

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, 2018*

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**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

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

**THE PARISH CHURCH OF ST JAMES WITH ST PETER,  
ISLINGTON**

**ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**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, 2018 until the date this report was approved are:

<i>Incumbent:</i>	The Revd John Burniston	Chairman
<i>Wardens:</i>	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 10, 2016</i>	
	Ms Kerri Allen	Re-elected. Lay Vice Chair. Publicity Officer.
	<i>Elected for three years from the APCM April 30, 2017</i>	
	Mr Alastair Hume	Re-elected. Assistant Treasurer
	Ms Sinead Burniston	Re-elected. Children's Champion
	Mrs Rosemary Ross	Re-elected.
	Ms Toni Parker	
	<i>Elected for three years from the APCM April 15, 2018</i>	
	Ms Kerry Sabine	Re-elected. PCC Secretary

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

### **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 effect from the APCM April 19, 2015 it was agreed that with an electoral roll that fluctuated around 100 people, lay representation on the PCC should remain stable at 9 members.

### **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.

### **General Data Protection Regulation**

The PCC is committed to protecting the data privacy of all the persons and organisations with which it interacts. Personal information contained in this report and elsewhere (including names, addresses and telephone numbers) are stored securely in electronic and paper copy in the Parish Office. 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.

For further information on our Privacy Policy, please visit the link below or contact a member of the PCC.

<http://stjamesislington.org/wp-content/uploads/2018/04/SJI-Privacy-notice-template-for-non-role-holders-March-2018.pdf>

### **Church Attendance**

The average attendance of the Sunday 10am Mass service was 56; of which there were 42 adults and 14 children. The average number of Sunday communicants was 36. During the year there were 12 baptisms, 7 First Holy Communions, 5 weddings and 12 funerals.

### **Review of the year**

In 2018-19, we had 11 members and met for 7 meetings. Here's a summary of what we talked about in 2018/9.

The organ continued to be the most discussed item at PCC, for the second year in a row. The PCC heard further reports from a number of organ experts and considered the costs and benefits of various options. Following much discussion it was agreed that a congregational meeting was needed and this was scheduled for early February.

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

An important item for discussion in Spring/Summer 2018 was the internal redecoration. Faculty approval was received in July. Fr John worked tirelessly to organise quotes for painting, scaffolding, cleaning etc and oversee the project whilst the work was completed in August 2018. There was also the installation of hanging rails for exhibitions and the data projector and screen, which was completed in October.

Many of you will be aware of GDPR i.e. the changes to data privacy regulations which came into effect in May 2018. It was very important that the PCC was up to speed with the new regulations as we are responsible for how your personal data is stored and processed on behalf of St James'. Using the guidance provided by the Diocese, we wrote our first ever Privacy Policy and made this available in paper copy in Church and online at our parish website.

The PCC also discussed the Islington Proms on a number of occasions. The series ran in June 2018 under its new governance structure and on a shorter timetable. The Proms aims to showcase high quality performers in a cost effective set-up and reach out to the local community, for example the Youth Prom and the Anthony Hill Memorial Concert. Feedback from attendees was that the standard was high and people were made to feel welcome in St James. Unfortunately the attendance numbers were not as high as anticipated and did not match the quality of the performers. Marketing in particular will be a key focus point for future Proms series.

In October, the PCC were joined by Isabelle Sharples, our Safeguarding Officer. At this meeting the PCC renewed its affirmation of the diocesan safeguarding policy.

Charitable Giving was on the agenda at a number of meetings this year, as the PCC discussed the use of the Alms box at the back of Church and the charities with which we partner. The PCC also received regular updates from Toni Parker on Pack Up and provided support where needed (for example, installing a new fridge freezer).

In late 2018 and early 2019 we discussed how to approach some important administrative events, including the revision of the electoral roll in April 2019 and the triennial parish visitation in February 2019.

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.

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

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**

St James has opted for the time being to continue to account on an accruals basis as we are applying for grant funding for major projects which may bring us close to the threshold. Accruals accounting provides a more accurate statement of income and expenditure over the accounting year if, for example, there is a timing gap between receipt of grants and the implementation of works. 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 addition to the use of grants received from the William Lambe Trust (£54k) and the Cloudesley Charity (£23k). In 2018, these three funding sources enabled us to carry out the comprehensive internal redecoration of the church, the installation of a specially designed electronic screen and projection system, the replacement of chairs in the church and improved storage systems in the hall.

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 some small income and expenditure operating deficits in recent years, it has significant free reserves. These include a general unrestricted reserve, excluding fixed assets, of approximately £170k. This is in addition to the ownership of the church hall which is valued in the books at around £100k at depreciated cost but in reality is worth considerably more. An additional £183k is held in reserve for designated purposes. 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 around £129k. The fund, which is managed and accounted for by the London Diocesan Fund (LDF) is for the exclusive use of St James’ and yielded approximately £22k in 2018. The church also has access to the Cloudesley Charity which allocates grants to Church of England churches within the Islington Deanery for work to the church fabric and the maintenance of services. In 2018 we successfully applied to Cloudesley for significant contributions to the costs of new developments - £18k towards the cost of the new screen and projector and £5k for the replacement of chairs in the church. In addition a further £10k has been carried forward to help finance secondary glazing as part of Cloudesley’s Sustainable churches project in its 500th Anniversary year. The PCC is extremely grateful to Cloudesley for their continued support.

### **Financial Performance 2018**

The out-turn on the general unrestricted fund, before reserve fund transfers, was a surplus of £9,613 which was a small improvement on the previous year. However this outcome was only achieved as a result of the LDF’s agreement to write off some historical debt. The net effect was a benefit to the church of £13,765. Without this there would have been a net

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

deficit on the general account of £4,152 – an underlying deterioration of £12.6k from the previous year. The write-off of debt therefore enabled the church to absorb the increase in the LDF Common Fund from £78,300 to £80,600. Taking into account income and expenditure relating to designated and restricted funds, the overall net deficit was £6,640 which will be taken into account in updating the budget for 2019 and proposing the common fund contribution for 2020.

### **Charitable donations**

The church continued to support a number of charitable causes including the Medical Orphans' project in Zimbabwe, the Church of England Children's Society and local charities. The Pack-up project providing a weekly soup and sandwich kitchen for the street community operated in the church hall throughout the year and a number of charities are able to hire the hall at reduced rates. Donations totalling nearly £4,000 were made from the proceeds of special appeals and generous gifts.

### **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 for 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 continues to be work-in-progress. Plans to restore and possibly upgrade the organ are making good progress. This will involve considerable investment and the PCC will make applications to the WLT and Cloudesley in addition to drawing on reserves. In order to fulfil the requirement of both the Diocese and the Charity Commission to have a clearly formulated policy on the application of reserves, the PCC will continue to consider the range of options on the basis of Quinquennial Reviews, risk assessment and building development plans. It will also consider the possible establishment of designated capital sums with predetermined application of investment income for specific missional purposes.

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, update the financial risk assessment and inform discussion of the PCC's reserves and investment policies.

Approved by the Standing Committee of the Parochial Church Council on 23 May 2019  
and signed on their behalf by the Revd A J Burniston (Chairman)

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

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

I report on the financial statements of the PCC of St James with St Peter, Islington for the year ended 31<sup>st</sup> December 2018, which are set out on pages 9-21, in respect of an examination carried out in accordance with the Church Accounting Regulations 2006 ("the Regulations") and section 145 of the Charities Act 2011 ("the 2011 Act").

*Respective responsibilities of PCC and examiner*

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

It is my responsibility to:

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

*Basis of independent examiner's report*

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

*Independent examiner's statement*

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

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

Jacob Farley ACA

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

Date



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

**STATEMENT OF FINANCIAL ACTIVITIES (SOFA)**  
*for the year ended 31 December, 2018*

	<i>Note</i>	<b>Un- Restricted Funds 2018 £</b>	<b>Prior year Un- restricted Funds £</b>	<b>Restricted Funds 2018 £</b>	<b>Prior year Restricted Funds £</b>	<b>TOTAL FUNDS 2018 £</b>	<b>TOTAL FUNDS 2017 £</b>
<b>INCOMING RESOURCES</b>							
Voluntary income	2a	33,586	33,136	80,484	8,064	114,070	41,200
Activities for generating funds							
Islington Proms	2b	2,251	5,797	-	-	2,251	5,797
Income from investments	2c	14,057	13,383	-	-	14,057	13,383
Income from church and charitable activities	2d	56,111	56,078	-	-	56,111	56,078
Other incoming resources	2e	55,196	27,536	-	-	55,196	27,536
<b>TOTAL INCOMING RESOURCES</b>		<b>161,201</b>	<b>135,930</b>	<b>80,484</b>	<b>8,064</b>	<b>241,685</b>	<b>143,991</b>
<b>RESOURCES EXPENDED</b>							
Costs of generating voluntary income	3a	2,096	4,134	-	-	2,096	4,134
Church and charitable activities	3b	150,486	140,530	80,248	8,676	230,732	149,206
Other resources expended	3c	15,495	-	-	-	15,495	-
<b>TOTAL RESOURCES EXPENDED</b>		<b>168,076</b>	<b>144,664</b>	<b>80,248</b>	<b>8,676</b>	<b>248,324</b>	<b>153,340</b>
<b>NET INCOMING(OUTGOING) RESOURCES BEFORE TRANSFERS</b>							
GROSS TRANSFERS BETWEEN FUNDS - IN		(6,875)	(8,734)	236	(612)	(6,640)	(9,348)
OUT		22,918	24,047	182	405	23,100	24,452
		(23,000)	(24,452))	(100)		(23,100)	(24,452)
<b>NET INCOMING(OUTGOING) RESOURCES AFTER TRANSFERS</b>							
GAINS(LOSSES) ON INVESTMENTS Realised		(6,957)	(9,139)	318	(207)	(6,640)	(9,348))
Unrealised		(38,269)	18,733	-	-	(38,269)	18,773
<b>NET MOVEMENT IN FUNDS</b>		<b>(45,226)</b>	<b>9,139</b>	<b>318</b>	<b>(207)</b>	<b>(44,908)</b>	<b>9,425</b>
<b>BALANCES BROUGHT FORWARD @ JANUARY 1, 2018 (2017)</b>		<b>496,285</b>	<b>486,651</b>	<b>567</b>	<b>773</b>	<b>496,849</b>	<b>487,424</b>
<b>BALANCES CARRIED FORWARD @ DECEMBER 31, 2018 (2017)</b>		<b>451,059</b>	<b>496,285</b>	<b>885</b>	<b>567</b>	<b>451,941</b>	<b>496,849</b>

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

**STATEMENT OF ASSETS AND LIABILITIES  
as at December 31, 2018**

	<i>Note</i>	<b>2018 £</b>	<b>2017 £</b>
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	<b>99,543</b>	<b>106,108</b>
<b>CURRENT ASSETS</b>			
Investments	7	249,237	287,505
Short term deposits		54,271	86,443
Cash at bank and in hand		51,276	29,493
Debtors	8	19,889	28,158
<b>TOTAL CURRENT ASSETS</b>		<b>374,672</b>	<b>431,599</b>
<b>LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(22,275)	(40,859)
<b>NET CURRENT ASSETS</b>		<b>352,397</b>	<b>390,741</b>
<b>TOTAL NET ASSETS</b>	10	<b>451,940</b>	<b>496,849</b>
<b>FUNDS</b>	12		
Unrestricted - General		268,522	320,360
Unrestricted – Designated			
Bell Fund		5,314	5,194
Equipment Depreciation		3,103	3,103
Hall Depreciation		167,145	161,080
Vincent Terrace Mission Hall	11	2,216	2,216
William Schroeder Trust	11	1,428	1428
Church Renewal		-	(270)
Hall Renewal		1,510	1,510
Islington Proms		1,817	1,662
Restricted			
Specific Appeals		-	-
Special Projects		885	567
<b>TOTAL FUNDS</b>		<b>451,940</b>	<b>496,849</b>

Approved by the Standing Committee of the Parochial Church Council on 23 May 2019

\_\_\_\_\_  
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, 2018*

**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.

As indicated in the Financial Review for 2018, 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 at the balance sheet date, along with their knowledge of the church's ability to meet bills, payments and liabilities as they fall due, the PCC has a reasonable expectation 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, 2018*

**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, 2018*

**2. INCOMING RESOURCES**

	<b>Un- restricted General Funds</b>	<b>Un- restricted Designated Funds</b>	<b>Restricted Funds</b>	<b>TOTAL 2018</b>	<b>TOTAL 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2(a) <i>Voluntary income</i></b>					
Planned giving:					
- Gift aid donations	19,237	-		19,237	19,171
- Income tax recoverable	6,584		24	6,608	6,388
- Other planned giving					
Collections (open plate) at all services	4,545			4,545	5,495
Legacies	-			-	-
Sundry donations	1,410		400	1,810	1,753
Alms and votive candle boxes	1,810			1,810	941
Appeals (note 4)			2,950	2,950	2,950
Non-recurring grants	-		77,110	77,110	4,500
	<b>33,586</b>	<b>-</b>	<b>80,484</b>	<b>114,070</b>	<b>41,200</b>
<b>2(b) <i>Activities for generating funds</i></b>					
Islington Proms		2,251	-	2,251	5,797
	<b>-</b>	<b>2,251</b>	<b>-</b>	<b>2,251</b>	<b>5,797</b>
<b>2(c) <i>Income from investment</i></b>					
Interest	230			230	300
Dividends	13,827			13,827	13,083
	<b>14,057</b>	<b>-</b>	<b>-</b>	<b>14,057</b>	<b>13,383</b>
<b>2 (d) <i>Income from church activities</i></b>					
Fees from services	3,555			3,555	3,394
Church Hall Lettings	45,497			45,497	42,744
Church Lettings	6,939	120		7,059	9,940
	<b>55,991</b>	<b>120</b>	<b>-</b>	<b>56,111</b>	<b>56,078</b>
<b>2(e) <i>Other ordinary incoming resources</i></b>					
Rental income	25,936			25,936	26,236
Charge for electricity (arrears)					1,300
Write-back of debt to LDF (note 13)	29,260			29,260	
	<b>55,196</b>		<b>-</b>	<b>55,196</b>	<b>27,536</b>
<b>TOTAL INCOMING RESOURCES</b>	<b>158,830</b>	<b>2,371</b>	<b>80,484</b>	<b>241,685</b>	<b>143,994</b>

**PAROCHIAL CHURCH COUNCIL OF ST JAMES WITH ST PETER,  
ISLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*for the year ended December 31, 2018*

**3. RESOURCES EXPENDED**

	<b>Un- restricted General Funds £</b>	<b>Un- restricted Designated Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL 2018 £</b>	<b>TOTAL 2017 £</b>
<i>3(a) Costs of generating funds</i>					
Costs of generating voluntary income					
Fund-raising trading costs		2,096		2,096	4,134
	-	<b>2,096</b>		<b>2,096</b>	<b>4,134</b>
<i>3(b) Church and charitable activities</i>					
Missionary and charitable giving (note 5):					
Church overseas			1,916	1,916	2,438
Home missions and other Church Societies	200		270	470	347
Secular relief charities	400		951	1,351	1,592
Ministry: Common Fund (note 16)	80,600			80,600	78,300
Clergy expenses (note 14)	1,068			1,068	1,065
Staffing costs (See note below)	7,878			7,878	8,122
Church – running expenses	13,337	9244	23,000	45,581	7,896
Church maintenance	7,565	3,600	54,110	65,275	10,338
Church Hall running costs	12,614	3,920		16,534	27,864
Organists' fees	3,495			3,495	3,610
Depreciation: Hall	6,065			6,065	6,065
Other assets	500			500	500
Governance costs*	930			930	1,020
	<b>133,722</b>	<b>16,764</b>	<b>80,248</b>	<b>230,732</b>	<b>149,206</b>
<i>3(c) Other resources expended</i>					
Write-off of LDF debt (note 13)	15,495			15,495	-
	<b>15,495</b>	<b>16,764</b>	<b>80,248</b>	<b>15,495</b>	<b>149,206</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>149,217</b>	<b>18,860</b>	<b>80,248</b>	<b>248,324</b>	<b>153,340</b>

\*Fees payable to Stewardship, other than for the independent examination, were £598 in respect of payroll services (included in staffing costs) and £90 for consultancy.

**STAFF REMUNERATION**

The PCC employed three part-time staff equivalent to 0.8 full time staff throughout the year ended 31 December 2018.

There were no pension costs payable in the financial year 2018

No employee received remuneration over £60,000.

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**4. INCOME AND EXPENDITURE OPERATING SURPLUS (DEFICIT)**

	Un- restricted General Funds £	Un- restricted Designated Funds £	Restricted Funds £	TOTAL 2018 £	TOTAL 2017 £
Total income (note 2)	158,830	2,371	80,484	241,685	143,994
Total Expenditure (note 3)	149,217	18,860	80,248	248,324	153,340
Surplus(Deficit) before transfer of funds	<b>9,613</b>	<b>(16,489)</b>	<b>236</b>	<b>(6,640)</b>	<b>(9,346)</b>
Fund Transfers - in	-	23,100	182	23,282	24,452
Fund Transfers - out	(23,182)		(100)	(23,282)	(24,452)
<b>Net Surplus/(Deficit) after Fund Transfers</b>	<b>(13,569)</b>	<b>6,611</b>	<b>318</b>	<b>(6,640)</b>	<b>(9346)</b>

**5. CHARITABLE GIVING**

	Donations made by PCC or raised by special appeals £		Amount raised directly by fundraising events £		Total £	
	2018	2017	2018	2017	2018	2017
<u>Church Overseas:</u>						
TZABA (Transvaal Zimbabwe & Botswana Association)	<b>1,916</b>	2,438	-		<b>1,916</b>	2,438
<u>Home Mission:</u>						
Children's Society	<b>270</b>	347	-		<b>270</b>	347
Church Urban Fund/Capital Mass	<b>200</b>		-		<b>200</b>	
<u>Secular charitable activities:</u>						
"Pack-up" weekly lunch for the street community	<b>951</b>	1,141		250	<b>951</b>	1,391
Shelter from the Storm	<b>200</b>		-		<b>200</b>	
North London cares	<b>200</b>		-		<b>200</b>	
Brain Tumour Charity		200				
<b>TOTAL</b>	<b>3,737</b>	4,126		250	<b>3,737</b>	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 the Crib service and Carol service at Christmas. The Pack-up project received donations from a local community association and individual donations. A balance of £566 was brought forward from 2017 and £885 is carried forward to 2019.

A donation of £200 was made to "Shelter from the Storm", a charity for homeless people which had its origins at St James' Prebend Street and St John the Evangelist, the catholic church in Dncan Terrace. A donation of £200 was made to North London Cares which provides support services to elderly people and uses our church hall for social events.

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**6. FIXED ASSETS FOR USE BY PCC**

	<b>Freehold land and buildings £</b>	<b>Hall buildings £</b>	<b>Hall fixtures and fittings £</b>	<b>Other fixtures and fittings and office equipment £</b>	<b>Total £</b>
<i><u>Cost</u></i>					
At January 1, 2018	-	242,597	21,589	6,604	270,790
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At December 31, 2018</b>	<b>-</b>	<b>242,597</b>	<b>21,589</b>	<b>6,604</b>	<b>270,790</b>
<i><u>Depreciation</u></i>					
At January 1, 2018	-	139,492	21,589	3,604	164,685
Charge for the year	-	6,065	-	500	6,565
Disposals	-	-	-	-	-
<b>At December 31, 2018</b>	<b>-</b>	<b>145,557</b>	<b>21,589</b>	<b>4,104</b>	<b>171,250</b>
<i><u>Net Book Value</u></i>					
<b>At December 31, 2018</b>	<b>-</b>	<b>97,040</b>	<b>0</b>	<b>2,500</b>	<b>99,540</b>
At January 1, 2018	-	103,105	0	3,000	106,105

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 (SHG) and an underlease for the PCC's use of the hall buildings is being completed in consultation with the LDF. As at the end of the year, the draft underlease was in the possession of the SHG and the PCC and LDF are awaiting their comments.
- 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 is being 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.



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**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 31<sup>st</sup> December 2018 was £249,236 a decrease of £38,269 over the previous year. As predicted in last year's report, there was a market correction in the latter part of 2018. This combined with the current political uncertainty has resulted in instability in financial markets. The implications of this for our investment strategy will be considered by the Financial Review Group.

**8. DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Income tax recoverable	6,608	6,388
Prepayments	-	2,193
Due from London Diocesan Fund (see note 13)	-	15,495
Other debtors and accrued income	13,281	4,082
	<b>19,889</b>	<b>28,158</b>

**9. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accruals	22,275	11,124
Due to London Diocesan Fund (Note 13)	-	29,260
Appeals for specified charities	-	474
	<b>22,275</b>	<b>40,858</b>

**10. ANALYSIS OF NET ASSETS BY FUND**

	<b>Unrestricted General Funds</b>		<b>Unrestricted Designated Funds</b>		<b>Restricted Funds</b>		<b>Total Funds</b>	
	<b>£</b>		<b>£</b>		<b>£</b>		<b>£</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Fixed assets	99,543	106,108	-	-	-	-	99,543	106,108
Investments	112,417	150,685	136,820	136,820	-	-	249,237	287,505
Debtors	19,660	27,895	-	-	228	263	19,889	28,158
Cash at bank and in hand*	46,787	74,786	45,861	39,444	12,897	1,706	105,547	115,936
Liabilities	(9,885)	(39,115)	(149)	(342)	(12,241)	(1,402)	(22,275)	(40,859)
<b>TOTAL</b>	<b>268,522</b>	<b>320,359</b>	<b>182,532</b>	<b>175,922</b>	<b>885</b>	<b>567</b>	<b>451,940</b>	<b>496,848</b>

\*The cash at bank and in hand includes £54,271 held in the CBF Church of England Deposit Fund.

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**11a MOVEMENT IN FUND BALANCES**

<b>Fund</b>	<b>b/f 1<sup>st</sup> Jan 2018 £</b>	<b>Incoming Resources £</b>	<b>Outgoing resources £</b>	<b>Net Transfers £</b>	<b>c/f 31<sup>st</sup> Dec 2018 £</b>
General	320,360	158,829	(149,215)	(23,182)	
Unrealised loss on investments			(38,268)		268,706
Bell Fund	5,194	120	-	-	5,194
Equipment Depreciation	3,103	-	-	-	3,103
Hall Depreciation	161,081	-	-	6,065	167,145
Vincent Terrace Mission Hall*	2,216	-	-	-	2,216
William Schroeder Trust*	1,427	-	-	-	1,427
Church Renewal	(271)	-	(12,844)	13,115	-
Hall Renewal	1,510	-	(3,920)	3,920	1,510
Proms-Islington Proms concerts	1,663	2,251	(2,096)	-	1,817
Special Projects -restricted	567	78,480	(78,062)	(100)	885
Appeals - restricted	-	2,004	(2,186)	182	-
<b>Total Funds</b>	<b>496,848</b>	<b>241,684</b>	<b>286,591</b>	<b>-</b>	<b>451,940</b>

\*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.

**11b Movement in fund balances prior year**

<b>Fund</b>	<b>b/f 1<sup>st</sup> Jan 2017 £</b>	<b>Incoming Resources £</b>	<b>Outgoing resources £</b>	<b>Net Transfers £</b>	<b>c/f 31<sup>st</sup> Dec 2017 £</b>
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	-
<b>Total Funds</b>	<b>487,424</b>	<b>162,764</b>	<b>153,340</b>	<b>-</b>	<b>496,848</b>

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**12. FUND DETAILS**

**William Lambe Trust**

Prior to the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> December 2018 was £321,242. Following advice from the LDF, the PCC no longer accounts for the WLT but receives notification of the fund value and accumulated income from the Diocese.

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 had been made in the few years up to 2017 and the balance on the income fund stood at £178,540 on 31<sup>st</sup> December 2017. In 2018 the PCC successfully applied for a grant of £54,110 to cover the cost of the internal decoration of the church. Taking account of the additional income accrued in 2018, the year end balance on the cumulative income fund stood at £129,094 of which £16,311 is held in a deposit account and the rest in an M&G Charifund account.

**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 2018 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 statement of assets and liabilities, and income/expenses are identified in a separate column in the I&E accounts.

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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 2018 £	Income less unrealised investment loss £	Expenditure £	Net Transfers £	At Dec 31 2018 £
General Reserve	214,252	120,561	(142,652)	(23,182)	168,979
Fixed assets	106,108		(6,565)		99,543
<b>Total unrestricted general funds</b>	<b>320,360</b>	<b>120,561</b>	<b>(149,217)</b>	<b>(23,182)</b>	<b>268,522</b>

**Prior year analysis of unrestricted general fund**

	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
<b>Total unrestricted general funds</b>	<b>317,577</b>	<b>153,520</b>	<b>(126,285)</b>	<b>(24,452)</b>	<b>320,360</b>

**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 agreed to reimburse the PCC this amount and during 1998 £6,188 was returned, leaving a balance of £15,495 owed to the PCC.

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 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.

Following discussions with the LDF to resolve these longstanding balances carried forward from year to year, the Director of Finance and Operations at the Diocese of London informed the PCC in May 2018 that the LDF had written off the historic debt of £29,260 owed to the LDF on condition that the PCC wrote off the sum of £15,495 owed by the LDF. These transactions have been recorded in the 2018 accounts in notes 2a and 3c.

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**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 £4,223 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.

No PCC or connected persons received any remuneration in this year or in the previous year.

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

A total of £6,190 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, £400 was donated to restricted funds relating to special appeals. All other donations were received in the general fund with no restrictions on their use.

**16. COMMON FUND (DIOCESAN QUOTA)**

Common Fund (Diocesan Quota) is paid to the London Diocesan Fund (LDF) to cover the stipend and housing costs of our vicar, indirect clergy costs and a contribution to central costs and in total is as follows:

	£
Costs for a parish with a single vicar and housing	80,600
Support for other parishes in the Diocese of London	-
Support from other parishes in the Diocese of London	-
<b>Total charge for the year</b>	<b>80,600</b>

**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 £.**