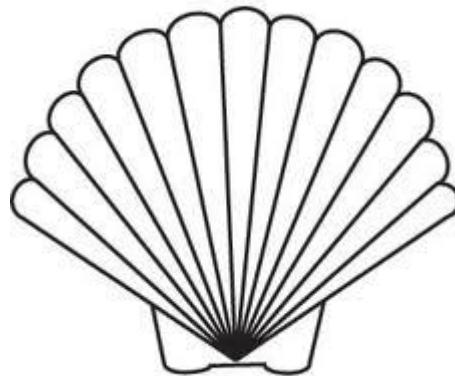


ST JAMES GARLICKHYTHE

## ST JAMES GARLICKHYTHE

Registered charity number 1131198



REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021



REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2021

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## CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 to April 2022 were:  The Rector: Revd Timothy Handley SSC (Chair)  Churchwardens: Mr Paul Farmiloe Mr Philip Grant Mr Gordon Haines (Honorary Churchwarden) Professor Jonathan Rawlings Miss Lynette Stone CBE  Other members of the PCC: Mrs Emma McWilliams Mr Francis Barber Ms Joanna Kidd Mr Ellis Pike (Lay Vice Chair) Ms Suzy Webb (Deanery Synod representative)  In attendance: Ms Johanne Moss (Secretary) Alderman Dr Sir Andrew Parmley MusM, Hon FGS (co-opted for music)

## CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

## Other Church Officials

Hon. Curate:	Mr Daniel White
Vergers:	Mr Ellis Pike
Parish Administrator:	Ms Johanne Moss
Electoral Roll Officer:	Mr Paul Farmiloe
Finance Officer:	Mrs Elizabeth Bridges (from 1 February 2021)
Gift Aid Officer:	Mr Philip Grant
Director of Music:	Alderman Dr Sir Andrew Parmley MusM, Hon FGS
Safeguarding Officer:	Ms Joanna Kidd
Tower Captain:	Mr Dickon Love
Treasurer:	Vacant

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 2021

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 2021.

The Accounts have been prepared in accordance with the accounting policies set out in note 1 to the Accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### ***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 2021 six 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 Rector, 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 of, 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 2021

### *Worship and prayer*

The Eucharist is celebrated at St James on Tuesdays, Wednesdays, and Thursdays each week at 12.15pm and at St Michael Paternoster Royal on Mondays at 12.15, providing a quiet, intimate and reflective environment for prayer, whilst our Sunday Sung Eucharist continues to provide the opportunity to worship using the Church of England's traditional liturgy. St James now streams all its services through Facebook, Twitter, and YouTube.

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

St James Garlickhythe PCC currently has 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 at St Michaels.

Covid restrictions and the resulting reduction of workers in the City has had an impact on the activity at St James. Pre-Covid we hosted six self- help groups – this has now reduced to two. However, our choir activity continues to go from strength to strength and four choirs now call the parish home.

St James is well known for its musical traditions, under the splendid stewardship of our Director of Music, 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 2021, the electoral roll numbered 64 but this disguises the many hundreds attending the church at other services and watching online. 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. Through 2021 and various Covid restrictions, St James remained open for worship and also continued to live stream all services – allowing us to reach a wider audience, including audiences overseas.

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. 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. We are delighted that our relationship with the Corps continues to deepen and we thank Lester Hillman for his commitment to this. In May 2021 we held a very special service to commemorate the 80th anniversary of the sinking of H.M.S Hood. The service was attended by senior Naval officers and representatives of the H.M.S. Hood Association.

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021***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 on the roof eaves has now been completed. 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 funded us with £30,000 towards the full project.

Work on the restoration of the clock has also been completed, and we will begin soon on a replacement for the statue of St James. 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.

Preparatory work has now begun on a major programme of works involving rewiring and relighting of the nave and sanctuary; redecorating; redeveloping the narthex and churchyard. This is a long-term project, and the PCC will be consulting widely in the process.

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 – however the live streaming allows them to still be part of our worship. Prayers are said on Sunday for those who are ill or in distress and we have a Chantry list which remembers the departed. Every morning a prayer mail is sent to our mailing list – which includes people from across the globe.

*Missions*

The PCC authorised the payment of 100% of the full cost of Common Fund for 2021 amounted to £85,200 (2020 - £64,125).

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

*Financial result*

The PCC made an overall surplus of £58,639 in 2021 compared to a deficit of £36,325 in 2020, and 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 £23,504 on the General Fund relating to the normal activities of the church plus a gain on investments of £18,210, and there were inflows of funds totalling £13,189 on the restricted funds and an inflow of £3,736 on the endowment funds.

A transfer of £10,091 was required from the General Fund to cover part of the deficit on the Fabric Fund (£9,998) and £93 on the Technology Fund. This still leaves a deficit of £10,000 on the Fabric Fund.

The pandemic has had a significant impact on our income during 2020 and 2021; in particular, projected hire fees from the use of the church premises, and income from the collection of the parish rates from local businesses, but 2021 saw a significant improvement. The pandemic also had an impact on general running costs. The PCC had to make the difficult decision at the beginning of the year to continue with the 25% reduction in its payment to Common Fund, but were able to pay the remaining 25% in January 2022, which is included in these accounts.

Our investments with CCLA and funds on deposit saw income of £5,033, a return of over 3.2% for the investments, on top of a gain in their value of £23,889. This represented a total return on investment of nearly 15.4% 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 2022, 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 major repair work. However, this assumes that the pandemic will not affect much of our everyday lives and that our regular worship on Sundays and at livery services along with our choirs and groups are active.

At 31st December 2021, the Church has total net assets of £595,493 of which £284,505 relates to the depreciated cost of the parish room and associated fittings and £1,127 restricted in cash for the Parish Room; £20,165 is restricted to the organ and music fund and £14,588 restricted to the maintenance of the Royal Jubilee Bells. The fabric fund is in deficit by £10,000.

Therefore, the church has free reserves of £275,108 (2020 - £212,519), up 29%. The free reserves include the St Mary Somerset endowment fund, as this is effectively unrestricted and include the amounts set aside for future costs associated with rectory redecoration and technology.

The PCC noted the result for the year and is satisfied with the level of reserves held at 31st December 2021.



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## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

### *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 31<sup>st</sup> December 2021, the free reserves covered costs for around 18 months (2020 – 14 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.

As restrictions are eased, 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. To Daniel White for his work as Honorary Curate; to Ellis Pike as for his duties as Verger and live streaming operator; to Joanna Kidd, Safeguarding Officer, Professor Jonathan Rawlings, Terrier & Inventory and to Dickon Love, Tower Captain. To Nick Stockwell for his help with the Fabric Committee. To Johanne Moss for acting as secretary and parish administrator, and in particular her work in bringing in significant additional income through letting rooms both at St James and at St Michael Paternoster Royal. Finally, we would like to thank 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.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

*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](http://www.stjamesgarlickhythe.org) for further details of our mission, worship and pastoral care.

***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;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 2008.

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 28<sup>th</sup> March 2022 and signed on its behalf by:

Ellis Pike  
Lay Chair & Trustee

Revd Tim Handley  
Rector, 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 to the Charity Trustees on my examination of the accounts of the Parochial Church Council of St James Garlickhythe with St Michael Queenhithe and Holy Trinity-the-Less (“the PCC”) for the year ended 31 December 2021, which are set out on pages 10 to 19.

This report is made to the Charity Trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity’s Trustees as a body for my work or for this report.

**Responsibilities and basis of report**

As the Charity Trustees of the PCC, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (“the Act”).

I report in respect of my examination of the PCC’s accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent Examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the PCC as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Account and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report 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: 15 April 2022

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 UNRESTRICTED FUNDS GB £	2021 RESTRICTED FUNDS GB £	2021 ENDOWMENT FUNDS GB £	2021 TOTAL FUNDS GB £	2020 TOTAL FUNDS GB £
<b>Income</b>						
Donations and legacies	2	63,375	50,923	-	114,298	79,906
Income from charitable activities	3	969	-	-	969	381
Income from other activities	4	89,140	-	-	89,140	65,108
Income from investments	5	3,745	1	1,287	5,033	4,742
<b>Total income</b>		157,229	50,924	1,287	209,440	150,137
<b>Expenditure</b>						
Costs of raising funds						
Costs of generating activity income	6	(1,320)	-	-	(1,320)	(2,615)
Expenditure on charitable activities	7	(132,405)	(37,735)	(3,230)	(173,370)	(204,340)
<b>Total expenditure</b>		(133,725)	(37,735)	(3,230)	(174,690)	(206,955)
<b>Net income/(expenditure) for the year</b>		23,504	13,189	(1,943)	34,750	(56,818)
<b>Gains/(Loss) on investments</b>	11	18,210	-	5,679	23,889	20,493
Net income/(expenditure) after gains/(losses)		41,714	13,189	3,736	58,639	(36,325)
Transfers between funds	15	(10,091)	10,091	-	-	-
<b>Net movement in funds</b>		31,623	23,280	3,736	58,639	(36,325)
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>	16	201,862	1,473	333,519	536,854	552,591
<b>Total funds carried forward</b>	16	233,485	24,753	337,255	595,493	516,266

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

## STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2021

		<b>2021</b>	<b>2020</b>
		<b>GB £</b>	<b>GB £</b>
<b>Cash flows from operating activities:</b>			
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>			
<b>Net movement in funds</b>		58,639	(36,325)
Add: Depreciation		3,230	3,230
Deduct: interest and dividend income		(5,033)	(4,742)
Deduct (gain)/ add loss on revaluation of investments		(23,889)	(20,493)
(Increase)/ decrease in debtors		(7,733)	15,753
(Decrease)/ increase in creditors		9,698	21,627
(Decrease)/ increase in provisions		(42,500)	52,500
<b>Cash used in operating activities</b>	A	<u>(7,588)</u>	<u>31,550</u>
<b>Cash flows from investing activities</b>			
Income from interest and dividends		5,033	4,742
(Additions) to investment assets		-	-
Disposal of investment assets		-	-
<b>Cash provided by/ (used in) investing activities</b>	B	<u>5,033</u>	<u>4,742</u>
<b>Cash flows from financing activities</b>	C	<u>-</u>	<u>-</u>
<b>(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)</b>			
		(2,555)	36,292
<b>Total cash &amp; cash equivalents brought forward</b>		<u>142,443</u>	<u>106,151</u>
<b>Total cash &amp; cash equivalents carried forward †</b>		<u>139,888</u>	<u>142,443</u>

† See balance sheet, page 12

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021 (BALANCE SHEET)

	NOTES	31 December 2021		31 December 2020	
		GB £	GB £	GB £	GB £
<b>FIXED ASSETS</b>					
<b>TANGIBLE ASSETS</b>	10		284,505		287,735
<b>INVESTMENT ASSETS</b>					
Managed Investment Funds	11	178,589		154,700	
London Missional Housing Bond		15,000		15,000	
Total Investment Assets			193,589		169,700
<b>Total Fixed Assets</b>			478,094		457,435
<b>CURRENT ASSETS</b>					
Debtors	12	25,907		18,174	
Cash at bank & on deposit		139,888		142,443	
<b>Total Current Assets</b>			165,795		160,617
<b>CREDITORS, amounts falling due within one year</b>	13	(38,396)		(28,698)	
<b>NET CURRENT ASSETS</b>			127,399		131,919
<b>PROVISIONS FOR LIABILITIES</b>	14		(10,000)		(52,500)
<b>TOTAL NET ASSETS</b>			<u>595,493</u>		<u>536,854</u>
<b>CHURCH FUNDS:</b>					
<b>Endowment Funds</b>					
New Parish Room Fund	15 & 16	285,632		288,862	
St Mary Somerset Fund	15 & 16	51,623		44,657	
			337,255		333,519
<b>Restricted Funds</b>					
Organ & Music Fund	15 & 16	20,165		20,944	
Church Fabric Fund	15 & 16	(10,000)		(34,000)	
Technology Fund	15 & 16	-		87	
Royal Jubilee Bells Fund	15 & 16	14,588		14,442	
			24,753		1,473
<b>Unrestricted funds</b>					
General Fund	15 & 16	219,910		198,787	
Rectory Redecoration Designated Fund	15 & 16	3,575		3,075	
Technology Designated Fund	15 & 16	10,000		-	
			233,485		201,862
<b>TOTAL CHURCH FUNDS</b>			<u>595,493</u>		<u>536,854</u>

The accounts were approved by the Parochial Church Council on 28<sup>th</sup> March 2022 and signed on its behalf by:

Ellis Pike (Trustee)

Revd 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 2021

**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 2021 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 2021 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 2021

**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 2021

<b>INCOME</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>
<b>2 DONATIONS AND LEGACIES</b>					
Tax efficient regular giving (net donations)	8,361	-	-	8,361	6,612
Other donations, including Charities Aid Fund	3,795	4,872	-	8,667	13,134
Collections at services	14,801	-	-	14,801	11,662
Livery grants & donations	24,043	4,000	-	28,043	24,008
City Churches' Grants Committee	-	30,000	-	30,000	-
Friends of City Churches	-	-	-	-	3,500
All Churches Trust	-	-	-	-	5,000
Trust for London	1,117	-	-	1,117	1,117
City Burial Ground Fund	2,500	-	-	2,500	2,750
Dept for Digital, Culture, Media & Sport (LPOW)		10,875	-	10,875	5,897
Income Tax recoverable on gift aided donations	8,758	1,176	-	9,934	6,226
<b>Total</b>	<b>63,375</b>	<b>50,923</b>	<b>-</b>	<b>114,298</b>	<b>79,906</b>
<b>3 INCOME FROM CHARITABLE ACTIVITIES</b>					
Parochial fees & service fees recoverable	969	-	-	969	381
<b>4 INCOME FROM OTHER ACTIVITIES</b>					
Telecoms mast fees	37,570	-	-	37,570	36,070
Hire of churches and meeting rooms	31,558	-	-	31,558	15,234
Celebrations & sales of goods	653	-	-	653	77
Voluntary parish rate	19,359	-	-	19,359	13,727
Insurance claim	-	-	-	-	-
<b>Total</b>	<b>89,140</b>	<b>-</b>	<b>-</b>	<b>89,140</b>	<b>65,108</b>
<b>5 INCOME FROM INVESTMENTS</b>					
Bank deposit interest	317	1	-	318	140
Bond interest	300	-	-	300	300
Dividends from investments	3,128	-	1,287	4,415	4,302
<b>Total</b>	<b>3,745</b>	<b>1</b>	<b>1,287</b>	<b>5,033</b>	<b>4,742</b>
<b>6 COST OF GENERATING ACTIVITY INCOME</b>					
Fundraising costs incl. hire agents & marketing	1,320	-	-	1,320	635
Telecoms consultancy	-	-	-	-	1,980
Celebratory events & goods for sale	-	-	-	-	-
<b>Total</b>	<b>1,320</b>	<b>-</b>	<b>-</b>	<b>1,320</b>	<b>2,615</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
<b>7.1 EXPENDITURE ON CHARITABLE ACTIVITIES</b>					
Diocesan contribution	85,200	-	-	85,200	64,125
Charitable giving - home missions	185	-	-	185	-
Ministry costs - visiting clergy & clergy outreach	479	-	-	479	523
Freelance choirs & participants	6,852	5,625	-	12,477	7,577
Candles, decorations & sacraments	1,604	-	-	1,604	432
Bibles, hymn books, prayer books, sheet music	-	560	-	560	1,122
Refreshments, events & hospitality	1,379	-	-	1,379	334
Office costs	2,756	238	-	2,994	3,794
Premises costs ( <i>note 7.2</i> )	16,661	31,312	3,230	51,203	113,822
Bank charges	44	-	-	44	33
Support costs ( <i>note 8</i> )	16,045	-	-	16,045	11,478
Governance costs ( <i>note 9</i> )	1,200	-	-	1,200	1,100
<b>Total</b>	<b>132,405</b>	<b>37,735</b>	<b>3,230</b>	<b>173,370</b>	<b>204,340</b>
<b>7.2 PREMISES COSTS</b>					
Utilities	7,046	-	-	7,046	4,468
Repair, maintenance & fire protection	6,836	31,312	-	38,148	103,693
Other Expenses (Garden Bulbs)	154	-	-	154	-
Cleaning & window cleaning	2,625	-	-	2,625	2,431
Depreciation of modern freehold ( <i>note 10</i> )	-	-	3,230	3,230	3,230
<b>Total</b>	<b>16,661</b>	<b>31,312</b>	<b>3,230</b>	<b>51,203</b>	<b>113,822</b>

In addition to the service costs recorded above, a further £16,946 (£10,889 in 2020) 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.

<b>8 SUPPORT COSTS</b>	<b>2021 GB £</b>	<b>2020 GB £</b>
Accountancy fees	5,967	2,850
Administration	10,078	8,628
	<b>16,045</b>	<b>11,478</b>
<b>EMPLOYMENT COSTS</b>		
Wages & salaries	15,557	8,628
Social security costs	-	-
Pension costs	187	-
Outsourced services	301	2,850
<b>Total</b>	<b>16,045</b>	<b>11,478</b>

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

<b>9 GOVERNANCE COSTS</b>	<b>2021 GB £</b>	<b>2020 GB £</b>
Independent examiner's honorarium	1,200	1,000
Under-accrual of honorarium from 2019	-	100
Trustee expenses	-	-
	<b>1,200</b>	<b>1,100</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

<b>10 FIXED ASSETS</b>	<b>CONSECRATED &amp; BENEFICIAL PROPERTY †</b>	<b>MODERN FREEHOLD PROPERTY</b>	<b>FURNITURE EQUIPMENT PARISH RM</b>	<b>FURNITURE EQUIPMENT OTHER</b>	<b>TOTAL</b>
<b>COST</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>
Balance brought forward	-	323,265	11,677	728	335,670
Additions/disposals in year	-	-	-	-	-
Balance carried forward	-	323,265	11,677	728	335,670
<b>DEPRECIATION</b>					
Balance brought forward	-	35,530	11,677	728	47,935
Charge for year	-	3,230	-	-	3,230
Balance carried forward	-	38,760	11,677	728	51,165
<b>NET BOOK VALUE</b>					
AS AT 31 DECEMBER 2021	-	284,505	-	-	284,505
AS AT 31 DECEMBER 2020	-	287,735	-	-	287,735

† 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.

<b>11 MANAGED INVESTMENT FUNDS</b>	<b>GENERAL FUND</b>	<b>ST MARY SOMERSET FUND</b>	<b>TOTAL FUNDS 2021</b>	<b>TOTAL FUNDS 2020</b>
	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>
CBF Church of England Global Equity Income Fund	112,526	-	112,526	94,529
COIF Charities Ethical Fund Income Fund	-	42,174	42,174	39,678
Unrealised gain in the year	18,210	5,679	23,889	20,493
Value at 31st December 2020	130,736	47,853	178,589	154,700

<b>12 DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>GB £</b>	<b>GB £</b>
Service & other fees recoverable	5,800	8,078
Donations & grants pledged	10,837	5,237
Other debtors & prepayments	-	167
Gift Aid reclaimable from HMRC	9,186	4,608
Accrued interest on bonds & investments	84	84
	25,907	18,174

<b>13 CREDITORS, amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>GB £</b>	<b>GB £</b>
Creditors	3,414	1,119
Deferred income	520	521
Other creditors & accruals	34,462	27,058
	38,396	28,698

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**14 PROVISIONS FOR LIABILITIES**

	<b>2021</b>	<b>2020</b>
	<b>GB £</b>	<b>GB £</b>
Provision for contracted work on phase two of eaves project	-	52,500
Provision for contracted work on St James statue repair	10,000	-
	<u>10,000</u>	<u>52,500</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** was a *restricted* fund which has been established with grants and donations to fund items of information technology and communications for the church as well as funds for website development, software and other social media. The fund closed during 2021, but the PCC is *designating* some funds generally to telecoms, media and technology.

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 £9,998 from the General Fund to clear a deficit on the Fabric Fund which should cover the shortfall on the entirety of the eaves project. There was also another transfer of £10,000 from the General Fund to the Technology Designated Fund for 2022 telecoms consultancy.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**16 MOVEMENT ON FUNDS IN YEAR**

	Opening Balance at 1/1/21 GB £	Incoming Resources GB £	Outgoing Resources incl gains GB £	Gain/ (loss) on investments GB £	Transfers between funds † GB £	Closing Balance at 31/12/21 GB £
<b>Endowment Funds</b>						
New Parish Room Fund	288,862	-	(3,230)	-	-	285,632
St Mary Somerset Fund	44,657	1,287	-	5,679	-	51,623
<b>Total Endowment Funds</b>	<b>333,519</b>	<b>1,287</b>	<b>(3,230)</b>	<b>5,679</b>	<b>-</b>	<b>337,255</b>
<b>Restricted Funds</b>						
Organ & Music Fund	20,944	5,625	(6,404)	-	-	20,165
Church Fabric Fund	(34,000)	45,025	(31,023)	-	9,998	(10,000)
Technology Fund	87	-	(180)	-	93	-
Royal Jubilee Bells Fund	14,442	274	(128)	-	-	14,588
<b>Total Restricted Funds</b>	<b>1,473</b>	<b>50,924</b>	<b>(37,735)</b>	<b>-</b>	<b>10,091</b>	<b>24,753</b>
<b>Unrestricted Funds</b>						
General Fund	198,787	157,229	(133,725)	18,210	(20,591)	219,910
Rectory Redecoration Designated	3,075	-	-	-	500	3,575
Technology Designated Fund	-	-	-	-	10,000	10,000
<b>Total Unrestricted Funds</b>	<b>201,862</b>	<b>157,229</b>	<b>(133,725)</b>	<b>18,210</b>	<b>(10,091)</b>	<b>233,485</b>
<b>Total Funds</b>	<b>536,854</b>	<b>209,440</b>	<b>(174,690)</b>	<b>23,889</b>	<b>-</b>	<b>595,493</b>

† 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	284,505	-	-	-	-	284,505
Investments	-	47,853	-	-	145,736	193,589
Bank accounts	1,127	3,770	27,826	13,575	93,590	139,888
Debtors & prepayments	-	-	12,051	-	13,856	25,907
Current liabilities	-	-	(5,124)	-	(33,272)	(38,396)
Provisions	-	-	(10,000)	-	-	(10,000)
Net assets at 31 DECEMBER 2021	<b>285,632</b>	<b>51,623</b>	<b>24,753</b>	<b>13,575</b>	<b>219,910</b>	<b>595,493</b>

**18 TAXATION**

No corporation tax was payable on the surplus or investment income in 2021 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 (2020 - £nil) were paid to the lay members of the PCC. The priest was reimbursed with £556 towards ministry costs and consumables in 2021 (2020 - £523).

