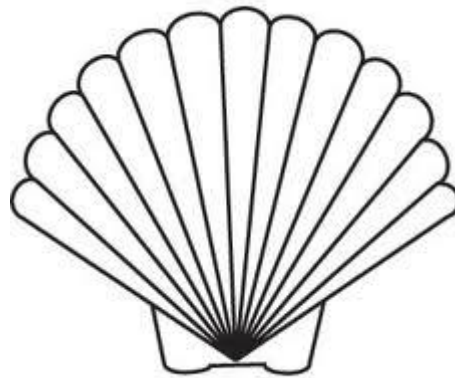


ST JAMES GARLICKHYTHE

ST JAMES GARLICKHYTHE

Registered charity number 1131198



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019

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CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

UK Registered Charity No.	1131198
Name of the charity	The Parochial Church Council of St James Garlickhythe with St Michael Queenhithe and Holy Trinity-the-Less
Registered office	St James Garlickhythe Garlick Hill London EC4V 2AF
Trustees	Trustees and members of the Parochial Church Council from January 2019 to April 2020 were: Priest-in-charge: Father Tim Handley SSC (Chair) Churchwardens: Mr William Fraser OBE (Lay Vice Chair) Mr Philip Grant Mr Gordon Haines MBE Professor Jonathan Rawlings Miss Lynette Stone CBE Other members of the PCC: Mr Francis Barber Ms Claire Carlton Mr Paul Farmiloe Ms Johanne Moss (to April 2019) Mr Ellis Pike Mr Martin Scarth (to March 2019) Alderman Dr Sir Andrew Parmley MusM, Hon FGS (co-opted for music) In attendance: Mr Malcolm Brown FCA (Finance) Ms Johanne Moss (Secretary)

CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

Other Church Officials

Hon. Curate:	Mr Daniel White
Verger:	Mr Ellis Pike
Parish Administrator:	Ms Johanne Moss
Electoral Roll Officer:	Position vacant
Gift Aid Officer:	Position vacant
Organist & choirmaster:	Alderman Dr Sir Andrew Parmley MusM, Hon FGS
Safeguarding Officer:	Mr Ellis Pike
Sidemen:	Ms Claire Carlton & Mr Philip Grant
Tower Captain:	Mr Dickon Love
Treasurer:	Mr Malcolm Brown FCA

Independent examiner
Mr Matthew Liu FCCA
Wimbledon
London, SW19

Principal bankers
Co-operative Bank PLC
City Branch
80 Cornhill
London, EC3V 3QQ

Cambridge & Counties Bank Ltd
Charnwood Court
5B New Walk
Leicester, LE1 6TE

Investment Managers
CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London, EC4V 4ET

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees of the charity, who are the members of the Parochial Church Council ('PCC') present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice 2015 FRS102.

Structure, governance and management

The PCC, which is also a registered charity with the Charity Commission, is governed by the Parochial Church Councils (Powers) Measure 1956 and the Church Representation Rules 2020.

All members of the PCC are either ex officio or are elected at the Annual Parish Meeting in accordance with the Church Representation Rules. The parish has adopted a policy of waiving the term limits that any person cannot serve more than six years continuously. The members of the PCC, who are also considered trustees of the charity, who served during the year, are shown on page 1 of this report.

Six full meetings of the PCC are scheduled in each year and in 2019 five were held plus an awayday. The standing committee, consisting of the priest, two churchwardens, the secretary and treasurer has the power to meet and transact the business of the PCC between its meetings, subject to any directions given by the PCC. A Fabric Committee was convened and held three meetings.

Objectives and activities for the public benefit***Aims and Purpose***

The PCC has the responsibility of co-operating with the priest-in-charge, or with the Bishop of London during an inter-regnum, in promoting in the ecclesiastical parish of St James Garlickhythe, the whole mission of the church, pastoral, evangelistic, social and ecumenical. This is its main public benefit. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning its activities.

Activities:***Achievements and Performance***

The PCC at St James is committed to enabling as many people as possible to worship at our church and to become part of the parish community. The PCC maintains an overview of worship throughout the parish and makes suggestions on how our services can involve the many groups that live and work within our parish. Our services and worship put faith into practice through prayer and scripture, music and sacrament.

When planning our activities for the year, we have considered the Commission's guidance on public benefit and, in particular, the supplementary guidance on charities for the advancement of religion. In particular, we try to enable ordinary people to live out their faith as part of our parish community through:

- 1) Worship and prayer; learning about the gospel; and developing their knowledge and trust in Jesus.
- 2) Provision of pastoral care for people living and working in the parish or who have a connection with St James including acting as Corps Church for the Intelligence Corps.
- 3) Missionary and outreach work.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

To facilitate this work, it is important that we maintain the fabric of the historic building of St James Garlickhythe and the attached parish rooms.

Worship and prayer

Since the installation of Father Tim, a said Eucharist is celebrated at St James on Tuesdays and Thursdays each week at 12.15pm and at St Michael Paternoster Royal on Mondays at 12.15 and Wednesdays at 18.00, providing a quiet, intimate and reflective environment for prayer, whilst our Sunday Sung Eucharist continues to provide the opportunity to worship in a traditional service and communion. The quarterly Evensong services introduced this year have also proved a popular addition to Sunday worship at St James. The PCC is keen to offer a range of services over the course of the year that our community find both beneficial and spiritually fulfilling.

Sunday services at St James are conducted according to the Book of Common Prayer (1662) and the Authorised Version of the Bible, often known as the King James Version. All readings and collects are taken from the lectionary and tables in the Book of Common Prayer. Whilst our stance is traditional, we are an open Christian community with a wide range of personalities and eager to draw others into our fellowship. We warmly welcome all who feel able to worship with us on Sundays, weekdays and on special occasions of service.

In September 2018 the St James Garlickhythe PCC took over liturgical responsibilities for St Michael Paternoster Royal, a church within the modern boundary of the parish of St James and which also lies within the Diocese of London. No responsibility has been taken for the upkeep of the building and this remains with the Diocese. We held 11 main services and a wedding at St Michaels along with weekly said Eucharist on Mondays and Wednesdays.

Some progress has been made in our mission to forge closer relationships with local business, charity and community groups within the local parish. We now have eight self-help groups meeting in the Parish Room every week and the churches are also used for rehearsals by eleven choirs. The churches hosted three large concerts and three weddings during the year and it is always exciting to welcome so many new-comers.

St James is well known for its musical traditions, under the splendid stewardship of our organist and choirmaster, Sir Andrew Parmley. Once again, the church has been delighted with this rich heritage, which brings great pleasure to regular worshippers and to visitors.

St James is very grateful to the Swan Warden, the Liverymen, the Clerk, and the General Manager of the Worshipful Company of Vintners for a thorough autumn clean and greening the church in preparation for Christmas.

In 2019, the electoral roll numbered 51 but this disguises the many hundreds attending the church at other services. The congregation of St James Garlickhythe reflects its location in the heart of the City of London and therefore few reside in the parish. People worship at St James because of its commitment to the Book of Common Prayer of 1662, the Ordinal and the classical Anglican tradition of reverent worship, including the public use of the Authorised Version of the Bible of 1611. The church welcomed 6,786 (2018 - 6,287; 2017 - 5,260) worshippers at the 61 choral services held at the church during the year and 298 said services.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

In addition to the parish activities, St James Garlickhythe also plays an important role as church to a large number of city livery companies and the church is grateful for their generous support in return. There were 36 livery services conducted at St James and St Michael Paternoster Royal during 2019. These connections are an important aspect to St James - being seen at the heart of the community of the City of London.

St James is also the regimental chapel of 3MI Battalion of the Intelligence Corps. The turning of the page in the Book of Remembrance takes place at Sunday worship each month. The church also holds an annual service for the HMS Illustrious Association in January.

Deanery Synod

A member of the PCC sits on the City Deanery Synod. This provides the PCC with an important link between the parish and the wider structure of the church.

Church fabric & fabric committee

The PCC continues with its programme of repairs and maintenance to the historic building of St James Garlickhythe to safeguard the assets and the future mission of the church.

The work to improve the drainage system from the flat roofs was completed in March 2019 and the new boiler was up and running in time for the Christmas services. We are very grateful to several livery companies and members of the congregation for covering a substantial part of the costs of the new boiler.

The committee's attention is now focused on repairing the outside fascia boarding at eaves level, which is in a bad state of repair. This work is urgent, but we have the second phase of our grant from the City Churches Grants Committee to draw down and cover part of the costs.

In the medium term the committee is commissioning reports for the repurposing of the Narthex, the churchyard and the redecoration of the whole interior of the church. This is a long-term project and the PCC will be consulting widely in the process.

Installation of a hand rope to the tower to assist access to the ringing room is still planned. Regular maintenance is carried out to the bells, church clock and organ, along with fire and gas safety checks.

Pastoral care

Some members of our parish are unable to attend church due to sickness or age. Prayers are said on Sunday for those who are ill or in distress and Father Tim has been making home visits.

Missions

The PCC authorised the payment of the full Common Fund contribution for 2019, which has increased to £82,800/annum (2018 - £80,600). Donations to various home missions amounted to £683. A record collection of toys for disadvantaged children was raised at Christmas this year and there was a collection of food at Harvest for the work of the Salvation Army in East London.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Financial result

The PCC made an overall surplus of £20,588 in 2019 compared to a deficit of £17,204 in 2018.

In more detail, there was a surplus of £21,157 relating to the normal activities of the church on the General Fund and there were outflows of funds totaling £4,586 on the restricted funds and a small inflow of £4,017 on the endowment funds.

A transfer of £20,508 was required from the General Fund to cover a deficit on the Fabric Fund, which will not be cleared in the future. The further deficit of £7,960 carried forward on the Fabric Fund should be cleared over the forthcoming 12 months by grants that we expect for existing and future fabric works.

The accounts show a continual improvement from 2017 despite heavy repair costs. Much of the success of 2019 relates to the work our Parish Administrator, Johanne Moss, has carried out to boost income from the hire of the church meeting rooms and attracting local businesses and others to hold services at the two churches. All the other income streams held up well too, including the voluntary Parish Rate.

Our investments with CCLA and funds on deposit saw income of £5,620, a return of over 3% for the investments, on top of a gain in their value of £23,963. This represented a total return on investment in excess of 25%. However, without these unusually high capital gains, the church would still have met the budgeted deficit, despite the large costs of the repair programme.

Looking to 2020, we were planning a breakeven position where income from extra services and hall lettings cover our ongoing commitment to Common Fund and a contribution to significant external repair work. However, the pandemic at the start of the new year is presenting some challenges.

At 31st December 2019 the Church has total net assets of £573,179 of which £290,965 relates to the depreciated cost of the parish room and associated fittings and £1,127 restricted in cash for the Parish Room; £20,945 is restricted to the organ and music fund and £13,938 restricted to the maintenance of the Royal Jubilee Bells. The fabric fund is in deficit by £7,960. Therefore, the church has free reserves of £254,164 (2018 - £225,642 up 12.6%). The free reserves include the St Mary Somerset endowment fund, as this is effectively unrestricted.

The PCC noted the result for the year and is satisfied with the level of reserves held at 31st December 2019.

Investment policy

The PCC decided to invest some of the church funds with CCLA investment management in a bid to protect the capital value of its assets. The PCC was concerned that we could be moving into a period of higher inflation and our fixed term deposit bonds had matured. £75,000 was placed in income units with the CCLA's global equity fund that is restricted to the Church of England, and a further £35,163 invested in CCLA's highly ethical, managed fund for charities. Both funds provide annual income returns over 3% and have, so far, provided us with exceptional capital growth. £15,000 is invested in a 2% London Missional Housing Bond, which facilitates housing for church workers, and this investment forms part of our home mission strategy.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy

Due to the historic nature of the Church building, the PCC is committed to ensuring that the Church has free reserves of a base minimum of 12 months of the recurring annual running costs, which are budgeted at around £155,000. At 31st December 2019, the free reserves covered costs for around 19.5 months (2018 - 19 months). Some of this cover depends on the value of investments, which will vary according to the health of the financial markets. However, the PCC believes that the level of reserves held are sufficient and reasonable to maintain the mission and safeguard the fabric of the historic church of St James Garlickhythe in the short and longer term.

Major risks

The PCC believes that it has identified and reviewed all major risks that might affect the mission and have sufficient systems and procedures in place to mitigate those risks. Identification and management of investment risk is addressed in the Investment Policy of the Church. The Fabric Committee meets regularly to identify risks and set building maintenance in progress. The PCC is monitoring the Covid-19 pandemic closely and will take any action necessary to keep its impact to a minimum for the church, both in the short and longer term.

Trustee Remuneration

No members of the PCC received any remuneration. Reasonable clergy expenses were met. Any other trustee expenses were gifted back to the church. There were no other related party transactions.

Volunteers

The PCC would like to thank all the volunteers who work so hard to make our church the lively and vibrant community it is.

In particular, we would like to thank Andrew Parmley for developing such a rich musical tradition at St James. We would also like to thank Wendy Parmley for the guidance she provides at the Sunday School. To Martin Scarth, who has overseen the implications for the church of the local building developments and the maintenance of this historic building, although he stepped down from PCC in March 2019. To Nick Stockwell and Philip Grant for their help with the Fabric Committee. To Johanne Moss for acting as secretary over many years and who has recently led the drive to push income from the meeting rooms at the two churches. Finally, we would like to mention the churchwardens, our verger and the other trustees for their work welcoming visitors at our services and attending to the livery companies and others at their services.

Plans for the future

The PCC and the congregation at St James are dedicated to reaching out to the wider community to spread the word of Jesus. We would draw readers' attention to our website: www.stjamesgarlickhythe.org for further details or our mission, worship and pastoral care.

Post balance sheet events

At the date of this report it is uncertain how long the Government lock down period will last. However, the trustees are taking whatever measures are necessary to ensure they protect the church, its mission and the building during this difficult time. The trustees believe that the church has sufficient cash resources to continue in operational existence for the forthcoming 12 months, albeit at a reduced level of activity. Please refer to note 19 to the financial statements.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Responsibilities of the trustees and the PCC

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations.

They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the PCC on 6th April 2020 and signed on its behalf by:

WILLIAM FRASER

FATHER TIM HANDLEY

William Fraser OBE
Lay Chair & Trustee

Father Tim Handley
Priest, Chair & Trustee

**REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF THE
PARISH OF ST JAMES GARLICKHYTHE WITH ST MICHAEL QUEENHITHE
AND HOLY TRINITY-THE-LESS**

I report on the accounts of the charity for the year ended 31 December 2019, which are set out on page 10 to 20.

Respective responsibilities of trustees and the independent 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 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Commission under section 145(5)(B) of the 2011 Act
- state whether particular matters have come to my attention

Basis of the Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission.

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 seeking explanation from the 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 next statement.

Independent Examiner's Statement

In connection with my examination, no matters have come to my attention:

1. which gives me reasonable cause to believe that, in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts, which accord with the accounting records and with the methods and principles of the Statement of Recommended Practice; Accounting by Charities have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

J.M. Liu FCCA
Chartered Certified Accountant
London SW19
Dated: 27th April 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2019	2019	2019	2018
	NOTES	UNRESTRICTED	RESTRICTED	ENDOWMENT	TOTAL	TOTAL
		FUNDS	FUNDS	FUNDS	FUNDS	FUNDS
		GB £	GB £	GB £	GB £	GB £
Income						
Donations and legacies	2	60,163	55,258	-	115,421	62,645
Income from charitable activities	3	970	-	-	970	1,972
Income from other activities	4	88,208	-	-	88,208	78,549
Income from investments	5	4,376	16	1,228	5,620	2,419
Total income		153,717	55,274	1,228	210,219	145,585
Expenditure						
Costs of raising funds						
Costs of generating activity income	6	(4,891)	-	-	(4,891)	(2,184)
Expenditure on charitable activities	7	(124,987)	(80,368)	(3,348)	(208,703)	(160,686)
Total expenditure		(129,878)	(80,368)	(3,348)	(213,594)	(162,870)
Net income/(expenditure) for the year		23,839	(25,094)	(2,120)	(3,375)	(17,285)
Gains/(Loss) on investments	11	17,826	-	6,137	23,963	81
Net income/(expenditure) after gains/(losses)		41,665	(25,094)	4,017	20,588	(17,204)
Transfers between funds	14	(20,508)	20,508	-	-	-
Net movement in funds		21,157	(4,586)	4,017	20,588	(17,204)
Reconciliation of funds:						
Total funds brought forward	15	192,101	31,509	328,981	552,591	569,795
Total funds carried forward	15	213,258	26,923	332,998	573,179	552,591

† The notes on pages 13 to 20 form an integral part of these accounts

STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2019

		2019	2018
		GB £	GB £
Cash flows from operating activities:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		20,588	(17,204)
Add: Depreciation		3,230	3,230
Deduct: interest and dividend income		(5,620)	(2,419)
Deduct (gain)/ add loss on revaluation of investments		(23,963)	(81)
(Increase)/ decrease in debtors		(17,805)	1,057
(Decrease)/ increase in creditors		(4,839)	5,018
Cash used in operating activities	A	<u>(28,409)</u>	<u>(10,399)</u>
Cash flows from investing activities			
Income from interest and dividends		5,620	2,419
Maturing of fixed investment bonds		-	29,127
(Purchases) of investment assets		-	(110,163)
Cash provided by/ (used in) investing activities	B	<u>5,620</u>	<u>(78,617)</u>
Cash flows from financing activities	C	<u>-</u>	<u>-</u>
(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)		(22,789)	(89,016)
Total cash & cash equivalents brought forward		<u>128,940</u>	<u>217,956</u>
Total cash & cash equivalents carried forward †		<u>106,151</u>	<u>128,940</u>

† See balance sheet, page 12

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019 (BALANCE SHEET)

	NOTES	31 December 2019		31 December 2018	
		GB £	GB £	GB £	GB £
FIXED ASSETS					
TANGIBLE ASSETS	10		290,965		294,195
INVESTMENT ASSETS					
Managed Investment Funds	11	134,207		110,244	
London Missional Housing Bond		15,000		15,000	
Total Investment Assets			149,207		125,244
Total Fixed Assets			440,172		419,439
CURRENT ASSETS					
Debtors	12	33,927		16,122	
Cash at bank & on deposit		106,151		128,940	
Total Current Assets			140,078		145,062
CREDITORS, amounts falling due within one year	13		7,071		11,910
NET CURRENT ASSETS			133,007		133,152
TOTAL NET ASSETS			<u>573,179</u>		<u>552,591</u>
CHURCH FUNDS:					
Endowment Funds					
New Parish Room Fund	14 & 15	292,092		295,440	
St Mary Somerset Fund	14 & 15	40,906		33,541	
			332,998		328,981
Restricted Funds					
Organ & Music Fund	14 & 15	20,945		22,407	
Church Fabric Fund	14 & 15	(7,960)		(3,079)	
Royal Jubilee Bells Fund	14 & 15	13,938		12,181	
			26,923		31,509
Unrestricted funds					
General Fund	14 & 15	210,683		190,026	
Designated Fund - Rectory Redecoration	14 & 15	2,575		2,075	
			213,258		192,101
TOTAL CHURCH FUNDS			<u>573,179</u>		<u>552,591</u>

The accounts were approved by the Parochial Church Council on 6th April 2020 and signed on its behalf by:

WILLIAM FRASER

William Fraser OBE (Trustee)

FATHER TIM HANDLEY

Father Tim Handley (Trustee)

† The notes on pages 13 to 20 form an integral part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES**Basis of accounting and assessment of going concern**

The accounts have been prepared under the historical cost convention and on the going concern basis. The effect of events relating to the year ended 31st December 2019 before the date of approval to the financial statements by the PCC, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31st December 2019 and of the results for the year ended on that date. However, attention is drawn to note 19 to these accounts regarding Covid-19. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts under FRS102. St James Garlickhythe meets the definition of a public benefit entity under FRS102.

Funds structure

All funds are available for application on the general purposes of the PCC unless they are shown as endowment funds or restricted funds. The income and capital of the St Mary Somerset fund however can be used for any ecclesiastical purpose. A list of the separate funds and details of any restriction of use are shown at note 14 to these accounts.

Income recognition

All income is recognised once the charity has entitlement to the income; there is sufficient certainty of receipt and so it is probable that the income will be received; and the amount of income receivable can be measured reliably. Donations and grants are recognised when received, unless the grant is pledged and quantifiable at the year end or where there is a condition that requires a level of performance before the charity is entitled to the funds. In the latter case, income is deferred and not recognised until the condition is fully met. Applicable income tax recoverable is recognised when receivable. Legacies are recognised on a case by case basis following the granting of probate when the administrator/ executor for the estate has communicated in writing both the amount and the settlement date. In the event that a gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity. Income from the use of church premises is recognised at the point the church facilities are used. A voluntary church rate is levied on certain business property in the parish and the income is recognised when received like a donation. Income from investments is recognised when due and receivable. Income from the telecoms mast has been accounted as invoiced.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs (which are separately analysed at note 8 and 9), are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. Expenditure includes irrecoverable value added tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Fixed assets

Heritage, consecrated and beneficed property is excluded from the accounts by virtue of section 10(2)(a)-(c) of the Charities Act 2011. Moveable church furnishings, religious artefacts and plate are vested in the churchwardens and held on special trust for the PCC. They require a faculty for disposal and have been accounted for as inalienable property. They are recorded in the Church Terrier log and stated at nil value in the accounts. Many are of historical importance for which no reliable cost basis exists. They are not recognised in the balance sheet. All expenditure incurred on such property is written off in the accounting period as resources.

Modern additions to freehold property are capitalised at historic cost and depreciated at the rate of 1% per annum.

Equipment used within the church premises is written off when acquired, unless of a material amount, over £1000, in which case it is capitalised in fixed assets and depreciated on a straight-line basis at 20% per annum.

Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investments held as fixed assets are stated at market value at the close of the accounting period.

Debtors & prepayments

Amounts receivable but not paid at the balance sheet date are included in current assets as debtors less any provision applicable for potential bad debts. Minor stocks of unsold books and cards are not recognised as an asset. Prepayments are recognised, where material to the accounts. Debtors are valued individually less any provisions applicable for potential bad debts. Prepaid expenditure is recognized if material to the accounts.

Creditors & accruals

Creditors are recognized where the church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Pensions

The church assesses each employee for eligibility as a jobholder under the auto-enrolment system. Any eligible jobholders are auto-enrolled to a group money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the church in an independently administered fund. The pension cost represents the contributions payable under the scheme by the church and the church has no further liability other than the payment of those contributions and the jobholder is responsible for their own pension fund with the pension administrators.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME	Unrestricted	Restricted	Endowment	Total 2019	Total 2018
	GB £	GB £	GB £	GB £	GB £
2 DONATIONS AND LEGACIES					
Tax efficient regular giving (net donations)	5,382	-	-	5,382	5,687
Other donations, including Charities Aid Fund	2,944	6,521	-	9,465	4,364
Collections at services	26,791	-	-	26,791	24,933
Livery grants & donations	11,305	21,140	-	32,445	11,305
City Churches' Grants Committee	-	12,600	-	12,600	-
Trust for London	1,117	-	-	1,117	1,117
City Burial Ground Fund	2,750	-	-	2,750	2,500
Dept for Digital, Culture, Media & Sport (LPOW)		13,550	-	13,550	2,681
Income Tax recoverable on gift aided donations	9,874	1,447	-	11,321	10,058
Total	60,163	55,258	-	115,421	62,645
3 INCOME FROM CHARITABLE ACTIVITIES					
Parochial fees & service fees recoverable	970	-	-	970	1,972
4 INCOME FROM OTHER ACTIVITIES					
Telecoms mast fees	33,622	-	-	33,622	33,589
Hire of churches and meeting rooms	32,130	-	-	32,130	12,528
Celebrations & sales of goods	944	-	-	944	507
Voluntary parish rate	21,512	-	-	21,512	19,765
Insurance claim	-	-	-	-	12,160
Total	88,208	-	-	88,208	78,549
5 INCOME FROM INVESTMENTS					
Bank deposit interest	1,063	16	-	1,079	613
Bond interest	300	-	-	300	300
Dividends from investments	3,013	-	1,228	4,241	1,506
Total	4,376	16	1,228	5,620	2,419
6 COST OF GENERATING ACTIVITY INCOME					
Fundraising costs incl. hire agents & marketing	2,484	-	-	2,484	750
Telecoms consultancy	1,440	-	-	1,440	540
Celebratory events & goods for sale	967	-	-	967	894
Total	4,891	-	-	4,891	2,184

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2019 GB £	Total 2018 GB £
7.1 EXPENDITURE ON CHARITABLE ACTIVITIES					
Diocesan contribution	82,800	-	-	82,800	80,600
Charitable giving - home missions	683	-	-	683	969
Ministry costs - visiting clergy & clergy outreach	1,367	-	-	1,367	1,032
Freelance choirs & participants	14,647	-	-	14,647	15,743
Candles, decorations & sacraments	1,014	-	-	1,014	1,203
Bibles, hymn books, prayer books, sheet music	-	901	-	901	582
Refreshments, events & hospitality	1,023	-	-	1,023	1,374
Office costs	2,436	224	-	2,660	3,349
Premises costs (<i>note 7.2</i>)	11,089	79,243	3,348	93,680	49,870
Bank charges	204	-	-	204	154
Support costs (<i>note 8</i>)	9,074	-	-	9,074	5,210
Governance costs (<i>note 9</i>)	650	-	-	650	600
Total	124,987	80,368	3,348	208,703	160,686

7.2 PREMISES COSTS

Utilities	5,949	-	-	5,949	5,048
Repair, maintenance & fire protection	2,682	79,243	-	81,925	38,780
Replacement equipment	-	-	118	118	311
Cleaning & window cleaning	2,458	-	-	2,458	2,501
Depreciation of modern equipment (<i>note 11</i>)	-	-	3,230	3,230	3,230
Total	11,089	79,243	3,348	93,680	49,870

In addition to the service costs recorded above, a further £17,310 (£14,360 in 2018) was paid to freelance singers, choirs and other participants in services organised for livery companies and others. These costs are collected on trust for these professionals and not regarded as costs or income of the church.

8 SUPPORT COSTS

	2019 GB £	2018 GB £
Accountancy fees	4,200	4,050
Administration	4,874	1,160
	<u>9,074</u>	<u>5,210</u>

EMPLOYMENT COSTS

Wages & salaries	4,314	-
Social security costs	-	-
Pension costs	-	-
Outsourced services	4,760	5,210
Total	<u>9,074</u>	<u>5,210</u>

One part-time employee was appointed part way through the year. No employee earned £60,000 or more.

9 GOVERNANCE COSTS

	2019 GB £	2018 GB £
Independent examiner's honorarium	650	600
Trustee expenses	-	-
	<u>650</u>	<u>600</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10 FIXED ASSETS	CONSECRATED & BENEFICIAL PROPERTY †	MODERN FREEHOLD PROPERTY	FURNITURE EQUIPMENT PARISH RM	FURNITURE EQUIPMENT OTHER	TOTAL
	GB £	GB £	GB £	GB £	GB £
COST					
Balance brought forward	-	323,265	11,677	728	335,670
Additions in year	-	-	-	-	-
Disposals	-	-	-	-	-
Balance carried forward	-	323,265	11,677	728	335,670
DEPRECIATION					
Balance brought forward	-	29,070	11,677	728	41,475
Charge for year	-	3,230	-	-	3,230
On disposals	-	-	-	-	-
Balance carried forward	-	32,300	11,677	728	44,705
NET BOOK VALUE					
AS AT 31 DECEMBER 2019	-	290,965	-	-	290,965
AS AT 31 DECEMBER 2018	-	294,195	-	-	294,195

† Heritage, consecrated and beneficial property of any kind is excluded from the accounts by virtue of section 10(2)(a)-(c) of the Charities Act 2011. The church of St James Garlickhythe is regarded as such. It was built by Sir Christopher Wren in 1683 at an historical cost of £5,357 after the previous church was destroyed in the Great Fire of London. Known as ‘Wren’s Lantern’, St James is of significant religious and historical importance. Similarly, no attempt has been made to value the church organ, which dates from 1718, nor various religious artefacts associated with the historic Church of St James, Garlickhythe (see policy at note 1). The £173,535 cost of the Royal Jubilee Bells were expensed within the 2012 accounts as they are also considered to be heritage, consecrated and beneficial property of the church. The Church and contents are insured for £17 million.

11 MANAGED INVESTMENT FUNDS	GENERAL FUND	ST MARY SOMERSET FUND	TOTAL FUNDS
	GB £	GB £	GB £
CBF Church of England Global Equity Income Fund Units	76,703	-	76,703
COIF Charities Ethical Fund Income Fund Units	-	33,541	33,541
Unrealised gain in the year	17,826	6,137	23,963
Value at 31st December 2019	94,529	39,678	134,207

12 DEBTORS	2019 GB £	2018 GB £
Service & other fees recoverable	5,904	7,206
Donations & grants pledged	18,090	-
Prepayments	-	-
Gift Aid reclaimable from HMRC	9,241	8,807
Accrued interest on bonds & investments	692	109
	33,927	16,122

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13 CREDITORS, amounts falling due within one year	2019	2018
	GB £	GB £
Creditors	3,609	7,628
Accruals	3,462	4,282
	<u>7,071</u>	<u>11,910</u>

14 FUNDS DESCRIPTIONS & TRANSFERS

The **New Parish Room Fund** was established by the Parochial Church Council to hold the asset of the new parish room. The room will be depreciated over the useful life of the building. Any income generated from this endowment fund will be applied to the general fund for the general use of the church. The new parish room fund arose from the old parish hall endowment fund that provided some of the finance for the project. It is regarded as a *non-permanent endowment* fund.

The **St Mary Somerset Fund** is regarded by the Parochial Church Council as a *non-permanent endowment* fund and therefore both income and capital are expendable. It is to be used for general ecclesiastical use.

The **Organ & Music Fund** is a *restricted* fund and represents money received for the restoration and on-going maintenance of the 1718 Father Smith church organ and other associated projects connected with music at St James.

The **Church Fabric Fund** is a *restricted* fund which has been established initially to fund various repairs and improvements to the exterior of the church as well as interior redecoration.

The **Royal Jubilee Bells Fund** is a *restricted* fund and represents money received and expensed by the Royal Jubilee Bellringers, which is regarded as an integral part of the charity of St James Garlickhythe. This restricted fund will be used for the ongoing, upkeep and maintenance of the Royal Jubilee Bells, the belfry, tower and any associated costs and repairs.

The **Rectory Re-decoration Fund** has been established by the PCC to be used for future redecoration and associated works at a parish rectory. An amount is transferred annually from the general fund. The Rectory Redecoration fund is a *designated* fund and, as such, is unrestricted.

The **General Fund** is an *unrestricted* fund and can be used by the Parochial Church Council for any purpose in the furtherance of the church's objectives.

A restricted fund is only shown in deficit where there the trustees have an expectation that the deficit will be cleared over the following 12 months. Otherwise, the balance is transferred to the General Fund.

TRANSFERS BETWEEN FUNDS

The transfer between funds in the current accounting period of £500 from the General Fund to the Rectory Redecoration Fund represents an annual amount transferred towards future periodic redecoration and minor works at the residence of the priest. The transfer does not show on the face of the Statement of Financial Activities as both funds are unrestricted, but can be seen at note 15 on page 19. There was a transfer of £20,508 from the General Fund to clear a deficit on the Fabric Fund following the replacement of the main boiler at the church.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15 MOVEMENT ON FUNDS IN YEAR

	Opening Balance at 1/1/19 GB £	Incoming Resources GB £	Outgoing Resources GB £	Transfers between funds † GB £	Closing Balance at 31/12/19 GB £
Endowment Funds					
New Parish Room Fund	295,440	-	(3,348)	-	292,092
St Mary Somerset Fund	33,541	1,228	6,137	-	40,906
Total Endowment Funds	328,981	1,228	2,789	-	332,998
Restricted Funds					
Organ & Music Fund	22,407	-	(1,462)	-	20,945
Church fabric fund	(3,079)	53,000	(78,389)	20,508	(7,960)
Royal Jubilee Bells Fund	12,181	2,274	(517)	-	13,938
Total Restricted Funds	31,509	55,274	(80,368)	20,508	26,923
Unrestricted Funds					
General Fund	190,026	153,717	(112,052)	(21,008)	210,683
Designated fund - Rectory Redecoration	2,075	-	-	500	2,575
Total Unrestricted Funds	192,101	153,717	(112,052)	(20,508)	213,258
Total Funds	552,591	210,219	(189,631)	-	573,179

† Note 14 provides a description of each fund and an explanation of transfers between funds.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Endowment</u>		<u>Restricted</u>	<u>Unrestricted</u>		
	New Parish Room Fund	St Mary Somerset	Fabric, Bells Organ Funds	Designated Funds	General Funds	TOTAL FUNDS
	GB £	GB £	GB £	GB £	GB £	GB £
Fixed assets	290,965	-	-	-	-	290,965
Investments	-	39,679	-	-	109,528	149,207
Bank accounts	1,127	1,228	8,627	2,575	92,594	106,151
Debtors & prepayments	-	-	19,551	-	14,376	33,927
Current liabilities	-	-	(1,255)	-	(5,816)	(7,071)
Net assets at 31st December 2019	292,092	40,907	26,923	2,575	210,682	573,179

17 TAXATION

No corporation tax was payable on the surplus or investment income in 2019 because the Parochial Church Council is regarded as a charitable organisation and is not engaged in trading activities as defined by the Income & Corporation Taxes Act 1988.

18 PAYMENTS TO TRUSTEES

No member of the PCC, who are also the trustees under the Charities Act, received any remuneration this year or the preceding year. No out-of-pocket expenses (2018 - £nil) were paid to the lay members of the PCC. The priest was reimbursed with £1,325 towards ministry costs and consumables in 2019 (2018 - £1,004).

19 POST BALANCE SHEET EVENTS – COVID-19 PANDEMIC

The trustees are monitoring the Covid-19 situation closely and will take the robust measures required to protect the church, its mission and the building during this difficult time. At the date the accounts are signed, the church has sufficient cash resources to continue in operational existence for the forthcoming 12 months, albeit at a reduced level of activity.

