

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, 2017

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
EC1Y 8AB

**THE PARISH CHURCH OF ST JAMES WITH ST PETER,
ISLINGTON
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017 until the date this report was approved are:

<i>Incumbent:</i>	The Revd John Burniston	Chairman
<i>Wardens:</i>	Mrs Maria Flavius	Retired at the APCM on April 30, 2017 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; April 30, 2017
	Ms Isabel Nisbet	Previously elected to PCC April 14, 2013 First elected at the APCM on April 30, 2017
<i>Representatives on the Deanery Synod:</i>	<i>Elected for a three year period of office from April 2017</i>	
	Mrs Vera Taggart	Appointed to Deanery Synod April 2017
	Mrs Susan Sorensen	
<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 19, 2015</i>	
	Ms Kerry Sabine	PCC Secretary Previously co-opted on May 27, 2014
	<i>Elected for three years from the APCM April 10, 2016</i>	
	Ms Kerri Allen	Re-elected. Lay Vice Chair. Publicity Officer.
	Ms Kris Hyde	Re-elected. Resigned July 2017.
	Ms Victoria Walsh	Resigned April 2017.
	Ms Tracey Byers	Resigned September 2017.

Elected for three years from the APCM April 30, 2017

Mr Alastair Hume

Re-elected. Assistant Treasurer

Ms Sinead Burniston

Re-elected. Children's Champion

Mrs Rosemary Ross

Ms Toni Parker

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 41. During the year there were 12 baptisms, 8 First Holy Communions, 1 wedding and 16 funerals.

Review of the year

A number of matters have been discussed regularly at PCC Meetings this year. One of these was the organ, which is in need of major repair and refurbishment works. The PCC have heard reports from a number of organ experts and considered the costs and benefits of various options. Another important matter discussed throughout the year was that of Church Security.

Following the trial of Open Church in Spring 2017, it became clear that a number of electronic locks to the internal doors needed to be installed and this was arranged by the PCC.

The Islington Proms was also discussed at a majority of meetings. In July it was decided that Adam Dickson and Yoon Chung would be joint programme coordinators from November 2017 onwards. The contract of engagement for performers was also updated, and a 'checklist' for each concert was prepared to ensure that the Proms would meet all the necessary administrative requirements (for example, PRS Licensing and insurance). In September the PCC were joined by Adam and Yoon to hear their draft proposal for the 2018 Proms Season and it was agreed that a more concentrated format was a good idea. In November a more detailed programme, for the period 9-17th June 2018, was shared with the PCC for feedback.

At the July meeting, we were joined by Maria Burniston for an update on Sunday School and a discussion about the All Age Parish Mass on first Sundays. Maria told that PCC that the number of children attending Sunday School regularly is 21, with an average attendance of 8-10 per week. It was also confirmed at the October meeting that Isabel Sharples had been appointed to the role of Safeguarding Officer and the PCC renewed its affirmation of the diocesan safeguarding policy.

In the autumn, we began our search for a new Quinquennial Inspector for the church building. The role of the Quinquennial Inspector is to advise on special projects and complete a review every five years of the condition of the Church building. By October we had selected Alex Veal, having conducted a thorough interview process with a number of candidates.

We also took advantage of the Richard Cloudesley Trust anniversary grants to obtain an energy efficiency audit of the Church building (the results of which will form a key focus for the PCC in 2018!). There was much discussion around potential projects which could be funded by the RCT's anniversary grants scheme, including the installation of a projector and hanging rails for art displays in church. The matter of repainting the Church was also discussed a number of times, as the colour scheme requires consideration and reference to previous colours used.

The PCC also received regular updates from Toni Parker on Pack Up and provided support where needed (for example, installing a dishwasher in the Hall kitchen in October).

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 as we are likely to be applying for grant funding for major projects which may bring us close to the threshold. 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 2017, the estimated expenditure of £15,000 on the hall, the £1,500 emergency roof repair in the church and £1,000 towards the cost of the kitchenette in the church were transferred into the hall renewal and church renewal reserves.

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 small income and expenditure operating deficits in recent years, it has significant free reserves. These include a general unrestricted reserve, excluding fixed assets, of £207,687. This is in addition to the ownership of the church hall which is valued in the books at £107k 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 over £170k. The fund, which is managed and accounted for by the London Diocesan Fund (LDF) yields approximately £17,000 per annum and is for the exclusive use of St James. Taking account of the income accrued in 2017 in the accumulated income fund, the church achieved a comfortable surplus. It also has access to the Cloudesley Charity which allocates grants to churches within the Islington Deanery for work to the church fabric and the maintenance of services. A recent successful application for £4,500 was made to finance the refurbishment of the church kitchen in 2017. In the current 500th Anniversary year of the Cloudesley Charity we have the opportunity to apply for significant funds under the Sustainable Churches project, supported by the London Diocese, as well as a one-off grant of £5,000.

Financial Performance 2017

The out-turn on the general unrestricted fund, before fund transfers, was a surplus of £8,464 - a significant improvement on previous years. Key features of the financial out-turn in 2017 were significant increases in income from both hall and church lettings, totalling over £8,600. This compensated for the slight drop in voluntary giving and enabled the church to absorb the increase in the LDF Common Fund to £78,300. The planned expenditure on

improvements to the hall's flooring and infrastructure was covered by a transfer from the general reserve to the hall renewal reserve. The repairs to the roof and the completion of the church kitchen were also financed from reserves.

The Islington Proms are now the management and financial responsibility of the PCC. A sum of £1,181 was passed over from the previous Islington Proms Committee representing the accumulated surplus from the previous 5 years. In 2017, a surplus of £482 was achieved from the staging of nine concerts and has been added to the Proms designated reserve. The "Pack-up" project providing a weekly lunch for the street community was generously supported and we were able to finance the costs of the service from donations in 2017 and the reserve carried forward from previous years.

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 next stage of its Mission Action Plan is currently work-in-progress, but there is already a plan to restore and possibly upgrade the organ, 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 be called upon on an ad hoc basis to monitor the position and inform discussion of the PCC's reserves and investment policies.

Approved by the Standing Committee of the Parochial Church Council on 15th April 2018
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

This report on the financial statements of the PCC for the year ended 31 December 2017, which are set out on pages 9-20 following and which have been prepared on the basis of the accounting policies set out on pages 11-12, 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 Act')

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 Trust's accounts carried out under section 145 of the 2011 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.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust 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 requirement 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
ACA

15th April 2018

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

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

STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

for the year ended 31 December, 2017

	<i>Note</i>	Un- Restricted Funds 2017 £	Prior year Un- restricted Funds £	Restricted Funds 2017 £	Prior year Restricted Funds £	TOTAL FUNDS 2017 £	TOTAL FUNDS 2016 £
INCOMING RESOURCES							
Voluntary income	2a	33,136	39,282	8,064	4,467	41,200	43,749
Activities for generating funds							
Islington Proms	2b	5,797	-	-	39	5,797	39
Income from investments	2c	13,383	13,028	-	-	13,383	13,028
Income from church and charitable activities	2d	56,078	47,452	-	-	56,078	47,452
Other incoming resources	2e	27,536	25,594	-	-	27,536	25,594
TOTAL INCOMING RESOURCES		135,930	125,356	8,064	4,505	143,994	129,861
RESOURCES EXPENDED							
Costs of generating voluntary income	3a	4134	145	-	-	4,134	145
Church and charitable activities	3b	140,530	212,430	8,676	3,493	149,206	215,923
TOTAL RESOURCES EXPENDED		144,664	212,574	8,676	3,493	153,340	216,068
NET INCOMING(OUTGOING) RESOURCES BEFORE TRANSFERS							
GROSS TRANSFERS BETWEEN FUNDS - IN		(8,734)	(87,218)	(612)	1,012	(9,846)	(86,206)
OUT		24,047	88,293	405	877	24,502	89,169
		(24,452)	(88,054)		(1,115)	(24,502)	(89,169)
NET INCOMING(OUTGOING) RESOURCES AFTER TRANSFERS							
GAINS(LOSSES) ON INVESTMENTS Realised		(9,139)	(86,979)	(207)	773	(9,346)	(86,206)
Unrealised		18,773	-	-	-	-	-
		18,773	24,125	-	-	24,125	24,125
NET MOVEMENT IN FUNDS		9,139	(62,853)	(207)	773	9,427	(62,080)
BALANCES BROUGHT FORWARD @ JANUARY 1, 2017 (2016)		486,651	549,504	773	0	487,424	549,504
BALANCES CARRIED FORWARD @ DECEMBER 31, 2017 (2016)		496,285	486,651	566	773	496,851	487,424

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

**BALANCE SHEET
as at December 31, 2017**

	<i>Note</i>	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	6	106,108	112,673
CURRENT ASSETS			
Investments	7	287,505	268,733
Short term deposits		86,443	106,148
Cash at bank and in hand		29,493	14,274
Debtors	8	28,158	24,430
TOTAL CURRENT ASSETS		431,599	413,585
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(40,859)	(38,834)
NET CURRENT ASSETS		390,740	374,751
TOTAL NET ASSETS	10,11	496,848	487,424
FUNDS			
	12		
Unrestricted - General		320,360	317,577
Unrestricted – Designated			
Bell Fund		5,194	5,194
Equipment Depreciation		3,103	3,103
Hall Depreciation		161,080	155,015
Vincent Terrace Mission Hall		2,216	2,216
William Schroeder Trust		1428	1,428
Church Renewal		(270)	134
Hall Renewal		1,510	1,984
Islington Proms		1,662	-
Restricted			
Specific Appeals		-	-
Special Projects (“Pack-up”)		566	773
TOTAL FUNDS		496,848	487,424

Approved by the Standing Committee of the Parochial Church Council on 15th April 2018

Revd John Burniston
(Chairman)

Mrs Susan M Sorensen
(Hon. Treasurer)

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2017

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.

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 as at the balance sheet date, along with their knowledge of the church's ability to meet bills, payments and other liabilities as they fall due, the PCC has a reasonable expectation that 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.

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2017

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.

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2017

2. INCOMING RESOURCES

	Un- restricted General Funds	Un- restricted Designated Funds	Restricted Funds	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
<i>2(a) Voluntary income</i>					
Planned giving:					
- Gift aid donations	19,107	-	64	19,171	19,771
- Income tax recoverable	6,187		204	6,388	6,507
- Other planned giving					-
Collections (open plate) at all services	5,178		315	5,495	6,527
Legacies	-			-	
Sundry donations	1,723		30	1,753	6,090
Alms and votive candle boxes	942			941	1,133
Appeals (note 4)			2,950	2,950	3,631
Non-recurring grants	-		4,500	4,500	90
	33,136	-	8,064	41,200	43,749
<i>2(b) Activities for generating funds</i>					39
Islington Proms	4,616	1,181	-	5,797	
	4,616	1,181	-	5,797	39
<i>2(c) Income from investment</i>					
Interest	300			300	601
Dividends	13,083			13,083	12,427
	13,383	-	-	13,383	13,028
<i>2 (d) Income from church activities</i>					
Fees from services	3,394			3,394	5,183
Church Hall Lettings	42,744			42,744	35,762
Church Lettings	9,940			9,940	6,508
	56,078	-	-	56,078	47,452
<i>2(e) Other ordinary incoming resources</i>					
Rental income	26,236			26,236	25,594
Charge for electricity (arrears)	1,300			1,300	
	27,536	-	-	27,536	25,594
TOTAL INCOMING RESOURCES	134,749	1,181	8,064	143,994	129,861

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2017

3. RESOURCES EXPENDED

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
3(a) <i>Costs of generating funds</i>					
Costs of generating voluntary income					-
Fund-raising trading costs	4,134			4,134	145
	4,134			4,134	145
3(b) <i>Church and charitable activities</i>					
Missionary and charitable giving (note 4):					
Church overseas			2,438	2,438	1,987
Home missions and other Church Societies			347	347	674
Secular relief charities	200		1,392	1,592	947
Ministry: Common Fund (note 16)	78,300			78,300	76,900
Clergy expenses (note 14)	1,065			1,065	1,339
Staffing costs*	8,122			8,122	4,175
Church – running expenses	7,896			7,896	17,861
Church maintenance	2,983	2,905	4,500	10,338	88,309
Church Hall running costs	12,390	15,474		27,864	13,610
Organists' fees	3,610			3,610	3,245
Depreciation: Hall	6,065			6,065	6,065
Other assets	500			500	-
Governance costs*	1,020			1,020	810
	122,151	18,379	8,676	149,206	215,923
TOTAL RESOURCES EXPENDED	126,285	18,379	8,676	153,340	216,068

*Fees payable to Stewardship, other than for the independent examination, were £532 in respect of payroll services (included in staffing costs) and £90 in respect of consultancy (included in governance costs). The PCC employs two part-time staff equivalent to 0.4 full time staff. No employee received remuneration over £60,000.

4. INCOME AND EXPENDITURE OPERATING SURPLUS (DEFICIT)

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
Total income (note 2)	134,749	1,181	8,064	143,994	129,862
Total Expenditure (note 3)	126,285	18,379	8,676	153,340	216,068
Surplus(Deficit) before transfer of funds	8,464	(17,198)	(612)	(9,346)	(86,206)
Fund Transfers - in		24,047	405	24,452	89,169
Fund Transfers - out	(24,452)			(24,452)	(89,169)
Net Surplus/(Deficit) after Fund Transfers	(15,988)	6,849	(207)	(9,346)	(86,206)

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,
ISLINGTON**
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2017

5. CHARITABLE GIVING

	Donations made by PCC or raised by special appeals £	Amount raised directly by fundraising events £	Total £
<i><u>Church Overseas:</u></i>			
TZABA (Transvaal Zimbabwe & Botswana Association)	2,438	-	2,438
<i><u>Home Mission:</u></i>			
Children's Society	347	-	347
<i><u>Secular charitable activities</u></i>			
"Pack-up" weekly lunch for the street community	1,141	250	1,391
Brain Tumour Charity	200	-	200
TOTAL	4,126	250	4,376

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. 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 was brought forward from 2016 and £566 is carried forward to 2018. A donation of £200 was made to the Brain Tumour Charity in memory of the church's organist who died during 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><u>Cost</u></i>					
At January 1, 2017	-	242,597	21,589	3,104	267,290
Additions	-	-	-	3,500	3,500
Disposals	-	-	-	-	-
At December 31, 2017	-	242,597	21,589	6,604	270,790
<i><u>Depreciation</u></i>					
At January 1, 2017	-	133,427	21,589	3,104	158,120
Charge for the year	-	6,065	-	500	6,565
Disposals	-	-	-	-	-
At December 31, 2017	-	139,492	21,589	3,604	164,685
<i><u>Net Book Value</u></i>					
At December 31, 2017	-	103,105	0	3,000	106,105
At January 1, 2017	-	109,170	0	3,500	112,670

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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 2107 was £287,505 an increase of £18,733 over the previous year. It is not anticipated that the significant equity gains experienced in the last two years will be sustained and it is expected that there will be a market correction during 2018.

8. DEBTORS

	2017	2016
	£	£
Income tax recoverable	6,388	6,507
Prepayments	2,193	-
Due from London Diocesan Fund (see note 13)	15,495	15,495
Other debtors and accrued income	4,082	2,428
	28,158	24,430

9. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Accruals	11,124	9,574
Due to London Diocesan Fund (Note 13)	29,260	29,260
Appeals for specified charities	474	-
	40,858	38,834

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10. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total Funds £
Fixed assets	106,108	-		106,108
Investments	150,685	136,820		287,505
Debtors	27,895		263	28,158
Cash at bank and in hand *	74,786	39,444	1,706	115,936
Liabilities	(39,115)	(342)	(1,402)	(40,859)
TOTAL	320,360	175,922	567	496,848

*The cash at bank and in hand includes £86,443 held in the CBF Church of England Deposit Fund.

11. MOVEMENT IN FUND BALANCES

Fund	b/f 1st Jan 2017 £	Incoming Resources £	Outgoing resources £	Net Transfers £	c/f 31st Dec 2017 £
General	317,577	134,747	(126,285)	(24,452)	
Unrealised gain on investments		18,772			320,359
Bell Fund	5,193	-	-	-	5,193
Equipment Depreciation	3,103	-	-	-	3,103
Hall Depreciation	155,015	-	-	6,065	161,081
Vincent Terrace Mission Hall*	2,215	-	-	-	2,215
William Schroeder Trust*	1,427	-	-	-	1,427
Church Renewal	134	-	(2,905)	2,500	(271)
Hall Renewal	1,984	-	(15,474)	15,000	1,510
Proms-Islington Proms concerts	-	1,181	-	482	1,663
Special Projects -restricted	773	5,685	(5,891)		567
Appeals - restricted	-	2,379	(2,785)	406	-
Total Funds	487,424	162,764	153,340	-	496,848

*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.

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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 2017 was £321,242.

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 £178,540 on 31st December 2017, after the crediting of interest and the transfer of investment income from the Endowment fund totalling £17,271.

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 to the Pack-up project in 2016 and 2017.

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 Balance Sheet and income/expenses are identified in a separate column in the I&E accounts (notes 2 and 3)

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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 2017 £	Income plus unrealised investment gain £	Expenditure £	Net Transfers £	At Dec 31 2017 £
General Reserve	204,904	153,520	(119,720)	(24,452)	207,687
Fixed assets	112,673	-	(6,565)	-	106,108
Total unrestricted general funds	317,577	153,520	(126,285)	(24,452)	320,360

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

Personal expenses of Revd John Burniston are disclosed separately in note 3 under clergy expenses. In addition during the year, he received £9,449 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.

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

A total of £5,831.60 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, £190 was donated to restricted funds relating to special appeals. All other donations were received in the general fund with no restrictions on their use.

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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	78,300
Support for other parishes in the Diocese of London	-
Support from other parishes in the Diocese of London	-
Total charge for the year	78,300

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 £.