

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28TH FEBRUARY 2008**

MERCIES OF DAVID

(A Company Limited by Guarantee)

CHARITY REGISTRATION NUMBER 1081853

COMPANY REGISTRATION NUMBER 03926945

Independent Examiners Ltd
Sovereign Centre
Yapton Lane
Walberton
West Sussex
BN18 0AS



MERCIES OF DAVID
(A COMPANY LIMITED BY GUARANTEE)

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**MERCIES OF DAVID
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28TH FEBRUARY 2008**

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	1081853
COMPANY REGISTRATION NUMBER	03926945
START OF FINANCIAL YEAR	1st March 2007
END OF FINANCIAL YEAR	28th February 2008
DIRECTORS AT 28TH FEBRUARY 2008	Grace Munganguta Harriet Mudekunye Patrick Ogwal Elor Norma Justine Rossetto (served until 31st January 2008)
CORRESPONDENT ADDRESS	7 Crofters Close Redhill, Surrey RH1 6QX
DATE OF INCORPORATION	16th February 2000
GOVERNING DOCUMENT	Memorandum and Articles of Association incorporated 16th February 2000 as amended by special resolution dated 22nd August 2007
BANKERS	Lloyds TSB Bank PLC 11-13 High Street Horley, Surrey RH6 7BJ
INDEPENDENT EXAMINER	M J Easton BSc (Hons) MBA Independent Examiners Ltd Sovereign Centre Yapton Lane Walberton West Sussex BN18 0AS
OBJECTS	<ol style="list-style-type: none">1) The relief of patients from AIDS or HIV2) The provision in the interests of social welfare of recreational facilities for such patients3) The relief in cases of financial distress of the dependants of such patients or of deceased patients4) The promotion of research into the causes and treatment of AIDS and HIV on terms that the results of such research are published5) The provision of sexual health education relating to AIDS and HIV in order to promote good sexual health education among the general public as well as the provision of AIDS awareness6) Without prejudice to the generality of the above, the adoption of a Christian approach in the relief of patients suffering from AIDS or HIV and the provision of good sexual health education

**MERCIES OF DAVID
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**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 28TH FEBRUARY 2008**

The directors throughout the year were Harriet Mudekanye, Grace Muganguta and Patrick Ogwal Elor. Norma Rossetto served until 31st January 2008. None of these directors received any payment during the year.

The directors report a year with reduced activities. The financial constraints of the year have lessened the opportunity to serve HIV positive and AIDS sufferers in local groups and individual contacts. However there has been increasing interest in the Mercies of David website.

One volunteer has been going under training in anticipation of an increase in opportunities to serve.

The opportunities of Mercies of David to contribute to AIDS/HIV awareness through education amongst youth and minority ethnic groups is apparent and we are planning future strategies for effective involvement in this area.

The directors believe that the current objectives of Mercies of David meet the requirements of the Charities Act 2006 regarding demonstrable public benefit. Assistance is open to all sufferers from HIV/AIDS and their families without exception and at no cost. In providing this members of Mercies of David receive no private benefit.

Statement of Director's responsibilities

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss of the company during that period. In preparing those financial statements the directors are required to

- (i) select suitable accounting policies and then apply them consistently,
- (ii) make judgements and estimates that are reasonable and prudent,
- (iii) prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In preparing this report the directors have taken advantage of special exemption applicable to small companies conferred by part 11 of schedule 8 of the Companies Act 1985.

I approve the attached statement of financial activities and balance sheet for the year ended 28th February 2008, and confirm that I have made available all information necessary for its preparation.

Signed on behalf of the Board by



Harriet Mudekanye, Director

Date 5th June 2008

MERCIES OF DAVID
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2008

Incorporating income and expenditure account

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2008/2007 £	TOTAL 2007/2006 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income	3a	1,470	0	1,470	3,553
Other Incoming Resources	3b	10	0	10	0
TOTAL INCOMING RESOURCES		1,480	0	1,480	3,553
RESOURCES EXPENDED					
Costs of Generating Funds					
Charitable Activities	4a	582	0	582	3,565
Governance Costs	4b	436	0	436	383
TOTAL RESOURCES EXPENDED		1,018	0	1,018	3,948
NET INCOMING/ (OUTGOING) RESOURCES		462	0	462	-395
Total Funds Brought Forward		29	0	29	424
TOTAL FUNDS CARRIED FORWARD		491	0	491	29

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

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

MERCIES OF DAVID
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BALANCE SHEET
AS AT 28TH FEBRUARY 2008

	Note	Unrestricted Funds £	Restricted Funds £	28-Feb-08 Total £	28-Feb-07 Total £
Fixed Assets					
Tangible assets	2	0	0	0	0
Current Assets					
Cash at bank and in hand	6	927	0	927	412
Total Current Assets		927	0	927	412
Creditors amounts falling due within one year	7	436	0	436	383
NET CURRENT ASSETS		491	0	491	29
NET ASSETS		491	0	491	29

Funds of the Charity

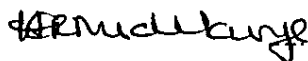
General Funds	491	0	491	29
Restricted Funds	0	0	0	0
Total Funds	491	0	491	29

The Directors have

- a) taken advantage of the Companies Act 1985 in not having these Accounts audited under Section 249A(1) (Total Exemption)
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing Accounts which give a true and fair view of the Company as at the end of the year and of its surplus or deficit for the financial year in accordance with the requirements of the Companies Act 1985, so far applicable to the Company
- e) taken advantage of the exemptions conferred by part III of schedule 8 of the Companies Act 1985 on the basis that the Company, in their opinion, qualifies as a small company

Approved by the 5th June 2008 and

Signed on their behalf by



Harriet Mudekunya, Director

MERCIES OF DAVID
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2008

1. ACCOUNTING POLICIES

Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when

- the charity becomes entitled to the resources,
- the Directors are virtually certain they will receive the resources, and
- the monetary value can be measured with sufficient reliability

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA in the same financial period as when the payment is received

Expenditure and liabilities

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the Directors' meetings and cost of any legal advice to Directors on governance or constitutional matters

Changes in Accounting policies and previous accounts

There has been no change to the accounting policies (variation rules and methods of accounting) since last year and no changes to the previous accounts

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting in accordance with the Charities Act 1993 and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005

2 TANGIBLE FIXED ASSETS

Mercies of David own no buildings or fixed assets

The annual commitments under non-cancelling operating leases and capital commitments are as follows

28th February 2008 None
28th February 2007 None

MERCIES OF DAVID
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 28TH FEBRUARY 2008

3. INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2008/2007 £	TOTAL 2007/2006 £
a) Voluntary Income				
Collections	76		76	48
Gifts & Donations	1,165		1,165	2,834
Gift Aid	229		229	671
	1,470	0	1,470	3,553

b) Other Incoming Resources

Miscellaneous Income	10		10	0
	10	0	10	0

4. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	TOTAL 2008/2007 £	TOTAL 2007/2006 £
a) Charitable Activities				
Books & Publications			0	244
Conference Fees			0	2,529
Insurance	267		267	249
Internet Costs	150		150	150
Licenses	45		45	30
Office Fees			0	3
Postage & Delivery	120		120	130
Rent			0	70
Travelling Expenses			0	160
	582	0	582	3,565

b) Governance Costs

Independent Examiners	436		436	383
	436	0	436	383

**MERCIES OF DAVID
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 28TH FEBRUARY 2008**

5. RESTRICTED FUNDS

The Company held no restricted funds during this financial period or the preceding financial period

6 CASH AT BANK AND IN HAND

	Unrestricted Fund £	Restricted Fund £	Total 2008/2007 £	Total 2007/2006 £
Current Account	921	0	921	402
Cash	6	0	6	10
	<u>927</u>	<u>0</u>	<u>927</u>	<u>412</u>

**7 CREDITORS AND ACCRUALS AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	Unrestricted Fund £	Restricted Fund £	Total 2008/2007 £	Total 2007/2006 £
Independent Examiners Fees	436	0	436	383
	<u>436</u>	<u>0</u>	<u>436</u>	<u>383</u>

8. STAFF COSTS AND NUMBERS

The Company employed no members of staff during this financial period nor the preceding financial period

9 RECONCILIATION OF MOVEMENT ON CAPITAL AND RESERVES

The Company is Limited by Guarantee and is a Charity registered with the Charity Commission number 1081853 and is not, therefore, subject to Corporation Tax and does not have a Share capital

	2008/2007 £	2007/2006 £
Profit / Deficit for the financial year	462	-395
Other Recognised Gains	<u>0</u>	<u>0</u>
	<u>462</u>	<u>-395</u>
Balance Brought Forward	29	424
Closing Funds at year end	<u>491</u>	<u>29</u>

10 PAYMENTS TO DIRECTORS

No payments were made to directors or any persons connected with them during this financial period. No material transaction took place between the organisation and a trustee or any person connected with them.

11. RISK ASSESSMENT

The directors actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

**MERCIES OF DAVID
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 28TH FEBRUARY 2008**

12. RESERVES POLICY

The directors have considered the level of reserves they wish to retain appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The directors aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The directors will endeavour not to set aside funds unnecessarily.

13 PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or aims that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake (see Report of the Directors page 3).

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the directors of Mercies of David on the accounts for the year ended 28th February 2008 set out on pages 4 to 9

This report is made solely to the directors in accordance with section 44 of the Charities Act 1993. My work has been undertaken so that I might state to the charity's directors those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's directors for my examination work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and examiner

The charity's director's consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act), as amended by s 28 of the Charities Act 2006) and that an independent examination is needed.

It is my responsibility to

- examine the accounts (under section 43 of the Act, as amended),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

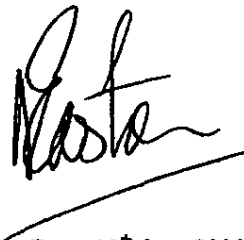
My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the organisation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in, any material respect, the directors have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 41 of the Act); and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M J Easton BSc (Hons) MBA
Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton.
West Sussex
BN18 0AS.



Date: 12th June 2008