the previous recovery plan had not been paid at the end of 2023.

Following a formal quotation process a bulk annuity contract was signed with Aviva in May 2024. To fund the purchase of this contract the scheme assets have been liquidated. In addition, LCM made a contribution of £530k to fund the initial premium, which also covered the £438k outstanding under the previous recovery plan. It is anticipated that a further contribution of approximately £0.1m will be needed to cover the final premium once a data verification process has been completed. It is estimated that there will be a further £0.4m required to cover the costs of the scheme buy-out and wind up, which will be paid directly by LCM, the majority of which are anticipated to be paid in 2024.

The actuary has carried out a further full valuation of the scheme as at 31 December 2023 to produce the information required under FRS 102 – Section 28 Disclosure Report.

The assets in the scheme were as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Equities	-	-	850	686	731
Bonds and gilts	3,322	3,739	4,207	3,931	3,517
Diversified growth funds	-	-	741	641	681
Cash	62	76	100	142	287
Insured pensioners	4,171	4,106	5,741	6,888	6,676
Total market value of assets	7,555	7,921	11,639	12,288	11,892
Present value of scheme liabilities	(7,395)	(7,478)	(11,125)	(12,309)	(12,154)
Effect of asset ceiling	(160)	(443)	(514)	-	-
Deficit at 31 December	-	-	-	(21)	(262)

Analysis of the amounts charged to resources expended would be:

	2023 £'000	2022 £'000
Expenses	-	-

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

Interest on pension scheme liabilities	(362)	(196)
Expected return on pension scheme assets	384	205
Losses on settlements	(22)	(9)
	-	-

Analysis of actuarial loss:

Difference between actual and assumed return on asset	(255)	(3,489)
Experience (loss) on obligations	(46)	(590)
Change of basis gain/(loss) on obligations	(5)	3,999
Changes in asset ceiling	306	80
Actuarial gain/(loss) on obligations	-	-

Movement in deficit during the year:	**2023 £'000**	**2022 £'000**
Deficit at 1 January	-	-
Expenses		
Contributions	-	-
Pension finance income	-	-
Actuarial gain/(loss)	-	-
Deficit at 31 December	-	-

History of experience gains and losses

	2023 £'000	**2022 £'000**	**2021 £'000**	**2020 £'000**	**2019 £'000**
Difference between the expected and actual return on scheme assets					
amount	(255)	(3,489)	(767)	876	832
percentage of scheme assets	(3.4%)	(44.0%)	(6.6%)	7.1%	7.0%
Experience gain/(loss) on obligations					
amount	-	(590)	(142)	93	39
percentage of scheme liabilities	(0.0%)	(7.9%)	(1.3%)	0.8%	0.3%
Total actuarial gain/(loss)					
amount	-	-	(316)	(99)	(430)
percentage of scheme liabilities	(0.0%)	(0.0%)	(2.8%)	(0.8%)	(3.5%)

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

	31 Dec 2023 £'000	**31 Dec 2022 £'000**
Present value of obligation at beginning of year	7,478	11,125
Interest cost	361	196
Benefits paid	(495)	(435)
Charges paid	-	-
Actuarial (gain)/loss	51	(3,408)
Liabilities extinguished on settlements	-	-
Present value of obligation at end of year	7,395	7,478

	31 Dec 2023 £'000	**31 Dec 2022 £'000**
Fair value of scheme assets at beginning of year	7,921	11,639
Expected return on scheme assets	384	206
Contributions	-	-
Benefits paid	(495)	(435)
Actuarial gain/(loss) on scheme assets	(255)	(3,489)
Assets distributed on settlements	-	-
Fair value of scheme assets at end of year	7,555	7,921

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 2023 £'000**	**Income £'000**	**Expenses £'000**	**Gains/ losses £'000**	**Net transfers £'000**	**Balance 31 Dec 2023 £'000**
Headquarters, retirement, other properties and vehicles	8,380	-	(249)	553	(4,599)	4,085
Missionary and staff housing	14,703	-	(322)	619	1,133	16,133
Housing for the Marginalised	176	-	-	-	-	176
Tenanted properties	1,113	-	(48)	-	22	1,087
Christian Centres	1,896	-	(96)	533	(1,803)	530
Designated Assets (Fixed Assets less Debt)	**26,268**	**-**	**(715)**	**1,705**	**(5,247)**	**22,011**
Ministry sustainability	33,000	-	-	-	(2,500)	30,500
Pension deficit	1,500	-	-	-	-	1,500
	60,768	**-**	**(715)**	**1,705**	**(7,747)**	**54,011**

Transfers of designated assets represent the reallocation of properties, at book value, between funds. The transfer out of the Ministry sustainability fund is released to the general fund in line with the Long-Term Financial Sustainability objective.

Charity	**Balance 1 Jan 2023 £'000**	**Income £'000**	**Expenses £'000**	**Gains/ losses £'000**	**Net transfers £'000**	**Balance 31 Dec 2023 £'000**
Headquarters, retirement, other properties and vehicles	8,715	-	(276)	553	(4,599)	4,393
Missionary and staff housing	14,703	-	(325)	619	1,133	16,130
Housing for the Marginalised	176	-	-	-	-	176
Tenanted properties	1,113	-	(48)	-	22	1,087
Christian Centres	1,896	-	(96)	533	(1,803)	530
Designated Assets (Fixed Assets less Debt)	**26,603**	**-**	**(745)**	**1,705**	**(5,247)**	**22,316**
Ministry sustainability	33,000	-	-	-	(2,500)	30,500
Pension deficit	1,500	-	-	-	-	1,500
	61,103	**-**	**(745)**	**1,705**	**(7,747)**	**54,316**

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)	**30,641**	**-**	**(713)**	**1,421**	**(5,081)**	**26,268**
Ministry sustainability	24,000	-	-	-	9,000	33,000
Pension deficit	2,500	-	-	-	(1,000)	1,500
	57,141	**-**	**(713)**	**1,421**	**2,919**	**60,768**

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



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)	136	135	8,715
Missionary and staff housing	18,147	-	(245)	1,476	(4,675)	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**	**(5,049)**	**26,603**
Ministry sustainability	24,000	-	-	-	9,000	33,000
Pension deficit	2,500	-	-	-	(1,000)	1,500
	57,477	**-**	**(745)**	**1,420**	**2,951**	**61,103**

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.

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. £2.5m was drawn from the fund in 2023 to cover the deficit in the general fund.

Pension deficit

Having reviewed the triennial actuarial valuation of the closed pension scheme and the FRS 102 – Section 28 Disclosure Report for 31 December 2023, the LCM board have maintained the designated £1.5m (£1.5m in 2022) to support the transfer of the liabilities to an insurance company closure of the scheme when market conditions allow.

12. GENERAL FUNDS

Group	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
General reserve	7,207	(785)	6,422

Charity	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
General reserve	8,796	1,237	10,033

13. RESTRICTED FUNDS

Group and charity	Balance 1 Jan 2023 £'000	Income £'000	Gains on investments £'000	Expenses £'000	Transfers £'000	Balance 31 Dec 2023 £'000
LCM Pioneers	-	151	-	(151)	-	-
Retired fund - Property	348	-	-	(4)	-	344
Holiday homes fund	776	17	41	-	-	834
Relief fund - Property	273	-	-	(3)	-	270
Relief fund - General	32	519	-	(435)	-	116
Restricted Christian Centre fund	4	6	-	(6)	-	4
Restricted ministry fund	81	584	-	(611)	-	54
	1,514	**1,277**	**41**	**(1,210)**	**-**	**1,622**

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
	1,712	**1,009**	**(54)**	**(1,153)**	**-**	**1,514**

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.

Restricted Christian Centre Fund

This fund is made up of donations kindly given, specifically as a contribution toward running the Christian Centres owned by LCM, offset against direct costs.

Restricted Ministry Fund

This fund is made up of specific donations generously given to support individual LCM missionaries or ministries. Donations received are spent against the direct cost of supporting the missionary or ministry in question.

14. ENDOWMENT FUNDS

Group and charity	Balance 1 Jan 2023 £'000	Net movement £'000	Balance 31 Dec 2023 £'000
Perpetual trusts	1,242	6	1,248

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	2023 £'000	2022 £'000
Tangible fixed assets	4,377	22,011	620	-	27,008	27,224
Intangible fixed assets	98	-	-	-	98	141
Investments	-	29,938	1,002	1,248	32,188	39,953
Current assets	2,806	2,062	-	-	4,868	6,104
Current liabilities	(859)	-	-	-	(859)	(886)
Long-term debt	-	-	-	-	-	(1,805)
Total net assets	6,422	54,011	1,622	1,248	63,303	70,731

Charity	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2023 £'000	2022 £'000
Tangible fixed assets	-	22,390	620	-	23,010	21,273
Intangible fixed assets	98	-	-	-	98	141
Investments	375	25,754	1,002	1,248	28,379	37,834
Current assets	9,911	6,172	-	-	16,083	15,703
Current liabilities	(351)	-	-	-	(351)	(490)
Long-term debt	-	-	-	-	-	(1,805)
Total net assets	10,033	54,316	1,622	1,248	67,219	72,656

16. CAPITAL AND OTHER COMMITMENTS

There are no capital commitments as at 31 December 2023.

17. POST BALANCE SHEET EVENTS – INVESTMENT PROPERTY

As at 31 December 2023, LCM was in discussions with a number of third parties to purchase or enter into development agreements for some of LCM's investment 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:

	2023 £'000	2022 £'000
Within one year	33	20
Between two and five years	18	20
In more than five years	-	-
	51	**40**

19. SUPPORT COSTS

Group and charity	HQ staff £'000	HR, IT, and premises £'000	Pension and life insurance £'000	Total 2023 £'000
Management of rented properties	149	96	4	**249**
Fundraising and supporter relations	246	40	17	**303**
Mission activities	1,307	1,197	141	**2,645**
Christian Centres	138	124	15	**277**
Retirement housing	122	78	3	**203**
City Vision and City Challenge	202	27	-	**229**
Relief to the needy	226	180	25	**431**
Development of Christian Centres	38	-	-	**38**
LCM Pioneers	312	109	15	**436**
Training and church development	366	109	15	**490**
Hope Community Homes	73	33	4	**110**
Total	3,179	1,993	239	**5,411**

Allocable costs

	£'000
Head office staff	3,179
IT, HR, office supplies	402
Departmental costs	665
Insurance	151
Premises	775
Pension and life insurance	239
	5,411

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 - 2022

	£'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

20. RELATED PARTY TRANSACTIONS

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

21. DONATIONS FROM TRUSTEES

Fourteen (2022: eleven) trustees and connected persons made donations in the year totalling £89,760 (2022: £67,039).



The London City Mission is a company limited by guarantee.

Registered in England and Wales No. 4284615. Registered Charity No. 247186.
Registered office as above.

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Registered with FUNDRAISING REGULATOR

THE LONDON CITY MISSION

England & Wales - Charity number 247186

Accounts



THE LONDON CITY MISSION

Company Number: 04284615

Charity Number: 247186

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



"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



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 London[1]. 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 discipled 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)**

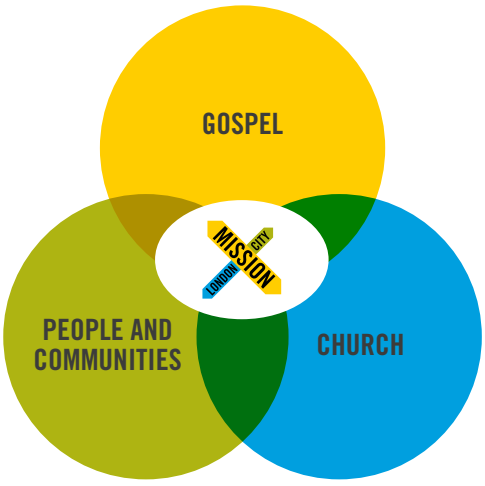


2B. STRATEGIC FOCUS

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 2015[2], 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 Nasmith, who founded The London City Mission (LCM) in 1835. This continues as our heartbeat as we constantly adapt to London's ever-changing landscape.

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, its 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 outcome[3]. 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."

People's names which appear with a * in this report have been changed.

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.

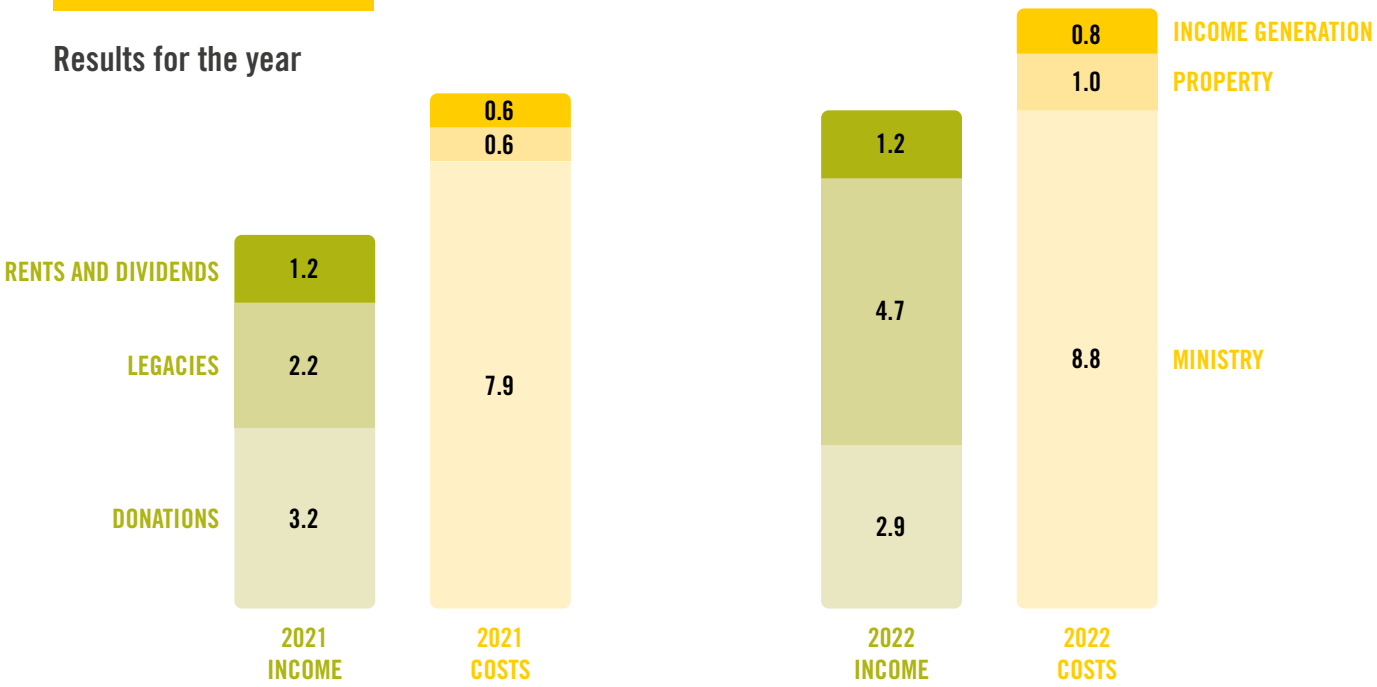
During 2022, two Centres were sold, one for use by a church and one to a special educational needs school. A further sale to a church completed in early January 2023. Contracts were exchanged for the sale of another two centres on a subject to planning basis and the developers are working on obtaining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

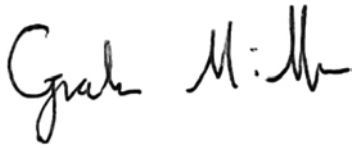
4F. AUDITORS

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 Capitali-sation £'000	Property Develop-ment £'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 Capitali-sation £'000	Property Develop-ment £'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 Capitali-sation £'000	Property Develop-ment £'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 Capitali-sation £'000	Property Develop-ment £'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
	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).

The London City Mission is a company limited by guarantee.
Registered in England and Wales No. 4284615. Registered Charity No. 247186. Registered office as above.

THE LONDON CITY MISSION

England & Wales - Charity number 247186

Accounts



THE LONDON CITY MISSION

Company Number: 04284615

Charity Number: 247186

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

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REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. LETTER FROM THE CEO & CHAIRMAN

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

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

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

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

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

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

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

Yours in Him,

GRAHAM D MILLER, CHIEF EXECUTIVE 24 October 2022

MARK D HARDING, CHAIRMAN OF THE BOARD OF TRUSTEES 24 October 2022

2. STRATEGIC REPORT

2A. PURPOSE & IMPACT

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

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

This is a tragedy.

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

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

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

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

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

Because London needs Jesus!

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

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

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

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

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

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

2B. STRATEGIC FOCUS

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

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

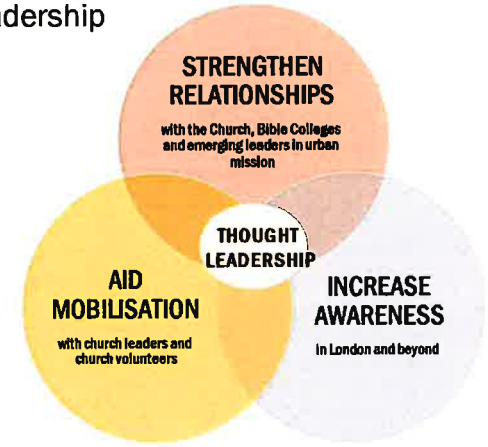
- Sharing the gospel of Jesus Christ
- Working amongst people and communities in London unlikely to otherwise hear the good news of Jesus Christ
- And doing this in partnership with local churches



LCM's broader strategy

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

Thought Leadership objectives



LCM seeks to deliver its strategy by:

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

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

2C. WHAT MATTERS TO US

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

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

Our values are:

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

2D. KEY EVENTS IN 2021

Coronavirus

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

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

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

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

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

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

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

Ministry review and strategy

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

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

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

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

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

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

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

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

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

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

2E. MISSIONAL ACTIVITIES

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

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

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

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

Partnership in Mission

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

- We partner with churches in the areas of London where people are least likely to have heard the life changing truth about Jesus – amongst communities from other religions, in the city's housing estates, with young people and those on the margins of society. It's in these areas, least reached by the gospel, that our missionaries are embedded. They work closely with local churches, equipping church members to build bridges into communities, share the gospel and welcome new believers into the church family.

- We serve churches across the city and beyond, understanding their vision for local mission, and providing the tools to help them achieve it. We help churches to understand their local area, the needs of the people, and give training on reaching them effectively for the gospel.

- We love all evangelical churches, wherever they are, to join us in partnership for the gospel in London – making outreach possible, giving missionaries prayer and financial support, and regularly hearing back first-hand the impact their support is having, along with being encouraged and inspired into outreach themselves.

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

Diaspora Churches

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

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

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

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

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

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

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

Specialisms

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

We focus on:

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

Children, youth and schools

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

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

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

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

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

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

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

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

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

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

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

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

Housing estates

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

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

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

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

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

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

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

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

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

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

"This ministry is uplifting, it's like someone filling you up."

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

Seniors

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

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

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

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

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

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

Homeless and marginalised

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

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

In London the number of rough sleepers has risen dramatically over the past decade, with an average age of death at just 44 years old, with many from suicide[1]. Out of sight, many thousands of women are enduring the horror of being involved or even enslaved in sex work[2], and London's seven prisons are full to overflowing.

According to the Combined Homelessness and Information Network (CHAIN) there were 8,329 people who slept rough in London during April 2021 – March 2022[3], which was a decrease on the previous year but still almost 30% more than ten years ago. LCM cares for and loves people who are homeless, sharing the gospel in word and deed.

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

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

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

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[1] https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2020registrations

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

[3] https://data.london.gov.uk/dataset/chain-reports

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

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

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

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

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

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

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

Islam and other religions

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

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

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

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

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

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

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

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

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

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

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

14:6

Diaspora Communities

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

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

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

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

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

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

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

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

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

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

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

Equipping workers for the harvest

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

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

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

The Pioneers Training Programme

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

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

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

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

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

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

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

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

Partnership in mission

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

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

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

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

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

Training our staff

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

2F. PLANS FOR FUTURE YEARS - MINISTRY

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

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

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

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

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

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

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

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

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

2G. FINANCIAL SUSTAINABILITY

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

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

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

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

"Steadily reduce **Excess Investments** and the **Annual Cash Shortfall** to approximately **Nil** by the mid-2030's"

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

Investments

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

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

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

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

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

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

2H. STRATEGIC SUMMARY

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

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

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

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

3. OPERATIONAL REPORT

3A. ENABLING MISSION

Fundraising and Supporter Partnerships

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

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

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

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

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

Communications

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

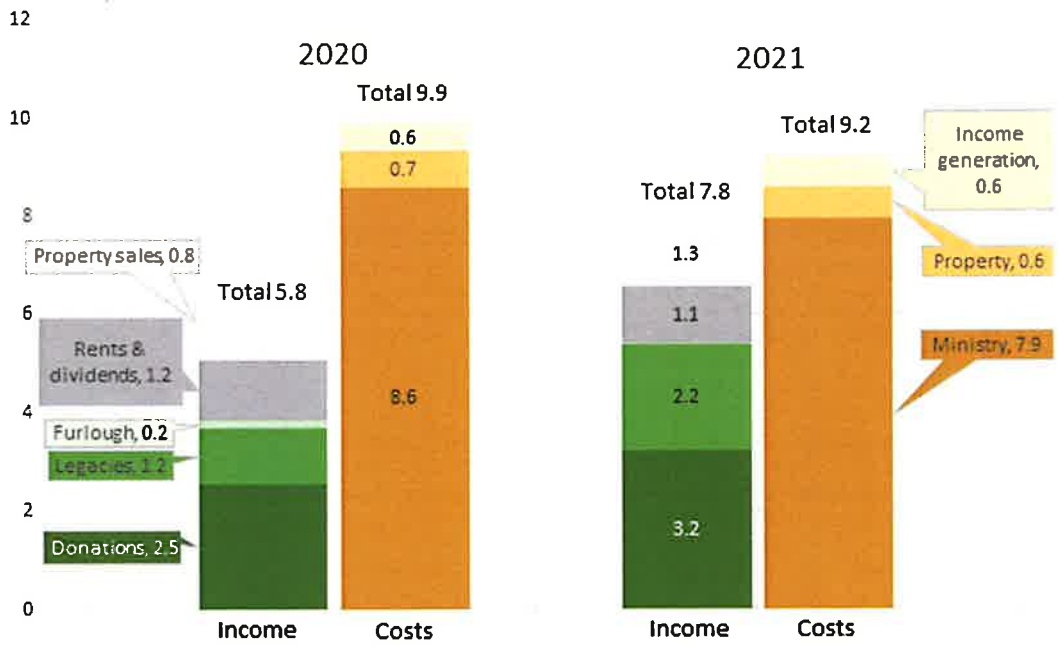
We did this by:

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

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

3B. OPERATING RESULT FOR THE YEAR

Results for the year



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

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

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

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

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

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

3C. THE MISSION'S ASSETS

Property

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

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

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

Retirement housing

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

Christian Centre disposals and development

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

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

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

Pension provision

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

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

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

Reserves policy

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

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

Investing for sustainable ministry

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

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

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

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

Debt policy

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

Cash and Going Concern

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

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

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

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

3D. COMPLIANCE

Statement on Fundraising

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

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

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

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

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

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

Statement on Data Protection

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

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

Public Benefit

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

3E. PRINCIPAL RISKS AND UNCERTAINTIES

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

FINANCIAL AND FUNDRAISING RISKS

Fundraising

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

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

Financial

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

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

Data Protection

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

PEOPLE-RELATED RISKS

Safeguarding

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

Collaborative Staff Working

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

Staff Wellbeing

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

The LCM Values

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

4. GOVERNANCE

REGISTERED OFFICE:
The London City Mission
175 Tower Bridge Road
London
SE1 2AH

REGISTERED CHARITY NUMBER:
247186

REGISTERED COMPANY NUMBER:
4284615

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

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

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

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

Director appointment dates:
Carolyn Ash – May 2007 (resigned at the July 2022 board meeting)
John Bulmer – March 2015
Andrew Burkinshaw – March 2015
Mosun Dorgu – December 2008
Bryan Duncan – March 2018
Richard Godden – September 2001
Roger Evans – September 2013
Mark Harding (Chairman) – November 2002
Anne Hudson – July 2018
Graham Miller (CEO) – January 2014
Richard Montgomery – March 2018
Ian Nash – November 2002
Nigel Parrington – May 2016
Marcia Shields – March 2015

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

4B. SUBSIDIARY COMPANIES

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

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

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

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

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

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

4C. MANAGEMENT STRUCTURE

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

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

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

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

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

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

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

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

Resignations in 2021:

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

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

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

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

4D. PAY POLICY FOR SENIOR STAFF

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

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

4E. DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

4F. AUDITORS

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

4G. DIRECTORS' STATEMENT

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

REPORT OF THE DIRECTORS SIGNED ON BEHALF OF THE DIRECTORS



GRAHAM D MILLER, CHIEF EXECUTIVE AND DIRECTOR
24 October 2022

5. INDEPENDENT AUDITORS' REPORT

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 28 October 2022

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

9 Appold Street,
London,
EC2A 2AP

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

6. GROUP STATEMENT OF FINANCIAL ACTIVITIES

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

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

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

THE LONDON CITY MISSION

GROUP & PARENT BALANCE SHEET AS AT 31 DECEMBER 2021

7. GROUP & PARENT BALANCE SHEET

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

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



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



Richard Montgomery,
On behalf of the Finance committee

THE LONDON CITY MISSION

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

8. GROUP CASHFLOW STATEMENT

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

NOTES TO CASH FLOW STATEMENT		**2021**	**2020**
		£	**£**
1.	**Reconciliation of net income for the year to net cash outflow from continuing operating activities**		
	Net income	3,391,962	(653,262)
	Investment income	(650,304)	(677,546)
	Gain on disposal of tangible fixed assets	(1,290,423)	(791,143)
	Realised (gains)/losses on investments	(328,608)	(350,276)
	Unrealised (gains)/losses on investments	(4,739,985)	(3,135,491)
	Depreciation on tangible fixed assets	615,895	613,434
	Amortisation of Intangible assets	43,395	43,395
	Decrease/(increase) in stocks	541	(653)
	Decrease/(increase) in debtors	(817,779)	577,955
	(Decrease)/increase in creditors	(259,705)	(366,613)
	Net cash outflow from operating activities	(4,035,012)	(4,740,199)

2.	**Analysis of changes in net debt equivalents during the year**	**1 Jan 2021**	**Change in year**	**31 Dec 2021**
		£	**£**	**£**
	Cash and cash equivalents			
	Cash	745,841	765,732	1,511,574
	Borrowings			
	Debt due within one year	-	-	-
	Debt due after one year	(1,000,000)	(1,000,000)	(2,000,000)
	Total	(254,159)	(234,268)	(488,426)

9. NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Basis of accounting

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

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

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

Basis of consolidation

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

Going concern

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

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

(b) Tangible fixed assets and depreciation

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

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

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

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

(c) Intangible fixed assets and amortisation

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

(d) Property Repairs and Improvement costs

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

(e) Investments

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

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

(f) Debtors

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

(g) Creditors and provisions

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

(h) Property awaiting sale

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

(i) Financial instruments

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

(j) Funds

Unrestricted Funds –

1) Designated Funds are funds set aside at the discretion of directors.

2) Other Charitable Funds are available for use in the furtherance of LCM's charitable objectives.

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

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

(k) Donations and legacies

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

(l) Rent receivable

Rents receivable are accounted for on an accruals basis.

(m) Value Added Tax

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

(n) Pension costs

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

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

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

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

(o) Resources expended

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

(p) Leases

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

(q) Support costs

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

(r) Significant estimates and judgements

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

2. Investment income

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

3 Analysis of resources expended

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

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

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

Analysis of Resources Expended-2020 for comparison

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

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

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

4. Staff costs

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

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

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

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

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

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

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

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

5a. Tangible fixed assets

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

Additions	322,500	-	569,634	-	49,836	1,251,370	2,193,340
Disposals	(612,577)	-	-	(16,540)	-	(297,437)	(926,554)
at 31 December 2021	25,687,753	4,056,599	2,521,587	297,889	152,020	2,493,021	35,208,858
Depreciation							
at 1 January 2021	1,450,979	305,805	952,921	305,894	34,058	-	3,049,657
Dep'n eliminated on disposal	(52,015)	-	-	(9,135)	-	-	(61,150)
Dep'n eliminated on transfer	(69,098)	-	-	-	-	-	(69,098)
Charge for period	272,726	47,585	313,733	281	50,668	-	684,993
at 31 December 2021	1,602,592	353,390	1,266,654	297,040	84,726	-	3,604,402
Net book values							
at 31 December 2021	24,085,151	3,703,209	1,254,933	849	67,294	2,493,021	31,604,456
at 31 December 2020	26,467,438	3,750,791	999,031	8,529	68,126	1,539,086	32,833,001

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

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

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

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

5b. Intangible fixed assets

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

6. Fixed asset investments

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

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

LCM holds a wide range of investments managed by Investec and COIF. At year end 46% (2020: 45%) 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 is a private company limited by guarantee without share capital (Company No. 09881533) which is controlled by LCM.

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

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

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

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

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

7. Debtors

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

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

8a Creditors

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

8b. Creditors due in more than one year

Amounts falling duein more than one year:	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Bank loan	2,000,000	1,000,000	2,000,000	1,000,000
	2,000,000	1,000,000	2,000,000	1,000,000

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

9. Pension Commitments – group and charity

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

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

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

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

The assets in the scheme were as follows:

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

Analysis of the amounts charged to resources expended would be:

	2021	2020
	£'000	£'000
Expenses	-	-

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

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

Analysis of actuarial loss:

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

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

History of experience gains and losses

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

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

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

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

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

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

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

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

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

Missionaries' and Staff Housing

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

Housing for the Marginalised

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

New Missionary Housing

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

Tenanted Properties

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

Christian Centres

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

Ministry sustainability fund

The ministry sustainability fund was created at the end of 2020 to fund net expenditure before investments which makes up most of the projected annual cash shortfall, and in doing so, keeps LCM's ministry sustainable at it's 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.

Pension deficit

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

12. General funds

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

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

13. Restricted funds

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

LCM Pioneers

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

Retired Fund (Retired Missionaries, Widows and Orphans fund)

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

Holiday Homes Fund

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

Relief Fund

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

Restricted Christian Centre Fund and Restricted Ministry Fund

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

14. Endowment funds

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

Perpetual trusts

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

15. Analysis of net assets between funds

Fund balances at the end of year are represented by:

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

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

16. Prior year comparative funds – incoming and outgoing resources

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
INCOME	£	£	£	£
Voluntary income				
Donations	1,597,505	764,439	-	2,361,944
Legacies	1,151,032	-	-	1,151,032
Grants	-	177,104		177,104
Income from investments	663,280	14,266	-	677,546
Income from charitable activities				-
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres	101,969	59,839	-	161,808
Income from other trading activities				-
Rents	461,248	-	-	461,248
Fees & other charges	56,004	-	-	56,004
Other income				
Net gain on sale of tangible fixed assets	791,143	-	-	791,143
TOTAL INCOME	4,822,181	1,015,648	-	5,837,829
Expenditure on raising funds				
Management of rented properties	337,445	-	-	337,445
Fundraising and supporter relations	525,001	-	-	525,001
Investment management fees	13,921	-	-	13,921
	876,367	-	-	876,367
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES	3,945,814	1,015,648	-	4,961,462
EXPENDITURE ON CHARITABLE ACTIVITIES				
Mission activities	4,918,341	937,820	-	5,856,161
LCM Pioneers	177,981	72,611	-	250,592
Training and church development	296,635	-	-	296.635
City Vision, City Challenge and Urban Track	115,516	-	-	115,516
Christian Centres	1,561,012	-	-	1,561,012
Retirement housing and other costs	236,033	3,820	-	239,853
Relief to the needy	405,288	3,000	-	408,288
Hope Community Homes	83,059	-	-	83,059
Trading costs at cafés, HQ Bookroom and at Christian Centres	38,600	-	-	38,600
Christian Centre developments	151,774	-	-	151,774
TOTAL CHARITABLE EXPENDITURE	7,984,239	1,017,251	-	9,001,490
TOTAL EXPENDITURE	8,860,606	1,017,251	-	9,877,857
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES	(4,038,425)	(1,603)	-	(4,040,028)
Realised net gains on investments	350,276	-	-	350,276
Unrealised gains/(losses) on investments	3,171,142	(32,736)	(2,915)	3,135,491
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	(517,007)	(34,339)	(2,915)	(554,261)
Transfer between funds	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS	(517,007)	(34,339)	(2,915)	(554,261)
Actuarial (losses)/gains on defined benefit pension scheme	(99,000)	-	-	(99,000)
NET MOVEMENT IN FUNDS	(616,007)	(34,339)	(2,915)	(653,261)
RECONCILIATION OF FUNDS				
Total funds brought forward	63,126,354	1,575,679	1,244,998	65,947,031
FUND BALANCES CARRIED FORWARD	62,510,347	1,541,340	1,242,083	65,293,770

17. Capital and other commitments

There are no capital commitments as at 31 December 2021.

18. Post balance sheet events – investment property

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

19. Operating lease commitments – group and charity

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

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

19. Support costs

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

Allocable costs

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

20. Related party transactions

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

21. Donations from Trustees

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

22. Charity Statement of Financial Activities

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

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

22. Charity Statement of Financial Activities (continued)

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

THE LONDON CITY MISSION

England & Wales - Charity number 247186

Accounts



THE LONDON CITY MISSION

Company Number: 04284615

Charity Number: 247186

Annual Report
&
Financial Statements
for the year ended 31 December 2020

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1. LETTER FROM THE CEO & CHAIRMAN

2020 was a year like no other. We were thrown to our knees as coronavirus swept the city, the nation and the world. Yet, despite all the change, all the pain, all the difficulties, the gospel remains the same and The London City Mission (LCM) has kept on serving and sharing the good news of Jesus with the poorest and neediest in our city. Just as we did through other pandemics like cholera in the 1840s and Spanish Flu after the First World War.

At a time when so many of us were confined to our homes for much of the year, LCM found new and creative ways to share the unchanging gospel message, and to encourage and equip churches across our city to reach out to their neighbours and those communities least likely to know of the saving work of Jesus Christ.

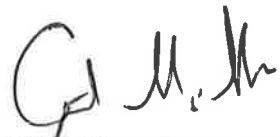
We have seen loss and grief on a personal level, within our churches and across our city, and yet we remain rooted in Christ and committed to His mission in London.

We have been working from home, setting up online Bible studies with local churches, home schooling our children and competing for internet bandwidth. Through it all we have remained rooted in Christ and committed to sharing the gospel alongside London's churches, so that people who are least likely to have a Christian friend to tell them the truth about Christ hear the good news.

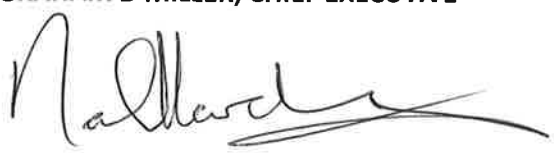
We have experienced changes to the way we work on the field so that we can partner with more churches, equip more Christians and reach more people in our city for Christ. We have prayed and sought the Lord's direction, and while the majority of staff felt called to stay, others have moved on, leaving as firm friends of the Mission, and yet in it all, we remain rooted in Christ and steadfast for the gospel.

As we are forced to our knees, as we cry out in pain, we come to the Lord and we pray. This is the best place for us to be. Humbled before him, recognising our weaknesses and failings and acknowledging his power and strength. In 2 Corinthians 12:9, Paul writes: 'But he said to me, "My grace is sufficient for you, for my power is made perfect in weakness."'. Too often in modern society there is a desire to be the greatest and the best, but the Lord says, blessed are the poor in spirit. LCM feels at home amongst the weak and the poor in spirit. We have been very much aware of our dependence on God, and his grace in bringing us through this year.

We give the Lord thanks and praise for all he has done and enabled through the Mission this year. We also want to say a deep and heart-felt thank you to everyone who has prayed for us and those we have worked alongside this year, who made a generous financial gift at a time of great economic uncertainty, and who gave their time to volunteer.



GRAHAM D MILLER, CHIEF EXECUTIVE 20 September 2021



MARK D HARDING, CHAIRMAN OF THE BOARD OF TRUSTEES 20 September 2021

2. STRATEGIC REPORT

2A. PURPOSE & IMPACT

At the heart of The London City Mission (LCM) is a desire to share our gifts and experience in evangelism to serve a growing and flourishing church that is envisioned, equipped and enabled to share the love of God and good news of Jesus with the least reached communities in London. We work with churches to see people who might otherwise never hear the gospel, come to know salvation and fullness of life in Jesus Christ.

The way we do that, and the people groups we reach, changes as London changes, but sharing the gospel in word and deed with people least likely to hear it remains at the core of what we do, as it has done for 186 years.

London City Mission exists to serve the Church in London in sharing the love of God and the good news of Jesus Christ with people in London who are least likely to hear it.

One in three people in London are unlikely to hear the gospel during their lifetime unless we reach out to them. They are part of 'least reached' communities and are unlikely to know a Christian who can share their faith and invite them to church.

This includes those living on the margins of society, people from other nations, cultures and faiths, and those people living on some of the poorest and most deprived estates in the city. They are also the people most likely to have been impacted by coronavirus – more likely to be front line workers, more likely to have been infected, and more likely to have died. The poorest in our city now face the economic wave of the pandemic, if they are not already in the midst of it.

Working as a catalyst alongside the Church, together, by God's grace, our vision is to raise up more workers for the harvest so that many more people from these least reached communities in London can hear the life-giving good news of Jesus Christ.

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

During the pandemic of 2020, LCM continued to be creative in ministry. Bible studies went online, community support was offered through leafletting blocks of flats with phone numbers to call, and emergency food parcels were distributed.

- On average, we held **Bible studies with 287 least reached people every week**, sharing the hope of the gospel
- Our missionaries supported an average **135 isolated people every week** in the hardest hit communities across London
- We handed out an average of **147 food packages every week** to people who were homeless or who faced financial difficulties.

2B. STRATEGIC FOCUS

LCM has an increasingly effective strategy to help reach the one in three people in London communities, who are unlikely to hear the good news of Jesus Christ. Missionaries model relational evangelism, working alongside ordinary Christians from London's churches, to inspire and equip them for mission.

LCM's strategy is focused on three core aspects:

- Sharing the gospel of Jesus Christ
- Working amongst London's least reached communities, those people who are least likely to hear the good news of Jesus Christ
- And doing this in partnership with local churches



LCM seeks to deliver its strategy by:

- Identifying particular geographic districts, and/or particular people groups, where the gospel is least likely to be shared.
- Employing and training Christian evangelists with appropriate gifts in urban mission and church mobilisation, and deploying them into those people groups or areas
- 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, planning and evaluation, envisioning and equipping the congregation for mission as well as doing evangelistic activities together.
- Taking every opportunity to compassionately commend, explain and defend the Christian message of salvation through Jesus Christ.
- Encouraging and assisting those who respond positively to this message to become active disciples, members of the caring church family of Jesus Christ

'You will be my witnesses in Jerusalem and in all Judea and Samaria, and to the end of the earth.'

Acts 1:8

2C. WHAT MATTERS TO US

London needs Jesus and the ministry of 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 least reached communities in their local area. We are whole-hearted in this and yearn to see the lost saved and changed into Christ's likeness.

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 2020

Coronavirus

The coronavirus pandemic has affected us all. But it's the marginalised, people experiencing homelessness, older people, and those with health issues who were hardest hit in 2020. As the economic impact of the pandemic begins to be felt in even greater measure, it's those people in lower paid jobs, with less job security, who will be impacted the hardest.

As the coronavirus pandemic hit London, LCM continued to work with churches to share the hope that is found in Jesus Christ with those least likely to hear it. Our activities adapted and changed, but the desire and urgency to share the gospel remained as steadfast as ever.

During lockdown, missionaries continued to serve those in need by adapting food distribution services to run in line with Government guidelines. Webber Street Day Centre for people who are homeless was able to provide hot drinks and a meal for around 40-80 people a day. As demand increased, we worked with some food banks to ensure food parcels were delivered to those who needed them most, and, thanks to the generosity of supporters, we've been able to provide emergency food vouchers for those who we are coming alongside, sharing the gospel in word and deed.

People like Margaret, a single mother who has three children under the age of 11. Margaret hadn't worked since the first lockdown and had managed to keep going with benefits and food bank supplements. However, whilst schooling from home, one of her children accidentally broke the shared computer they were using. The provision of emergency food vouchers meant that the family could still purchase food while allowing Margaret to spend money she had to purchase a second-hand computer, so the children were able to complete their schoolwork. Helping people like Margaret in practical ways, provides gospel opportunities whilst building caring and compassionate relationships.

Other missionaries set up online Bible studies and followed up with their contacts by phone or video call. Missionary Olly Sherwood shares how God has been at work through his online Bible study

"One man came not knowing Jesus but calling himself spiritual and a believer in God. One week in, I was sharing on Jesus being the way, truth and the life and how you can't truly accept the Father without accepting Jesus. He rang me afterwards and started to say to me that he was recognising that we don't just see Jesus as a teacher but rather we see that he is God in flesh. A few hours later he messaged me again. I was over the moon to read: 'I have handed my will over to Jesus for the first time rather than a God of my own understanding."

Church speaking engagements have also continued via Zoom, enabling missionaries to connect with our supporter base, a vital source of prayer and encouragement for ministry.

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

Where government guidelines allowed, in-person activities took place with social distancing, PPE and risk assessments making all our lives more complicated but keeping vital gospel ministry living at a time when people desperately needed hope. We were pleased that LCM missionaries were recognised within government guidelines as key workers and continued to be able to safely help the most vulnerable in our communities at a time when many people had to stay home. A small number of staff were furloughed, largely for health or childcare reasons while schools were closed, and we appreciated the government furlough grant.

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

Ministry review and strategy
In early 2019, the Board of LCM approved a new five-year strategy.

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

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

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

We recognise that to reach the three million people in London who are least likely to hear the good news of Jesus, we need to be working alongside even more churches to see everyday Christians evangelise the least reached communities in their local area. And so, we sought God about our work,

looking into scripture that holds particular significance about the role of the evangelist in serving the church.

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

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

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

LCM has been recruiting new Missionaries and Team Leaders since the start of 2021. We thank God that nine gifted and experienced gospel workers have already started and eight have been appointed to start in September. 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.

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, see the salvation of many in London.

As part of this refocused strategy, LCM made the decision to repurpose various cafés the Mission had run. It is important for us as a mission, not simply to keep doing what we've always done, but in the context of an ever-changing London, to prayerfully weigh and evaluate everything we do as stewards of an effective gospel ministry.

Our aim is now to continue working alongside local churches to make use of these buildings, which are still owned by LCM, to reach even more people who are marginalised or living on the deprived estates in Tower Hamlets with the gospel. Our prayer is that many of the previous ministries will continue, flourish and grow, and we are already seeing that happen with the English classes we've equipped a local church to run and take the lead on. As a result of these changes to our cafes, and with the closure of the bookshop on Tower Bridge Road, our trading costs for the year have fallen significantly. We are now able to use the resources we previously invested to resource gospel ministry elsewhere, which we believe will have an even greater overall impact.

2E MISSIONAL ACTIVITIES

LCM focuses on the following key missional activities, as we partner with churches in mission.

Sending out missionaries
We send out missionaries, gifted and trained in urban mission, to work alongside London's churches to share the gospel with least reached communities. The 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. This increased representation both strengthens the voice of the Church as she speaks to issues in wider society and helps the Church grow in understanding and love for our neighbour regardless of age, socio-economic status, religion, ethnicity or country of origin.

During 2020, LCM continued to work alongside local churches to minister in some of the most spiritually and economically deprived areas of London. Within these communities, we seek to serve the Church in reaching out to people who are least likely to have a Christian friend who can tell them about Jesus. For example, we work with:

- young people at risk of gang culture and violence
- people who are living in poverty, suffering from mental illness or experiencing long-term unemployment
- people in their later years who are housebound and isolated, living in some of London's most deprived communities
- people on the move from other parts of world who are living in London
- people who are homeless, involved in sex work, in prison or have a criminal conviction
- people who come from different cultural and religious backgrounds

As part of our 5-year strategy, LCM has identified areas of specialism within least reached communities. We focus on:

- Children, youth and schools
- Council estates and seniors
- Homeless and marginalised
- Islam and other religions

Children, youth and schools
There are around two million children and young people in London. We estimate around half of them do not have a Christian friend; many of them are from Muslim backgrounds. We want to work together with churches to help reach them with the gospel.

More than a third of London's children live in poverty; one 2020 survey of 1,000 parents in London found 16% of their children had gone for at least a day without food[1]. Many live fragmented, chaotic lives. Some are in gangs or at risk of falling into gangs, and we know teens who carry knives and others who have tragically been stabbed and killed.

We long to see children and young people in London, who are least likely to have Christian friends, encounter Jesus and live happy, healthy lives.

[1] https://www.standard.co.uk/news/foodforlondon/food-for-london-now-children-food-shortage-b232967.html

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

We partner with churches to share the gospel with London's least reached children and young people. Churches can often be incredibly good at running activities for children of church families but involving troubled children or those from other cultures in those activities can be more of a challenge, so church outreach activities may need to be intentionally adapted.

Thanks to the generosity of supporters, we can work in ministry together with local churches, launching youth groups, going into schools and starting up community activities like foodbanks. Everything from after-school clubs and football training to toddler groups and summer camps, are in the mix – as long as they build relationships with young people and create relational opportunities to share the gospel effectively. During 2020 we adapted many of these activities to be run online or through Christian activity packs given to young children unable to attend school in person. We give thanks to God that in one ministry, more teenagers from a local estate engaged with the Bible studies on Zoom than had come to them when they ran in person.

Council estates and seniors

Some of London's's least reached people live on our city's estates. White working-class families are among those least likely to have a Christian friend as studies show churches are disproportionately filled with university graduates. We know that older people living on estates often feel lonely and forgotten, many feeling unsafe when they leave their homes and becoming increasingly isolated as a result.

We love reaching people on estates with the gospel of Jesus Christ and helping London's churches to share the good news as they welcome them into fellowship. There is a huge opportunity to befriend people of all ages on estates and our missionaries find a great openness to having conversations about God and faith. Churches have a vital role to play in reaching communities on their doorstep. As Christians, we can walk alongside people, share life together, and open up the beauty of the gospel message in life changing ways.

Since it was founded in 1835, LCM has visited people in the community they are trying to reach, with team members calling on their neighbours to introduce themselves, getting to know residents and visiting people in their homes. We have continued this in line with government guidelines during 2020 and have equipped other churches to do the same. It has provided a lifeline for many who were shielding and an opportunity to connect people with a local Bible-believing church, providing a phone number they can call if they need help with groceries, collecting medication or someone to listen and pray with them in a time of great difficulty.

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

Homeless and marginalised

Thanks to the generosity of those who partner with us in the gospel, we can minister to people who are homeless, or who are involved in the sex industry, prisoners, former prisoners, people struggling with addictions and those with mental health challenges. These are often the people with deeply broken lives, on the margins of society, the most vulnerable and overlooked. They are among the people in London least reached with the gospel.

According to the Combined Homelessness and Information Network (CHAIN) there were 11,018 people who slept rough in London during April 2020 – March 2021[2], almost twice as many as ten years ago LCM cares for and loves people who are homeless, sharing the gospel in word and deed. During 2020 we were able to adapt our ministries at our day centre at Waterloo to continue to provide much needed and vital services during the coronavirus pandemic, as well as providing opportunities for people to continue to hear of God's grace to them in Jesus Christ. We offer practical and relational care, provide hot food and drink, help to signpost guests to other services. Some of our missionaries have been running outdoor Bible studies with local churches for people who are homeless.

Often, the lives of people who are homeless and marginalised are chaotic and damaging. But we follow Jesus' example, to engage respectfully, personally and compassionately with people who can so often be overlooked. We provide relief to those in need at Webber Street Day Centre, where people who are homeless receive food, friendship and the good news of Jesus.

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

LCM partners with churches to lovingly share the grace of Christ with people who are homeless and marginalised. It can be daunting to know where to even start with this kind of gospel ministry. With our experience, we can help churches develop or grow ministry with people who are homeless and marginalised, and together take every opportunity to share the life-changing good news of Jesus.

We also work with churches through Hope Community Homes and The Corner House, The London City Mission accommodation programmes for people trying to get off the streets. We want to give those who are ready to move away from rough sleeping more than just a bed – we also want to give them the opportunity to change their lifestyle for good and, as Christians, we believe that true life can only be found in knowing Jesus.

Islam and other religions

A significant number of LCM team works with people from a range of diverse religions, cultures, ethnicities, and nationalities. There are more than a million Muslims in London, including many from nations where the Christian gospel is not officially allowed to be preached. We want to sensitively share the good news of the true Jesus with our Muslim neighbours and we praise God for His grace in the lives of those who find Christ and for the relationships we help churches build with Muslim communities in their area.

For decades, we have crossed divides and reached out in love to Muslims and those of other faiths. As we continue to do this, we have plenty of experience and wisdom to share. We love looking at ways we can work with local churches to develop and establish such ministry, so together we can see God's grace make an eternal difference to people's lives.

"I am the way and the truth and the life. No one comes to the Father except through me." John 14:6

We partner with churches to share the gospel with Muslims and people of other religions. We do this by providing resources, training people in local churches to sensitively reach out with respect, care and wisdom, and helping to develop and establish ministry projects. We can help churches start activities like language classes, Christian-Muslim discussion evenings and high street book tables, where Christianity can be discussed with Muslims in a spirit of openness and love.

[2] https://data.london.gov.uk/dataset/chain-reports

Partnership in mission
Thanks to the prayers and backing of supporters, LCM missionaries can build connections with local churches in areas of London where we know the largest communities of people live who are least likely to have heard the gospel. We seek to come alongside churches, working together to identify ways to reach those people least likely to hear the gospel in their area. The result could be any number of ministries started together – perhaps starting an evangelistic foodbank that seeks to share the good news along with providing much needed food supplies. During lockdown, this could have meant leafleting the local area with an offer of help for those who are shielding, running an online seekers course, or it could be hosting online after-school youth groups for young people not used to church, where they can learn how much Jesus loves them.

We give thanks for the many partnerships LCM has with churches and organisations across the city and beyond. We continue to build relationships and develop partnerships with a variety of churches, networks and gospel organisations, as together we seek to reach out with the good news of Jesus Christ. These include partnerships in ministry on the ground, partnerships with churches we are equipping in other ways, and partnerships with supporting churches.

LCM is working alongside local churches to make use of our operational Christian Centre buildings, undertaking active ministry to least reached communities. Repair costs for these centres was minimal in 2020 because of the limited access and use of the buildings due to the pandemic.

Diaspora churches
We are determined to see the gospel reach the areas of London where people are least likely to hear it. Churches founded by and primarily made up of Christians from another part of the world are often present in the least reached areas of London. For example, in a deprived area in Elephant and Castle, we find a body of Latin American believers, or in Brixton there are many African churches.

God has brought together a global church to reach a global city. We pray that we would see more and more diaspora churches becoming cities on a hill, equipped to share the gospel not only to their own communities, but within their local neighbourhoods as well, particularly with communities where the gospel is not widely heard.

'He determined the times set for them and the exact places where they should live. God did this so that men would seek him and perhaps reach out for him and find him' Acts 17:26-27

We partner with diaspora churches, emboldening and equipping 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 outreach ministry.

Equipping workers for the harvest
LCM serves and equips the Church in London to reach out into their communities with the gospel. One way we do this is to share our experience and insight through our on-the-ground practical equipping sessions, training resources and courses which are designed to equip 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.

Our training programmes also provide education and training to young adults. Urban Pioneers 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 churches to help share the gospel with others. The programme combines classroom learning with practical experience to offer a holistic education in urban ministry. The scheme aims to raise up people from diverse backgrounds to play a valuable ministry role in urban churches and communities across London and beyond.

Training our staff
In the autumn of 2020, LCM put a comprehensive training programme in place to support field staff as they started their new roles mobilising churches to share the gospel with the least reached in London.

LCM continued its 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, serving for a period of 1-2 years (Urban Track). These programmes finished earlier than planned in 2020 due to the pandemic. With the changes to the field, these programmes have been put on hold for 2020/21 while field staff settle into their new roles.

2F. PLANS FOR FUTURE YEARS - MINISTRY

2020 was a year of global tragedy as the impact of coronavirus was felt right across the world. It was also a year of enforced change as church buildings shut and many of us had to work from home. This has resulted in a new paradigm for work, church and mission. London's communities and churches have all been impacted by loss and change.

2020 was also the year LCM implemented its refreshed approach to ministry to align the way we operate to better support our vision to work alongside churches to reach more of the three million people in London who are least likely to know a Christian to introduce them to the good news of Jesus Christ or to invite them to church. The field roles were revised and the ministries we were involved in changed.

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

In 2021 LCM began a 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 continue to align the Mission with our vision, goals and values.

We recognise that to reach the three million people in London who are least likely to hear the good news of Jesus, we need to be working alongside even more churches. We want to provide greater opportunities for churches to partner with LCM in this vital task – for example, in establishing ministry on the ground, being equipped for mission, providing financial contributions or praying alongside us.

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

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 London's least reached communities.

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 London-centric missiological research with the Church of London. 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

In previous years, Mission centres were built by LCM in areas where there was not an evangelical church. As churches have sprung up across London, the mission now holds a limited number of properties we no longer need for ministry. As a result of this we are either responsibly disposing of those properties commercially or partnering with a church aligned with our vision and values, which is seeking to benefit from the space. This is releasing funds that can be then used to support vital gospel ministry.

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

In line with this careful approach to financial management, the LCM Board agreed a revised financial sustainability objective in January 2021 to cover the next 10 years. The Mission intends to: -

"Steadily reduce **Excess Investments** and the **Annual Cash Shortfall** to approximately Nil by the mid-2030's"

Excess investments are regarded to be the total of all investments, including properties no longer needed for ministry, less the reserves needed for the financial stability of the Mission. LCM intends to invest these funds in direct ministry, leading to an annual cash shortfall, made up of an operating deficit and new ministry assets.

The level of operating deficit will be finalised through the annual financial planning cycle each year but the long-term plan has been set. Underlying this financial objective is the principle of stewarding God's provision (LCM's assets) to keep gospel ministry sustainable in the long term.

In the medium-term, this means The London City Misson can generate cash from surplus investment properties and the development opportunities across its estate whilst in the short-term debt is required to provide a liquidity buffer while transactions are in progress.

The long-term financial strategy requires an above inflation growth in donations (general or legacies) to reduce the cash shortfall. In the meantime, the cash shortfall will be funded from the significant asset values in The London City Misson's property resources. This will enable operating costs to be maintained at their current level. The partnership of prayer and giving from new and existing supporters is vital to the ongoing sustainability of our work in sharing the gospel with those in London yet to hear and is increasingly important.

The generosity of supporters who provide for gospel mission in so many ways – gifts, grants, fundraising and legacies – are incredibly important to LCM This was reflected in the appointment of a Director of Fundraising & Supporter Partnerships in 2020, who reports into the Finance sub-committee.

The trustees through the Property & Finance sub-committees oversee the disposal of properties and assesses the asset values. This assessment is made largely from tenders but also on market feedback, professional advice, formal opinions received from local authority planning departments through the pre-application process and the potential for urban mission led by LCM and its partners in developed sites. LCM's clear objective is to steward the resources provided by God, so that the good news of Jesus can continue to be shared in London for the foreseeable future.

In conclusion, we pray that over the next few years, as we continue to faithfully take the good news out onto the streets and into the homes of those people least likely to hear about Jesus Christ, the Mission will engage with even more churches across the city, envisioning and equipping them. Together, more workers will be raised up for the harvest and the gospel can be effectively shared with even more people.

3. OPERATIONAL REPORT

3A. ENABLING MISSION

Fundraising and Supporter Partnerships

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

We are grateful for God's provision through the faithfulness of those gospel partners, who stood with us during a difficult year for many, to share the gospel with those in London yet to hear. Donation income in 2020 totalled £2.36m, a decrease of £0.09m from the year before. Through the great kindness of those special supporters who remembered gospel mission in their will, our legacy income was £1.2m (down from £1.6m in 2019).

We thank God for providing for mission in London through a global pandemic, both from faithful long-term supporters and new supporters who partnered with us in mission last year when they made their first gift. It was a great encouragement to have so many supporters join us for our first online sleepout, where people slept outside near their homes raising funds for people cared for by the LCM homeless ministry, Webber Street.

The London City Mission (LCM) staff were grateful to have the opportunity to speak online in hundreds of churches across the country. We also enjoyed hosting special events online, such as our Thanksgiving Service, which was a great encouragement as almost two thousand people gathered to praise God.

During 2020 the fundraising team was restructured with the purpose of keeping gospel ministry to the least reached sustainable by seeking to develop more gospel partnerships, growing donation income by an additional £1m from 2019 levels by 2024. This resulted in a number of new roles for which suitable candidates were all recruited by mid-2021, at which point the new fundraising strategy will start to be fully implemented.

Communications

In 2020, LCM continued to envision and share the need for this vital gospel ministry with supporters and the wider Church in London.

We did this by:

- Producing a quarterly magazine, *Changing London*, which highlights the need for ministry and the impact that God is having in these spiritually deprived communities. Publishing various prayer resources, including a quarterly prayer diary, *Together*, which enables supporters to pray specifically for our team, contacts, churches and communities.
- Maintaining an active and engaging presence on our digital platforms – mainly on our website (lcm.org.uk) and our social media channels (Facebook, Twitter, Instagram and YouTube), where we share opportunities to get involved, ideas to inspire churches for mission, and resources to equip them.

- Implementing changes to the roles within the team to ensure they support the strategic objectives of the Mission, with a greater focus on digital marketing and content creation.
- Refreshing LCM's branding to ensure it supports and reflects the strategy.
- Developing new digital engagement events, such as a videocast series through the pandemic and online prayer meetings with missionaries

3B. FINANCIAL REVIEW

Results for the year

The total income figure is £5.8m compared with £7.4m in 2019. Donation income decreased by less than £0.1m to £2.4m in 2020 (£2.4m in 2019). The legacy income of £1.2m in 2020 (£1.6m in 2019) was in line with the long-term average and reflects the reduced capacity of probate offices. Rental, investment and trading income of £1.4m fell (£1.7m in 2019) largely from the closure of Cafés and as underused properties were sold. LCM received £0.2m in new government grants from the Furlough scheme (CJRS) for the first time in 2020. Finally, the gain on disposal of operational properties sold during the year was significantly lower at £0.8m (compared with £1.5m in 2019). To sustain LCM's ministry in the long run, these gains are largely invested in replacement properties for staff working in London.

Total expenditure of £9.9m in 2020 (compared with £10.5m in 2019) returned to normal levels following the costs to identify the potential value in LCM's properties (£0.2m) in 2020. As planned, this resulted in an operating deficit of £4.0m in 2020, compared to £3.1m in 2019. LCM has planned for operating deficits and their related annual cash shortfalls, funded by the reduction in excess investments mostly properties, to continue.

During 2020 LCM reached agreement on the development of two other properties, an existing investment property and an operational property. In addition, LCM received offers on other operational properties. These operational properties now meet the criteria to be classified as investment properties and therefore have been revalued to market value. The revaluation of properties provided an unrealised gain of £3.7m whilst the value of all investments increased by £3.5m (compared to £9.8m in 2019). Similar investment property gains are expected as further contracts are finalised and planning permission granted.

In 2020, the Defined Benefit Pension scheme reported an actuarial loss of £0.1m compared to a loss of £0.4m in 2019.

All these factors combine to a small fall in funds available during the year of £0.6m, made up of an operating deficit (£4.0m) and actuarial loss (£0.1m), offset by property & investment gains (£3.5m). Meanwhile, LCM's cash balances have increased to £0.7m.

Property

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.

In 2020, two new properties were purchased for missionaries, whilst four underused residential properties and two centres no longer directly used for LCM ministry were sold to fund the planned cash shortfall.

In 2020, over 20 properties generated a wide range of offers to purchase and / or develop these sites for LCM. Negotiations have continued throughout the year and where necessary sites have been re-marketed. The overall value of offers has not materially changed since they were first marketed. This programme is part of LCM stewarding the resources that God has provided as welook to steadily reduce excess investments.

Starting in late 2021, the Ministry review will require the sale of approximately 20 residential properties which will be replaced with nearly 20 new properties. This is a significant change for LCM which will take several years to fully implement. Meanwhile the sale of investment properties and development rights will continue. We expect to retain new centre space at nearly half of these developments either rented out as investments or used for direct ministry.

LCM's intentional approach is to operate with a steadily reducing deficit, which results in an annual cash shortfall, supported by careful stewardship of our assets, reducing the emphasis on property assets over time. This will provide for investment in ministry for a finite period. The success of this plan, which will see a gradual reduction in the operating deficit, is only possible alongside a consistent level of funding from legacies and an above inflation growth in general donations, arising both from LCM's faithful supporters and an expansion of the supporter base.

Investments
The value of LCM's investment portfolio was unchanged in 2020 at £32.4m.

The Board agreed to designate £19.5m of investments into a new Ministry Sustainability fund to better reflect the long-term financial sustainability objective. The trustees anticipate using future investment gains in the medium term to either fund ministry in the year they are recognised or to designate them to this fund.

Reserves and debt policy
General reserves at the end of 2020 were £8.3m before provision for the pension deficit of <£0.1m (compared to £9.8m before provision for the pension deficit of £0.3m at the end of 2019). Under the risk adjusted general reserve policy, the Board reviewed the target in 2020 and decided to keep it unchanged at between £4.5m and £5.5m. The trustees expect the 2021 & 2022 cash shortfalls to reduce general reserves to the target range. They intend to designate any other excess to the Ministry Sustainability Fund in line with the long-term financial sustainability objective.

The Board has authorised the raising of up to £10m of debt to secure funding for the planned cash shortfall. It expects any debt to be paid back from planned asset disposals no later than the end of 2028. LCM has arranged a £2m facility of operational debt secured against 3 properties of which £1m was drawn in 2020 and another £1m in early 2021. Additional facilities will be sought in 2021. Debt facilities have the effect of significantly improving the liquidity of the asset base and therefore the general reserve.

Pension provision
The Defined Benefit scheme closed to all new and existing employees in 2006. In 2020, LCM provided funds of £0.6m to the scheme to meet long-term liabilities. There is a potential cost of extinguishing the pension deficit and the Board has designated £3.5m (£5.1m in 2019) to cover this risk. In 2021,

the trustees are seeking advisers to obtain quotations from the market for a bulk annuity purchase. No quotations have been received or purchase contracts entered into at this time.

Cash and Going Concern
LCM continues to hold enough cash to cover month-to-month expenses for the foreseeable future. From time to time LCM can use funds held as equities and has a debt facility in place. In 2021, LCM expects to extend this facilityand seek mortgage offers on new property purchases to provide liquidity. In addition, the sales of underused properties and development rights are expected to provide more than £2m in 2021 and up to £20m over the next couple of years to fund the planned operating deficit. At the end of 2020, £3m of these receipts were under contracts that are subject to receiving planning permission.

The emergence of coronavirus in early 2020 had a significant impact on the UK and LCM. Financially, the most significant impact was the delay to the legal process of selling properties. Equity investments, which are held with the expectation of longer-term growth, fell significantly but have since recovered. We are making use of government support including the job protection scheme where it has not been possible to continue existing ministries. In addition, we have released funds for the relief of the needy.

LCM received significant gifts in immediate response to the coronavirus pandemic from our supporters with a limited fall in total donation income during 2020 compared to 2019. Once the full economic impact of the pandemic is realised, the need for the Mission to work amongst the least reached of London is expected to increase. We expect to be able to partner with the church in London, our existing and new supporters in this growing ministry need.

The Board of trustees confirms that, in its view, there are sufficient liquid assets within LCM for it to be considered a going concern despite the impact of the coronavirus pandemic.

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

Christian Centre developments and disposals
Following the marketing of over 20 properties in 2020 and the identification of potential development partners - two properties have been sold, three are under contract , six are under offer, a further ten have attracted offers in line with expectations and two more are being actively considered for development. We are committed to realising the value in these sites for missional purposes in the medium to long-term.

Each project will fall into one of the following groups:

- Disposal to realise value
- Dispose to a church or church partner
- Develop for a church partner
- Development for LCM ministry

This gain is a result of God's provision over decades and will take several years to be converted into cash. The continued and growing financial support from our existing and new supporters will ensure

that these gains support the work of the Mission into the middle of the 2030's and not just for a few years.

3C. COMPLIANCE

Statement on Fundraising

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

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

We prioritise thanking donors as soon as possible and seek to communicate the impact of donations to supporters through our letters, magazines, e-newsletters, and bespoke publications. We build trust with supporters by being honest and transparent in our communications. Individuals must opt in to receive communications from LCM unless they reasonably meet the criteria of legitimate interest, where there is clear evidence of their recent interest in our work. We provide opportunities for individuals to opt out from any of our communications in clear and easy ways. Our records show that we received no complaints about our fundraising from supporters or members of the public in 2020.

We did not use commercial fundraisers in 2020 – all our fundraising was carried out by LCM employees who sign up to our Statement of Faith and Conduct and seek to adhere to the Fundraising Promise. We occasionally use the services of trusted external consultants who align with our charitable purposes and values.

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

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

Public Benefit

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

3D. PRINCIPAL RISKS AND UNCERTAINTIES

During 2020, the Board gave attention to multiple risks related to all operations, and in particular those with a high level of risk or related to the pandemic. This risk register is regularly reviewed and updated. Below are the key risks identified in 2020 and how LCM is managing them.

Financial risks

Growing funding and income

Our heart is to work alongside the local church to see everyone in London given the opportunity to respond to the gospel during their lifetime. To begin to achieve this, we need people who will stand with us in prayer and giving to keep this vital ministry sustainable. For our current plans to succeed, we require investment in identifying and welcoming new supporters, increased generosity from existing supporters and the successful sale of investment properties no longer required for operational ministry. Clear communication of the need for increased financial support is crucial.

A new fundraising strategy was set out in 2020, with new roles established and filled in early 2021 to support this strategy and identify growth opportunities. In particular, this strategy is focused on developing new gospel partnerships with evangelical Christians.

There is a risk that if there was a long-term downturn in the London property market, the receipts from sales of our properties would be adversely affected, as would the timing of those sales. The spread of the disposal programme and the use of agents to monitor the market and adjust priorities accordingly reduces the risk of material changes to the overall income.

Financial controls around the use of LCM's assets

Various measures are in place to mitigate the risk of accidental misuse of LCM assets, such as the use of phased budgets, segregation of duties, dual authorisation for cheque and BACS payments, receipts policy for gifts, daily banking and reconciliations. Controls are regularly reviewed with additional controls being considered as required or advised.

People-related risks

Collaborative & effective working

The leadership team of LCM is seeking to encourage greater cross-functional and collaborative working both from within the leadership team and throughout the organisation. We are working on establishing multi-disciplinary forums to share information, develop models of ministry to least reached communities, and ideas to improve the way we engage with churches.

In 2021 we started projects to fully integrate our databases and to review our support processes, systems and structures to better support field staff as they engage with and mobilise churches for mission to the least reached communities. In addition, there are occasional leadership team review sessions, away days and opportunities for the Board of Trustees to ask questions and challenge the leadership team.

To encourage more effective working, we are providing greater role clarity across the organisation and greater line of sight through the appraisal process between individual goals and organisational

objectives. There is also an agreed Decision Matrix in place regarding key decisions reserved for the Board, Sub Committees and Leadership Team.

Health & wellbeing of staff

There is a risk that staff rely too much on their own strength rather than on God. To help avoid this, there are lots of opportunities to pray as part of LCM, whether in project or functional teams, weekly whole-organisation prayer times, weekly leadership team prayer meetings, monthly whole-organisation team days and the annual week of prayer at the start of the year.

As an organisation driven by a passion for reaching the lost, there is a risk of burnout of staff if LCM takes on more activity than it has capacity for. This could lead to an increase in staff sickness and turnover, a reduction in staff engagement, wellbeing and organisational performance. A working group was established in 2021 to assess employee wellbeing and consider how this can be protected and developed.

Safety of staff, buildings & contacts

One of our values is Christ-like love. Accordingly, we want to make sure that our staff, buildings and contacts are all safe. Risk assessments for ministry activities are in place and are reviewed ahead of in-person activities re-starting following the coronavirus pandemic. Personal safety and safeguarding policies and training are in place. Guidelines are set for minimum staffing levels, and staff rotations are in operation to minimise risk of stress. An emergency response policy is also in place.

Values embedded within the organisation.

To ensure that the culture of LCM is well aligned with its values, they are incorporated into Job Descriptions, the onboarding process of new staff, and feature in the sermons in regular all staff meetings. A prayerful culture of humility underpins the effective implementation of the strategy and impacts on the performance of individuals and the whole organisation. Prayer is prioritised throughout the mission with the first week of every year devoted to prayer and biblical reflection.

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 Louise Ash – May 2007
John Richard Bulmer – March 2015
Andrew Burkinshaw – March 2015
Mosun Dorgu – December 2008
Bryan Gordon Duncan – March 2018
Richard Westacott Godden – September 2001
Roger Evans – September 2013
Mark Dominic Harding (Chairman) – November 2002
Anne Katharine Hudson – July 2018
Graham David Miller (CEO) – January 2014
Richard Matthew Montgomery – March 2018
Ian Eric Nash – November 2002
Nigel Graham 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
Devonshire House
60 Goswell Road
London
EC1M 7AD

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 and mid-year reviews, email and written documentation.

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

4B. SUBSIDIARY COMPANIES

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

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

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

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

LCMPH commenced trading from the 1st July 2021. The directors of LCMPH agreed to novate certain existing London City Mission Property Services Ltd contracts to the company. Similarly, the directors confirmed LCMPH would enter into a contract to purchase 27 properties, including the Bermondsey Christian Centre, from the London City Mission. In addition, the directors approved to lease back these properties to the parent company in line with the scheme authorised by the Charity Commission dated 30th June 2021.

4C. MANAGEMENT STRUCTURE

LCM's 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.

During the course of 2020 LCM was delighted to announce that a number of internal staff were promoted onto the leadership team, as God called others to serve in new ways.

After 15 years as Deputy Chief Executive Officer, Alan Black is now able to focus his time on his passion of teaching the Bible as he equips field staff for evangelism and mobilisation as Director of Studies. We are hugely appreciative and thankful for all Alan contributed as a faithful and godly Deputy CEO.

Efrem Buckle, a local pastor in Lewisham and a founder of LCM's Pioneer programme, was promoted to Deputy CEO and Director of Training & Mentoring. Efrem's appointment was crucial to the creation of a new training course for field staff.

Christian Fielder has been a passionate supporter of LCM for a number of years and has a wealth of experience in people, change and organisational development. He played a key role in delivering the changes in 2020 to the way we operate on the field. He was subsequently promoted into the role of Director of People & Organisational Development.

LCM is also delighted to have created a new role on the leadership team of Director of Fundraising & Supporter Partnerships. Rachel Wagstaff was appointed to this new role just before the first lockdown in early 2020.

Caroline Millar made a significant contribution to shaping our partnerships with different churches, networks and organisations across London. She remains a firm friend as she uses her strategic and project management stills to help a variety of different organisations across London to serve the Church from a missional perspective.

Since the end of 2020, Tayo Arikawe and Jo Sutton have also moved into new roles outside of the Mission.

Tayo is a visionary and led the field ministry team through a major review and restructure, so that in God's grace we might mobilise and serve even more churches across London to reach the least reached communities with the gospel. As Tayo moved into his new role with Langham Partnerships International, we are grateful that we will be able to continue working together with the same vision of bold proclamation and practical action.

After more than 8 years with the Mission, initially as a volunteer and for the past 5 years as Director of Communications & Programme, Jo has relocated to the North-East of England. She is passionate about seeing people on the margins come to know Jesus, and continues to serve the Lord through a local charity that works with ex-offenders. We are thankful for all Jo has contributed to the Mission during her time with us.

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

- Chief Executive Officer: Graham Miller (appointed October 2013)
- Director of Finance: Nicholas Allenson (appointed March 2016)
- Deputy CEO and Director of Training & Mentoring: Efrem Buckle (promoted May 2020)
- Director of People & Organisational Development: Christian Fielder (promoted September 2020)
- Interim Director of Ministries: Terry Puttick (promoted March 2021)
- Director of Ministries: Jason Roach (joining September 2021)
- Director of Fundraising & Supporter Partnerships: Rachel Wagstaff (appointed February 2020)
- Company Secretary: Chesman Isle

The following people left the LT in 2020:

- Director of Training & Mentoring: Helen Thorne (resigned January 2020)
- Director of Church Development & Partnerships: Caroline Millar (resigned September 2020)
- Director of Studies and Deputy CEO: Alan Black (stood down September 2020)
- Acting Head of Human Resources: Shirley Cox (replaced September 2020)

Resignations in 2021:

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

Board members

There were no new appointments to the Board of Directors in 2020. When new members join the Board, they are provided with key Board documents such as annual reports, Articles of Association, and strategic future plans.

4D. PAY POLICY FOR SENIOR STAFF

The Board of Directors and the Leadership Team comprise the key management personnel of LCM 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 of 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 are set by the Chief Executive Officer and Director of People & Organisational Development and approved by the HR sub-committee of the Board, with reference to levels of responsibility and rates of remuneration in charities of similar size and objects. The Chief Executive Officer's salary and benefits are set by the Board of LCM. Rates of pay are reviewed annually and normally increased in line with inflation. Details are disclosed in Note 4 to the Accounts.

4E. DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and

application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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
20 September 2021

5. INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of London City Mission for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 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 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. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 its 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.

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.

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

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.

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 19 October 2021

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE)
FOR THE YEAR ENDED 31 DECEMBER 2020

6. GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £	2019 Total £
Voluntary income						
Donations		1,597,505	764,439	-	2,361,944	2,449,770
Legacies		1,151,032	-	-	1,151,032	1,649,359
Grants		-	177,104	-	177,104	-
Income from investments	2	663,280	14,266	-	677,546	772,697
Income from charitable activities						
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres		101,969	59,839	-	161,808	415,781
Income from other trading activities						
Rents		461,248	-	-	461,248	509,760
Fees and other charges		56,004	-	-	56,004	46,363
Other income						
Net gain on sale of tangible fixed assets		791,143	-	-	791,143	1,537,711
TOTAL INCOME		4,822,181	1,015,648	-	5,837,829	7,381,441
Expenditure on raising funds						
Management of rented properties		337,445	-	-	337,445	356,945
Fundraising and supporter relations		525,001	-	-	525,001	474,858
Investment management fees		13,921	-	-	13,921	19,597
		876,367	-	-	876,367	851,400
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES		3,945,814	1,015,648	-	4,961,462	6,530,041
EXPENDITURE ON CHARITABLE ACTIVITIES						
Mission activities		4,918,341	937,820	-	5,856,161	5,823,633
LCM Pioneers		177,981	72,611	-	250,592	222,259
Training and church development		296,635	-	-	296,635	234,795
City Vision, City Challenge and Urban Track		115,516	-	-	115,516	118,781
Christian Centres		1,561,012	-	-	1,561,012	1,595,214
Retirement housing and other costs		236,033	3,820	-	239,853	333,782
Relief to the needy		405,288	3,000	-	408,288	298,236
Hope Community Homes		83,059	-	-	83,059	84,190
Trading costs at cafés, HQ Bookroom and at Christian Centres		38,600	-	-	38,600	143,883
Christian Centre developments		151,774	-	-	151,774	792,358
TOTAL CHARITABLE EXPENDITURE		7,984,239	1,017,251	-	9,001,490	9,647,131
TOTAL EXPENDITURE	3	8,860,606	1,017,251	-	9,877,857	10,498,531
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES		(4,038,425)	(1,603)	-	(4,040,028)	(3,117,090)
Realised net gains on investments	6	350,276	-	-	350,276	(55,133)
Unrealised gains/(losses) on investments	6	3,171,142	(32,736)	(2,915)	3,135,491	9,891,642
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(517,007)	(34,339)	(2,915)	(554,261)	6,719,419

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £	2019 Total £
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(517,007)	(34,339)	(2,915)	(554,261)	6,719,419
Transfer between funds	13	-	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		(517,007)	(34,339)	(2,915)	(554,261)	6,719,419
Actuarial (losses)/gains on defined benefit pension scheme	9	(99,000)	-	-	(99,000)	-430,000
NET MOVEMENT IN FUNDS		(616,007)	(34,339)	(2,915)	(653,261)	6,289,419
RECONCILIATION OF FUNDS						
Total funds brought forward		63,126,354	1,575,679	1,244,998	65,947,031	59,657,611
FUND BALANCES CARRIED FORWARD		62,510,347	1,541,340	1,242,083	65,293,770	65,947,030

THE LONDON CITY MISSION
GROUP & PARENT BALANCE SHEET AS AT 31 DECEMBER 2020

7. GROUP & PARENT BALANCE SHEET

	Notes	Group 2020	Group 2019	Charity 2020	Charity 2019
FIXED ASSETS		£	£	£	£
Tangible fixed assets	5a	32,833,001	32,274,695	31,438,743	31,256,945
Intangible fixed assets	5b	227,822	271,217	227,822	271,217
Investments	6	32,021,451	32,355,861	32,021,451	32,355,861
		65,082,274	64,901,773	63,688,016	63,884,023
CURRENT ASSETS					
Stocks		3,811	3,158	3,811	3,158
Debtors	7	1,614,122	2,179,821	3,465,819	3,525,757
Cash at bank and in hand		745,841	368,913	724,182	356,396
		2,363,774	2,551,892	4,193,812	3,885,311
LIABILITIES					
Amounts falling due within one year	8	(1,130,970)	(1,244,341)	(697,748)	(897,777)
NET CURRENT ASSETS		1,232,804	1,307,551	3,496,064	2,987,534
Amounts falling due in more than one year	8	(1,000,000)	-	(1,000,000)	-
PENSION LIABILITY	9	(21,308)	(262,294)	(21,308)	(262,294)
NET ASSETS		65,293,770	65,947,030	66,162,772	66,609,263
FUNDS					
Designated funds	11	54,198,747	54,128,744	54,198,747	54,128,744
General reserve	12	8,332,908	9,259,903	9,201,912	9,922,136
Pension deficit		(21,308)	(262,294)	(21,308)	(262,294)
UNRESTRICTED FUNDS		62,510,347	63,126,353	63,379,351	63,788,586
RESTRICTED FUNDS	13	1,541,340	1,575,679	1,541,340	1,575,679
ENDOWMENT FUNDS	14	1,242,083	1,244,998	1,242,083	1,244,998
TOTAL FUNDS		65,293,770	65,947,030	66,162,772	66,609,263

Approved and authorised by the Board on 20th September 2021 and signed on its behalf by:



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



Richard Godden,
Chair of the Finance Subcommittee

8. GROUP CASHFLOW STATEMENT

Cash flows from operating activities:	**2020**	**2019**
	£	**£**
Net cash used in operating activities	(4,740,199)	(6,495,498)
Cash flows from investing activities:		
Dividends, interest and rents from investments	677,546	772,697
Proceeds from sale of tangible fixed assets	1,145,000	2,395,904
Purchase of tangible fixed assets	(2,868,362)	(1,920,047)
Purchase of intangible fixed assets	-	(67,598)
Proceeds from sale of current asset	-	-
Proceeds from sale of fixed asset investments	8,304,483	9,547,197
Purchase of fixed asset investments	(3,146,540)	(4,143,406)
Net cash provided by investing activities	4,117,127	6,584,747
Cash flows from financing activities:		
Loan Received	1,000,000	-
Net cash provided by financing activities	1,000,000	-
Increase in cash and cash equivalents	376,928	89,249

NOTES TO CASH FLOW STATEMENT		**2020**	**2019**
		£	**£**
1.	**Reconciliation of net income for the year to net cash outflow from continuing operating activities**		
	Net income	(653,261)	6,289,419
	Investment income	(677,546)	(772,697)
	Gain on disposal of tangible fixed assets	(791,143)	(1,537,711)
	Realised (gains)/losses on investments	(350,276)	55,133
	Unrealised (gains)/losses on investments	(3,135,491)	(9,891,642)
	Depreciation on tangible fixed assets	613,434	564,947
	Amortisation of Intangible assets	43,395	32,546
	Impairment of property		-
	Decrease/(increase) in stocks	(653)	2,825
	Decrease/(increase) in debtors	577,955	(1,377,424)
	(Decrease)/increase in creditors	(366,613)	139,106
	Net cash outflow from operating activities	(4,740,199)	(6,495,498)

2.	**Analysis of changes in cash and cash equivalents during the year**	**1 Jan 2020**	**Change in year**	**31 Dec 2020**
		£	**£**	**£**
	Increase in cash and cash equivalents	368,913	376,928	745,841

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).

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, London City Mission Property Holdings limited (Company no. 12320018), a company established in November 2019. Group accounts have therefore been prepared. (See Note 6).

The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future. In response to the coronavirus pandemic the charity has received significant gifts from its supporters enabling it to release funds for the relief of the needy. Under its financial sustainability plan, the Mission is planning operating deficits in the medium term, financed by the sales of property and in the short term, debt. The disposal of investment properties is expected to provide more than £20m to fund the planned operational deficits and a sustainable level of working capital. Financially, the most significant risk is delays to the legal process of selling properties. However, a mortgage facility for £2m is in place and assets are available to secure additional facilities in the medium term if needed. 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 Furniture, Fittings and Office Equipment are depreciated at 25% and 20% on a reducing balance basis respectively.

(c) Intangible fixed assets and amortisation

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

(d) Property Repairs and Improvement costs

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

(e) Investments

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

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

(f) Debtors

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

(g) Creditors and provisions

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

(h) Property awaiting sale

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

(i) Financial instruments

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

(j) Funds

Unrestricted Funds –

1) Designated Funds are funds set aside at the discretion of directors.

2) Other Charitable Funds are available for use in the furtherance of LCM's charitable objectives.

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

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

(k) Donations and legacies

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

(l) Rent receivable

Rents receivable are accounted for on an accruals basis.

(m) Value Added Tax

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

(n) Pension costs

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

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

at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The defined contribution scheme costs are included as part of staff costs and included in the Statement of Financial Activities.

(o) Resources expended

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

(p) Leases

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

(q) Support costs

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

(r) Significant estimates and judgements

The group's investment properties are valued by the trustees at their estimated market value at the balance sheet date. This represents a significant judgement however the trustees believe that the market values of the investment properties are not materially different from their carrying values at the balance sheet date. The trustees acknowledge that there has been considerable uncertainty in the property market as a result of the impact of the coronavirus pandemic although any consequent diminution in value of the properties is expected to be temporary.

2. Investment income

	2020	2019
	£	£
Income from listed investments	106,374	186,809
Income from other investments	-	-
Income from deposits	4,093	5,387
Income from investment properties	567,079	580,501
	677,546	772,697

3 Analysis of resources expended

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

Charity	Staff Costs	Other	Dep'n	Total 2020
	£	£	£	£
Expenditure on raising funds	456,592	387,415	32,361	876,368
Charitable expenditure	5,805,364	2,411,279	581,073	8,797,716
	6,261,956	2,798,694	613,434	9,674,084

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

Analysis of Resources Expended-2019 for comparison

-

Group	Staff Costs	Other	Dep'n	Total 2019
	£	£	£	£
Expenditure on raising funds	436,749	379,517	35,134	851,400
Charitable expenditure	5,776,032	3,341,286	529,813	9,647,131
	6,212,781	3,720,803	564,947	10,498,531

Charity	Staff Costs	Other	Dep'n	Total 2019
	£	£	£	£
Expenditure on raising funds	436,749	379,517	35,134	851,400
Charitable expenditure	5,776,032	2,682,428	529,813	8,988,273
	6,212,781	3,061,945	564,947	9,839,673

	2019
	£
Included in both group and charity above:	
Audit fees net of VAT	22,500
Prior year under accrual	-
Support costs (Note 20)	3,151,919

4. Staff costs

	2020	2019
	£	£
Salaries	4,597,076	4,750,102
Social Security	377,841	413,445
Settlement Costs	502,134	165,656
Pension and Life Insurance	784,904	883,577
	6,261,956	6,212,780

The only member of the Board who is remunerated is Graham Miller, the Chief Executive, and his total emoluments for 2020 were £50,625 (2019 £50,814). Pension contributions of £9,907 (2019 £8,410) were also paid on his behalf. He also receives rent-free accommodation in his role as Chief Executive. Expenses reimbursed amounted to £85 (2019 £411). One Board member reclaimed travel expenses of £55.65 (2019 £229).

During 2020 LCM completed a review of mission strategy and ministry operations and reached settlement with several employees who subsequently left the organisation.

	2020	2019
The number of employees at 31st December 2020 by function was:		
Field staff – evangelists	85	113
Other ministry staff	26	45
Maintenance staff	3	3
Support and administration staff	43	40
Employed staff	**157**	**201**
City Vision team	0	5
Urban Track	2	2
Employees & formal volunteer programmes	**159**	**208**

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

	2020	2019
£60,000 to £69,999	3	2

Emoluments for the Leadership Team in 2020 were as shown below. The composition of the Leadership Team is set out in the Directors' Report on Page 25. The figures below are the total cost to LCM, including gross salaries, benefits in kind, employer's national insurance contributions and employer's pension contributions.

	2020	2019
	£	£
Key management emoluments	599,670	559,192

5a. Tangible fixed assets

Group	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Cost or valuation							
at 1 January 2020	27,713,914	4,056,595	1,634,037	314,423	-	1,089,823	34,808,792
Transfers at cost	(1,414,969)						(1,414,969)
Additions	1,999,000		317,915		102,184	449,263	2,868,362
Disposals	(379,529)						(379,529)
at 31 December 2020	27,918,416	4,056,595	1,951,952	314,423	102,184	1,539,086	35,882,656
Depreciation							
at 1 January 2020	1,269,662	258,220	703,163	303,052	-	-	2,534,097
Dep'n eliminated on disposal	(20,672)						(20,672)
Dep'n eliminated on transfer	(77,202)						(77,202)
Charge for period	279,190	47,584	249,758	2,842	34,058		613,432
at 31 December 2020	1,450,978	305,804	952,921	305,894	34,058	-	3,049,655
Net book values							
at 31 December 2020	26,467,438	3,750,791	999,031	8,529	68,126	1,539,086	32,833,001
at 31 December 2019	26,444,252	3,798,375	930,874	11,371	-	1,089,823	32,274,695

The net book value at 31 December 2020 represents fixed assets used for the following:

	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	6,315,466	478,843	205,512	8,529	68,126	1,539,086	8,615,562
Missionary and Staff Housing	15,854,327	2,734,637	244,525	-	-	-	18,833,489
Hope Community Homes	1,391,652	-	-	-	-	-	1,391,652
Tenanted Properties	813,544	430,634	141,756	-	-	-	1,385,934
Christian Centres	2,092,449	106,677	407,238	-	-	-	2,606,364
	26,467,438	3,750,791	999,031	8,529	68,126	1,539,086	32,833,001

Charity	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Cost or valuation							
at 1 January 2020	27,713,914	4,056,595	1,634,037	314,423	-	72,073	33,791,042
Transfers	(1,414,969)						(1,414,969)
Additions	1,999,000		317,915		102,184	72,757	2,491,856
Disposals	(379,529)						(379,529)
at 31 December 2020	27,918,416	4,056,595	1,951,952	314,423	102,184	144,830	34,488,400
Depreciation							
at 1 January 2020	1,269,662	258,220	703,163	303,052	-	-	2,534,097
Dep'n eliminated on disposal	(20,672)						(20,672)
Dep'n eliminated on transfer	(77,202)						(77,202)
Charge for period	279,192	47,584	249,758	2,842	34,058		613,434
at 31 December 2020	1,450,980	305,804	952,921	305,894	34,058	-	3,049,657
Net book values							
at 31 December 2020	26,467,436	3,750,791	999,031	8,529	68,126	144,830	31,438,743
at 31 December 2019	26,444,252	3,798,375	930,874	11,371	-	72,073	31,256,945

The net book value at 31 December 2020 represents fixed assets used for the following:

	Freehold Land & Buildings £	Long Leasehold Land & Buildings £	Fixtures & Fittings £	Motor Vehicles £	IT Capitalisation £	Property Development £	Total £
Headquarters, Nasmith Court, Retirement, Holiday Homes & other properties & vehicles	6,315,464	478,843	205,512	8,529	68,126	144,830	7,221,304
Missionary and Staff Housing	15,854,327	2,734,637	244,525	-	-		18,833,489
Hope Community Homes	1,391,652	-	-	-	-		1,391,652
Tenanted Properties	813,544	430,634	141,756	-	-		1,385,934
Christian Centres	2,092,449	106,677	407,238	-	-		2,606,364
	26,467,436	3,750,791	999,031	8,529	68,126	144,830	31,438,743

5b. Intangible fixed assets

Group and charity	Software
	£
Cost or valuation	
at 1 January 2020	303,763
Additions	-
Disposals	-
at 31 December 2020	303,763
Amortisation	
at 1 January 2020	32,546
Amortisation eliminated on disposal	-
Charge for period	43,395
at 31 December 2020	75,941
Net book values	
at 31 December 2020	227,822
at 31 December 2019	271,217

6. Fixed asset investments

Group and charity	Investec	Cash and COIF	Property	Total
	£	£	£	£
Valuation at 1 January 2020	5,250,289	245,443	26,860,129	32,355,861
Additions	601,280	2,545,260	-	3,146,540
Disposals	(2,570,509)	(1,818,974)	(3,915,000)	(8,304,483)
Transfers at book value			1,337,766	1,337,766
Net realised (losses)/gains	360,776		(10,500)	350,276
Net unrealised (losses)/gains	(555,430)	(4,678)	3,695,599	3,135,491
Valuation at 31 December 2020	3,086,406	967,051	27,967,994	32,021,451
Cost at 31 December 2020	2,340,883	968,453	6,983,584	10,292,920

LCM holds a wide range of investments managed by Investec and with COIF. At year end 45% (2019 33%) 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 is a private company limited by guarantee without share capital (Company No. 09881533) which is controlled by LCM.

	2020 £	2019 £
Turnover	658,004	46,363
Expenditure	(212,773)	(667,860)
Deficit for the year	**445,231**	**(621,497)**
Total Assets	1,519,541	1,117,608
Total Liabilities	(2,404,543)	(2,447,841)
Net Funds	**(885,002)**	**(1,330,233)**

7. Debtors

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Cash due from legacies	999,333	1,264,000	999,333	1,264,000
Cash due from stockbrokers				
Staff loans and season tickets	7,755	32,273	7,755	32,273
Gift Aid tax recoverable	43,841	19,947	43,841	19,947
Insurance premiums prepaid	42,961	42,871	42,961	42,871
Pension costs prepaid	10,768	10,714	10,768	10,714
Ministry prepayment	3,826	-	3,826	-
Other prepayments	40,926	60,523	40,926	60,524
Intercompany balances	5,535	-	1,976,857	1,449,277
Other debtors	459,177	749,493	339,552	646,151
	1,614,122	2,179,821	3,465,819	3,525,757

8a. Creditors

Amounts falling due within one year:	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Accruals	848,276	1,017,276	434,855	689,729
Trade creditors	202,496	128,841	182,696	109,824
Rent deposits & deferred rent receivable	76,154	94,180	76,153	94,180
Life assurance scheme	4,044	4,044	4,044	4,044
Property development	-	-	-	-
	1,130,970	1,244,341	697,748	897,777

8b. Amounts falling due in more than One Year

During the year the London City Mission arranged a £2,000,000 debt facility. In November 2020 it drew down a £1,000,000 loan repayable by monthly instalments over 9 years, with a floating interest rate. The capital repayments are scheduled to commence in November 2021 and 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 2017 by the actuary and the valuation method used was the Projected Unit Method. The May 2017 valuation showed that the market value of the scheme's assets was £4,598,000 (2014 - £3,341,000) excluding insured pensioners' assets and that the actuarial value of those total assets represented 63% (2014 - 52%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The deficit on the scheme funding basis was £2,655,000 (2014 - £3,141,000). The triennial review as at 31 May 2020 has been drafted and shows a reduced deficit. A review and funding agreement between LCM and Pension scheme trustees is required before the end of 2021.

Following the 2017 triennial valuation the board authorised contributions of £459,000 per annum which commenced 1 September 2018, increasing at 3% per annum for a period of five years and 4 months. LCM completed an enhanced transfer exercise in 2020 and are seeking advisors to obtain quotations from the market for a bulk annuity purchase.

The actuary has carried out a further full valuation of the scheme as at 31 December 2020 to produce the information required under FRS 102 – Section 28 Disclosure Report.

The assets in the scheme were:

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Equities	686	731	587	519	2,942
Bonds and gilts	3,931	3,517	3,092	3,145	1,327
Diversified growth funds	641	681	616	518	-
Cash	142	287	204	356	92
Insured pensioners	6,888	6,676	6,270	6,676	6,760
Total market value of assets	12,288	11,892	10,769	11,214	11,121
Present value of scheme liabilities	(12,309)	(12,154)	(11,085)	(11,983)	(12,406)
Deficit at 31 December	(21)	(262)	(316)	(769)	(1,285)

Analysis of the amounts charged to resources expended would be:

	2020	2019
	£'000	£'000
Expenses	-	-
Analysis of the amount credited to pension finance income would be:		
Interest on pension scheme liabilities	(244)	(314)
Expected return on pension scheme assets	242	312
Losses on settlements	(221)	-
	(223)	(2)
Analysis of actuarial loss:		
Difference between actual and assumed return on asset	876	832
Experience (loss) on obligations	93	39
Change of basis gain/(loss) on obligations	(1,068)	(1,301)
Actuarial gain/(loss) on obligations	(99)	(430)

Movement in deficit during the year:	2020	2019
	£'000	£'000
Deficit at 1 January 2020	(262)	(316)
Expenses		-
Contributions	563	486
Pension finance income	(223)	(2)
Actuarial gain/(loss)	(99)	(430)
Deficit at 31 December 2020	(21)	(262)

History of experience gains and losses

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets					
amount	876	832	(751)	140	1,809
percentage of scheme assets	7.1%	7.0%	(7.0%)	1.2%	16.3%

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Experience gain/(loss) on obligations					
amount	93	39	(19)	462	123
percentage of scheme liabilities	0.8%	0.3%	(0.2%)	3.9%	1.0%
Total actuarial gain/(loss)					
amount	(99)	(430)	99	550	(609)
percentage of scheme liabilities	(0.8%)	(3.5%)	0.9%	4.6%	(4.9%)

LCM established a group personal pension plan from April 2006 with an employer's contribution currently of between 11.5% and 13.8%.

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

	31 December 2020 £'000	31 December 2019 £'000
Present value of obligation at beginning of year	12,154	11,085
Interest cost	244	314
Benefits paid	(421)	(507)
Charges paid	-	-
Actuarial (gain)/loss	975	1,262
Liabilities extinguished on settlements	(643)	-
Present value of obligation at end of year	12,309	12,154

	31 December 2020 £'000	31 December 2019 £'000
Fair value of scheme assets at beginning of year	11,892	10,769
Expected return on scheme assets	242	312
Contributions	563	486
Benefits paid	(421)	(507)
Actuarial gain/(loss) on scheme assets	876	832
Assets distributed on settlements	(864)	-
Fair value of scheme assets at end of year	12,288	11,892

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 and charity	Balance 1 Jan 2020	Disposals	Transfers	Additions	Dep'n	Balance 31 Dec 2020
	£	£	£	£	£	£
Missionary and staff housing	15,902,760	(1,614,000)	1,795,053	2,055,138	(305,462)	17,833,489
Headquarters, retirement, other properties and vehicles	8,526,704	(105,000)	(716,947)	638,381	(82,832)	8,260,306
Housing for the Marginalised	1,602,544	-	(196,202)	-	(14,690)	1,391,652
Tenanted properties	2,480,956	(190,529)	(959,605)	83,323	(28,210)	1,385,935
Christian Centres	3,120,649	-	(807,269)	91,521	(77,536)	2,327,365
Designated Assets (Fixed Assets less Debt)	**31,633,613**	**(1,909,529)**	**(884,970)**	**2,868,363**	**(508,730)**	**31,198,747**
New Missionary Housing	530,000	-	(530,000)	-	-	-
Market Value Investment Property	16,865,131		(16,865,131)			-
Ministry sustainability	-	(3,998,497)	18,280,101	5,218,396		19,500,000
Pension deficit	5,100,000	(1,600,000)				3,500,000
	54,128,744	**(7,508,026)**	**-**	**8,086,759**	**(508,730)**	**54,198,747**

The remaining value of Fixed Assets totalling £634,260 as detailed in Note 5 are assets held in Restricted Funds. 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. Some Nasmith Court flats remain within this fund but the majority are now held as investment properties.

Missionaries' and Staff Housing

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

Housing for the Marginalised

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

New Missionary Housing

At 31 December 2020, 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.

Market Value Investment Property (MVIP), Investment Property and Revaluation Funds

The Investment Property and Revaluation funds were closed at the end of 2019. The balance on the Market Value Investment Property (MVIP) fund was transferred to the new designated Ministry sustainability fund at the end of 2020.

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. In line with the Long-term Financial Sustainability Objective the fund is expected to steadily reduce over many years. As this fund reduces the planned needs of LCM will be met by steadily increasing donation income.

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

Pension deficit

LCM Board having reviewed the triennial actuarial valuation of the closed DB pension scheme and the FRS 102 – Section 28 Disclosure Report for 31 December 2020 have designated £3.5m (£5.1m in 2019) 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 2020 £	Net movement £	Balance 31 Dec 2020 £
General reserve less pension deficit	8,997,609	(686,009)	8,311,600

Charity	Balance 1 Jan 2020 £	Net movement £	Balance 31 Dec 2020 £
General reserve less pension deficit	9,659,842	(479,238)	9,180,604

13. Restricted funds

Group and charity	Balance 1 Jan 2020 £	Income £	Gains on investments £	Expenses £	Trf from General reserve £	Balance 31 Dec 2020 £
Guaranteed payments	-	59,839	-	(59,839)	-	-
Grants		177,104		(177,104)		-
LCM Pioneers	-	72,611	-	(72,611)	-	-
Retired fund - Property	359,080	-	-	(3,820)	-	**355,260**
Holiday homes fund	729,849	14,266	(32,735)	-	-	**711,379**
Relief fund - Property	282,000	-	-	(3,000)	-	**279,000**
Relief fund - General	30,100	196,367	-	(185,837)	-	**40,630**
Restricted Christian Centre fund	4,000	8,478	-	(8,478)	-	**4,000**
Restricted ministry fund	170,650	486,983	-	(506,562)	-	**151,071**
	1,575,679	1,015,647	(32,735)	(1,017,251)	-	**1,541,340**

Guaranteed payments

Income received from churches where there is a dedicated church-attached missionary were treated as Guaranteed Payments and are contributions towards the costs of providing the missionary.

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 and it is intended to transfer the balance to the Retired Fund for the benefit of retired missionaries and staff.

Relief Fund

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

Restricted Christian Centre Fund and Restricted Ministry Fund

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

14. Endowment funds

Group and charity	Balance 1 Jan 2020 £	Net movement £	Balance 31 Dec 2020 £
Perpetual trusts	1,244,998	(2,916)	1,242,082

Perpetual trusts

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

15. Analysis of net assets between funds

Fund balances at the end of year are represented by:

Group	Unrestricted funds	Restricted funds	Endowment funds	2020	2019
	£	£	£	£	£
Tangible fixed assets	32,303,005	529,996	-	32,833,001	31,975,788
Intangible fixed assets	227,822	-	-	227,822	236,165
Investments	29,235,543	1,543,826	1,242,082	32,021,451	27,438,042
Current assets	2,879,406	(532,482)	-	2,346,924	1,375,145
Current liabilities	(1,114,120)	-	-	(1,114,120)	(1,051,112)
Long-term debt	(1,000,000)	-	-	(1,000,000)	-
Pension liability	(21,308)	-	-	(21,308)	(316,417)
Total net assets	62,510,348	1,541,340	1,242,082	65,293,770	59,657,611

Charity	Unrestricted funds	Restricted funds	Endowment funds	2020	2019
	£	£	£	£	£
Tangible fixed assets	30,908,748	529,996	-	31,438,743	31,621,166
Intangible fixed assets	227,822	-	-	227,822	236,165
Investments	29,768,024	1,011,344	1,242,082	32,021,451	27,438,042
Current assets	4,176,962	-	-	4,176,962	1,690,174
Current liabilities	(680,899)	-	-	(680,899)	(970,783)
Long-term debt	(1,000,000)	-	-	(1,000,000)	-
Pension liability	(21,308)	-	-	(21,308)	(316,417)
Total net assets	63,379,350	1,541,340	1,242,082	66,162,772	59,698,347

16. Prior year comparative funds – incoming and outgoing resources – group and charity

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total
INCOME	£	£	£	£
Voluntary income				
Donations	1,895,580	554,190	-	2,449,770
Legacies	1,647,359	2,000	-	1,649,359
Income from investments	758,622	4,927	9,148	772,697
Income from charitable activities				-
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres	313,370	102,411	-	415,781
Income from other trading activities				-
Rents	509,760	-	-	509,760
Fees & other charges	46,363	-	-	46,363
Other income				
Net gain on sale of tangible fixed assets	1,537,711	-	-	1,537,711
TOTAL INCOME	6,708,765	663,528	9,148	7,381,441
Expenditure on raising funds				
Management of rented properties	356,945	-	-	356,945
Fundraising and supporter relations	474,858	-	-	474,858
Investment management fees	19,597	-	-	19,597
	851,400	-	-	851,400
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES	5,857,365	663,528	9,148	6,530,041
EXPENDITURE ON CHARITABLE ACTIVITIES				
Mission activities	5,335,139	479,346	9,148	5,823,633
LCM Pioneers	118,819	103,440	-	222,259
Training and church development	234,795	-	-	234,795
City Vision, City Challenge and Urban Track	118,781	-	-	118,781
Christian Centres	1,595,214	-	-	1,595,214
Retirement housing and other costs	329,962	3,820	-	333,782
Relief to the needy	295,236	3,000	-	298,236
Hope Community Homes	84,190	-	-	84,190
Trading costs at cafés, HQ Bookroom and at Christian Centres	143,883	-	-	143,883
Christian Centre developments	792,358	-	-	792,358
TOTAL CHARITABLE EXPENDITURE	9,048,377	589,606	9,148	9,647,131
TOTAL EXPENDITURE	9,899,777	589,606	9,148	10,498,531
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES	(3,191,012)	73,922	-	(3,117,090)
Realised net gains on investments	(78,791)	-	23,659	(55,132)
Unrealised gains/(losses) on investments	9,670,954	81,097	139,590	9,891,641
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	6,401,151	155,019	163,249	6,719,419
Transfer between funds	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS	6,401,151	155,019	163,249	6,719,419
Actuarial (losses)/gains on defined benefit pension scheme	(430,000)	-	-	(430,000)
NET MOVEMENT IN FUNDS	5,971,151	155,019	163,249	6,289,419
RECONCILIATION OF FUNDS				
Total funds brought forward	57,155,202	1,420,660	1,081,749	59,657,611
FUND BALANCES CARRIED FORWARD	63,126,353	1,575,679	1,244,998	65,947,030

17. Capital and other commitments

There are no capital commitments as at 31 December 2020.

18. Post balance sheet events – investment property

As at 31 December 2020, LCM was in discussions with a number of developers to purchase or enter into development agreements for a number of properties. No material change from these negotiations need to be reflected in the re-valuation of properties.

19. Operating lease commitments – group and charity

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

	2020	2019
	£	£
Within one year	17,783	12,882
Between two and five years	21,189	4,019
In more than five years	-	-
	38,972	16,901

20. Support costs

Group and charity	HQ staff	HR, IT, and premises	Pension and life insurance	Total
	£	£	£	£
Management of rented properties	91,780	6,249	7,825	**105,854**
Fundraising and supporter relations	176,942	23,069	31,554	**231,566**
Mission activities	914,359	704,122	256,905	**1,875,386**
Christian Centres	95,894	70,871	27,404	**194,169**
Retirement housing	74,704	5,087	6,369	**86,160**
City Vision and City Challenge	72,799	45,620	182	**118,600**
Relief to the needy	162,466	118,449	44,092	**325,007**
Development of Christian Centres	28,535	-	-	**28,535**
LCM Pioneers	151,947	71,887	26,759	**250,592**
Training and church development	165,990	71,887	26,759	**264,635**
Hope Community Homes	53,166	21,784	8,109	**83,059**
Total	1,988,582	1,139,024	435,958	**3,563,564**

Allocable costs

	£	£
Head office staff		1,988,582
IT, HR, office supplies	215,090	
Departmental costs	410,046	
Insurance	103,643	
Premises	410,246	
		1,139,024
Pension and life insurance		435,958
		3,563,564

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

Twelve trustees donated in the year totalled £103,705 (2019 £86,380).

23. Charity Statement of Financial Activities

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

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total	2019 Total
INCOME	£	£	£	£	£
Voluntary income					
Donations	1,597,505	764,439	-	2,361,943	2,449,770
Legacies	1,151,032	-	-	1,151,032	1,649,359
Grants	-	177,104	-	177,104	
Income from investments	663,281	14,266	-	677,546	772,697
Income from charitable activities					
Guaranteed payments and trading receipts at cafés, HQ Bookroom and at Christian Centres	101,969	59,839	-	161,808	415,781
Income from other trading activities					
Rents	461,248	-	-	461,248	509,760
Other income					
Fees and other charges	50,000	-	-	50,000	
Management fees	9,000	-	-	9,000	9,000
Net gain on sale of tangible fixed assets	791,143	-	-	791,143	1,537,711
TOTAL INCOME	4,825,178	1,015,647	-	5,840,825	7,344,078
Expenditure on raising funds					
Management of rented properties	337,445	-	-	337,445	356,945
Fundraising and supporter relations	525,001	-	-	525,001	474,858
Investment management fees	13,921	-	-	13,921	19,597
	876,367	-	-	876,367	851,400
NET INCOME AVAILABLE FOR CHARITABLE OBJECTIVES	3,948,810	1,015,647	-	4,964,457	6,492,678
EXPENDITURE ON CHARITABLE ACTIVITIES					
Mission activities	4,816,524	937,820	-	5,754,344	5,783,509
LCM Pioneers	177,981	72,611	-	250,592	222,259
Training and church development	296,635	-	-	296,635	234,797
City Vision, City Challenge and Urban Track	115,516	-	-	115,516	118,781
Christian Centres	1,561,012	-	-	1,561,012	1,595,214
Retirement housing and other costs	236,033	3,820	-	239,853	333,782
Relief to the needy	405,288	3,000	-	408,288	298,236
Hope Community Homes	83,059	-	-	83,059	84,190
Trading costs at cafés, HQ Bookroom and at Christian Centres	38,600	-	-	38,600	143,883
Christian Centre developments	49,817	-	-	49,817	173,622
TOTAL CHARITABLE EXPENDITURE	7,780,465	1,017,251	-	8,797,716	8,988,273
TOTAL EXPENDITURE	8,656,832	1,017,251	-	9,674,083	9,839,673
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/LOSSES	(3,831,654)	(1,604)	-	(3,833,258)	(2,495,595)
Realised net gains on investments	350,276	-	-	350,276	(55,133.00)
Unrealised gains/(losses) on investments	3,171,142	(32,735)	(2,915)	3,135,491	9,891,642
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	(310,237)	(34,339)	(2,915)	(347,492)	7,340,914

23. Charity Statement of Financial Activities (continued)

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total	2019 Total
	£	£	£	£	£
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	(310,237)	(34,339)	(2,915)	(347,492)	7,340,914
Transfer between funds	-	-	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS	(310,237)	(34,339)	(2,915)	(347,492)	7,340,914
Actuarial (losses)/gains on defined benefit pension scheme	(99,000)	-	-	(99,000)	(430,000)
NET MOVEMENT IN FUNDS	(409,237)	(34,339)	(2,915)	(446,492)	6,910,914
RECONCILIATION OF FUNDS				-	-
Total funds brought forward	63,788,586	1,575,679	1,244,998	66,609,264	59,698,347
FUND BALANCES CARRIED FORWARD	63,379,350	1,541,340	1,242,082	66,162,772	66,609,263