

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, 2016

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:

Fiona Green 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, 2016**

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, 2016 until the date this report was approved are:

<i>Incumbent:</i>	The Revd John Burniston	Chairman
<i>Wardens:</i>	Mrs Maria Flavius	First elected at the Annual meeting of Parishioners April 10, 2011 and re-elected at the Annual Meetings of Parishioners on April 22, 2012; April 14, 2013; April 27, 2014; April 19, 2015; April 10, 2016
	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 Previously elected to PCC April 14, 2013
<i>Representatives on the Deanery Synod:</i>	<i>Elected for a three year period of office from June 2014</i>	
	Mrs Vera Taggart	Appointed to Deanery Synod September
	Mrs Wendy Fisher-Gordon	June 2014.
<i>Representative on the Diocesan Synod:</i>	<i>Elected for a three year period of office from June 2015</i>	
	Mrs Susan Sorensen	Honorary Treasurer
<i>Lay Members:</i>	<i>Elected for three years from the APCM April 14, 2013</i>	
	Ms Miranda Jules	Did not stand for re-election at the APCM on April 10, 2016
	<i>Elected for three years from the APCM April 27, 2014</i>	
	Mr Alastair Hume	Re-elected. Assistant Treasurer
	Ms Sinead Burniston	Re-elected. Children's Champion
	Mrs Rosemary Ross	
	Ms Vicky Bellamy	Resigned from the PCC in March 2016
	<i>Elected for three years from the APCM April 19, 2015</i>	
	Ms Kerry Sabine	PCC Secretary Previously co-opted on May 27, 2014

Elected for three years from the APCM April 10, 2016

Ms Kerri Allen

Re-elected. Lay Vice Chair. Publicity Officer.

Ms Kris Hyde

Re-elected.

Ms Victoria Walsh

Ms Tracey Byers

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 the reduction of the electoral roll from 103 to 96 members since the 2014 APCM, lay elected representation on the PCC changed from 12 to 9 with effect from the APCM April 19, 2015.

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.

Data Protection Act

Members of the congregation are advised that personal information contained in this report and elsewhere (including members' names, addresses and telephone numbers) is stored on a microcomputer. In order to comply with current regulations exempting St. James' from registering under the Data Protection Act, it is necessary that members are made aware of this fact.

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.

Church Attendance

The average number of Sunday communicants was 42. During the year there were 12 baptisms, 0 First Holy Communions, 6 weddings and 11 funerals.

Review of the year

The months May 2016 to March 2017 saw a number of important matters discussed by the Parochial Church Council, as we spent over seventeen hours across nine meetings, of which six were in the financial year ended 31st December 2016.

The most prominent agenda item this year was the Islington Proms, which was discussed at all nine meetings and amassed eight pages of notes in total. In the summer, we discussed initial proposals to bring the Islington Proms under the formal responsibility of the PCC. This included questions over the objectives for the Proms, how the new arrangement might work and ownership of the grand piano. In July, a detailed proposal for how the Islington Proms Committee (IPC) would operate was passed by a majority vote. In the autumn, the PCC received an update on the members of the IPC and the 2016 accounts. The methodology for fees and profits for each concert was also discussed at length. In November, it was agreed by all that the IPC would need to report back to the PCC regularly for feedback and input. In the New Year, the draft programme for 2017 was shared with the PCC for their review.

Throughout the year, we also discussed the ongoing work by NET Solutions to install a mobile phone mast in the bell tower. A number of hurdles were overcome; including an interference with local wifi signals and the bells initially sounding too quiet when they were first re-installed.

On to topics at specific meetings; following the APCM in April, at our May meeting, we began by giving thanks for the completion of the re-ordering work and made plans for the 140th celebrations on 15th May. In June, we took the opportunity to welcome new members to the PCC with an overview of 'how we work' and also received an update from Sarah Nash, our Safeguarding Officer.

In Summer 2016 we also discussed the Richard Cloudesley Trust (RCT) consultation on Church Objects. The RCT were considering extending their geographic boundaries and the terms under which they can award grants. It was agreed a summary of our key points would be shared directly with the charity.

In the Autumn, using feedback gathered from the congregation earlier in the year, the PCC began a detailed exploration of our objectives for 2016-2020. This discussion continued into February 2017 when the objectives (and their corresponding actions) were approved by the PCC.

In September we heard a positive report from the Pack-Up group that there had been an increase in client numbers over the summer and a regular team of up to seven volunteers. Plans for extra Christmas celebrations were also shared. In other matters, we agreed to approach the Richard Cloudesley Trust (by then known as Cloudesley) for a grant to improve the Church kitchenette. In October, the Church Hire fees for 2017 were approved.

The use of the organ was also an important item in late 2016 / early 2017. Following the sad death of Anthony Hill, the PCC oversaw the appointment of locum organists and the search for a permanent replacement. It was also recognised that there had been many faults with the organ and it was due for some substantial repair work. By November we were pleased to offer the role of Organ, Administrator and Music Missioner to Adam Dickson and by January we were starting to understand the scale of the work needed on the organ.

In November, we were joined by two guest speakers to discuss 'Open Church' i.e. making the Church open to visitors during daylight hours. The discussion was highly thought-provoking and it was agreed at the January meeting to trial this at St James' until Easter.

Another key item for discussion in early 2017 was the Capital Vision 2020 proposals from the Diocese of London. The PCC reflected that the work we were doing at St James' was very much in line with Capital Vision 2020.

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

Changes to the regulatory framework with the application of the Financial Reporting Standard (FRS) 102 and the new Statement of Recommended Practice (SORP) meant that the PCC had to decide on its basis of accounting from 2016. The recommendation from the Diocese was that parishes with an income below the threshold of £250k, which requires an accruals basis of accounting, should prepare their accounts on a "Receipts and Payments" basis. However St James has opted for the time being to account on an accruals basis and to assess the difference in the two methods during 2017. 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 formal budgets, with the transfer of the planned expenditure from the general reserve to designated reserves. In 2016, the estimated expenditure of £80,000 on the re-ordering of the church was transferred into a church renewal reserve.

The PCC has assessed the parish's position as a going concern in compliance with FRS 102 and the SORP. Although the church has experienced small income and expenditure operating deficits in the last two years, it has significant free reserves. These include a general unrestricted reserve, excluding fixed assets, of £204,904. This is in addition to the ownership of the church hall which is valued in the books at £109k at depreciated cost but in reality is worth considerably more. The charity therefore is confident that the church can continue to operate for the foreseeable future. In addition, the church has access to the

accumulated income from the William Lambe Trust (WLT) for the financing of repairs and maintenance, which currently stands at £156k. The fund, which is managed and accounted for by the London Diocesan Fund (LDF) yields approximately £16,000 per annum and is for the exclusive use of St James. Taking account of the income accrued in 2016 in the accumulated income fund, the church achieved a comfortable surplus. It also has access to the Cloudesley Trust which allocates grants to churches within the Islington Deanery for work to the church fabric and the maintenance of services. A recent successful application was made to finance the refurbishment of the church kitchen in 2017.

Financial Performance 2016

The out-turn on the general unrestricted fund was a deficit of £6,477: an improvement on the previous year and close to the depreciation charge on the church hall of £6,065, which is recognised as an expense but does not involve a cash payment. The retained cash is transferred to a hall depreciation reserve which now stands at just over £155k. A further £80k was transferred from the general fund to the designated church renewal fund for the planned re-ordering of the interior of the church and exterior painting. Expenditure was just within budget.

Key features of the financial out-turn in 2016 were a significant increase in voluntary income and the rental from the installation of a phone mast in the tower. This enabled the pledged increase to the LDF Common Fund from £60k in 2015 to £76.9k in 2016 to be absorbed. The parish has committed to meeting the estimated full cost of a parish of our size, including central overheads, of £78,300 in 2017.

At the end of the year, the church received an antique grand piano valued at £3,500 as a gift from the Islington Proms Committee, hitherto an unincorporated association formed to organise a series of concerts in the church over the last few years. This has been added to the church's assets and will be depreciated in the accounts over a period of seven years. The Islington Proms Committee is now incorporated within the church and the PCC has taken on financial responsibility for the concert programme.

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 identification of designated reserves represents the current plan for the future use of resources, the largest provision representing the accumulated depreciation provision of the church hall which will be available to contribute to the replacement or renewal of the facilities. The development of the church's new five year Mission Action Plan is currently work-in-progress, but there is already a plan to restore and possibly upgrade the organ in 2017, and to completely redecorate the interior of the church in 2018. This will involve considerable investment and the PCC will commit an appropriate portion of our reserves to these projects as well as making applications to both the WLT and the Cloudesley Trust.

The PCC may also consider investment opportunities in support of Diocesan policies, such as housing bonds and credit union initiatives. The Finance Review Group, an informal advisory group of parishioners with financial, investment and property expertise, will continue to monitor the position in order to inform discussion of the PCC's reserves and investment policies.

Approved by the Standing Committee of the Parochial Church Council on 24th April, 2017
and signed on their behalf by the Revd A J Burniston (Chairman)

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

I report on the financial statements of the PCC of St James with St Peter Islington for the year ended 31st December 2016, which are set out on pages 10-20, is in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and section 145 of the Charities Act 2011 ("the 2011 Act").

Respective responsibilities of PCC and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioner. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

Date 27th April, 2017

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**

STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

for the year ended 31 December, 2016

	<i>Note</i>	Un- Restricted Funds £	Prior year Un- restricted Funds £	Restricted Funds £	Prior year Restricted Funds £	TOTAL FUNDS 2016 £	TOTAL FUNDS 2015 £
INCOMING RESOURCES							
Voluntary income	2a	39,282	36,682	4,467	2,211	43,749	38,894
Activities for generating funds	2b	-	-	39	159	39	159
Income from investments	2c	13,028	13,048	-	-	13,028	13,048
Income from church and charitable activities	2d	47,452	51,345	-	-	47,452	51,345
Other incoming resources	2e	25,594	10,364	-	-	25,594	10,364
TOTAL INCOMING RESOURCES		125,356	111,440	4,505	2,370	129,861	113,810
RESOURCES EXPENDED							
Costs of generating voluntary income	3a	145	96	-	-	145	96
Church and charitable activities	3b	212,430	123,180	3,493	2,370	215,923	125,551
TOTAL RESOURCES EXPENDED		212,574	123,276	3,493	2,370	216,068	125,647
NET INCOMING(OUTGOING) RESOURCES BEFORE TRANSFERS							
		(87,218)	(11,836)	1,012	0	(86,206)	(11,836)
GROSS TRANSFERS BETWEEN FUNDS - IN		88,293	27,001	877	526	89,169	27,526
OUT		(88,054)	(27,001)	(1,115)	(526)	(89,169)	(27,526)
NET INCOMING(OUTGOING) RESOURCES AFTER TRANSFERS		(86,979)	(11,836)	773	0	(86,206)	(11,836)
GAINS(LOSSES) ON INVESTMENTS Realised		-	-	-	-	-	-
Unrealised		24,125	(7,106)			24,125	(7,106)
NET MOVEMENT IN FUNDS		(62,853)	(18,943)	773	0	(62,080)	(18,943)
BALANCES BROUGHT FORWARD @ JANUARY 1, 2016 (2015)		549,504	568,447	0	0	549,504	568,447
BALANCES CARRIED FORWARD @ DECEMBER 31, 2016 (2015)		486,651	549,504	773	0	487,424	549,504

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**

**STATEMENT OF ASSETS AND LIABILITIES
as at December 31, 2016**

	<i>Note</i>	2016 £	2015 £
FIXED ASSETS			
Tangible fixed assets	6	112,673	115,238
CURRENT ASSETS			
Investments	7	268,733	244,607
Short term deposits		106,148	175,554
Cash at bank and in hand		14,274	29,269
Debtors	8	24,430	28,972
TOTAL CURRENT ASSETS		413,585	478,402
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(38,834)	(44,136)
NET CURRENT ASSETS		374,751	434,266
TOTAL NET ASSETS	10,11	487,424	549,504
FUNDS			
	12		
Unrestricted - General		317,577	385,953
Unrestricted – Designated			
Bell Fund		5,194	5,194
Equipment Depreciation		3,103	3,103
Hall Depreciation		155,015	148,950
Vincent Terrace Mission Hall		2,216	2,216
William Schroeder Trust		1,428	1,428
Church Renewal		134	-
Hall Renewal		1,984	2,744
Special Projects			(84)
Restricted			
Specific Appeals		-	-
Special Projects		773	-
TOTAL FUNDS		487,424	549,504

Approved by the Standing Committee of the Parochial Church Council on 24th April, 2017

Revd John Burniston
(Chairman)

Mrs Susan M Sorensen
(Hon. Treasurer)

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.

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.

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

The recently-acquired grand piano will be depreciated on a straight line basis over seven 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.

2. INCOMING RESOURCES

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
<i>2(a) Voluntary income</i>					
Planned giving:					
- Gift aid donations	19,771			19,771	20,039
- Income tax recoverable	6,122		385	6,507	6,642
- Other planned giving	-			-	-
Collections (open plate) at all services	6,142		385	6,527	3,990
Legacies					-
Sundry donations	6,025		65	6,090	3,194
Alms and votive candle boxes	1,133			1,133	1,582
Appeals (note 4)			3,631	3,631	3,175
Miscellaneous	90			90	-
	39,282	-	4,467	43,749	38,622
<i>2(b) Activities for generating funds</i>					
Fund raising events			39	39	159
	-	-	39	39	159
<i>2(c) Income from investment</i>					
Interest	601			601	972
Dividends	12,427			12,427	12,077
	13,028	-	-	13,028	13,048
<i>2 (d) Income from church activities</i>					
Fees from services	5,183			5,183	5,642
Church Hall Lettings	35,762			35,762	41,093
Church Lettings	6,508			6,508	4,881
	47,452	-	-	47,452	51,616
<i>2(e) Other ordinary incoming resources</i>					
Rental income	25,594			25,594	10,364
TOTAL INCOMING RESOURCES	125,356	-	4,505	129,861	113,810

3. RESOURCES EXPENDED

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
3(a) <i>Costs of generating funds</i>					
Costs of generating voluntary income	-			-	76
Fund-raising trading costs	145			145	20
	145			145	96
3(b) <i>Church and charitable activities</i>					
Missionary and charitable giving (note 4):					
Church overseas			1,987	1,987	3,083
Home missions and other Church Societies			674	674	646
Secular relief charities		115	832	947	434
Ministry: Common Fund (note 16)	76,900			76,900	60,000
Clergy expenses (note 14)	1,339			1,339	1,133
Staffing costs*	4,175			4,175	-
Church – running expenses	17,861			17,861	13,169
Church maintenance	8,443	79,866		88,309	14,163
Church Hall running costs	12,850	760		13,610	21,964
Organists' fees	3,245			3,245	3,659
Depreciation: Hall	6,065			6,065	6,065
Other assets	-			-	
Independent examiner's fees	810			810	1,236
	131,688	80,741	3,493	215,923	125,551
TOTAL RESOURCES EXPENDED	131,833	80,741	3,493	216,068	125,647

*Including fees payable to Stewardship, other than for the independent examination, for payroll bureau services, totalling £535

4. INCOME AND EXPENDITURE OPERATING SURPLUS (DEFICIT)

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Total income (note 2)	125,356	0	4,505	129,862	113,810
Total Expenditure (note 3)	131,833	80,741	3,493	216,068	125,647
Surplus(Deficit) before transfer of funds	(6,477)	(80,741)	1,012	(86,206)	(11,836)
Fund Transfers - in	324	87,969	877	89,169	-
Fund Transfers - out	(86,349)	(1,705)	(1,115)	(89,169)	-
Net Surplus/(Deficit) after Fund Transfers	(92,502)	5,523	773	(86,206)	(11,836)

5. CHARITABLE GIVING

	Donations made by PCC or raised by special appeals £	Amount raised directly by fundraising events £	Total £
<i>Church Overseas:</i>			
TZABA (Transvaal Zimbabwe & Botswana Association)	1,333	39	1,372
<i>Home Mission:</i>			
Children's Society	234	-	234
<i>Secular charitable activities</i>			
"Pack-up" weekly lunch for the street community	1,250	355	1605
TOTAL	2,817	394	3,211

The church supports various mission and out-reach projects in the UK and internationally. Where a particular charity or project has been supported by the church for a number of years, strict compliance with the Charities' SORP may suggest some arrangements as constituting constructive obligations such that future years' support is accounted for in these accounts as a liability. Whilst the support has no final end date in all cases, the PCC's officers assess such mission funding on an annual basis and are confident that they have not communicated a specific commitment nor would these charities and projects view their support as open-ended obligations by the church.

Donations to TZABA for the Medical Orphans' Project (MOP) arose from Lent Savings, the Harvest Festival Appeal, Smartie box Appeal and the proceeds of the Advent Stall.

Donations to the Children's Society arose from collection boxes held by members of the congregation, the collection at the Carol Service and individual donations.

The Pack-up project received donations from a local community association and the collection at the church's carol-singing in the community. A balance of £773 is carried forward to 2017.

6. FIXED ASSETS FOR USE BY PCC

	Freehold land and buildings £	Hall buildings £	Hall fixtures and fittings £	Other fixtures and fittings and office equipment £	Total £
<i>Cost</i>					
At January 1, 2016	-	242,597	21,589	3,104	267,290
Additions	-	-	-	3,500	3,500
Disposals	-	-	-	-	-
At December 31, 2016	-	242,597	21,589	6,604	270,790
<i>Depreciation</i>					
At January 1, 2016	-	127,362	21,589	3,104	152,055
Charge for the year	-	6,065	-	-	6,065
Disposals	-	-	-	-	-
At December 31, 2016	-	133,427	21,589	3,104	158,120
<i>Net Book Value</i>					
At December 31, 2016	-	109,170	0	3,500	112,670
At January 1, 2016	-	115,238	0	0	115,238

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 and an underlease for the PCC's use of the hall buildings is being completed in consultation with the LDF.
- 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 will be 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.

7. INVESTMENTS

As the PCC no longer accounts for the William Lambe Trust, the church's investments now consist of Units in the Equities Investment Fund for Charities (Charifund) managed by M & G and held in the Unrestricted Fund. The investment comprises 17,502.202 units at an original cost of £224,532. The value as at 31st December 2106 was £268,732, an increase of £24,125 over the previous year.

8. DEBTORS

	2016	2015
	£	£
Income tax recoverable	6,507	5,073
Prepayments	-	4,510
Due from London Diocesan Fund (see note 13)	15,495	15,495
Other debtors and accrued income	2,428	3,894
	24,430	28,972

9. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Accruals	9,574	11,647
Due to London Diocesan Fund (Note 13)	29,260	29,260
Appeals for specified charities	-	3,229
	38,834	44,136

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. Permission will be sought to spend these sums for their original intended purpose or merge them with the general reserve.

10. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total Funds £
Fixed assets	112,673	-		112,673
Investments	131,913	136,820		268,733
Debtors	24,045		385	24,430
Cash at bank and in hand	58,520	61,514	388	120,422
Liabilities	(9,574)	(29,260)		(38,834)
TOTAL	317,577	169,074	773	487,424

11. MOVEMENT IN FUND BALANCES

Fund	b/f 1 st Jan 2016 £	Incoming Resource s £	Outgoing resources £	Net Transfers £	c/f 31 st Dec 2016 £
General	385,953	125,356	(131,833)	(86,024)	
Unrealised gain on investments		24,125			317,577
Bell Fund	5,193	-	-	-	5,193
Equipment Depreciation	3,103	-	-	-	3,103
Hall Depreciation	148,950	-	-	6,065	155,015
Vincent Terrace Mission Hall	2,215	-	-	-	2,215
William Schroeder Trust	1,427	-	-	-	1,427
Church Renewal	-	-	(79,866)	80,000	134
Hall Renewal	2,744	-	(760)		1,984
Special Projects	(84)	1,605	(3,443)	2,695	773
Appeals - restricted		2,900	(164)	(2,735)	-
Total Funds	549,504	153,986	(216,066)	-	487,424

12. FUND DETAILS

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 2016 was £300,227.

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 have been made in recent years and the balance on the income fund stood at £156,011 on 31st December 2016, after the crediting of interest and the transfer of investment income from the Endowment fund totalling £16,575.

Restricted Funds

In addition to the Restricted Income Fund within the WLT, which is no longer accounted for by the church, there are currently two other 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 to or accrued for payment in 2017 to the intended recipients and there is no balance carried forward. The Special Projects Fund has a balance carried forward representing the unspent element of donations in 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 I&E accounts.

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 2016 £	Income plus unrealised investment gain £	Expenditure £	Net Transfers £	At Dec 31 2016 £
General Reserve	270,715	145,981	(125,768)	(86,024)	204,904
Fixed assets	115,238	3,500	(6,065)		112,673
Total unrestricted funds	385,953	149,431	(131,833)	(86,024)	317,577

The transfer represents the depreciation of assets charged to the expenses account but not involving a cash payment. The corresponding increase in the general reserve was transferred to the designated fund for hall depreciation.

13. 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 have agreed to reimburse the PCC this amount and during 1998 £6,188 was returned.

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 has 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.

Discussions with the LDF will be held to resolve these longstanding balances carried forward from year to year.

14. TRANSACTIONS WITH MEMBERS OF THE PCC AND CONNECTED PERSONS

Expenses for Revd John Burniston are disclosed separately in note 3 under clergy expenses. In addition £1,246 accrued at year end to Revd John Burniston as reimbursement of expenses incurred on behalf of the PCC and these amounts are included in the appropriate expenses category in note 3.

Mrs Maria Burniston is due to be reimbursed £246 for expenses incurred in 2016 relating to the church hall.

Small amounts were also paid out of petty cash or bank transfer to PCC members and volunteers in respect of reimbursement of catering, flower, Sunday School, church hall and minor repair expenses.

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

A total of £6,488 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. All these 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	76,900
Support for other parishes in the Diocese of London	-
Support from other parishes in the Diocese of London	-
Total charge for the year	76,900

Note: Some totals differ by a small margin from the sum of components or sub-totals due to the effect of rounding to the nearest £.