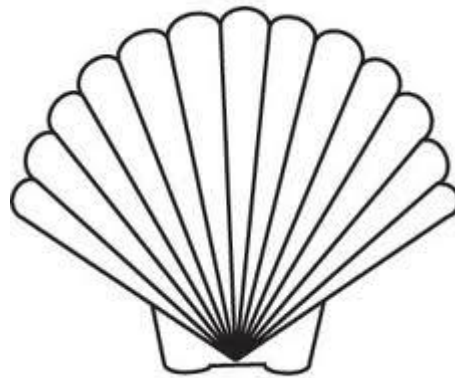


ST JAMES GARLICKHYTHE

ST JAMES GARLICKHYTHE

Registered charity number 1131198



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020

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CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

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	<p>Trustees and members of the Parochial Church Council from January 2020 to April 2021 were:</p> <p>Priest-in-charge: Father Tim Handley SSC (Chair)</p> <p>Churchwardens: Mr Paul Farmiloe (from 25 Oct 2020) Mr William Fraser OBE (Lay Vice Chair to 25 Oct 2020) Mr Philip Grant Mr Gordon Haines MBE Professor Jonathan Rawlings Miss Lynette Stone CBE</p> <p>Other members of the PCC: Ms Emma Baker (from 25 Oct 2020) Mr Francis Barber Ms Claire Carlton Mr Paul Farmiloe Ms Joanna Kidd (from 25 Oct 2020) Mr Ellis Pike (Lay Vice Chair from 25 Oct 2020) Alderman Dr Sir Andrew Parmley MusM, Hon FGS (co-opted for music)</p> <p>In attendance: Mr Malcolm Brown FCA (Finance) Ms Johanne Moss (Secretary)</p>

CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Other Church Officials

Hon. Curate:	Mr Daniel White
Vergers:	Mr Ellis Pike
Parish Administrator:	Ms Johanne Moss
Electoral Roll Officer:	Mr Paul Farmiloe (from 25 October 2020)
Finance Officer:	Mrs Elizabeth Bridges (from 1 February 2021)
Gift Aid Officer:	Position vacant
Organist & choirmaster:	Alderman Dr Sir Andrew Parmley MusM, Hon FGS
Safeguarding Officer:	Ms Joanna Kidd (from 25 October 2020)
Sidemen:	Ms Claire Carlton & Mr Philip Grant
Tower Captain:	Mr Dickon Love
Treasurer:	Mr Malcolm Brown FCA (to 29 March 2021)

Independent examiner
Mr Keith Raffan FCA
17 Short's Garden
St Giles, Covent Garden
London, WC2H 9AT

Principal bankers
Co-operative Bank PLC
1 Balloon Street
Manchester, M60 4EP

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

HSBC
60 Queen Victoria Street
London, EC4N 4TR

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 2020

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 2020.

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 2020 seven were held. 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 two 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. 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 3MI Battalion of the Intelligence Corps.
- 3) Missionary and outreach work.

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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. St James now streams all its services through Facebook and YouTube.

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.

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 weekly said Eucharist on Mondays and Wednesdays at St Michaels.

Great progress had been made prior to the pandemic to forge closer relationships with local business, charity and community groups within the local parish. We had eight self-help groups meeting in the Parish Room every week, weight-watchers and the churches were also used for rehearsals by eleven choirs. Sadly, the pandemic has put much of this activity 'on hold' but we look forward to welcoming these groups back later in 2021.

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.

In 2020, the electoral roll numbered 66 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 1,987 (2019 – 6,786; 2018 - 6,287; 2017 - 5,260) worshippers at the 52 choral services held at the church during the year and 312 said services. Coronavirus has had a significant impact on those able to join us in worship at the church, but our investment in new technology has allowed an average audience of over 80/service to watch from home. During the lockdowns when services were still possible, we have found that up to ten times the number of liverymen watched online compared to the numbers able to attend their services in person.

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. Despite the pandemic restrictions, there were 16 livery services conducted at St James and St Michael Paternoster Royal during 2020. These connections are an important aspect to St James - being seen at the heart of the community of the City of London.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Repair work was completed on the first phase of the eaves in the south east corner of the church in early December and the PCC has already approved the contractors for the second phase, which covers the other three corners. We are very grateful to several livery companies and the All Churches Trust for providing some grant funding. We are very grateful to the City Churches Grants Committee who have pledged to cover £30,000 towards the full project.

Work is also underway on the restoration of the clock and the statue of St James, which are both in a sad state of repair. We are grateful to members of the congregation and to the Worshipful Company of Clockmakers for a grant, but these fall short of the total cost.

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, the internal workings of the church clock and organ, along with fire and gas safety checks.

Pastoral care and reaching the community

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.

The coronavirus pandemic restrictions made attendance at St James very difficult for many of our regular worshippers. The PCC reacted to this by establishing a Technology Fund to buy the equipment to enable live-streaming of the services. We are very grateful to the Friends of the City Churches who provided a significant grant towards this equipment. This grant together with some donations from parishioners financed all the necessary equipment. Sunday services and Livery services are now enjoyed by many hundreds of viewers.

Missions

The PCC authorised the payment of 75% of the full cost of Common Fund for 2020 due to the pandemic and this amounted to £64,125 (2019 - £82,800). A collection of toys for disadvantaged children and online donations were 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 2020

Financial result

The PCC made an overall deficit of £36,325 in 2020 compared to a surplus of £20,588 in 2019, but given the enormous repair costs over the last two years, the PCC are satisfied with the result.

In more detail, there was a surplus of £18,178 on the General Fund relating to the normal activities of the church plus a gain on investments of £17,997, and there were outflows of funds totalling £73,021 on the restricted funds and a small inflow of £521 on the endowment funds.

A transfer of £47,571 was required from the General Fund to cover part of the deficit on the Fabric Fund. This still leaves a deficit of £34,000 on the Fabric Fund, which the PCC expect to be cleared by grant funding already pledged, including £30,000 from the City Churches Grants Committee.

The pandemic has had a significant impact on our income during 2020 and in particular projected hire fees from the use of the church premises, and from the collection of the parish rates from local businesses. The pandemic also had an impact on general running costs. Overall, the PCC had to make the difficult decision to reduce its payment to Common Fund. However, the PCC is firmly committed to restoring our contribution as soon as the pandemic allows a return to normal activities.

Our investments with CCLA and funds on deposit saw income of £4,742, a return of over 2.6% for the investments, on top of a gain in their value of £20,493. This represented a total return on investment of nearly 18.5% compared to their value at the start of the year. Sadly, the high capital gains enjoyed over the last couple of years are unusual and the church should not come to rely on them.

Looking to 2021, 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 the ongoing external repair work. However, this assumes that the pandemic will end shortly and that our regular worship on Sundays and at livery services recommence along with the return of our choirs and groups.

At 31st December 2020, the Church has total net assets of £536,854 of which £287,735 relates to the depreciated cost of the parish room and associated fittings and £1,127 restricted in cash for the Parish Room; £20,944 is restricted to the organ and music fund and £14,442 restricted to the maintenance of the Royal Jubilee Bells. The fabric fund is in deficit by £34,000.

Therefore, the church has free reserves of £246,519 (2019 - £254,164 down 3%). 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 2020.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Investment policy

The PCC decided to invest some of the church funds with CCLA investment management in 2018 and the principal reason is to maintain the capital value of part of the General Fund while providing a little income. The investments at CCLA are either in dedicated funds for the Church of England or in the CCLA's highly ethical, managed fund for charities. Both funds provide annual income returns around 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.

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 £175,000. At 31st December 2020, the free reserves covered costs for around 16.9 months (2019 – 19.5 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 Sir Andrew Parmley for developing such a rich musical tradition at St James and to Lady Parmley for the guidance she provides at the Sunday School. To Daniel White for his work as Honorary Curate; to Ellis Pike as for his duties as Verger; to Joanna Kidd, Safeguarding Officer, Professor Jonathan Rawlings, Terrier & Inventory and to Dickon Love, Tower Captain. To Nick Stockwell and Philip Grant for their help with the Fabric Committee. To Johanne Moss for acting as secretary and parish administrator. Finally, we would like to mention the churchwardens 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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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 29th March 2021 and signed on its behalf by:

Ellis Pike
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 2020, which are set out on page 10 to 19.

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.

Keith Raffan
Chartered Accountant
Keith Raffan & Co.
17 Short's Garden
St Giles, Covent Garden,
London, WC2H 9AT

Dated: 17th April 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	2020 UNRESTRICTED FUNDS GB £	2020 RESTRICTED FUNDS GB £	2020 ENDOWMENT FUNDS GB £	2020 TOTAL FUNDS GB £	2019 TOTAL FUNDS GB £
Income						
Donations and legacies	2	46,628	33,278	-	79,906	115,421
Income from charitable activities	3	381	-	-	381	970
Income from other activities	4	65,108	-	-	65,108	88,208
Income from investments	5	3,479	8	1,255	4,742	5,620
Total income		115,596	33,286	1,255	150,137	210,219
Expenditure						
Costs of raising funds						
Costs of generating activity income	6	(2,615)	-	-	(2,615)	(4,891)
Expenditure on charitable activities	7	(94,803)	(106,307)	(3,230)	(204,340)	(208,703)
Total expenditure		(97,418)	(106,307)	(3,230)	(206,955)	(213,594)
Net income/(expenditure) for the year		18,178	(73,021)	(1,975)	(56,818)	(3,375)
Gains/(Loss) on investments	11	17,997	-	2,496	20,493	23,963
Net income/(expenditure) after gains/(losses)		36,175	(73,021)	521	(36,325)	20,588
Transfers between funds	15	(47,571)	47,571	-	-	-
Net movement in funds		(11,396)	(25,450)	521	(36,325)	20,588
Reconciliation of funds:						
Total funds brought forward	16	213,258	26,923	332,998	573,179	552,591
Total funds carried forward	16	201,862	1,473	333,519	536,854	573,179

† The notes on pages 13 to 19 form an integral part of these accounts

STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2020

		2020	2019
		GB £	GB £
Cash flows from operating activities:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		(36,325)	20,588
Add: Depreciation		3,230	3,230
Deduct: interest and dividend income		(4,742)	(5,620)
Deduct (gain)/ add loss on revaluation of investments		(20,493)	(23,963)
(Increase)/ decrease in debtors		15,753	(17,805)
(Decrease)/ increase in creditors		21,627	(4,839)
(Decrease)/ increase in provisions		52,500	-
Cash used in operating activities	A	<u>31,550</u>	<u>(28,409)</u>
Cash flows from investing activities			
Income from interest and dividends		4,742	5,620
(Additions) to investment assets		-	-
Disposal of investment assets		-	-
Cash provided by/ (used in) investing activities	B	<u>4,742</u>	<u>5,620</u>
Cash flows from financing activities	C	<u>-</u>	<u>-</u>
(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)		36,292	(22,789)
Total cash & cash equivalents brought forward		<u>106,151</u>	<u>128,940</u>
Total cash & cash equivalents carried forward †		<u>142,443</u>	<u>106,151</u>

† See balance sheet, page 12

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020 (BALANCE SHEET)

	NOTES	31 December 2020		31 December 2019	
		GB £	GB £	GB £	GB £
FIXED ASSETS					
TANGIBLE ASSETS	10		287,735		290,965
INVESTMENT ASSETS					
Managed Investment Funds	11	154,700		134,207	
London Missional Housing Bond		15,000		15,000	
Total Investment Assets			169,700		149,207
Total Fixed Assets			457,435		440,172
CURRENT ASSETS					
Debtors	12	18,174		33,927	
Cash at bank & on deposit		142,443		106,151	
Total Current Assets			160,617		140,078
CREDITORS, amounts falling due within one year	13	(28,698)		(7,071)	
NET CURRENT ASSETS			131,919		133,007
PROVISIONS FOR LIABILITIES	14		(52,500)		-
TOTAL NET ASSETS			<u>536,854</u>		<u>573,179</u>
CHURCH FUNDS:					
Endowment Funds					
New Parish Room Fund	15 & 16	288,862		292,092	
St Mary Somerset Fund	15 & 16	44,657		40,906	
			333,519		332,998
Restricted Funds					
Organ & Music Fund	15 & 16	20,944		20,945	
Church Fabric Fund	15 & 16	(34,000)		(7,960)	
Technology Fund	15 & 16	87		-	
Royal Jubilee Bells Fund	15 & 16	14,442		13,938	
			1,473		26,923
Unrestricted funds					
General Fund	15 & 16	198,787		210,683	
Rectory Redecoration - designated fund	15 & 16	3,075		2,575	
			201,862		213,258
TOTAL CHURCH FUNDS			<u>536,854</u>		<u>573,179</u>

The accounts were approved by the Parochial Church Council on 29th March 2021 and signed on its behalf by:

Ellis Pike (Trustee)

Father Tim Handley (Trustee)

✠ The notes on pages 13 to 19 form an integral part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 and of the results for the year ended on that date. 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 15 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 2020

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 2020

INCOME	Unrestricted	Restricted	Endowment	Total 2020	Total 2019
	GB £	GB £	GB £	GB £	GB £
2 DONATIONS AND LEGACIES					
Tax efficient regular giving (net donations)	6,612	-	-	6,612	5,382
Other donations, including Charities Aid Fund	3,335	9,799	-	13,134	9,465
Collections at services	11,662	-	-	11,662	26,791
Livery grants & donations	16,508	7,500	-	24,008	32,445
City Churches' Grants Committee	-	-	-	-	12,600
Friends of City Churches	-	3,500	-	3,500	-
All Churches Trust	-	5,000	-	5,000	-
Trust for London	1,117	-	-	1,117	1,117
City Burial Ground Fund	2,750	-	-	2,750	2,750
Dept for Digital, Culture, Media & Sport (LPOW)	-	5,897	-	5,897	13,550
Income Tax recoverable on gift aided donations	4,644	1,582	-	6,226	11,321
Total	46,628	33,278	-	79,906	115,421
3 INCOME FROM CHARITABLE ACTIVITIES					
Parochial fees & service fees recoverable	381	-	-	381	970
4 INCOME FROM OTHER ACTIVITIES					
Telecoms mast fees	36,070	-	-	36,070	33,622
Hire of churches and meeting rooms	15,234	-	-	15,234	32,130
Celebrations & sales of goods	77	-	-	77	944
Voluntary parish rate	13,727	-	-	13,727	21,512
Insurance claim	-	-	-	-	-
Total	65,108	-	-	65,108	88,208
5 INCOME FROM INVESTMENTS					
Bank deposit interest	132	8	-	140	1,079
Bond interest	300	-	-	300	300
Dividends from investments	3,047	-	1,255	4,302	4,241
Total	3,479	8	1,255	4,742	5,620
6 COST OF GENERATING ACTIVITY INCOME					
Fundraising costs incl. hire agents & marketing	635	-	-	635	2,484
Telecoms consultancy	1,980	-	-	1,980	1,440
Celebratory events & goods for sale	-	-	-	-	967
Total	2,615	-	-	2,615	4,891

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2020 GB £	Total 2019 GB £
7.1 EXPENDITURE ON CHARITABLE ACTIVITIES					
Diocesan contribution	64,125	-	-	64,125	82,800
Charitable giving - home missions	-	-	-	-	683
Ministry costs - visiting clergy & clergy outreach	523	-	-	523	1,367
Freelance choirs & participants	5,577	2,000	-	7,577	14,647
Candles, decorations & sacraments	432	-	-	432	1,014
Bibles, hymn books, prayer books, sheet music	-	1,122	-	1,122	901
Refreshments, events & hospitality	334	-	-	334	1,023
Office costs	2,921	873	-	3,794	2,660
Premises costs (<i>note 7.2</i>)	8,280	102,312	3,230	113,822	93,680
Bank charges	33	-	-	33	204
Support costs (<i>note 8</i>)	11,478	-	-	11,478	9,074
Governance costs (<i>note 9</i>)	1,100	-	-	1,100	650
Total	94,803	106,307	3,230	204,340	208,703
7.2 PREMISES COSTS					
Utilities	4,468	-	-	4,468	5,949
Repair, maintenance & fire protection	1,381	102,312	-	103,693	81,925
Replacement equipment	-	-	-	-	118
Cleaning & window cleaning	2,431	-	-	2,431	2,458
Depreciation of modern equipment (<i>note 11</i>)	-	-	3,230	3,230	3,230
Total	8,280	102,312	3,230	113,822	93,680

In addition to the service costs recorded above, a further £10,889 (£17,310 in 2019) 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

	2020 GB £	2019 GB £
Accountancy fees	2,850	4,200
Administration	8,628	4,874
	11,478	9,074

EMPLOYMENT COSTS

Wages & salaries	8,628	4,314
Social security costs	-	-
Pension costs	-	-
Outsourced services	2,850	4,760
Total	11,478	9,074

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

9 GOVERNANCE COSTS

	2020 GB £	2019 GB £
Independent examiner's honorarium	1,000	650
Under-accrual of honorarium from 2019	100	-
Trustee expenses	-	-
	1,100	650

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10 FIXED ASSETS	CONSECRATED & BENEFICIAL PROPERTY †	MODERN FREEHOLD PROPERTY	FURNITURE EQUIPMENT PARISH RM	FURNITURE EQUIPMENT OTHER	TOTAL
COST	GB £	GB £	GB £	GB £	GB £
Balance brought forward	-	323,265	11,677	728	335,670
Additions/disposals in year	-	-	-	-	-
Balance carried forward	-	323,265	11,677	728	335,670
DEPRECIATION					
Balance brought forward	-	32,300	11,677	728	44,705
Charge for year	-	3,230	-	-	3,230
Balance carried forward	-	35,530	11,677	728	47,935
NET BOOK VALUE					
AS AT 31 DECEMBER 2020	-	287,735	-	-	287,735
AS AT 31 DECEMBER 2019	-	290,965	-	-	290,965

† 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 2020	TOTAL FUNDS 2019
	GB £	GB £	GB £	GB £
CBF Church of England Global Equity Income Fund	94,529	-	94,529	76,703
COIF Charities Ethical Fund Income Fund	-	39,678	39,678	33,541
Unrealised gain in the year	17,997	2,496	20,493	23,963
Value at 31st December 2020	112,526	42,174	154,700	134,207

12 DEBTORS	2020	2019
	GB £	GB £
Service & other fees recoverable	8,078	5,904
Donations & grants pledged	5,237	18,090
Other debtors & prepayments	167	-
Gift Aid reclaimable from HMRC	4,608	9,241
Accrued interest on bonds & investments	84	692
	18,174	33,927

13 CREDITORS, amounts falling due within one year	2020	2019
	GB £	GB £
Creditors	1,119	3,609
Deferred income	521	-
Other creditors & accruals	27,058	3,462
	28,698	7,071

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14 PROVISIONS FOR LIABILITIES

	2020	2019
	GB £	GB £
Provision for contracted work on phase two of eaves	52,500	-
	<u>52,500</u>	<u>-</u>

15 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 **Technology Fund** is a *restricted* fund which has been established to fund items of information technology and communications for the church as well as funds for website development, software and other social media.

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 16 on page 19. There was a transfer of £47,571 from the General Fund to clear a deficit on the Fabric Fund which should cover the shortfall on the entirety of the eaves project.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16 MOVEMENT ON FUNDS IN YEAR

	Opening Balance at 1/1/20 GB £	Incoming Resources GB £	Outgoing Resources incl gains GB £	Gain/ (loss) on investments GB £	Transfers between funds † GB £	Closing Balance at 31/12/20 GB £
Endowment Funds						
New Parish Room Fund	292,092	-	(3,230)	-	-	288,862
St Mary Somerset Fund	40,906	1,255	-	2,496	-	44,657
Total Endowment Funds	332,998	1,255	(3,230)	2,496	-	333,519
Restricted Funds						
Organ & Music Fund	20,945	3,500	(3,501)	-	-	20,944
Church Fabric fund	(7,960)	20,648	(94,259)	-	47,571	(34,000)
Technology Fund	-	8,519	(8,432)	-	-	87
Royal Jubilee Bells Fund	13,938	619	(115)	-	-	14,442
Total Restricted Funds	26,923	33,286	(106,307)	-	47,571	1,473
Unrestricted Funds						
General Fund	210,683	115,596	(97,418)	17,997	(48,071)	198,787
Rectory Redecoration designated	2,575	-	-	-	500	3,075
Total Unrestricted Funds	213,258	115,596	(97,418)	17,997	(47,571)	201,862
Total Funds	573,179	150,137	(206,955)	20,493	-	536,854

† Note 15 provides a description of each fund and an explanation of transfers between funds.

17 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	287,735	-	-	-	-	287,735
Investments	-	42,174	-	-	127,526	169,700
Bank accounts	1,127	2,483	71,472	3,075	64,286	142,443
Debtors & prepayments	-	-	6,819	-	11,355	18,174
Current liabilities	-	-	(24,318)	-	(4,380)	(28,698)
Provisions	-	-	(52,500)	-	-	(52,500)
Net assets at 31st December 2020	288,862	44,657	1,473	3,075	198,787	536,854

18 TAXATION

No corporation tax was payable on the surplus or investment income in 2020 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.

19 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 (2019 - £nil) were paid to the lay members of the PCC. The priest was reimbursed with £523 towards ministry costs and consumables in 2020 (2019 - £1,325).

