

ST JAMES'S CHURCH, PICCADILLY

PAROCHIAL CHURCH COUNCIL

Annual report and financial statements

for the year ended

31st December 2018

Charity Number 1133048

**St James's Church, Piccadilly
Parochial Church Council
Legal and Administrative Information**

Status:	The PCC is a registered charity, number 1133048
Governing Documents:	The Church Representation Rules and The PCC (Powers) Measure 1956
Operational address:	St James's Church, Piccadilly 197 Piccadilly London W1J 9LL
Bankers:	<p>The Co-operative Bank 80 Cornhill London EC3V 3NJ</p> <p>HSBC Bank plc 31 Holborn Circus London EC1N 2HR</p> <p>CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</p>
Solicitors:	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Auditors:	Griffin Stone Mascrop & Co 21-27 Lamb's Conduit Street London WC1N 3GS

St James's Church, Piccadilly
Parochial Church Council
Annual Report for the Year Ended 31st December 2018

The Parochial Church Council

The Parochial Church Council (PCC), registered with the Charity Commission as of 1st December 2009, presents its report for the year ended 31st December 2018, which complies with the current statutory requirements and should be read in conjunction with the PCC Annual Report. The members of the Parochial Church Council, who are trustees of the charity, during the year were:

The Reverend Lucy Winkett	(Clergy, Rector)
The Reverend Lindsay Meader	(Clergy)
The Reverend Hugh Valentine	(Clergy)
The Reverend Dr Ivan Khovacs	(Clergy)
Deborah Colvin	(Churchwarden, elected April 2017, re-elected April 2018)
Trevor Lines	(Churchwarden, elected April 2017, re-elected April 2018)
Shirley Dixon	(Deanery Synod representative, elected April 2018)
Lia Dong Shimada	(Deanery Synod representative, elected April 2016, re-elected April 2017)
Pearl Willis	(Deanery Synod representative, elected April 2017, Lay member elected April 2016 until April 2017)
Carolyn Davies	(elected April 2017)
Robert Duirs	(elected April 2017)
Kevin Hipgrave	(elected April 2013, re-elected April 2016)
Leah Hoskin	(elected April 2017)
Evelyn Namutebi	(elected April 2017)
Rakshita Patel	(elected April 2015, re-elected April 2018)
Adolfo Sansolini	(elected April 2016)
Heather Williams	(elected April 2016)
Wilson Wong	(elected April 2017)

The following attend PCC meetings as appropriate, but are not trustees of the charity:

David McKinley	(Honorary Treasurer, appointed April 2017)
Graham Cooper	(PCC Secretary, appointed October 2011)

The PCC advises new members of their responsibilities, and representatives are invited to attend training sessions arranged by the Diocese of London to keep them up to date with their responsibilities. Standing Committee members receive copies of Charity Governance. Professionals are invited to advise at PCC meetings.

Structure, Governance and Management

The Parish of St James's Piccadilly is a parish within the Church of England as defined by canon law. Individual parishes within the Church of England do not have a separate constitution. They work within the framework of Church of England ecclesiastical law.

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council (Powers) Measure 1956.

The PCC consists of nine elected members in accordance with Church of England representation rules together with three Deanery Synod representatives, two Churchwardens, and clergy.

The pay and remuneration of the church's key personnel is set by members of the Standing Committee under the delegated authority of the PCC.

The Parochial Church Council has reviewed the operational and financial risks faced by the organisation and is satisfied that appropriate procedures and controls are in place to mitigate the impact of those risks.

Fund-raising standards information

Although section 162A of the Charities Act 2011 is relevant to the PCC, no significant public fundraising activities were undertaken during the year.

St James's Church, Piccadilly
Parochial Church Council
Annual Report for the Year Ended 31st December 2018 (continued)

Objectives and Activities

The objective of the PCC is to promote and encourage the life of the church, as part of the worldwide Anglican Communion, and as the parish of St James's in Piccadilly. By consulting with the parish on pastoral, social, ecumenical and common life it provides focus for the church community as it plans for the future. The PCC generates funding for the ongoing commitments of the church, and employs staff to manage and maintain its seven days a week ministry. It is responsible for safeguarding the assets of the church and generates income by voluntary collections, donations, organising concerts, running a market, leasing space for a café, flat and fire escape. In addition, the church is seeking planning permission for the restoration of the church building and the development of the site for which a fund raising campaign will be necessary. The strategic plan agreed in 2016 is coming to the end of its third year, and progress is monitored by the standing committee of the PCC.

The whole site development plan, formulated with the church's architect, Ptolemy Dean, is out for consultation with stakeholders and interested parties.

The incumbent and PCC continue to take account of the Charity Commission's guidance on public benefit.

Achievements and performance

The church's regular congregation is drawn from all parts of London and beyond. Numbers attending the Sunday main Eucharist service are increasing gradually. The church is committed to an inclusive ethos, connected with contemporary social issues and concerns. The weekly breakfast for people with no recourse to public funds in the asylum system continues to be run by volunteers from the congregation, supported by paid staff. During 2018, the church received the Gold award in the Eco Church scheme, the first urban church to achieve this distinction. As part of this work, the church was re-wired and all lighting converted to LED. Investment in the garden continued, and the Southwood garden was awarded the prestigious Green Flag Award for 2017-18. The weekday ministry of the church continues, with the building open seven days a week, which brings its own opportunities and challenges, not least the continued wear and tear on the historic fabric. A busy programme of concerts, events, debates and lectures that the variety of people who encounter St James's is very wide. St James's hosted its third interfaith Iftar, with Muslim and Jewish guests discussing our joint concern for and ministry to refugees. At the core of the Church's busy life is the weekly celebration of the Eucharist, with all the associated teaching and pastoral groups that flow from this.

The church's income streams either outperformed expectations or met budget expectations. Plans are in place for a renewed campaign aimed at the congregation to increase planned giving by regular payments.

Fund raising for the church restoration will not start until the comprehensive site plan has been accepted by planning authorities, although regular fund raising continues to supplement the church's running costs.

Reserves Policy

Monies are set aside for specific purposes into restricted and designated funds. The purpose of holding a reserve as the General Purposes Fund is to enable the Church to cope with variations in its cash flow and to provide a fund of money should its income drops unexpectedly.

Currently the Church receives income from its services, charitable activities, and the use of its premises for letting out, a market and for concerts. There are expenses relating to these activities and the net income is taken into the General Purposes Fund.

It has been considered that a reasonable amount to be held in the General Purposes Fund is at least £ 243,191, which equates approximately to four months of General Fund expenditure on church activities, and meets Charity Commission recommendations.

Free reserves as defined by the Charity Commission amounted to £ 299,899 at the Balance Sheet date. The PCC continues to make efforts to keep free reserves in line with the stated policy.

Results for the year

The results for 2018 record that:

- The total of all funds have decreased by £ 39,740 from £ 1,272,616 to £ 1,232,876.
- There is an overall deficit of £ 39,740 on all Funds compared to a surplus of £ 170,788 in 2017.
- There is a deficit of unrestricted income over unrestricted expenditure of £ 23,851; General Funds a surplus of £ 17,461 (including transfers between funds), and Designated Funds a deficit of £ 41,312. The surplus in 2017 was £ 210,223.
- There is a deficit of £ 15,889 in the Restricted Funds for the year. The deficit for 2017 was £ 39,435.

The market has again provided the main source of income of £ 420,712, which is more than the previous year's figure of £ 414,060.

Total Concert income has increased to £ 172,777 from £ 155,044 in 2017.

Total Church Income including service collections, donations and visitor giving has decreased from 2017.

The licensing of parts of the Church property (fire escape access, Caffè Nero and the Wren flat above it) produced a regular income stream.

St James's Church, Piccadilly
Parochial Church Council
Annual Report for the Year Ended 31st December 2018 (continued)

Results for the year (continued)

The running costs of St James's are significant and the Church endeavours to achieve the maximum income from all its activities. The Diocesan Common Fund contribution rose from £ 98,782 in 2017 to £ 101,806 in 2018. All expenses are scrutinised and kept as low as possible, in line with the Church's system of budgetary control.

The PCC's funds are reviewed regularly throughout the year. The Balance Sheet shows that most of the assets are held in deposit accounts with the CBF Church of England Deposit Fund, and two building societies. At the end of 2018 the PCC held £ 605,341 in Unrestricted Funds of which £ 313,798 were held in the General Purposes Fund in accordance with the Reserves Policy. The remaining £ 291,543 of the Unrestricted Funds was held in the Designated Funds; £ 19,334 in the Winter Shelter Fund, £ 214,907 in the Designated Building Repairs Fund, £ 15,400 in the Pastoral Assistant Fund, £ 1,277 in the International Group Fund, and £ 40,625 in the Future Staffing Fund.

Restricted Funds were £ 627,535 against £ 643,424 in 2017. These include £ 621,713 for Church Restoration and £ 5,822 in the Organ Appeal Fund.

Related Parties

Transactions with any related party are on an "arm's length" basis. Details of any transactions, either directly or indirectly involving members of the PCC are given in Note 14 to the Financial Statements.

Audit Committee and Risk Management

St James's Church has an Audit Committee in order to advise the PCC on the adequacy and effectiveness of systems of financial control and arrangements for risk management, governance and audit. The Audit Committee reviews the contents of the Risk Register and reports to the PCC.

The PCC, which has the ultimate responsibility for managing any risks faced by the Church, has given consideration, under advice from the Audit Committee, to the major risks to which it is exposed, and has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed. The trustees have a risk management strategy comprising of an annual review of the principal risks and uncertainties that the church faces, the establishment of policies, systems and procedures to mitigate those risks, and the implementation of procedures designed to minimise or manage any potential impact on the church should these risks materialise. The major risks include fire, theft, and damage to the property. The risk of fire is assessed annually by a consultant in conjunction with the fire brigade. There are strategically placed fire extinguishers and regular fire drills. The risk of theft of church property is managed by having the high value items stored in secure locations when not in use. All cash handling and finance functions are subject to internal controls and checks. The risk of damage to church property is managed by having regular patrols by the vergers.

Statement of the Parochial Church Council's financial responsibilities

Law applicable to charities in England and Wales and guidance issued by the Central Board of Finance of the Church of England require the members of the Parochial Church Council to prepare financial statements which give a true and fair view of the Parochial Church Council's activities during the year.

In preparing financial statements giving a true and fair view, the members of the Parochial Church Council should follow best practice and:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgments and estimates that are reasonable and prudent;
- iii) state whether the Church guidance, applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parochial Church Council will continue in operation.

The Members of the Parochial Church Council are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Parochial Church Council and enable them to ensure that their financial statements comply with the Church Accounting Regulations 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the Parochial Church Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Auditors, Griffin Stone Moscrop & Co have indicated their willingness to be re-appointed, and a resolution proposing their re-appointment will be put to the Annual Parochial Church Meeting.



The Reverend Lucy Winkett
Incumbent

For and on behalf of the Parochial Church Council on 25th March 2019



Deborah Colvin
Churchwarden

Independent Auditors' Report to the Members of St. James's Church, Piccadilly Parochial Church Council

Opinion

We have audited the financial statements of St James's Church, Piccadilly, Parochial Church Council ("the church") for the year ended 31st December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the PCC's affairs as at 31st December 2018, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the church in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the PCC Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the PCC Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The PCC Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the annual report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of PCC Members

As explained more fully in the *Statement of the Parochial Church Council's financial responsibilities* set out on page 4, the PCC Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the PCC Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC Members are responsible for assessing the church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC Members either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of St. James's Church, Piccadilly Parochial Church Council (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

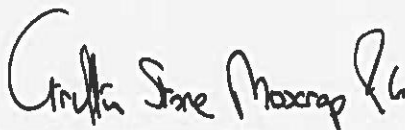
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PCC Members.
- Conclude on the appropriateness of the PCC Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the PCC, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the church and the PCC Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street
London
WC1N 3GS

Date: 15th May 2019

Griffin Stone Moscrop & Co are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

St James's Church, Piccadilly
Parochial Church Council
Statement of Financial Activities
for the year ended 31st December 2018

	Notes	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income and Expenditure						
Income from						
Donations and legacies	2a	205,621	46,228	24	251,873	297,221
Other trading activities	2b	-	-	180	180	871
Investments	2c	3,263	-	3,073	6,336	4,629
The use of premises	2d	851,034	-	-	851,034	784,539
<i>Charitable activities</i>						
Church activities	2e	21,015	-	-	21,015	12,304
Total Income		1,080,933	46,228	3,277	1,130,438	1,099,564
Expenditure on						
<i>Raising funds</i>						
Other trading activities	3b	-	-	-	-	370
The use of premises	3c	281,151	-	-	281,151	260,865
<i>Charitable activities</i>						
Church activities	3a	729,573	140,140	19,166	888,879	794,693
Total Expenditure		1,010,724	140,140	19,166	1,170,030	1,055,928
Net Income/(Expenditure) before other recognised gains and losses and prior years' net rates rebate						
		70,209	(93,912)	(15,889)	(39,592)	43,636
Net rates rebate	17	-	-	-	-	126,211
Net Income/(Expenditure) before other recognised gains and losses and after net rates rebate						
		70,209	(93,912)	(15,889)	(39,592)	169,847
Transfers between Funds	8	(52,600)	52,600	-	-	-
(Loss)/Gain on investments - unrealised		(148)	-	-	(148)	941
Net Movement in Funds		17,461	(41,312)	(15,889)	(39,740)	170,788
Total funds brought forward		296,337	332,855	643,424	1,272,616	1,101,828
Total funds carried forward		313,798	291,543	627,535	1,232,876	1,272,616

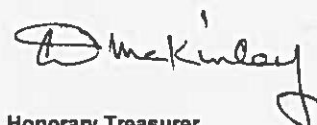
St James's Church, Piccadilly
Parochial Church Council
Statement of Financial Activities
Comparative figures for the year ended 31st December 2017

	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
Income and Expenditure				
Income from				
Donations and legacies	235,142	61,392	687	297,221
Other trading activities	-	-	871	871
Investments	2,062	-	2,567	4,629
The use of premises	784,539	-	-	784,539
Other income	-	-	-	-
<i>Charitable activities</i>				
Church activities	12,304	-	-	12,304
Total Income	<u>1,034,047</u>	<u>61,392</u>	<u>4,125</u>	<u>1,099,564</u>
Expenditure on				
<i>Raising funds</i>				
Other trading activities	-	-	370	370
The use of premises	260,865	-	-	260,865
<i>Charitable activities</i>				
Church activities	705,591	45,912	43,190	794,693
Total Expenditure	<u>966,456</u>	<u>45,912</u>	<u>43,560</u>	<u>1,055,928</u>
Net Income/(Expenditure) before other recognised gains and losses and after prior years' net rates rebate	67,591	15,480	(39,435)	43,636
Net rates rebate	<u>126,211</u>	<u>-</u>	<u>-</u>	<u>126,211</u>
Net Income/(Expenditure) before other recognised gains and losses and after prior years' net rates rebate	193,802	15,480	(39,435)	169,847
Transfer between Funds	(193,000)	193,000	-	-
Gain on investments - unrealised	<u>941</u>	<u>-</u>	<u>-</u>	<u>941</u>
Net Movement in Funds	1,743	208,480	(39,435)	170,788
Total funds brought forward	<u>294,594</u>	<u>124,375</u>	<u>682,859</u>	<u>1,101,828</u>
Total funds carried forward	<u><u>296,337</u></u>	<u><u>332,855</u></u>	<u><u>643,424</u></u>	<u><u>1,272,616</u></u>

St James's Church, Piccadilly
Parochial Church Council
Balance Sheet as at 31st December 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4	13,899		9,122	
Investments	5	<u>11,529</u>		<u>11,677</u>	
		25,428		20,799	
CURRENT ASSETS					
Trade debtors		53,273		57,535	
Other debtors		15,852		190,228	
Tax recoverable		18,000		12,602	
Prepayments		5,867		9,343	
Cash Deposit Accounts		953,626		947,291	
Cash at bank and in hand		<u>222,745</u>		<u>133,237</u>	
		<u>1,269,363</u>		<u>1,350,236</u>	
CURRENT LIABILITIES					
Trade creditors		33,436		28,054	
Other creditors		10,887		19,653	
Accruals and Deferred Income		<u>17,592</u>		<u>50,712</u>	
		<u>61,915</u>		<u>98,419</u>	
NET CURRENT ASSETS		<u>1,207,448</u>		<u>1,251,817</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,232,876</u>		<u>1,272,616</u>	
NET ASSETS		<u><u>1,232,876</u></u>		<u><u>1,272,616</u></u>	
Financed by:					
Unrestricted Income funds:					
General purposes fund	8	313,798		296,337	
Designated funds	8	<u>291,543</u>		<u>332,855</u>	
		605,341		629,192	
Restricted income funds					
Church restoration fund	8	621,713		637,602	
Organ appeal fund	8	<u>5,822</u>		<u>5,822</u>	
		<u>627,535</u>		<u>643,424</u>	
NET FUNDS		<u><u>1,232,876</u></u>		<u><u>1,272,616</u></u>	

Approved and authorised for issue by the Parochial Church Council on 25th March 2019.



Honorary Treasurer
David McKinley



Incumbent
The Reverend Lucy Winkett

St James's Church, Piccadilly
Parochial Church Council
Statement of Cash Flows and related notes
for the year ended 31st December 2018

	2018 £	2017 £
Cash flows from Operating activities		
Net cash provided by operating activities	<u>102,450</u>	<u>36,191</u>
Cash flows from investing activities		
Dividends and interest from investments	6,336	4,629
Purchase of property plant and equipment	(12,943)	(6,773)
Net cash used in investing activities	<u>(6,607)</u>	<u>(2,144)</u>
Change in cash and cash equivalents in the reporting period	95,843	34,047
Cash and cash equivalents at the beginning of the reporting period	1,080,528	1,046,481
Cash and cash equivalents at the end of the reporting period	<u>1,176,371</u>	<u>1,080,528</u>
Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities		
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(39,740)	170,788
Adjustments for:		
Depreciation charges	8,166	6,792
Losses/(Gains) on investments	148	(941)
Dividends and interest from investments	(6,336)	(4,629)
Decrease/(Increase) in debtors	176,716	(177,187)
(Decrease)/Increase in creditors	(36,504)	41,368
Net cash provided by operating activities	<u>102,450</u>	<u>36,191</u>
Analysis of cash and cash equivalents		
Cash Deposit Accounts	953,626	947,291
Cash at bank and in hand	<u>222,745</u>	<u>133,237</u>
	<u>1,176,371</u>	<u>1,080,528</u>

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018**

1 Accounting Policies

(i) Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements have been prepared on the going concern basis. The members of the PCC assess whether the use of going concern is appropriate and have identified no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The members of the PCC make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

The Church constitutes a public benefit entity as defined by FRS 102.

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 have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following the Statement of Recommended Practice: 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 16th July 2014 rather than Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

(ii) Land and buildings

The Church and the site on which the Rectory and offices sit are consecrated and are excluded from accountability under Section 10(2) of the Charities Act 2011. Maintenance and improvement costs are written off in the year in which they are incurred.

(iii) Income

Income is recognised when the PCC is legally entitled to the income. Planned giving, collections and donations are recognised when received. Indirect giving: tax refunds are recognised as soon as the amounts are claimable. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income: dividends are accounted for when received; interest and tax recoverable are accrued. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on a proportionate basis.

All income and gains falling within Sections 466-493 of the Corporation Taxes Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to the entity's charitable objectives.

(iv) Expenditure

Payments to the Diocesan Common Fund are paid regularly and are included in expenditure for the year to which they relate. Grants from unrestricted funds (including donations to missions) are recognised when determined by the PCC. Amounts received specifically for missions are dealt with as restricted funds and the liability for payment is recognised when the amounts are received. All other expenditure is generally recognised when it is incurred.

Expenditure on raising funds are those costs incurred in attracting voluntary income.

Charitable activities include expenditure associated with the day-to-day management of the Church and include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

(v) Fund accounting

General purposes funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated for a particular purpose by the PCC are also unrestricted.

(vi) Fixed Assets and Depreciation

Fixtures, fittings and equipment are depreciated in equal annual instalments over a period of four years. Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an ongoing use to the PCC.

The Rector and Churchwardens hold on special trust for the PCC silver and plate gifted to the church for ecclesiastical use. They date from the 17th Century and therefore, there is insufficient cost information available. Due to the unique nature of these assets and their historic association with worship at the church over hundreds of years, conventional valuation techniques are not applicable and therefore they have not been valued in the financial statements. The valuables, silver and plate, over 50 individual items in total, are listed in the church's inventory and are regarded by law as inalienable assets for which the PCC would require a faculty for disposal. There have been no additions or disposals from the collection during the year. Most of the items are kept in secure locations including a museum, and the total value for insurance purposes is now £ 725,500.

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018**

1 Accounting Policies (continued)

(vii) Investments

Investments are included in the balance sheet at market value.

(viii) Debtors

Amounts owing to the PCC at 31st December in respect of fees, rents or other income are shown as debtors less provision for any amounts that may prove uncollectable. These are recognised initially at the settlement amount. Prepayments are valued at the amount prepaid, net of any trade discount due.

(ix) Cash and Cash equivalents

Cash at bank and in hand and short term deposits comprise cash and short-term highly liquid investments held with the CBF Church of England Deposit Fund, building societies and banks, maturing within three months or less from the opening of the deposit or similar account.

(x) Creditors

Creditors are recognised when the PCC has an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount that the PCC anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

(xi) Financial Instruments

The church only has financial assets and liabilities of a kind that qualify as basic financial instruments. All (including debtors and creditors) are initially recognised at transaction value and subsequently measured at their settlement value.

(xii) Operating leases

Rentals payable under operating leases are charged to expenditure on a straight line basis over the period of the lease.

(xiii) Pension scheme

The church operates an Auto Enrolment pension scheme, which includes all eligible employees not already in a personal pension plan. All other eligible employees are included in their own pension plans. The contributions made by the employer were at 6% until the end of March, then at 7.5% from 1st April 2018. The contributions made are charged to the SOFA in the year to which they relate.

1a Charity Information

St James's Church, Piccadilly is an Anglican church located at 197 Piccadilly, London, W1J 9LL. A description of the nature of the charity's operations and its principal activities can be found in the Annual Report of the PCC.

The presentation currency in these financial statements is sterling and the figures are rounded to the nearest pound.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

2 Income	Unrestricted			Total 2018 £	Funds 2017 £
	General Funds £	Designated Funds £	Restricted Funds £		
2a Voluntary income					
Planned giving:					
Gift aid - stewardship	74,141	-	-	74,141	84,170
Tax recoverable	36,169	-	-	36,169	26,314
Church collections	34,291	-	-	34,291	35,509
Collection boxes, sundry donations	47,611	24,844	24	72,479	113,292
Trusts	6,825	-	-	6,825	6,616
Cards 4 Good Causes	6,584	-	-	6,584	8,053
Winter Shelter Project	-	21,384	-	21,384	23,267
	<u>205,621</u>	<u>46,228</u>	<u>24</u>	<u>251,873</u>	<u>297,221</u>
2b Activities for raising funds					
Sale of Christmas Cards	-	-	35	35	195
Christmas puddings	-	-	145	145	676
	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>	<u>871</u>
2c Income from investments:					
Interest	2,875	-	3,073	5,948	4,260
Dividends	388	-	-	388	369
	<u>3,263</u>	<u>-</u>	<u>3,073</u>	<u>6,336</u>	<u>4,629</u>
2d Income from use of premises					
Market rents	420,712	-	-	420,712	414,060
Café	128,626	-	-	128,626	88,000
Concerts	172,777	-	-	172,777	155,044
Church, church hall & rectory	88,669	-	-	88,669	87,185
Wren flat licence	32,500	-	-	32,500	32,500
Fire escape licence	7,750	-	-	7,750	7,750
	<u>851,034</u>	<u>-</u>	<u>-</u>	<u>851,034</u>	<u>784,539</u>
2e Income from church activities					
Publications	116	-	-	116	141
Fees	20,899	-	-	20,899	12,163
	<u>21,015</u>	<u>-</u>	<u>-</u>	<u>21,015</u>	<u>12,304</u>
TOTAL INCOME	<u>1,080,933</u>	<u>46,228</u>	<u>3,277</u>	<u>1,130,438</u>	<u>1,099,564</u>

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

3 Analysis of expenditure

	Unrestricted General Funds	Designated Funds	Restricted Funds	Total 2018	Funds 2017
	£	£	£	£	£
3a Church activities					
<i>Grants (note 9)</i>					
Away-giving	14,400	-	-	14,400	13,900
	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>14,400</u>	<u>13,900</u>
<i>Ministry</i>					
Common Fund	101,806	-	-	101,806	98,782
Clergy expenses	108	-	-	108	23
Other ministry	58,406	-	-	58,406	57,447
Organist and choir costs	13,360	-	-	13,360	12,515
Salary of the Director of Music	8,705	-	-	8,705	8,643
Altar requisites	13,159	-	-	13,159	14,748
Officers, volunteers, visitors and staff expenses	6,852	-	-	6,852	10,100
Friends diary and other publications	6,216	-	-	6,216	9,060
Social events	2,461	-	-	2,461	1,780
Designated Projects inc Winter Shelter	-	61,768	-	61,768	45,912
Other events, and children's activities	1,187	-	-	1,187	3,481
Salaries	246,894	-	-	246,894	251,521
Pension contributions	22,939	-	-	22,939	19,302
Telephone	4,304	-	-	4,304	4,278
Printing and stationery	22,171	-	-	22,171	18,426
Legal and professional fees	38,775	9,375	-	48,150	20,198
Advertising	7,190	-	-	7,190	622
Depreciation	8,166	-	-	8,166	6,792
Bank charges	3,770	-	-	3,770	3,858
Sundry expenses	12,424	-	-	12,424	11,498
Cleaning	5,206	-	-	5,206	5,889
Refuse collection	11,545	-	-	11,545	10,499
Repairs and maintenance	28,195	-	-	28,195	37,517
Garden maintenance	18,906	-	-	18,906	16,941
Computer and equipment expenses	12,821	-	-	12,821	8,733
Utilities	15,208	-	-	15,208	25,997
Security	11,008	-	-	11,008	-
Insurance	22,996	-	-	22,996	23,115
Payroll and accountancy services	10,395	-	-	10,395	9,926
	<u>715,173</u>	<u>71,143</u>	<u>-</u>	<u>786,316</u>	<u>737,603</u>
<i>Projects</i>					
Renovation project	-	-	19,166	19,166	43,190
Building Repairs	-	68,997	-	68,997	-
	<u>-</u>	<u>68,997</u>	<u>19,166</u>	<u>88,163</u>	<u>43,190</u>
TOTAL	<u>729,573</u>	<u>140,140</u>	<u>19,166</u>	<u>888,879</u>	<u>794,693</u>
3b Expenditure on raising funds - other trading activities					
Christmas puddings and cards	-	-	-	-	370
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370</u>

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Funds 2017 £
3c Expenditure on raising funds - use of premises					
Market	146,104	-	-	146,104	140,280
Café	1,287	-	-	1,287	1,303
Concert	99,596	-	-	99,596	83,443
Basement	28,590	-	-	28,590	32,935
Wren flat	5,574	-	-	5,574	2,904
TOTAL	281,151	-	-	281,151	260,865
TOTAL EXPENDITURE	1,010,724	140,140	19,166	1,170,030	1,055,928

4 Fixed assets

	Fixtures, fittings & Equipment £
Cost:	
At 1st January 2018	282,014
Additions	12,943
At 31st December 2018	294,957
Depreciation:	
At 1st January 2018	272,892
Charge for the year	8,166
At 31st December 2018	281,058
Net book value:	
At 31st December 2018	13,899
At 31st December 2017	9,122

5 Investments

	Accumulated Fund £	Legacy Fund £	Total £
Market value at 1st January 2018	9,224	2,453	11,677
Unrealised losses on revaluation	(117)	(31)	(148)
Market value at 31st December 2018	9,107	2,422	11,529

The investments are managed by The Central Board of Finance of the Church of England. The cost is as follows:

	2018 £	2017 £
The Central Board of Finance of the Church of England: Investment Fund		
150 shares (Legacy fund)	141	141
564 shares (Accumulated fund)	562	562
	703	703

The market values of the investments are as quoted by The Central Board of Finance of the Church of England

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

6 Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	1,187,900	1,092,205
Financial assets measured at amortised cost	87,125	260,365
	<u>1,275,025</u>	<u>1,352,570</u>
Financial liabilities measured at amortised cost	<u>61,915</u>	<u>98,419</u>

Financial assets measured at fair value through income and expenditure comprise fixed asset investments, cash deposit accounts and cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors, and tax recoverable.

Financial liabilities measured at amortised cost comprise all current liabilities, except deferred income.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

7 Analysis of net assets by fund

	2018				2017			
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds	
	General purposes	Designated funds	Church restoration	Organ Appeal	2018 Total	General purposes	Designated funds	Church restoration
	£	£	£	£	£	£	£	£
Fixed assets	25,428	-	-	-	25,428	20,799	-	-
Current assets	350,285	291,543	621,713	5,822	1,269,363	373,957	332,855	637,602
Total liabilities	(61,915)	-	-	-	(61,915)	(98,419)	-	-
	<u>313,798</u>	<u>291,543</u>	<u>621,713</u>	<u>5,822</u>	<u>1,232,876</u>	<u>296,337</u>	<u>332,855</u>	<u>637,602</u>
								<u>1,272,616</u>

Designated Funds

The Designated Funds at 31st December 2018 comprised:

	2018	2017
	£	£
Winter Shelter Fund	19,334	18,385
Building Repair Fund	214,907	231,304
Special Events Fund	-	17,119
Pastoral Assistant Fund	15,400	15,400
International Group Fund	1,277	647
Future Staffing Fund	40,625	50,000
	<u>291,543</u>	<u>332,855</u>

The Designated Funds represent sums which have been set aside out of unrestricted funds by the Parochial Church Council to fund special projects and ministries and for the purpose of replacing the church's assets. Funds received for the Winter Night Shelter Fund have been set aside into a separate fund.

Restricted Funds

The Restricted Funds at 31st December 2018 comprised:

	2018	2017
	£	£
Church Restoration Fund	621,713	637,602
Organ Appeal Fund	5,822	5,822
	<u>627,535</u>	<u>643,424</u>

The Church Restoration Fund was set up in 2001 from a donation from the Garfield Weston Foundation, for the restoration of the church.

The Organ Appeal Fund was established in 1982 to provide for repair and renovation costs of the organ.

8 Reconciliation of movement in funds

18

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

9 Income from café licence

The Parochial Church Council has a licence agreement with Caffè Nero for the use of the former church room as a café.

10 Grants

Away-giving

The amount for grants is agreed by the PCC through the budget for the year. Applications for grants are invited from the church community at the annual Church Parochial Meeting. The PCC appoints a small committee to review the applications. Applications need to show a clear relationship between the church and the project and information about how the money is to be used. Projects we support need to fit within our mission statement. The PCC makes the final decision.

The away-giving represents the following grants made by the PCC:

	2018 £	2017 £
Asterias - Starfish Foundation Lesbos	3,000	-
CHASE Africa	2,000	1,000
Kalilintad Pilipinas Incorporated	2,000	1,000
Amos Trust	2,000	-
Samaritans of Waltham Forest	1,000	-
Volunteers for Mental Health	1,000	-
Wandsworth Community Chaplaincy Trust	500	-
Youth Talk	500	-
Puck de Raadt – Work with Asylum Seekers	2,400	2,400
London Catalyst	-	1,000
Metropolitan Community Church of North London	-	1,000
Organisation of Positive African Men	-	1,000
Prisoners' Penfriends	-	1,000
Solace Women's Aid	-	1,000
Spirit of Peace	-	1,000
Spitalfields Crypt Trust	-	1,000
Three 2 Six	-	1,000
Westminster Arts	-	1,000
Grace Bible Church	-	500
	<u>14,400</u>	<u>13,900</u>

11 Staff costs

	2018 £	2017 £
Wages and salaries	334,877	333,189
Employer's national insurance contributions	26,984	27,112
Pension costs	22,939	19,302
	<u>384,800</u>	<u>379,603</u>

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31st December 2018 (continued)

11 Staff costs (continued)	2018 £	2017 £
Analysed as follows:		
Activities directly related to the work of the church		
- Director of Music	9,870	10,533
- Verger's fees	2,190	1,405
Church management and administration	272,365	274,251
Cost of raising funds	63,697	59,087
- Concert	36,678	34,327
- Market	384,800	379,603

Average number of employees	20	21
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No employee earned more than £60,000 in 2018 or 2017.

The total remuneration of the key members of staff amounted to £ 164,159 (2017 - £ 156,576)

12 Auditors remuneration	2018 £	2017 £
Audit	7,000	6,750

13 Commitments under operating leases

At 31st December 2018 the Parochial Church Council had a commitment under a non-cancellable operating lease in respect of a photocopier as follows:

	2018 £	2017 £
Within one year	3,067	3,067
In 2 - 5 years	767	3,834

14 Related Party transactions

During the year the following payments were made for PCC members:

	2018 Number	2017 Number	2018 £	2017 £
Clergy accommodation and other expenses	4	4	20,214	17,870

	2018 £	2017 £
Total donations from PCC members to the Church	14,345	20,190

Puck de Raadt, a member of the Church, and former member of the PCC received funds for her work with asylum seekers as detailed in Note 10

	2,400	2,400
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All transactions involving elected members of the PCC are dealt with on an "arm's length" basis and the individual PCC members concerned do not derive any personal benefit from such transactions. No PCC member received any remuneration during the year.

15 Contingent liabilities

There were no contingent liabilities as at 31st December 2018.

16 Indemnity insurance

The Parochial Church Council has taken out indemnity insurance for its members with Ecclesiastical Insurance Group plc. This is included in the PCC's Commercial Combined Policy of £ 23,539 (2017 - £ 23,898).

17 Prior year net rates rebate

The net rates rebate consisted of an amount of £ 162,211 from April 2011 to 31 December 2016, netted off with professional fees amounting to £ 36,000 resulting in net income of £ 126,211. Although this was received in January 2018, it was accrued for in the income of 2017.