

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

**ANNUAL REPORT AND UNAUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

# 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 2018**

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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 2018.

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.

The Rector and PCC have remained committed to giving those who work in the Square Mile the opportunity to worship in the Church, become part of our growing and inevitably changing congregation, to be taught about the Christian faith and its application to daily life, to be prayed with or simply to use the building for quiet reflection or private prayer. In addition to our services there is a popular weekly Organ recital, breakfast groups to pray and study the Bible, a weekly prayer meeting as well as daily prayers. Gratifyingly, again, the Parish Carol Service remained the highlight of the year with an attendance of just under 400, many of whom work in the Parish but would not normally worship in the Church.

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 2018 the Rector became Chaplain to the Lord Mayor of London for the year ensuing.

Our Electoral Roll stood at 140 at the APCM in 2018, none are resident in the Parish but all attend public worship at least once a month.

### **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 we have had to review carefully a wider understanding of public benefit than hitherto.

### **Governance and Internal Control**

This has always been the immediate responsibility of the Standing and Finance Committee and our focus in 2018 was sharpened by the experience and searching questions of our then new Independent Examiner and by the revised and helpfully more searching Articles of Inquiry which prepared the way for an Archdeacon's Visitation in September of the year in question. Management accounts are produced on a monthly basis to help the PCC monitor our financial position and the format in which these have been presented over the years will be refined further in 2019.

# **THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY**

## **ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Achievements and performance**

Kingsgate Church UK who had been worshipping in our building on Sundays moved out in the summer and it has been agreed that Hope Church UK will use the Church from 2019 on Sundays subject to the granting of a Faculty.

The Annual Lent Lecture organised by Anglican Churches in the environs of Bank Junction was a most successful event; it was on Bonhoeffer and given by Bishop Martin Lind. There has been an increase in tourist interest in the Church building and tours led by the Rector have become a regular feature of our life.

In response to the GDPR legislation the church appointed one of its number as Data Protection officer and Cliff Radmore continues to oversee and strengthen our safeguarding procedures. In April 2018 Will Jackson was appointed to a part time post as Worship Pastor and has already had a remarkably pleasing impact on our worship.

The Thursday Organ Recital has continued to be a particularly popular aspect of our weekly programme and we owe Richard Townend an immense debt for his faithful service of over half a century.

### **Future plans**

A revised Mission Action Plan was laid before the PCC in the summer of 2018 and will help shape and prompt our mission in the Parish. Our Social Media presence has benefitted from the attention and experience of our Worship Pastor, Will Jackson; the Pints, Podcasts & Faith group spearheaded by our Curate Daniel White has sharpened our evangelistic activity and as we looked forward at the end of 2018 to the completion of the work on the Tower a small working party will then be convened to consider the first proper updating of our AV equipment for nearly a quarter of a century; initial discussions with the Diocesan Advisory Committee's representatives were surprisingly encouraging given the sensitivities that surround reconciling the needs of a congregation in the 21<sup>st</sup> century with faithful stewardship of a historic and much loved building.

### **Financial review**

The total funds of the PCC at the 31 December 2018 stand at £1,071,449, an increase over the previous year of 4.5%. However, a small deficit of £27,362 arose on designated funds for the year due to covering the cost of our new curate. Whilst there was a welcome increase in the Church Rate last year, the PCC is mindful that some of these monies were received from businesses in the Parish to cover both last year and the previous financial year. The PCC also anticipates a reduction in the Church Rate receipts in the coming year as businesses in the Square Mile tighten their belts in response to increasing pressures due to Brexit. The PCC continue to look for alternative sources of income to maintain a strong reserve position.

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

Endowment funds are mainly invested in strong income generating funds operated by the CCLA Investment Management Limited, which have generated a decrease in capital value of 2.5% this year, although this should be set against a decline in the FTSE of around 10% in the same period.

Restricted funds comprise in the majority the income generated from the endowment funds which must be used for a specific purpose. These funds are held in deposit accounts as they are intended to be spent on the specific purposes.

# **THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY**

## **ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Financial review (continued)**

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.

### **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 2018

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### Legal and administrative information

PCC members who have served from 1 January 2018 until the date of this report are:

<b>Incumbent</b>	The Reverend Prebendary Jeremy Crossley
<b>Curates</b>	The Reverend Sophie Bannister The Reverend Daniel White ( <i>appointed 30 June 2018</i> ) The Reverend Greg Bannister ( <i>appointed 10 December 2018</i> )
<b>Elected Churchwardens</b>	Mr Nick Hull Mrs Adekemi Adebajo
<b>Representatives on the Deanery Synod</b>	Ms Cheryl Stafford Miss Jacqueline Foot ( <i>appointed 30 April 2018</i> ) Mrs Salise Wright ( <i>ceased 30 April 2018</i> )
<b>Representative on the Diocesan Synod</b>	Mr Stephen Priddle
<b>Elected members</b>	Mr Mike Buckley ( <i>appointed 30 April 2018</i> ) Mrs Bebe Coleman ( <i>appointed 30 April 2018</i> ) Mr Olly Gillet Mr William Taylor Mr Mark Thomas Mr Peter Thornton Ms Yvonne Twum-Barima ( <i>ceased 30 April 2018</i> )
<b>Chairman</b>	The Reverend Prebendary Jeremy Crossley
<b>Vice Chairman</b>	Mr Nick Hull
<b>Treasurer</b>	Mr Mark Thomas
<b>Secretary</b>	Mrs Bebe Coleman
<b>Electoral Roll Officer</b>	Mrs Bebe Coleman ( <i>appointed 30 April 2018</i> ) Mrs Salise Wright ( <i>ceased 30 April 2018</i> )

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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Other legal and administrative information:

<b>Charity Number</b>	1139504
<b>Principal Address</b>	St. Margaret's Church Lothbury London EC2R 7HH
<b>Bankers</b>	Brown Shipley Founders Court Lothbury London EC2R 7HE  HSBC Bank Plc PO Box 757 Hemel Hempstead Hertfordshire HP2 4SS
<b>Building Manager</b>	Mr Cliff Radmore
<b>Independent Examiner</b>	Chris Lockhart FCA Chris Lockhart Limited Chartered Accountant Suite 2015 Letraset Building Wotton Road Ashford Kent TN23 6LN
<b>Investment Advisors</b>	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: 29 April 2019

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

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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 2018, 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 – matter of concern identified**

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 have identified a matter of concern in my report because, based on the accounts as they stand, there has been a technical breach of the Parochial Church Councils (Powers) Measure 1956 as amended, one of the governing documents of the PCC.

Under the Parochial Church Councils (Powers) Measure 1956 as amended, permanent endowment funds cannot be held directly by the PCC and should be held by the Diocese of London on behalf of the PCC. The Building Fabric and Organ Repair endowment capital funds are held directly by the PCC. However, the Trustees believe the presentation of these funds as endowment funds has historically been erroneous, on the basis of limited available documentation regarding the legal nature of these funds. The PCC is in the process of seeking further evidence to support this assertion.

I confirm that no other 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 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 confirm that there are no other matters to which your attention should be drawn 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: 29 April 2019



# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds	Restricted funds	Endowment funds	Designated funds	Total 2018	Total 2017
	Notes	£	£	£	£	£	£
<b><u>Income and endowments from:</u></b>							
Donations and legacies	2a	274,001	-	-	-	274,001	192,987
Charitable activities	2b	30,608	-	-	-	30,608	8,332
Investment income	2c	467	2,419	5,356	3,643	11,885	22,178
Other	2d	24,359	162,275	-	-	186,634	49,289
Total income		329,435	164,694	5,356	3,643	503,128	272,786
<b><u>Expenditure on:</u></b>							
Raising funds		2,448	-	-	-	2,448	2,645
Charitable activities	3	222,446	197,438	-	32,072	451,956	260,141
Total expenditure		224,894	197,438	-	32,072	454,404	262,786
Net gains/(losses) on investments	7	-	-	(3,886)	1,067	(2,819)	12,689
<b>Net income</b>		<b>104,541</b>	<b>(32,744)</b>	<b>1,470</b>	<b>(27,362)</b>	<b>45,905</b>	<b>22,689</b>
Transfers between funds		(98,673)	4,886	(4,886)	98,673	-	-
<b>Net movement in funds</b>		<b>5,868</b>	<b>(27,858)</b>	<b>(3,416)</b>	<b>71,311</b>	<b>45,905</b>	<b>22,689</b>
Reconciliation of funds:							
Fund balances brought forward	12	268,394	98,382	156,473	502,295	1,025,544	1,002,855
<b>Fund balances carried forward</b>	<b>12</b>	<b>274,262</b>	<b>70,524</b>	<b>153,057</b>	<b>573,606</b>	<b>1,071,449</b>	<b>1,025,544</b>

**THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Notes	2018	2018	2017	2017
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		3,546		4,467
Investments	7		656,124		541,473
			<u>659,670</u>		<u>545,940</u>
<b>Current assets</b>					
Debtors	8	76,980		68,495	
Investments: cash deposits		87,797		83,397	
Cash at bank and in hand		303,520		438,244	
		<u>468,297</u>		<u>590,136</u>	
<b>Creditors: amounts falling due within one year</b>	9	(56,518)		(110,532)	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>411,779</u>		<u>479,604</u>
<b>Net assets</b>			<u><b>1,071,449</b></u>		<u><b>1,025,544</b></u>
<b>Income funds</b>					
Unrestricted funds			274,262		268,394
Restricted funds	12		70,524		98,382
Endowment funds	12		153,057		156,473
Designated funds	12		573,606		502,295
			<u>1,071,449</u>		<u>1,025,544</u>

Approved by the Parochial Church Council on 29 April 2019 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 2018

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### 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) 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.

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.

##### *Grants*

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

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### *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 2018

### 2 Income and endowments

	Unrestricted funds £	Restricted funds £	Endowment funds £	Designated funds £	Total 2018 £	Total 2017 £
a. Donations and legacies <i>Incoming resources from donors</i>						
Donations made under the						
Gift Aid scheme	83,652	-	-	-	83,652	86,376
Income tax recoverable	20,913	-	-	-	20,913	21,594
Other donations	68,982	-	-	-	68,982	55,763
Voluntary Church rate	100,454	-	-	-	100,454	29,254
	<u>274,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,001</u>	<u>192,987</u>
b. Charitable activities <i>Income from operating activities to further the council's objectives</i>						
Service fees	2,708	-	-	-	2,708	2,577
Use of church building	27,900	-	-	-	27,900	5,755
	<u>30,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,608</u>	<u>8,332</u>
c. Investment income						
Dividends and interest	467	2,419	5,356	3,643	11,885	22,178
d. Other income						
Grants	8,684	162,275	-	-	170,959	33,273
Salary contribution	15,675	-	-	-	15,675	16,016
	<u>24,359</u>	<u>162,275</u>	<u>-</u>	<u>-</u>	<u>186,634</u>	<u>49,289</u>

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Expenditure on Charitable Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Designated funds £	Total 2018 £	Total 2017 £
a. Grants						
Charitable giving	1,128	-	-	-	1,128	650
b. Activities directly relating to the work of the Church						
Ministry						
Diocesan quota	82,600	-	-	-	82,600	80,000
Curate	-	-	-	32,072	32,072	18,413
Clergy expenses	1,562	-	-	-	1,562	522
Outreach	3,290	-	-	-	3,290	2,795
Other clergy & service costs	3,536	-	-	-	3,536	2,024
CPD	378	-	-	-	378	253
Building manager	35,488	-	-	-	35,488	35,250
Church running expenses	13,634	3,567	-	-	17,201	13,570
Church maintenance (inc. organ)	11,398	175,353	-	-	186,751	37,256
Organist's retainer	1,000	-	-	-	1,000	1,000
Housekeeper	5,337	-	-	-	5,337	5,028
Celebrate	21,733	-	-	-	21,733	21,540
St. Mary Woolnoth	19,062	-	-	-	19,062	19,825
<i>Support costs allocated to activities:</i>						
Personnel costs	15,150	-	-	-	15,150	14,080
Office costs	1,535	-	-	-	1,535	1,794
Professional fees	4,026	18,518	-	-	22,544	4,682
Bank interest and charges	36	-	-	-	36	32
Depreciation	1,553	-	-	-	1,553	1,427
	221,318	197,438	-	32,072	450,828	259,491
Total	222,446	197,438	-	32,072	451,956	260,141

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

	2018 £	2017 £
Independent Examination fees		
Current year	1,400	1,400
Prior year	250	1,980
Other services	-	576
	1,650	3,956

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 4 Personnel

#### Number of employees

The average monthly head count was 2 (2017: 2). The average monthly number of full-time equivalent employees during the year was 1 (2017: 1).

#### Employment costs

	2018 £	2017 £
Wages and salaries	47,787	48,491
Social security costs	1,591	1,574
Other pension costs	2,589	1,761
	<hr/>	<hr/>
	51,967	51,826
	<hr/>	<hr/>

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

#### Regular outsourced services:

	2018 £	2017 £
Bookkeeper	10,990	10,745
Housekeeper	5,337	5,028
	<hr/>	<hr/>
	16,327	15,773
	<hr/>	<hr/>

During the year the PCC outsourced bookkeeping and housekeeping services, neither of whom earned more than £60,000. The organist continued to receive his retainer of £1,000.

A curate was appointed during the year who is on the payroll of another church in the parish. The curate's salary cost is partially recharged to the PCC and came to £32,072 (2017: £18,413).

The members of the PCC and the building manager comprise the key management personnel of the charity and received aggregate remuneration totalling £40,664 (2017: £40,398). 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 £1,562 were due to one member of the PCC for the year (2017: £522 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 2018

### 6 Tangible fixed assets

	Soft furnishings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
Brought forward	12,070	22,872	34,942
Additions	-	632	632
Carried forward	12,070	23,504	35,574
<b>Depreciation</b>			
Brought forward	8,262	22,213	30,475
Charge for the year	1,207	346	1,553
Carried forward	9,469	22,559	32,028
<b>Net book value At 31 December 2018</b>	<b>2,601</b>	<b>945</b>	<b>3,546</b>
At 31 December 2017	3,808	659	4,467

Net book value at 31 December 2018 represents fixed assets used for direct charitable purposes.

### 7 Fixed asset investments

	Unlisted investments £	Cash or cash equivalents £	Total £
Fair value at 1 January 2018	256,473	285,000	541,473
Additions	202,470	-	202,470
Disposals	-	(85,000)	(85,000)
Change in value in the year	(2,819)	-	(2,819)
<b>Fair value at 31 December 2017</b>	<b>456,124</b>	<b>200,000</b>	<b>656,124</b>

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 2018

### 8 Debtors

	2018 £	2017 £
Income tax recoverable	42,507	61,240
Occasional services	2,518	2,577
Other debtors and prepayments	31,955	4,678
	<u>76,980</u>	<u>68,495</u>

### 9 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	46,268	10,382
Accruals and deferred income	10,250	100,150
	<u>56,518</u>	<u>110,532</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.

	2018 £	2017 £
Contributions payable by the PCC for the year	<u>2,589</u>	<u>1,761</u>

### 11 Related party transactions

There were no transactions with related parties during the year other than as disclosed in note 5 (2017: £nil) and there were no balances outstanding with related parties as at 31 December 2018 (2017: £nil).

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 fund**

This comprises a fund historically shown as an endowment 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 a restricted fund with the same purpose of maintaining the fabric of the building.

#### **Organ investment and repair funds**

This comprises a fund historically shown as an endowment 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 a restricted fund to pay for maintenance and repair work on the organ.

#### **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.

#### **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 2018

### 12 Funds (continued)

Movements on each fund during the year are as follows:

#### Restricted funds

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Arising from endowments:					
Fabric fund	45,937	238	(32,538)	3,917	17,554
Organ repair fund	16,544	-	(384)	969	17,129
Building repairs	33,285	2,180	-	-	35,465
Church Spire Project:					
Heritage Lottery Fund Grant	2,240	122,276	(124,516)	-	-
F E Cleary Trust	-	30,000	(30,000)	-	-
City Churches' Grants Committee	-	10,000	(10,000)	-	-
Historic difference	376	-	-	-	376
	<u>98,382</u>	<u>164,694</u>	<u>(197,438)</u>	<u>4,886</u>	<u>70,524</u>

#### Endowment funds

	Brought forward	Gain/(loss) on investments	Dividends and interest	Transfers	Carried forward
	£	£	£	£	£
Fabric fund (CCLA CBF)*	118,154	(1,772)	3,917	(3,917)	116,382
Organ investment fund*	28,726	(794)	969	(969)	27,932
John Simmons Charity	9,593	(1,320)	470	-	8,743
	<u>156,473</u>	<u>(3,886)</u>	<u>5,356</u>	<u>(4,886)</u>	<u>153,057</u>

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 £64,788 (2017: £65,774).

\*These funds have been historically shown as endowment funds. The members of the PCC believe this may be erroneous on the basis of limited available documentation and are seeking further evidence to support this assertion.

# THE PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Funds (continued)

#### Designated funds

	Brought forward £	Gain on investments £	Income £	Expenditure £	Transfers £	Carried forward £
Reserve	499,809	1,067	3,643	-	66,601	571,120
Curate	-	-	-	(32,072)	32,072	-
Vicar's discretionary fund	436	-	-	-	-	436
Rectory repairs	2,050	-	-	-	-	2,050
	<u>502,295</u>	<u>1,067</u>	<u>3,643</u>	<u>(32,072)</u>	<u>98,673</u>	<u>573,606</u>

Transfers in to the Reserve fund include: £35,000 to fund the curate's costs in 2019, approximately £10,000 to fund equipment and alterations required to be made to the building for the Wednesday Services and £25,000 as additional funding for the ongoing Church Spire Repair Project. This total transfer of £70,000 is offset by a transfer out of £3,399 investment income earned in the year to the unrestricted fund, giving a net transfer of £66,601.

### 13 Analysis of net assets by fund

	Unrestricted funds £	Restricted funds £	Endowment funds £	Designated funds £	Total £
Tangible fixed assets	3,546	-	-	-	3,546
Investments	-	-	153,057	503,067	656,124
Current assets	280,275	117,483	-	70,539	468,297
Current liabilities	(9,559)	(46,959)	-	-	(56,518)
	<u>274,262</u>	<u>70,524</u>	<u>153,057</u>	<u>573,606</u>	<u>1,071,449</u>