

The Emissaries Limited
(A company limited by guarantee)

Report and Financial Statements

Year ended 31 December 2002

Registered Charity Number: 275735
Company Number: 1353661



The Emissaries Limited

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The Emissaries Limited

Legal and Administrative Information

Status

The organisation is a charitable company limited by guarantee, incorporated on 17 February 1978 and registered as a charity on 14 November 1978.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the AGM.

Trustees

W R Bird	
N H Duffield	
C H Hunter	
T E Maskell	(resigned 8 February 2003)
B F McMahon	
B R Perry	(appointed 8 February 2003)

Secretary

W D W Duffield

Correspondence address

P O Box 29
Chipping Campden
Gloucestershire
GL55 6YE

Operating address throughout the year

Mickleton House
Mickleton
Gloucestershire
GL55 6RY

Registered Office

111/113 High Street
Evesham
Worcestershire
WR11 4XP

Bankers

Barclays Bank plc
Stratford upon Avon
Warwickshire

Auditors

Clement Rabjohns
Chartered Accountants
111/113 High Street
Evesham
Worcestershire
WR11 4XP

The Emissaries Limited

Trustees' report for the year ended 31 December 2002

The Trustees present their report and the audited financial statements for the year ended 31 December 2002.

Activities and Objects

The company is a charity and exists to promote, advance and further the knowledge and teaching of Christ and to work in connection with the parent organisation, Emissaries of Divine Light International.

The charity's administrative headquarters remained at Mickleton House, Mickleton in Gloucestershire throughout 2002.

The Mickleton House Retreat Centre and Educational Facility continued as the venue for most activities. These included a series of Attunement Development weekends, several day long retreats, a gathering for UK Emissaries and a week long residential seminar. Sunday morning worship consistently provided a steady pulse at the heart of our operations, both at Mickleton House and elsewhere. Our constructive correspondence with the Charity commission is ongoing.

Results

The net incoming resources for the year amounted to £1,849 and the closing funds amounted to £347,759. Full results are shown in the Statement of Financial Activities on page 6.

A further reduction in long-term loans was achieved in accordance with current policy.

Outreach and ongoing work

Established groups in London and Dorset, as well as Gloucestershire, provided regular opportunities for new friends to participate in our services, attunement and spiritual studies. Representatives of UK Emissaries attended the European Emissaries Gathering in the Netherlands, and the Autumn International Congress in Colorado. We welcomed visits from International Emissaries Trustees during the year and carried out an in-depth review of our own managerial practices. This resulted in some changes of personnel at Mickleton and consultation with all members of the UK Emissaries family regarding the future.

Future Strategy

The pattern of activities at Mickleton House evolved naturally within what was originally a living community of resident Emissaries. Over the years the numbers wishing to live communally declined until there were insufficient willing to help staff the Mickleton House operation without bringing in outside paid help. Rising wage bills necessitated an increased turnover, bringing the added financial burden of VAT registration in its wake. Coupled with decreasing donations from resident Emissaries and increasing withdrawals from our Investment Fund, these factors contributed to increased stress levels for Mickleton House personnel and directors, whilst operations struggled to maintain economic viability.

During 2002, after much deliberation and careful consideration, it was decided, near the end of the year, that Mickleton House should be sold, an alternative administrative centre found and careful consideration given to a more decentralised programme of activities in the future. Accordingly, six months notice was given to regular Mickleton House guests (honouring all commitments made at that time) and the process of selling Mickleton House begun, with a view to offering vacant possession by the end of July 2003.

The Emissaries Limited

Trustees' report for the year ended 31 December 2002 continued

Strategy with Respect to Long Term Loans

The Charity operates an investment fund which allows followers to support the work of the charity by depositing sums of their choosing with the charity at an agreed interest rate. This also serves as an alternative to a conventional mortgage on the charity's Mickleton House property.

The liabilities due to investors in the investment fund at 31 December 2002 amounted to £50,409. Thus the charity has repaid £28,492 to investors during the year without the need for further borrowing. This is consistent with the charity's determination to reduce its long term liabilities. Interest payments continued on the £18,000 loan from Emissaries in British Columbia, Canada.

Risk management policy

The trustees have carried out a review of the major risks to which the charity is exposed and has put in place adequate systems to mitigate those risks. These systems are reviewed periodically to ensure their continuing relevance.

Reserves policy

The net assets of the charity represent its ownership of Mickleton House. The Trustees endeavour to ensure that all surpluses are used either in the furtherance of the charity's objects, by way of holding more events, or to repay loans made to the charity. Unrestricted cash reserves are expended within the next two or three months of any given period.

Responsibilities of the Trustees

Company law requires that the trustees ensure that financial statements are prepared for each financial year which give a true and fair view of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources including income and expenditure for the financial year. Whilst the trustees may delegate responsibility for maintaining proper accounting records to specific members of staff, the primary responsibility for ensuring the accuracy of the year end financial statements still rest of the Board of Directors. Preparation of financial statements takes into account the following:

- Selecting suitable accounting policies and applying them consistently.
- Making judgements and estimates that are reasonable and prudent.
- Preparing the financial statements on the going concern basis unless it is inappropriate to assume that this basis applies.

The Trustees ensure the maintaining of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Emissaries Limited

Trustees' report for the year ended 31 December 2002 continued

Members of the Board of Directors

The members of the Board are directors for the purpose of company law and trustees for the purposes of charity law. There are five of these who served during the year, and up to the date of this report, as set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total numbers of such guarantees at 31 December 2002 was five.

The Board of Directors meets regularly at Mickleton House and by teleconference to actively manage the charity.

Auditors

Clement Rabjohns of Evesham were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the provisions of the Financial Reporting Standard for Small Entities (effective June 2002).

Approved by the Board of Directors on 1 October 2003 and signed on its behalf by

A handwritten signature in black ink that reads "W.D.W. Duffield". The signature is written in a cursive style with a horizontal line underneath the name.

W D W Duffield

Secretary

The Emissaries Limited

Independent Auditors' Report to the Trustees of The Emissaries Limited

We have audited the financial statements of The Emissaries Limited for the year ended 31 December 2002 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the balance sheet and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of Trustees and auditors

As described in the statement of Trustees' responsibilities on page 3, the company's trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the provisions of the Financial Reporting Standard for Small Entities (June 2002) and the recommendations of "Accounting and Reporting by Charities - Statement of Recommended Practice", issued in October 2000.


Clement Rabjohns
Registered Auditor

1 October 2003

111/113 High Street
Evesham
Worcestershire
WR11 4XP

The Emissaries Limited

Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 December 2002

	2002	2001
	£	£
Incoming resources		
Donations and similar incoming resources	17,776	34,767
Activities to further the charity's objects		
Events income	96,085	69,066
Activities to generate funds		
Lettings	1,087	9,999
Other income	(48)	2,261
Investment income and interest	24	140
Total incoming resources	<u>114,924</u>	<u>116,233</u>
Resources expended		
Events expenditure	49,570	44,544
Labour costs	21,788	15,902
Housekeeping	4,436	3,556
Motor expenses	2,796	998
Printing, postage and stationery	3,902	4,504
Heat and light	5,904	7,578
Repairs and renewals	8,190	6,820
Insurance	4,281	4,043
General rates	3,495	3,162
Sundry expenses	394	803
Donations	171	341
Depreciation	1,350	1,350
Bank charges	697	658
Loan interest	3,317	5,000
Professional fees	1,499	3,000
Accountancy	1,285	935
Total resources expended	<u>113,075</u>	<u>103,194</u>
Net incoming resources	1,849	13,039
Total funds at 1 January 2002	345,910	332,871
Total funds at 31 December 2002	<u><u>347,759</u></u>	<u><u>345,910</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from unrestricted activities.

The Emissaries Limited

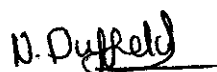
Balance Sheet as at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	5	430,431	431,781
		<hr/>	<hr/>
Current assets			
Stocks		250	250
Debtors	6	581	200
Cash at bank and in hand		600	26,949
		<hr/>	<hr/>
		1,431	27,399
		<hr/>	<hr/>
Creditors: amounts falling due within one year	7	(66,103)	(95,270)
		<hr/>	<hr/>
Net current assets		(64,672)	(67,871)
		<hr/>	<hr/>
Total assets less current liabilities		365,759	363,910
		<hr/>	<hr/>
Creditors: due in more than one year	8	(18,000)	(18,000)
		<hr/>	<hr/>
		347,759	345,910
		<hr/>	<hr/>
Unrestricted funds			
Revaluation fund	9	100,215	100,215
General funds	9	247,544	245,695
		<hr/>	<hr/>
		347,759	345,910
		<hr/>	<hr/>

All net assets relate to unrestricted activities.

These accounts are prepared under the special provisions of Part VII of the Companies Act 1985 relating to small entities and in accordance with the Financial Reporting Standard for Small Entities (effective June 2002).

Approved by the Trustees on 1 October 2003 and signed on its behalf by:



Mrs N H Duffield
Chairperson

The Emissaries Limited

Notes to the accounts for the year ended 31 December 2002

1 Principal accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and in accordance with the Financial Reporting Standard for Small Entities (effective June 2002). In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in October 2000.

Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Incoming resources from events and from deposits is recognised when receivable.

Resources expended

Resources expended are recognised in the period to which they relate.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	Nil
Freehold buildings	Nil
Fixtures and fittings	15% reducing balance

Depreciation is not provided on freehold building as the Trustees maintain the freehold property in such a state of repair that its residual value is at least equal to book value. The depreciation charge on the freehold buildings would thus be immaterial.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

2 Net incoming resources for the year

Net incoming resources are stated after charging:

	2002	2001
	£	£
Depreciation	1,350	1,350
Auditors' remuneration: Audit services	1,000	1,000
	<hr/>	<hr/>

The Emissaries Limited

Notes to the accounts for the year ended 31 December 2002

3 Staff costs and numbers

	2002	2001
	£	£
Staff costs were as follows:		
Salaries and wages	21,788	15,901

No employee received emoluments greater than £50,000. The Trustees did not receive remuneration during the year. No pension contributions were made in respect of any employee.

The average number of employees during the year, was as follows:

	2002	2001
Events management	2	1

Travel costs amounting to £2,796 (2001 - £998) were reimbursed to Trustees during the year.

4 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

5 Tangible fixed assets

	Freehold Buildings	Fixtures & Fittings	Total
Cost	£	£	£
At 1 January 2002	425,000	35,867	460,867
Additions	-	440	440
At 31 December 2002	425,000	36,307	461,307
Depreciation			
At 1 January 2002	-	29,526	29,526
Charge for the year	-	1,350	1,350
At 31 December 2002	-	30,876	30,876
Net book value			
At 31 December 2002	425,000	5,431	430,431
At 1 January 2002	425,000	6,781	431,781

In accordance with FRS15 – Tangible Fixed assets, the company has adopted a policy whereby its properties will not periodically be revalued. The carrying value accordingly is based on the revaluation carried out as at 31 December 1993.

The freehold property was sold on 31 July 2003 for £820,000.

The Emissaries Limited

Notes to the accounts for the year ended 31 December 2002

6 Debtors

	2002 £	2001 £
Donations receivable	-	200
Other debtors	581	-
	<u>581</u>	<u>200</u>

7 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	8,423	-
Trade creditors	1,700	7,937
Other taxation and social security	931	2,665
Other creditors and accruals	4,640	5,767
Investors loans	50,409	78,901
	<u>66,103</u>	<u>95,270</u>

Investors loans are loans to the charity from supporters. Interest is paid at rates that vary dependant on the loan made, and varies between 0% and 2% below the Cheltenham and Gloucester Instant Transfer Accounts rate. Tax at 20% is deducted quarterly from the interest paid and paid over as required. The loans are repayable upon demand.

8 Creditors: amounts falling due after one year

	2002 £	2001 £
Loan	<u>18,000</u>	<u>18,000</u>

Interest on the above loan is payable at £80 per month, giving an effective annual interest of 5.33%. There is no specified date of repayment of the loan.

9 Movements in funds

	At 1 January 2002	Incoming resources	Outgoing resources	At 31 December 2002
Unrestricted funds				
Revaluation fund	100,215	-	-	100,215
General funds	245,695	114,919	(113,075)	247,539
Total funds	<u>345,910</u>	<u>114,919</u>	<u>(113,075)</u>	<u>347,754</u>

The Emissaries Limited

**Notes to the accounts
for the year ended 31 December 2002**

10 Post balance sheet events

The charity took the decision during 2002 to market the property known as Mickleton House for sale. This followed considerable deliberation about the future of the charity, particularly in relation to the running costs of the building. A purchaser was found and the sale of Mickleton House was completed on 31 July 2003 at a price of £820,000.

The charity continues to administer its affairs from a rented office in a private house in the Chipping Campden area. It has accordingly changed its correspondence address to: The Emissaries, P O Box 29, Chipping Campden, Gloucestershire, GL55 6YE and its registered office to 111/113 High Street, Evesham, Worcestershire, WR11 4XP, by kind agreement with our accountants.