

THE PARISH OF ST JAMES
WITH
ST PETER ISLINGTON

Annual Report
and
Financial Statements
of the
Parochial Church Council

for the year ended December 31, 2019

INCUMBENT:

**The Revd John Burniston
St James's Vicarage
Arlington Square
Islington
LONDON N1 7DS**

BANKERS:

Lloyds Bank plc
19/20 Upper Street
Islington
LONDON N1 0PJ

The Central Board of Finance
of the Church of England,
Senator House
85 Queen Victoria Street
LONDON EC4V 4ET

INDEPENDENT EXAMINER:

Jacob Farley ACA
Stewardship Accounts Examination
1 Lamb's Passage
London
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**THE PARISH CHURCH OF ST JAMES WITH ST PETER,
ISLINGTON
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2019**

Administrative Information

St James' Church is situated in Prebend Street, Islington. It is part of the Diocese of London within the Church of England. The correspondence address is The Vicarage, 1a Arlington Square, Islington, London N1 7DS.

The Parochial Church Council (PCC) is a charity registered with the Charity Commission under registration number 1134267. PCC members who have served from 1 January, 2019 until the date this report was approved are:

<i>Incumbent:</i>	The Revd John Burniston	Chairman Representative on the Diocesan Synod; elected to fill a clergy vacancy.
<i>Wardens:</i>	Mrs Hilary Roden	First elected at a Special Meeting of Parishioners on July 26, 2015 and re- elected at the Annual Meeting of Parishioners on April 10, 2016; April 30, 2017; April 15, 2018; April 07, 2019 Previously elected to PCC April 14, 2013
	Ms Isabel Nisbet	First elected at the APCM on April 30, 2017 and re-elected at the Annual Meeting of Parishioners on April 15, 2018; April 07, 2019
<i>Representatives on the Deanery Synod:</i>	<i>Elected for a three year period of office from April 2017</i>	
	Mrs Vera Taggart Mrs Susan Sorensen	Appointed to Deanery Synod April 2017 Honorary Treasurer
<i>Lay Members:</i>	<i>Elected for three years from the APCM April 30, 2017</i>	
	Mr Alastair Hume	Re-elected. Assistant Treasurer
	Ms Sinead Burniston	Re-elected. Children's Champion
	Mrs Rosemary Ross	Re-elected.
	Ms Toni Parker	Resigned April 07, 2019
	<i>Elected for three years from the APCM April 15, 2018</i>	
	Ms Kerry Sabine	Re-elected. PCC Secretary; resigned April 30, 2020
	<i>Elected for three years from the APCM April 07, 2019</i>	
	Ms Kerri Allen	Re-elected. Lay Vice Chair. Publicity Officer.

Standing Committee

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. The members of the Standing Committee are the Vicar, Lay Vice Chair of the PCC, the Secretary, the Hon Treasurer and the two Churchwardens.

Structure, governance and management

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC. As from the Annual Parochial Church Meeting April 2012, a third of the PCC are elected each year as resolved by the adjourned PCM in 2011. With effect from the APCM April 19, 2015 it was agreed that with an electoral roll that fluctuated around 100 people, lay representation on the PCC should remain stable at 9 members.

Objectives and activities

When planning our activities for the year, the incumbent, the Revd John Burniston, and St. James' PCC have considered the Charity Commission's guidance on public benefit and in particular the specific guidance for the advancement of religion. In particular, we take responsibility for promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the ecclesiastical parish. We also have maintenance responsibilities for the fabric of the Church and for the Church Hall complex at the corner of Packington Street.

General Data Protection Regulation

The PCC is committed to protecting the data privacy of all the persons and organisations with which it interacts. Personal information contained in this report and elsewhere (including names, addresses and telephone numbers) are stored securely in electronic and paper copy in the Parish Office. Any member who objects to personal information relating to him/her being stored in this manner should so inform, in writing, the PCC Secretary. The details of any member who does object will be omitted from future reports.

For further information on our Privacy Policy, please visit the link below or contact a member of the PCC.

<http://stjamesislington.org/wp-content/uploads/2018/04/SJI-Privacy-notice-template-for-non-role-holders-March-2018.pdf>

Church Attendance

The average attendance of the Sunday 10am Mass service was 52; of which there were 38 adults and 14 children. The average number of Sunday communicants was 32. During the year there were 7 baptisms, 5 First Holy Communions, 4 weddings and 9 funerals.

Review of the year

In 2019/20, we had 11 members and met for 7 meetings.

At the 2018 APCM we reported that the organ was one of the key topics the PCC had discussed in 2017/18. Two years later, it remains a primary focus for us as a committee; not a single meeting went by this year when we did not talk about the organ. This year, the focus has been on refining the plans and gathering all the necessary information for the Diocesan Advisory Committee (DAC). In May and July we voted on whether to approve or reject the scheme. In October we received feedback from the DAC on the plans and in December Fr

John and Isabel Nisbet (churchwarden) met with members of the DAC, the organ builder Paul Mortier and the Archdeacon to discuss a route forward. In January, a congregational meeting was held to provide a general update and this included opportunity for Q&A.

In 2019 the Diocese of London updated its Safeguarding Policy (for more information, please visit the Parish Website or find the hard copy available in Church and the Parish Office). In response to this, the PCC completed a number of ‘housekeeping’ items to ensure we were up-to-date with everything that is required of us in this important area. The PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, which sets out the PCC’s obligations to safeguard children and vulnerable adults. In the summer all PCC members completed two online training courses. In the Autumn we affirmed our commitment to the Diocese’s policy and renewed the DBS certificates for all the required roles. In January we met with Isabelle Sharples, our Safeguarding Officer, for an update on the Safeguarding processes at St James’.

As always, there were a number of Building & Maintenance matters relating to the Church and Church Hall which required the PCC’s attention. These included replacement of the piano in the Church Hall, completion of Fire Risk Assessments for both buildings, a change of utilities provider in Church, improvements to the Church Hall bookings process for weekend parties, and reviewing quotes for matters such as pest control, sound proofing and refurbishment of the kitchen in the Hall. We talked about the importance of keeping the hire of the Church Hall for the local community at weekends but also balancing this the need for hirers to be respectful of the space.

In May we heard from Isabel that the Islington Proms had gone well and that the sponsorship from Knight Frank had made it possible to engage Insieme Opera for the final performance. Planning ahead to 2020, it was proposed that the dates would be three weekends in June, starting on Sat 6 June (with the Pocket Prom, in the Vicarage garden) and ending on Sat 20 June. In good news, Knight Frank agreed to sponsor the Proms again this coming year. Sadly the Lockdown in response to the coronavirus pandemic prevented the Proms taking place.

In July we completed a “Triennial Visitation” – a thrice yearly visit from the Archdeacon, in which our administrative processes are audited and the Archdeacon joins a PCC meeting. Those of you who have been involved in audits of any kind will know how much work goes into preparing for such a visit. Thank you to Adam Dickson, our Parish Administrator, and to Fr John, the Churchwardens and the Treasurers for their help in completing this process.

In October we discussed plans to improve the garden area in front of St James’, in partnership with Islington Council.

In November Fr John gave an overview of the Liturgy at St James’. The general view from the PCC was that we had not realised how complicated all the parts of a service were and we expressed thanks to Fr John for all his hard work in compiling the weekly service.

All of these topics were discussed alongside regular updates from key positions on the PCC, including the Churchwardens, Treasurer, Electoral Roll Officer and representatives from the Deanery and Diocesan Synods.

Statement of Trustees' Responsibilities

Under the Charities Act 2011, the PCC is required to prepare a statement of accounts for each accounting year which gives a true and fair view of the state of affairs of the church.

We are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the policies adopted are in accordance with the Church Accounting Regulations and with applicable accounting standards.
4. Prepare the financial statements on a going concern basis.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and to ensure that such accounts comply with applicable accounting standards and with the Statements of Recommended Practice and the Regulations made under Section 130 of the Charities Act 2011. We also have a responsibility to safeguard the assets of the church and to take reasonable steps for the prevention of fraud and other irregularities.

Financial Review

St James continues to account on an accruals basis in the expectation that grant funding for major projects may take us over the threshold of £250k to which the requirement applies. Accruals accounting provides a more accurate statement of income and expenditure over the accounting year if, for example, there is a timing gap between receipts and associated payments. This policy will be kept under review under the current uncertain environment. As previously determined, the PCC has monitored the financial performance of the church on the basis of its routine "normalised" income and expenditure. Exceptional expenditure on church and hall renewal has been the subject of separate budgets, with the transfer of the planned expenditure from the general reserve to designated reserves in addition to the use of any grants received. Cloudesley awarded a grant of £10,000 in 2018 as part of the award-winning Sustainable Church Buildings Project, which was carried forward into 2019 to contribute to the installation of secondary glazing. This has had resulted in a significant improvement in the efficiency and effectiveness of our heating.

The PCC has again assessed the parish's position as a going concern in compliance with FRS 102 and the SORP. Although the church has experienced some small income and expenditure operating deficits in recent years, it holds significant free reserves. These include a general unrestricted reserve, of approximately £286k. This includes the ownership of the church hall which is valued in the books at £93k at depreciated cost but in reality is worth considerably more. An additional £189k is held in reserve for designated purposes. The charity therefore is confident that the church can continue to operate for the foreseeable future and this continues to apply notwithstanding the financial impact of income loss resulting from the current coronavirus pandemic. In addition, the church has access to the accumulated income from the permanent endowment held in the William Lambe Trust (WLT) for the financing of repairs and maintenance. The income fund stood at just under £171k at the end of 2019. The fund, which is managed and accounted for by the London Diocesan Fund (LDF) is for the exclusive use of St James'. Although the income varies

with movements in financial markets, it yielded approximately £23k in 2019. The church also has access to Cloudesley, another local charitable trust, which allocates grants to Church of England churches within the Islington Deanery for work to the church fabric and the maintenance of services. In recent years we have successfully applied to Cloudesley for significant contributions to the costs of new developments. Applications are invited twice a year and the PCC is extremely grateful to Cloudesley for their continued support.

Financial Performance 2019

The out-turn on the general unrestricted fund, before reserve fund transfers, was a deficit of £6,593 which was £2,441 higher than the underlying deficit reported in the previous year after taking account of a non-recurrent write off of net debt to the Diocese amounting to £13,765 in 2018. As a result of this gesture, the PCC agreed to contribute the requested LDF Common Fund increases from £80,600 to £82,800 in 2019 and £85,500 in 2020. Taking into account income and expenditure relating to designated and restricted funds, the overall net deficit was £16,620 which will be taken into account in updating the budget for 2020 and proposing the common fund contribution for 2021.

Charitable donations

The church continued to support a number of charitable causes including the Medical Orphans' project in Zimbabwe, the Church of England Children's Society and local charities. The Pack-up project providing a weekly soup and sandwich kitchen for the street community operated in the church hall throughout the year and a number of charities are able to hire the hall at reduced rates. Donations totalling over £4,000 were made from the proceeds of special appeals, fund-raising events and generous gifts.

Identification and Use of Reserves

The overall reserves are now broken down into a number of designated reserves in addition to the undesignated general fund. In common with many other parishes in London, St James' has been subject to pastoral reorganisation and amalgamation over the years. This resulted in the acquisition of a number of buildings (or part shares in buildings) at nil or negligible cost, their costs having presumably been written off many years ago in the former constituent parishes. A portion of proceeds of sales enabled the building of a new church hall in 1992, developed as a joint project with a housing association. The balance of the capital proceeds have been held in financial investments, with the income from these investments available for the church's mission. The Finance Review Group (FRG), an informal advisory group of parishioners with financial, investment and property expertise, will continue to be called upon on an ad hoc basis to monitor the position, update the financial risk assessment and inform discussion of the PCC's reserves and investment policies. During 2019, FRG met to discuss our investment portfolio and recommended to the PCC that we should broaden our investment from a single investment in the M&G Charifund based on UK Equities into a 50:50 split between a global equity fund and a global government bond fund. This recommendation was accepted by the PCC and the transactions were processed in early 2020.

The identification of designated reserves represents the current plan for the future use of resources, the largest provision representing the accumulated depreciation provision for the church hall which will be available to contribute to the replacement or renewal of the facilities. The development of the church's next stage of its Mission Action Plan continues to be work-in-progress. Plans to restore and possibly upgrade the organ are making good progress. This will involve considerable investment and the PCC has already secured a grant from Cloudesley and will make an application to the WLT in addition to drawing on reserves

if required. In order to fulfil the requirement of both the Diocese and the Charity Commission to have a clearly formulated policy on the holding and application of reserves, the PCC will continue to ensure that liquid resources sufficient to meet 6 months of expected revenue costs are held in the general reserve. It will also consider and update the range of options for future capital spending on the basis of Quinquennial Reviews, risk assessment and building development plans. In particular the PCC will actively investigate opportunities for investment to reduce our carbon footprint. Income from the PCC's investments will be held in reserve and designated for specific missional purposes.

Looking ahead, the current global coronavirus pandemic will clearly have a major effect on the financial position of the church in 2020 and beyond. Hall and church lettings ceased from Lockdown in March until restrictions eased in September, and will inevitably result in a significant loss of income from those sources. Additionally, there were no plate collections in the period when services were not held in church. A recently launched Stewardship campaign has boosted our regular planned giving but other sources of voluntary income will continue to be constrained by the measures in place to control the epidemic. The church has not been able to access any support for employees or compensation for income loss, but every effort will be made to mitigate the adverse effects of the situation on the church's finances through whatever means available.

Signed John Burniston

Approved by the Standing Committee of the Parochial Church Council on 5th October 2020
and signed on their behalf by the Revd A J Burniston (Chairman)

STATEMENT OF FINANCIAL ACTIVITIES (SOFA)
for the year ended 31 December, 2019

	Note	Unrestricted General Funds		Unrestricted Designated Funds		Restricted Funds		Total Funds	
		2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
Incoming Resources									
Voluntary income	2a	33,240	33,586	86	-	13,737	80,484	47,063	114,070
Activities for generating funds	2b	-	-	4,479	2,251	-	-	4,479	2,251
Islington Proms									
Income from investments	2c	14,950	14,057	-	-	-	-	14,950	14,057
Income from church and charitable activities	2d	64,904	55,991	-	120	254	-	65,158	56,111
Other incoming resources	2e	25,936	55,196	-	-	-	-	25,936	55,196
Total incoming resources		139,029	158,829	4,565	2,371	13,991	80,484	157,586	241,685
Resources expended									
Costs of generating voluntary income	3a	-	2,096	4,145	2,096	-	-	4,145	2,096
Church and charitable activities	3b	145,622	133,722	11,490	16,764	12,947	80,248	170,059	246,227
Other resources expended	3c	-	15,495	-	-	-	-	-	15,495
Total resources expended		145,622	149,215	15,635	18,860	12,947	80,248	174,204	248,323
Operating surplus/deficit		-6593	9,614	-11,070	-16,489	1,044	236	-16,618	-6,638
Net gains/losses on investments		41,681	-38,269	-	-	-	-	41,681	-38,269
Net income/expenditure		35,088	-28,655	-11,070	-16,489	1,044	236	25,062	-44,907
Transfers between funds		-17,555	-23,182	17,555	-28,654	-	82	0	0
Net movement in funds		17,533	-51,837	6,485	-45,143	1,044	318	25,062	-44,907
Total funds brought forward		268,523	320,360	182,533	175,922	885	567	451,941	496,849
Total funds carried forward		286,056	268,523	189,018	182,533	1,929	885	477,002	451,941

STATEMENT OF ASSETS AND LIABILITIES
as at December 31, 2019

	<i>Note</i>	2019 £	2018 £
Fixed Assets			
Tangible fixed assets	5	92,978	99,543
Current Assets			
Investments	6	290,657	249,237
Short term deposits		54,679	54,271
Cash at bank and in hand		40,963	51,276
Debtors	7	12,873	19,889
Total Current Assets		399,172	374,672
Liabilities: Amounts falling due within one year	7	(15,148)	(22,275)
Net Current Assets		384,024	352,397
Total Net Assets	8	477,002	451,940
Funds	10		
Unrestricted - General		286,056	268,522
Unrestricted – Designated			
Bell Fund		5,400	5,314
Equipment Depreciation		3,103	3,103
Hall Depreciation		173,210	167,145
Vincent Terrace Mission Hall		2,216	2,216
William Schroeder Trust		1,428	1,428
Church Renewal		-	-
Hall Renewal		1,510	1,510
Islington Proms		2,151	1,817
Restricted			
Specific Appeals		536	-
Special Projects		1,393	885
TOTAL FUNDS		477,002	451,940

The notes on pages 12-21 form part of these accounts.

Approved by the Standing Committee of the Parochial Church Council on 5th October 2020

John Burniston

Revd John Burniston
(Chairman)

Susan M Sorensen

Mrs Susan M Sorensen
(Hon. Treasurer)

INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST JAMES WITH ST PETER ISLINGTON

I report to the members of the PCC of St James with St Peter, Islington (who are the charity's trustees) on my examination of the accounts of the Charity for the year ended 31st December 2019 on pages 9-21, which have been prepared on the basis of the accounting policies set out on pages 12 and 13.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jacob Farley FCA

Jacob Farley

For and on behalf of:
Stewardship
1 Lamb's Passage
London EC1Y 8AB

Date 19th October 2020

Notes to the financial statements

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

As indicated in the Financial Review for 2019, the accounts have been prepared on the going concern basis, as there are no material uncertainties about the church's ability to continue. Based on the adequacy of the church reserves at the balance sheet date, along with their knowledge of the church's ability to meet bills, payments and liabilities as they fall due, the PCC has a reasonable expectation the church has sufficient resources to continue in operational existence for the foreseeable future.

Funds

Endowment funds are funds, the capital of which must be maintained: only income arising from investment of the endowment may be used as either restricted or unrestricted funds depending upon the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

Unrestricted designated funds represent amounts which have been earmarked by the PCC for specific purposes. However, these funds may be amended by decision of the PCC.

Unrestricted general funds are funds which can be used for PCC ordinary purposes.

Incoming Resources

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Dividends are accounted for when receivable, interest is accrued. Investment income is attributed to the general fund. All other income is recognised when it is receivable. Where applicable, income from donated goods is accounted for on the basis of the value of average donation multiplied by the number of donations received. All incoming resources are accounted for gross.

The church has relied significantly upon volunteers in carrying out its activities during the year. In accordance with paragraph 6.18 of the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan common fund is accounted for when due. Amounts received specifically for mission are dealt with as designated or restricted funds. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s10(2)(a) of the Charities Act 2011.

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements.

Equipment used within the church premises is depreciated on a straight line basis over four years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired. Items over £1,000 may be written off or capitalised at the discretion of the PCC and depreciated over the expected life of the asset.

The hall building is depreciated on a straight line basis over 40 years.

Investments

Investments are valued at market value at 31 December. Unrealised gains or losses are included in the Statement of Financial Activities.

Current Assets

Current Assets represent all realisable assets including amounts due to the PCC from debtors which can realistically be recovered. Unrecoverable debts may be written off as expenses with the agreement of the PCC.

Current liabilities

These are amounts owed to creditors by the PCC which fall due within a year. Unclaimed amounts may be carried forward from year to year, written back or held as designated reserves with the agreement of the PCC.

Cash flow

The charity has taken advantage of the exemption provided by the FRS 12 SORP and has not prepared a Cash Flow statement for the year.

Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

Financial Instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102.

2. INCOMING RESOURCES

	Un-restricted General Funds		Total Funds	
	2019	2018	2019	2018
	£	£		
2(a) Voluntary income				
Planned giving:				
- Gift aid donations	19,223	19,237	19,223	19,237
- Income tax recoverable	6,127	6,584	6,322	6,608
- Other planned giving	-	-		
Collections (open plate) at all services	4,887	4,545	4,887	4,545
Legacies	-	-		-
Sundry donations	1,346	1,410	1,432	1,810
Alms and votive candle boxes	1,657	1,810	1,657	1,810
Appeals (note 4)			3,542	2,950
Non-recurring grants	-	-	10,000	77,110
	33,240	33,586	47,063	114,070
2(b) Activities for generating funds				
Islington Proms			4,479	2,251
	-		4,479	2,251
2(c) Income from investments				
Interest	423	230	423	230
Dividends	14,527	13,827	14,527	13,827
	14,950	14,057	14,950	14,057
2 (d) Income from church activities				
Fees from services	4,093	3,555	4,093	3,555
Church Hall Lettings	50,920	45,497	50,920	45,497
Church Lettings	9,891	6,939	10,145	7,059
	64,904	55,991	65,157	56,111
2(e) Other ordinary incoming resources				
Rental income	25,936	25,936	25,936	25,936
Write-back of debt to LDF (note 13)		29,260		29,260
	25,936	55,196	25,936	55,196
TOTAL INCOMING RESOURCES	139,029	158,830	157,585	241,685

3. **RESOURCES EXPENDED**

	Un-restricted General Funds		Total Funds 2019	Total Funds 2018
	2019	2018		
	£	£	£	£
3(a) <i>Costs of generating funds</i>				
Costs of generating voluntary income				
Fund-raising trading costs			4,145	2,096
			4,145	2,096
3(b) <i>Church and charitable activities</i>				
Missionary and charitable giving (note 5):				
Church overseas			975	1,916
Relief agencies			801	
Home missions and other Church Societies	2,000	200	2,000	470
Secular relief charities		400	1,171	1,351
Ministry: Common Fund (note 16)	82,800	80,600	82,800	80,600
Clergy expenses (note 14)	1,207	1,068	1,207	1,068
Staffing costs (See note below)	4,421	7,878	4,421	7,878
Church – running expenses	15,059	13,337	15,059	45,581
Church maintenance	9,389	7,565	29,336	65,275
Church Hall running costs	18,021	12,614	19,564	16,534
Organists' fees	3,970	3,495	3,970	3,495
Depreciation: Hall	6,065	6,065	6,065	6,065
Other assets	500	500	500	500
Governance costs*	2,190	930	2,190	930
	145,622	133,722	170,059	230,732
3(c) <i>Other resources expended</i>				
Write-off of LDF debt (note 13)		15,495		15,495
				15,495
TOTAL RESOURCES EXPENDED	145,622	149,217	170,059	248,324

*Fees payable to Stewardship, other than for the independent examination, were £781 in respect of payroll services (included in staffing costs) and £90 for consultancy.

STAFF REMUNERATION

The PCC employed three part-time staff equivalent to 0.8 full time staff throughout the year ended 31 December 2019.

There were no pension costs payable in the financial year 2019

No employee received remuneration over £60,000.

4. CHARITABLE GIVING

	Donations made by PCC or raised by special appeals £		Amount raised directly by fundraising events £		Total £	
	2019	2018	2019	2018	2019	2018
<u>Church Overseas:</u>						
TZABA (Transvaal Zimbabwe & Botswana Association)	975	1,916	-		975	1,916
<u>Relied and Development Agencies:</u>						
Red Cross re Hurricane Dorian	801	-			801	-
<u>Home Mission:</u>						
Children's Society		270	-		-	270
Church Urban Fund/Capital Mass		200	-		-	200
St Peter's Activity Group	2,000				2,000	
<u>Secular charitable activities:</u>						
"Pack-up" weekly lunch for the street community	918	951			918	951
Shelter from the Storm		200	-			200
North London cares			254		254	
TOTAL	4,694	3,737	254	-	4,947	3,737

The church supports various mission and out-reach projects in the UK and internationally. Donations to TZABA for the Medical Orphans' Project (MOP) arose from Lent Savings, the Harvest Festival Appeal, Smartie Box Appeal and Christmas service collections. The Pack-up project received donations from a local community association and individual donations. A balance of £885 was brought forward from 2018 and £1,929 is carried forward to 2020. The donation of £254 to North London Cares, which provides support services to elderly people, was raised from a concert given by a member of the church.

5. FIXED ASSETS FOR USE BY PCC

	Freehold land and buildings £	Hall buildings £	Hall fixtures and fittings £	Other fixtures and fittings and office equipment £	Total £
<u>Cost</u>					
At January 1, 2019	-	242,597	21,589	6,604	270,790
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At December 31, 2019	-	242,597	21,589	6,604	270,790
<u>Depreciation</u>					
At January 1, 2019	-	145,557	21,589	4,104	171,250
Charge for the year	-	6,065	-	500	6,565
Disposals	-	-	-	-	-
At December 31, 2019	-	151,622	21,589	4,604	177,815
<u>Net Book Value</u>					
At December 31, 2019	-	90,975	0	2,000	92,975
At January 1, 2019		97,040	0	2,500	99,540

The freehold land and buildings comprise the following:

- a) Grantbridge Street School and St. Peter's Church Hall - a lease of 125 years was granted on this property in 1985.
- b) Cumming Memorial Hall site - a long lease of 125 years was granted on this site in 1993, to the Women's Housing Trust (WHT) in connection with the development of the new St. James' Hall. In 1995 the agreed amount for this grant of £150,000 was paid to the PCC. The WHT has now passed to the Southern Housing Group (SHG) and an underlease for the PCC's use of the hall buildings is being completed in consultation with the LDF. A revised draft is being reviewed by SHG.
- c) All fixtures and fittings previously accounted for as fixed assets have now been written down to zero.
- d) The donated grand piano is recognised as an asset and is being written down over seven years.

The new Hall was partly funded from the proceeds of the 1973 sale of the old St. James' Church Hall in Britannia Row of £33,635. These proceeds were held in a formal trust (Britannia Row Trust) under which the sum could only be used to provide land and buildings which in turn would be held on the same terms as the proceeds. Therefore on any disposal of the new Hall, proceeds which represent the funding provided from the Britannia Row Trust, will have to be restricted in similar manner to the original Britannia Row Trust.

6. INVESTMENTS

The church's investments at 31st December consisted of Units in the Equities Investment Fund for Charities (Charifund) managed by M & G and held in the Unrestricted Fund. The investment comprised 17,502.202 units at an original cost of £224,532. The value as at 31st December 2019 was £290,657 an increase of £41,421 over the previous year, when there had been an unrealised loss resulting from a market correction in 2018. Continued political uncertainty resulted in instability in financial markets during 2019 but with a marked recovery in the latter part of the year. This led to a review by the Financial Review Group of the PCC's investment strategy and a recommendation to restructure the portfolio and to invest in a combination of global equities and government bonds. This restructuring took place in early January, before the coronavirus pandemic caused significant losses in global equities.

7. DEBTORS AND CREDITORS

	2019 £	2018 £
Debtors		
Income tax recoverable	4,723	6,608
Other debtors and accrued income	8,150	13,281
Total Debtors	12,873	19,889
Liabilities: Amounts falling due within one year		
Appeals for specific charities	536	-
Other accrued expenditure	14,612	22,275
Total accruals	15,148	22,275

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General Funds £		Unrestricted Designated Funds £		Restricted Funds £		Total Funds £	
	2019	2018	2019	2018	2019	2018	2019	2018
Fixed assets	92,978	99,543	-	-	-	-	92,978	99,543
Investments	147,772	112,417	142,885	136,820	-	-	290,657	249,237
Debtors	12,666	19,660	-	-	207	228	12,873	19,889
Cash at bank and in hand*	50,406	46,787	42,708	45,861	2,527	12,897	95,641	105,547
Liabilities	(12,826)	(9,885)	(1,517)	(342)	(805)	(12,241)	(15,158)	(22,275)
TOTAL	290,997	268,522	184,076	182,339	1,929	885	477,002	451,940

*The cash at bank and in hand includes £54,679 held in the CBF Church of England Deposit Fund.

9a MOVEMENT IN FUND BALANCES

Fund	b/f 1 st Jan 2019 £	Incoming Resources £	Outgoing resources £	Net Transfers £	Net gains and losses £	c/f 31 st Dec 2019 £
General Fund	268,522	139,029	145,622	(17,555)	41,681	286,056
Designated Funds						
Bell Fund	5,314	86	-	-	-	5,400
Equipment	3,103	-	-	-	-	3,103
Hall Depreciation	167,145	-	-	6,065	-	173,210
Vincent Terrace			-	-	-	
Mission Hall*	2,216	-	-	-	-	2,216
William Schroeder		-	-	-	-	
Trust*	1,427	-	9,947	9,947	-	1,427
Church Renewal	-	-	1,543	1,543	-	-
Hall Renewal	1,510	-	4,145	-	-	-
Proms concerts	1,817	4,479	-	-	-	2,151
Restricted Funds			11,171	-	-	1,510
Special Projects - restricted	885	11,679	1,776	-	-	1,393
Appeals - restricted	-	2,312	-	-	-	536
Total Funds	451,940	157,585	174,204	-	41,681	477,002

*Balances on The Vincent Terrace Mission Hall (£2,215) and William Schroeder Trust (£1,427) had been held as current liabilities for many years and are now separately identified as designated reserves.

9b Movement in fund balances prior year

Fund	b/f 1 st Jan 2018 £	Incoming Resources £	Outgoing resources £	Net Transfers £	c/f 31 st Dec 2018 £
General Fund	320,360	158,829	(149,215)	(23,182)	
Unrealised loss on investments			(38,268)		268,522
Bell Fund	5,194	120	-	-	5,314
Equipment Depreciation	3,103	-	-	-	3,103
Hall Depreciation	161,081	-	-	6,065	167,145
Vincent Terrace Mission Hall*	2,216	-	-	-	2,216
William Schroeder Trust*	1,427	-	-	-	1,427
Church Renewal	(271)	-	(12,844)	13,115	-
Hall Renewal	1,510	-	(3,920)	3,920	1,510
Proms-Islington Proms concerts	1,663	2,251	(2,096)	-	1,817
Special Projects -restricted	567	78,480	(78,062)	(100)	885
Appeals - restricted	-	2,004	(2,186)	182	-
Total Funds	496,848	241,684	286,591	-	451,940

10. FUND DETAILS

Restricted Funds

There are currently two active restricted funds. The Specific Appeals and Special Projects Funds receive all income that has been exclusively earmarked for a particular purpose or charity. All appeal income was paid in 2019 or accrued for payment in 2020 to the intended recipients. The Special Projects Fund has a balance carried forward representing the unspent element of donations to the Pack-up project since 2016.

Unrestricted Designated Funds

These funds are established for particular purposes, but can be amended by the PCC and transfers may be authorised between funds. In order to assist in efficient financial planning and monitoring a number of new designated funds have been set up. This will enable routine and recurrent income and expenditure to be managed without the distorting effect of non-recurrent or exceptional expenditure. The year end balances on these funds are shown individually on the statement of assets and liabilities, and income/expenses are identified in a separate column in the SOFA.

Unrestricted General Fund

The unrestricted general fund comprises the free funds which are not designated for particular purposes (the general reserve), and the fixed assets for use by the PCC, and is made up as follows:

	At January 1 2019 £	Income plus unrealised investment gain £	Expenditure £	Net Transfers £	At Dec 31 2019 £
General Reserve	168,979	180,710	(139,057)	(17,555)	186,512
Fixed assets	99,543	-	(6,565)	-	92,978
Total unrestricted general funds	268,522	180,710	(145,622)	(17,555)	286,056

Prior year analysis of unrestricted general fund

	At January 1 2019 £	Income less unrealised investment loss £	Expenditure £	Net Transfers £	At Dec 31 2019 £
General Reserve	214,252	120,561	(142,652)	(23,182)	168,979
Fixed assets	106,108		(6,565)		99,543
Total unrestricted general funds	320,360	120,561	(149,217)	(23,182)	268,522

11. WILLIAM LAMBE TRUST

Prior to the financial year ended 31st December 2014, the church accounts incorporated the accounts of the William Lambe Trust (WLT). This included an endowment fund comprising the William Lambe (St. James, Islington) Charity which is a permanent endowment under the sole trusteeship of the London Diocesan Fund (LDF) and which allows all income arising to be applied solely for the repair and maintenance of St. James' Church. The market value of this fund as at 31st December 2019 was £324,765. Following advice from the LDF, the PCC no longer accounts for the WLT but receives notification of the fund value and accumulated income from the Diocese as at 31st December each year.

The fund arose from a reorganisation in 1986 of Charities administered by the Clothworkers' Company under the William Lambe Chapel and Estate Act of 1872, which came into force when St. James' Church was built to replace the original Chapel in Cripplegate endowed under the will of William Lambe in 1574.

The 1986 reorganisation was under a scheme of the Charity Commissioners approved by Parliament by virtue of "The Charities (William Lambe (London) Trust) Order 1986" which came into force on December 8, 1986.

Under this scheme £92,342 was transferred to the LDF as sole trustee and this amount was subsequently invested in 19,556 income units of the M & G Charifund unit trust, a gross fund specifically designed for Charities. Undistributed income from the WLT is held in a restricted income fund also under the sole trusteeship of the LDF. It is held in M & G Charifund income units and a Central Board of Finance (CBF) interest bearing account.

The church may apply for transfers from this fund for the purposes of works which have been approved by the LDF as falling within the terms of the trust. No applications had been made in the few years up to 2017 and the balance on the income fund stood at £178,540 on 31st December 2017. In 2018 the PCC successfully applied for a grant of £54,110 to cover the cost of the internal decoration of the church. Taking account of the additional income accrued in 2018, the year end balance on the cumulative income fund stood at £129,094 of which £16,311 was held in a deposit account and the rest in an M&G Charifund account. By 31st December 2019, the cumulative income fund had increased to £170,829, of which £39,303 was held in a deposit account. The balance in the Charifund account is likely to vary significantly during 2020.

12. AMOUNTS DUE FROM AND TO THE LONDON DIOCESAN FUND (LDF)

Between 1991 and 1994 various amounts totalling £21,683 were withdrawn without proper authorisation from funds administered by the LDF for the PCC.

The LDF agreed to reimburse the PCC this amount and during 1998 £6,188 was returned, leaving a balance of £15,495 owed to the PCC.

In 1994 and 1995 the PCC requested that certain expenses totalling £29,260 relating to the hall development be paid to the Women's Housing Trust (WHT) out of funds administered by the LDF. Though these amounts were received by the WHT from the LDF they were not paid out of the funds held for the PCC. The PCC agreed to reimburse the LDF for these amounts totalling £29,260.

The above transactions were most likely part of the fraud perpetrated at the LDF by a former employee.

Following discussions with the LDF to resolve these longstanding balances carried forward from year to year, the Director of Finance and Operations at the Diocese of London informed the PCC in May 2018 that the LDF had written off the historic debt of £29,260 owed to the LDF on condition that the PCC wrote off the sum of £15,495 owed by the LDF. These transactions were recorded in the 2018 accounts in notes 2a and 3c.

13. TRANSACTIONS WITH MEMBERS OF THE PCC AND CONNECTED PERSONS

Personal expenses of Revd John Burniston are disclosed separately in note 3 under clergy expenses. In addition during the year, he received £2,836 as reimbursement of expenses incurred on behalf of the PCC and these amounts are included in the appropriate expenses category in note 3.

Small amounts were also paid out of petty cash or bank transfer to PCC members and volunteers in respect of reimbursement for catering, flowers, Sunday School, the Pack-up project, church hall and minor repair expenses.

No PCC or connected persons received any remuneration in this year or in the previous year.

14. DONATIONS MADE BY MEMBERS OF THE PCC AND CONNECTED PERSONS

A total of £5,998 was donated by members of the PCC and connected persons during the year. Some but not all of this amount was eligible for tax recovery. Of this, £195 was donated to restricted funds relating to special appeals. All other donations were received in the general fund with no restrictions on their use.

16. COMMON FUND (DIOCESAN QUOTA)

Common Fund (Diocesan Quota) is paid to the London Diocesan Fund (LDF) to cover the stipend and housing costs of our vicar, indirect clergy costs and a contribution to central costs and in total is as follows:

	£
Costs for a parish with a single vicar and housing	82,800
Support for other parishes in the Diocese of London	-
Support from other parishes in the Diocese of London	-
Total charge for the year	82,800