

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST. MARGARET, LOTHBURY**

ANNUAL REPORT AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

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THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The members of the Parochial Church Council ("the PCC") ("the Charity"), who are also the Trustees of the Charity by virtue of their membership of the Council, are pleased to present their Annual Report together with the Financial Statements of the Charity for the year ending 31 December 2020.

The Accounts have been prepared in accordance with the accounting policies set out in note 1 to the Accounts and comply with the Charities Act 2011 and 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).

Objectives and Activities

The Parochial Church Council of St. Margaret, Lothbury have the responsibility of co-operating with the Incumbent, the Reverend Prebendary Jeremy Crossley, in promoting in the Ecclesiastical Parish the whole mission of the Church - pastoral, evangelistic, social and ecumenical, and they fulfil this task with zest, wisdom, commitment and style.

Our vision remains to be heart of our community in the City as well as serving all the networks associated with the Church and the area pointing all to Jesus Christ and his love.

One aspect of this is that the PCC has responsibility for the maintenance of the historic Parish Church of St. Margaret, maintaining its fabric while seeking to ensure that its ministry remains relevant and accessible in a rapidly changing context.

During 2020, the Rector and PCC have continued to focus on serving those who work in the Square Mile & providing the opportunity to worship, become part of our growing and inevitably changing congregation, to hear about the Christian faith and its application to daily life, to be prayed for, or simply to use the building for quiet reflection or private prayer.

In normal times there is a popular weekly Organ recital, a men's breakfast group which meets to pray and study the Bible, a weekly prayer meeting for the City and those who work there as well as daily prayers. This is in addition to the two main public services each week.

As the 2020 Coronavirus pandemic took hold and line with the Government's instructions, the Church building was closed between 21st March 2020 & 6th July 2020 and although it has been open for private prayer since then, there were only a few in person services as the Square Mile was almost deserted for the remainder of 2020.

In response to all that happened, life at St Margaret's went online with our services available on both our website & our YouTube Channel with other activities taking place on zoom. We owe an enormous debt to Cliff Radmore and Will Jackson whose dedication and hard work made all this possible and to James Gerry who held the men's ministry together on zoom and saw an encouraging growth in it. In the Autumn we launched an initiative called the Lothbury Conversations in which figures from the worlds of politics and the media reflected on events both at home & abroad & answered questions under the consummate chairmanship of Mark Fox.

We continue to be enthusiastically supportive of the City Civic both through the Livery Movement and the Ward Clubs of which the Incumbent is Chaplain. In November 2019 the Rector became Chaplain to one of the Sheriffs of London.

The Electoral Roll for 2020 was prepared in October due to the unusual circumstances of the year; there was an 8.95% fall in numbers from 143 to 127 with 15 people coming off the roll-14 because they had left the City & one through death. No-one on the Roll was resident in the parish, but all had attended public worship at least once a month.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable Status and Public Benefit

The PCC has ever been mindful of the Charity Commission's guidance on public benefit and in particular the specific guidance on charities for the advancement of religion and is satisfied that the activities of St. Margaret's fall within such guidance. Having received a grant from the Heritage Lottery Fund towards works on the Tower in 2018 we have increased the opening hours of the building, continued to be hospitable to guided tours and developed our church guide. As a Parish Church we have continued to engage in any possible way with local firms and Ward Clubs

Governance and Internal Control

Although this is the responsibility of the PCC, it has been delegated to the Standing & Finance Committee of the Council whose minutes are always circulated to the whole PCC. We have continued in our efforts to sharpen our procedures and worked to clarify further our financial reporting to the PCC. We have also continued to develop our Safeguarding reporting procedures and are working to strengthen our Safeguarding Team. In addition, we hope that we will be in a position to plan our response to the Quinquennial Report on the building in the New Year.

Achievements and performance

A faculty was granted in 2019 for Hope Church UK to use our buildings on Sundays and this has proved a good partnership for both churches. Despite the pandemic and not always being able to meet in person we have also maintained our regular round of weekly church life while continuing to develop our relationship with other churches around Bank Junction and the various City Institutions who normally use our buildings.

Future plans

We are wanting to develop our presence on social media and complete our plans for the first proper updating of our AV equipment for nearly a quarter of a century. We are also reviewing our worshipping life and seeking to strengthen the pastoral care of the congregation.

Financial review

The total funds of the PCC at the 31 December 2020 stand at £1,193,718, an increase over the previous year of just in excess of 5.5%. Net income stood at £62,311. Church Rate was down on the previous year, as anticipated in the previous report, as businesses in the Square Mile tightened their belts in response to increasing pressures due to COVID-19 and continuing uncertainty over Brexit. Congregational giving was also down by around 24%. The PCC continue to look for alternative sources of income to maintain a strong reserve position.

Movements in, and change to specific funds are detailed in note 12 on pages 16 to 18 of the accounts.

The PCC has convened regularly since the start of the COVID-19 pandemic and expects the income for 2021 to be similar to that for 2020, from congregational giving and ward clubs / liveries; Hope Church; and also from Church Rate. Given the financial prudence adopted by the PCC over the last few years, the PCC is confident that any shortfall will be able to be covered out of unrestricted funds.

The members of the PCC balance a low risk approach to investing against the requirement to generate a reasonable rate of return and take advice from qualified professionals as required and in accordance with the PCC investment policy. The current aims are to move funds away from short term bank balances and into investment funds generating better returns.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves Policy

It is the policy of the PCC that those funds which have not been designated for a specific use should be maintained at a level equivalent to enable ongoing operation of the Church without the need to call on investment funds and the designated "reserve" fund has been created for this purpose. The members consider that maintaining the reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the PCC's current activities for at least twelve months while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year

Structure, Governing Documents and Management

The Parochial Church Council ("PCC") is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure. The method of appointment of PCC members is set out in the Church Representation Rules.

The Standing Committee is the only committee required by law and consists of the Rector, two Churchwardens, the Treasurer, the PCC Secretary and two other members with particular responsibilities.

New PCC members are given a high-level introduction to the running of the Church, its aims and future plans.

The major risks to which the PCC is exposed, as identified by the PCC members, have been reviewed and systems and procedures are established to manage such risks.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Legal and administrative information

PCC members who have served from 1 January 2020 until the date of this report are:

Incumbent	The Reverend Prebendary Jeremy Crossley	
Associate Vicar	The Reverend Mark Fox	
Curates	The Reverend Sophie Bannister	(resigned 30 September 2020)
	The Reverend Greg Bannister	(resigned 30 September 2020)
Elected Churchwardens	Miss Adekemi Adebajo	(resigned 3 November 2020)
	Mr Mike Buckley	(appointed 3 November 2020)
	Mrs Bebe Coleman	
Representatives on the Deanery Synod	Ms Cheryl Stafford	
	Miss Jacqueline Foot	
Other elected members	Mrs Monica Buckle	
	Mr Olly Gillet	
	Mr Dennis Grante	
	Miss Beverley Ryan	
	Mr William Taylor	
	Mr Mark Thomas	
	Mr Peter Thornton	
Chairman	The Reverend Prebendary Jeremy Crossley	
Vice Chairman	Miss Adekemi Adebajo	(resigned 3 November 2020)
	Mrs Bebe Coleman	(appointed 3 November 2020)
Treasurer	Mr Mark Thomas	
Secretary	Mrs Monica Buckle	
Electoral Roll Officer	Mrs Bebe Coleman	
Safeguarding Officer	Miss Beverley Ryan	

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Other legal and administrative information:

Charity Number	1139504
Principal Address	St. Margaret's Church Lothbury London EC2R 7HH
Bankers	Brown Shipley Founders Court Lothbury London EC2R 7HE HSBC Bank Plc PO Box 757 Hemel Hempstead Hertfordshire HP2 4SS
Main Safeguarding Officer	Mr Cliff Radmore
Building Manager	Mr Cliff Radmore
Independent Examiner	Chris Lockhart FCA Chris Lockhart Limited Chartered Accountant Suite 2015 Letraset Building Wotton Road Ashford Kent TN23 6LN
Investment Advisors	CCLA Investment Management Ltd St. Alphage House 2 Fore Street London EC2Y 5AQ The CBF Church of England St. Alphage House 2 Fore Street London EC2Y 5AQ

Signed on behalf of the Parochial Church Council of St. Margaret, Lothbury

The Reverend Prebendary Jeremy Crossley

Dated: 26 April 2021

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

I report to the members on my examination of the accounts of the Parochial Church Council of St. Margaret, Lothbury ("the PCC") ("the Charity") for the year ended 31 December 2020, which are set out on pages 7 to 18.

Responsibilities and basis of report

As the Charity Trustees 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 PCC's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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 PCC 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.

Chris Lockhart FCA
Chris Lockhart Limited

Chartered Accountant
Suite 2015 Letraset Building
Wotton Road
Ashford
Kent
TN23 6LN

Dated: 26 April 2021

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	Restricted funds	Endowment funds	Designated funds	Total 2020	Total 2019
	Notes	£	£	£	£	£	£
<u>Income and endowments</u>							
<u>from:</u>							
Donations and legacies	2a	178,646	-	-	-	178,646	225,809
Charitable activities	2b	11,552	-	-	-	11,552	19,070
Investment income	2c	35	7,684	-	6,631	14,350	15,678
Other	2d	30,096	16,331	-	-	46,427	162,827
Total income		220,329	24,015	-	6,631	250,975	423,384
<u>Expenditure on:</u>							
Raising funds		2,622	-	-	-	2,622	2,590
Charitable activities	3	191,596	2,119	8,582	23,537	225,834	450,192
Total expenditure		194,218	2,119	8,582	23,537	228,456	452,782
Net gains/(losses) on investments	7	-	11,606	(2,171)	30,357	39,792	89,356
Net income/(expenditure)		26,111	33,502	(10,753)	13,451	62,311	59,958
Transfers between funds		6,546	-	-	(6,546)	-	-
Net movement in funds		32,657	33,502	(10,753)	6,905	62,311	59,958
Reconciliation of funds:							
Fund balances brought forward	12	270,926	246,580	10,753	603,148	1,131,407	1,071,449
Fund balances carried forward	12	303,583	280,082	-	610,053	1,193,718	1,131,407

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020	2020	2019	2019
		£	£	£	£
Fixed assets					
Tangible assets	6		4,206		3,584
Investments	7		777,211		746,001
			<hr/>		<hr/>
			781,417		749,585
Current assets					
Debtors	8	35,583		25,427	
Investments: cash deposits		96,946		92,487	
Cash at bank and in hand		285,516		311,803	
		<hr/>		<hr/>	
		418,045		429,717	
Creditors: amounts falling due within one year	9	(5,744)		(47,895)	
		<hr/>		<hr/>	
Net current assets			412,301		381,822
			<hr/>		<hr/>
Net assets			1,193,718		1,131,407
			<hr/> <hr/>		<hr/> <hr/>
Income funds					
Unrestricted funds			303,583		270,926
Restricted funds	12		280,082		246,580
Endowment funds	12		-		10,753
Designated funds	12		610,053		603,148
			<hr/>		<hr/>
			1,193,718		1,131,407
			<hr/> <hr/>		<hr/> <hr/>

Approved by the Parochial Church Council on 26 April 2021 and signed on its behalf by:

The Reverend Prebendary Jeremy Crossley
Chairman

Mr Mark Thomas
Treasurer

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006, 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) (section 1A) and applicable accounting standards.

The accounts have been prepared under the historical cost convention except for the valuation of investment assets which are shown at fair value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law.

Whilst having a significant impact on the way on which the Church was able to operate in the year, the pandemic has fortunately not had a significant impact on the financial position of the PCC and donations continue to be forthcoming. No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the members.

1.2 Funds

General funds included in unrestricted funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application in the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds are subject to specific conditions by donors as to how they may be used. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of the year must be carried forward as a balance on that fund. The PCC will invest separately for each fund wherever practical or required but not exclusively. The purposes and uses of restricted funds are set out in the notes to the accounts.

Endowment funds are funds for which the capital must be maintained. Only income arising from the investment of the endowment may be used for specific charitable purposes and this is dealt with through a further restricted fund.

1.3 Income and endowments

Donations and legacies

Collections are recognised when received on or on behalf of the PCC. Planned giving receivable under covenant is recognised only when received. Income tax recoverable on covenants or Gift Aid donations is recognised when the income is recognised. Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due except for Heritage Lottery Fund grants which are accounted for when the entitlement to the grant becomes certain. Sales of books and magazines from the Church bookstall are accounted for gross.

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on investments

Realised and unrealised gains and losses on investments and investment properties are included in the statement of financial activities as "Net gains/(losses) on investments".

1.4 Expenditure

All costs are recognised when the liability is incurred and can be quantified with reasonable accuracy. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates. Items of expenditure are allocated directly to grants or activities directly relating to the work of the Church. Support costs are directly allocated to activities.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Activities directly relating to the work of the Church

The diocesan quota or parish share is accounted for when payable. Any quota unpaid at the year end is provided for in these accounts as an accrual (though not a legal liability) and is shown as a creditor in the balance sheet.

1.5 Fixed assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficed property is excluded from the accounts in accordance with section 10(2)(a) of the Charities Act 2011.

No value is put on the movable Church furnishings held by the churchwardens in special trust for the PCC and which require a faculty for disposal since the PCC considers this to be an inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and movable Church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment

Depreciation is provided on all tangible fixed assets over a purchase price of £500, so as to write off the cost of the assets over their estimated useful lives, as follows:

Soft furnishings	Straight line basis over 10 years
Fixtures, fittings and office equipment	Straight line basis over 5 years

Investments

Investments are stated at fair value at the balance sheet date. Cash balances are included as fixed asset investments if they are invested in accounts of an investment nature and are intended to be held for a period of more than 12 months from the balance sheet date.

1.6 Current assets

Amounts owing to the PCC at the year end in respect of fees, rents or other income are shown as debtors.

Current asset investments include cash held on deposit either with the CBF Church of England Funds or at the bank and are intended to be held for a period between 3 and 12 months from the balance sheet date.

1.7 Donated assets and services

In accordance with the Charities SORP (FRS 102), the value of volunteer help is not included in the Financial Statements.

Donated assets are recognised as income when the PCC has control over the item, any conditions attached to the donation have been met, the receipt of economic benefit from the use by the PCC of the item is probable and that economic benefit can be measured reliably.

On receipt, donated assets are recognised as income on the basis of the value of the gift to the PCC which is the amount the PCC would have been willing to pay to obtain an asset of equivalent economic benefit on the open market; a corresponding amount is then recognised as an asset in the period of receipt.

1.8 Financial Instruments

The charity only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as other debtors and creditors, which are measured at settlement value. Impairment losses are recognised in the Statement of Financial activities.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Income and endowments

	Unrestricted funds £	Restricted funds £	Endowment funds £	Designated funds £	Total 2020 £	Total 2019 £
a. Donations and legacies <i>Incoming resources from donors</i>						
Donations made under the						
Gift Aid scheme	60,910	-	-	-	60,910	78,517
Income tax recoverable	15,228	-	-	-	15,228	19,629
Other donations	35,929	-	-	-	35,929	48,139
Voluntary Church rate	66,579	-	-	-	66,579	79,524
	<u>178,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,646</u>	<u>225,809</u>
b. Charitable activities <i>Income from operating activities to further the council's objectives</i>						
Service fees	5,219	-	-	-	5,219	2,320
Use of church building	6,333	-	-	-	6,333	16,750
	<u>11,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,552</u>	<u>19,070</u>
c. Investment income						
Dividends and interest	35	7,684	-	6,631	14,350	15,678
d. Other income						
Grants	8,934	16,331	-	-	25,265	143,820
Salary contribution	21,162	-	-	-	21,162	19,007
	<u>30,096</u>	<u>16,331</u>	<u>-</u>	<u>-</u>	<u>46,427</u>	<u>162,827</u>

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Expenditure on Charitable Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Designated funds £	Total 2020 £	Total 2019 £
a. Grants						
Charitable giving	160	-	8,582	-	8,742	1,132
b. Activities directly relating to the work of the Church						
Ministry						
Diocesan quota	85,200	-	-	-	85,200	82,800
Curate	-	-	-	23,537	23,537	31,845
Clergy expenses	115	-	-	-	115	1,245
Outreach	5,959	-	-	-	5,959	3,545
Other clergy & service costs	299	-	-	-	299	2,080
CPD	50	-	-	-	50	60
Building manager	35,646	-	-	-	35,646	38,026
Church running expenses	14,024	-	-	-	14,024	15,497
Church maintenance (inc. organ)	4,978	2,119	-	-	7,097	172,883
Organist's retainer	-	-	-	-	-	1,000
Housekeeper	4,610	-	-	-	4,610	5,671
Celebrate	12,149	-	-	-	12,149	24,445
St. Mary Woolnoth	11,487	-	-	-	11,487	23,276
<i>Support costs allocated to activities:</i>						
Personnel costs	10,469	-	-	-	10,469	16,212
Office costs	974	-	-	-	974	1,041
Professional fees	3,248	-	-	-	3,248	27,597
Bank interest and charges	32	-	-	-	32	32
Depreciation	2,196	-	-	-	2,196	1,805
	191,436	2,119	-	23,537	217,092	449,060
Total	191,596	2,119	8,582	23,537	225,834	450,192

Professional fees include the following amounts due to the Independent Examiner:

	2020 £	2019 £
Independent Examination fees		
Current year	1,400	1,400

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Personnel

Number of employees

The average monthly head count was 2 (2019: 2). The average monthly number of full-time equivalent employees during the year was 1 (2019: 1).

Employment costs

	2020 £	2019 £
Wages and salaries	52,646	56,796
Social security costs	1,221	2,474
Other pension costs	2,632	2,783
	<hr/>	<hr/>
	56,499	62,053
	<hr/>	<hr/>

There were no employees whose annual remuneration was £60,000 or more.

Regular outsourced services:

	2020 £	2019 £
Bookkeeper	6,615	10,955
Housekeeper	4,610	5,671
	<hr/>	<hr/>
	11,225	16,626
	<hr/>	<hr/>

During the year the PCC outsourced bookkeeping and housekeeping services, neither of whom earned more than £60,000. The organist did not receive his retainer of £1,000 this year (2019: £1,000).

One curate is on the payroll of another church in the parish. The curate's salary cost is partially recharged to the PCC and came to £23,537 (2019: £31,845).

The members of the PCC and the building manager comprise the key management personnel of the charity and received aggregate remuneration totalling £40,292 (2019: £43,948). The members of the PCC received no remuneration (see note 5).

5 Transactions with Trustees

No member of the PCC (or any persons connected with them) received any remuneration during the year. Expenses totalling £115 were due to one member of the PCC for the year (2019: £1,245 to one member). No pension benefits are accruing to any member of the PCC.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Tangible fixed assets

	Soft furnishings £	Fixtures, fittings & equipment £	Total £
Cost			
Brought forward	12,070	25,347	37,417
Additions	-	2,818	2,818
Carried forward	12,070	28,165	40,235
Depreciation			
Brought forward	10,559	23,274	33,833
Charge for the year	918	1,278	2,196
Carried forward	11,477	24,552	36,029
Net book value At 31 December 2020	593	3,613	4,206
At 31 December 2019	1,511	2,073	3,584

Net book value at 31 December 2020 represents fixed assets used for direct charitable purposes.

7 Fixed asset investments

	Unlisted investments £	Cash or cash equivalents £	Total £
Fair value at 1 January 2020	546,001	200,000	746,001
Additions	-	-	-
Disposals	(8,582)	-	(8,582)
Change in value in the year	39,792	-	39,792
Fair value at 31 December 2020	577,211	200,000	777,211

Investments are held to provide an investment return for the PCC.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Debtors

	2020 £	2019 £
Income tax recoverable	15,228	19,629
Occasional services	3,914	2,430
Other debtors and prepayments	16,441	3,368
	<u>35,583</u>	<u>25,427</u>

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	1,286	39,351
Accruals and deferred income	4,458	8,544
	<u>5,744</u>	<u>47,895</u>

10 Pensions and other post-retirement benefit commitments

Defined contribution scheme

The PCC operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the PCC to the fund.

	2020 £	2019 £
Contributions payable by the PCC for the year	<u>2,632</u>	<u>2,783</u>

11 Related party transactions

The funds of the John Simmons Charity, an endowment fund held by the PCC were transferred to the Charity of Mary Barnes (registered number 279055) (see note 12 on page 17). The Reverend Prebendary Jeremy Crossley is also a trustee of the Charity of Mary Barnes.

There were no other transactions with related parties during the year other than as disclosed in note 5 (2019: £nil) and there were no balances outstanding with related parties as at 31 December 2020 (2019: £nil).

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Funds

The PCC holds endowment and restricted funds as follows:

Building repair fund

This comprises a restricted fund held for the purpose of repairing and maintaining the building and covers maintenance and repair work on the essential systems within the church and other work in the church not covered by the Building fabric fund. The income of this fund is received from an endowment fund held for the PCC by the London Diocese who is the sole trustee.

Building fabric capital fund and Building fabric fund

The Building fabric capital fund comprises a fund held for the purpose of generating an investment return to be applied for the purpose of maintaining the fabric of the building. The income generated by the fund is paid into the Building fabric fund with the same purpose of maintaining the fabric of the building. The capital fund is protected and only to be used if there is no balance remaining on the Building fabric fund.

Organ investment capital fund and Organ repair fund

The Organ investment capital fund comprises a fund held for the purpose of generating an investment return to be applied for the purpose of maintaining the organ. The income generated by the fund is paid into the Organ repair fund to pay for maintenance and repair work on the organ. The capital fund is protected and only to be used if there is no balance remaining on the Organ repair fund.

John Simmons Charity

This is an old historic charity fund held within the PCC intended to benefit the poor in the parish. Income is added to this endowment fund as there are no current beneficiaries of this charity.

Heritage Lottery Fund Grant

This comprises a grant received to assist with the repair work needed on the Church Tower and is held in a restricted fund. Grant income falls due when the repair work has been carried out.

The F E Cleary Trust

This is a restricted fund whereby grants are paid for specific projects within the building or garden.

City Churches' Grants Committee

This is a restricted fund whereby grants are paid for specific projects.

The PCC also holds:

Designated funds

These represent funds set aside by the members of the PCC to cover specific aims. The Reserve fund is to ensure sufficient reserves are held to enable the PCC to continue to operate for a period of twelve months. A separate fund was set aside for the cost of the curate in the current year and the Vicar's discretionary fund and the Rectory repair fund are to cover additional costs as described.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Funds (continued)

Movements on each fund during the year are as follows:

Restricted funds

	Brought forward	Gain on investments	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£	£
Capital funds:						
Fabric capital fund	138,152	9,500	4,197	-	(4,197)	147,652
Organ investment capital fund	32,926	2,106	1,009	-	(1,009)	35,032
Arising from endowments and restricted capital funds:						
Fabric fund	21,960	-	176	-	4,197	26,333
Organ repair fund	15,465	-	-	734	1,009	15,740
Building repairs	37,701	-	2,302	-	14,946	54,949
Church Spire Project:	-	-	6,331	1,385	(4,946)	-
City Churches' Grants Committee	-	-	10,000	-	(10,000)	-
Historic difference	376	-	-	-	-	376
	<u>246,580</u>	<u>11,606</u>	<u>24,015</u>	<u>2,119</u>	<u>-</u>	<u>280,082</u>

The overspend arising on the Church Spire Project in 2019 was covered by a transfer from unrestricted reserves in that year. This has now been partly offset by additional income received in the current year. The original transfer from unrestricted reserves not now required has been transferred to the Building Repair fund rather than returned to unrestricted reserves.

Endowment funds

	Brought forward	Loss on investments	Dividends and interest	Expenditure	Carried forward
	£	£	£	£	£
John Simmons Charity	10,753	(2,171)	-	(8,582)	-

The John Simmons Charity is a separate historic charity (Removed Charity registration number 207626). It had no potential beneficiaries due to the stated aims now being obsolete. On 25 February 2020 the PCC agreed unanimously to transfer the funds of the John Simmons Charity to the Charity of Mary Barnes (Registered Charity number 279055), a charity whose aims include the prevention or relief of poverty, akin to the original aims of the John Simmons Charity, with potential beneficiaries. The value of the fund had declined since the start of the year due to the fall in the Stock Market resulting from the pandemic. The funds were transferred in accordance with the provisions of s281 Charities Act 2011.

THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Funds (continued)

Endowment funds (continued)

A Building Repair endowment fund is held for the PCC by the Diocese of London, which acts as sole trustee and has sole managerial responsibility for the capital value of this fund. The value of this fund held at the year end is £82,195 (2019: £76,906).

Designated funds

	Brought forward £	Gain on investments £	Income £	Expenditure £	Transfers £	Carried forward £
Reserve	600,662	30,357	6,631	-	(30,083)	607,567
Curate	-	-	-	(23,537)	23,537	-
Vicar's discretionary fund	436	-	-	-	-	436
Rectory repairs	2,050	-	-	-	-	2,050
	<u>603,148</u>	<u>30,357</u>	<u>6,631</u>	<u>(23,537)</u>	<u>(6,546)</u>	<u>610,053</u>

13 Analysis of net assets by fund

	Unrestricted funds	Restricted funds	Endowment funds	Designated funds	Total 2020	Total 2019
		£	£	£	£	£
Tangible fixed assets	4,206	-	-	-	4,206	3,584
Investments	-	182,685	-	594,526	777,211	746,001
Current assets	305,121	97,397	-	15,527	418,045	429,717
Current liabilities	(5,744)	-	-	-	(5,744)	(47,895)
	<u>303,583</u>	<u>280,082</u>	<u>-</u>	<u>610,053</u>	<u>1,193,718</u>	<u>1,131,407</u>