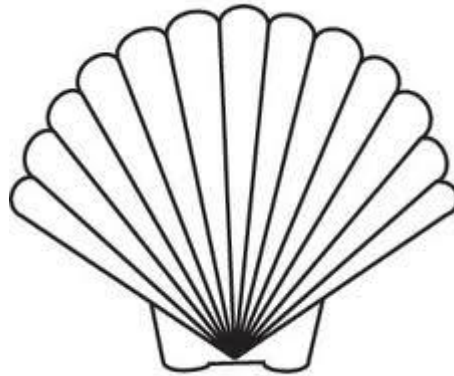


ST JAMES GARLICKHYTHE

ST JAMES GARLICKHYTHE

Registered charity number 1131198



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022

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CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

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 April 2022 to April 2023 were: The Rector: Revd Timothy Handley SSC (Chair) Churchwardens: Mr Paul Farmiloe Mr Philip Grant Professor Jonathan Rawlings Other members of the PCC: Miss Lynette Stone CBE (Deputy Churchwarden) Mrs Emma McWilliams Mr Francis Barber Dr Joanna Kidd (Deputy Churchwarden) Mr Nick Stockwell Mr Gordon Haines (Deputy Churchwarden) 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 2022

Other Church Officials

Hon. Curate:	Mr Daniel White (Final Service Nov 2022)
Verger:	Mr Ellis Pike
Parish Administrator:	Ms Johanne Moss
Electoral Roll Officer:	Mr Paul Farmiloe
Finance Officer:	Mrs Elizabeth Bridges
Gift Aid Officer:	Mr Philip Grant
Director of Music:	Alderman Dr Sir Andrew Parmley MusM, Hon FGS
Safeguarding Officer:	Dr Joanna Kidd
Fabric Officer	Mr Philip Grant
Terrier Officer	Professor Jonathan Rawlings
Tower Captain:	Mr Dickon Love
Treasurer:	Vacant

Independent examiner
Mr Keith Raffan FCA
Raffan and Golding
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 2022

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 2022.

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.

Five full meetings of the PCC were held in 2022. 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 meeting was held.

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 2022

Worship and prayer

The Eucharist is celebrated at St James on Mondays, Tuesdays, Wednesdays, and Thursdays each week at 12.15pm, 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.

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 2022, the electoral roll numbered 63 but this disguises the many more 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.

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Work on a replacement statue of St James for the top of the restored clock is underway with a faculty granted and the statue in work. We are most grateful for a generous donation to pay for this. We are continuing to plan for our major programme of works – with the shorter-term focus on updating the back offices making them suitable for letting to City clients – allowing us to maintain income when we lose the use of St Michael Paternoster Royal.

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 2022 amounting to £85,200 (2021 - £85,200).

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Financial result

The PCC made an overall surplus of £35,924 in 2022 compared to a surplus of £58,639 in 2021. The PCC are satisfied with the result.

In more detail, before transfers, there was a surplus of £31,019 on the General Fund relating to the normal activities of the church despite a loss on investments of £18,347. There were inflows of funds totalling £12,774 on the restricted funds and an outflow of £7,869 on the endowment funds due to a loss on investments.

A transfer of £30,500 was required from the General Fund to initially fund St James Big Project with £20,000 along with the annual £10,000 to the Technology Fund and £500 for Rectory redecoration.

In 2022, the income from hire fees and parish rates picked up dramatically. There were significant number of enquiries on the hire of both churches and function rooms. As for parish rates, the PCC managed to collect the most this year compared to previous years since the exercise was initiated by John Hitch. The general running costs remain high due to increased cost of living. The PCC continued to make the 25% reduction in its monthly payment to Common Fund but once it could be seen that income was returning to pre-pandemic levels it paid the remaining 25%, so achieving full Common Fund payments for the year.

Our investments with CCLA saw income of £4,473, a return of over 2.5% for the investments, however there was loss in their value of £24,292. This represented a total loss on investment of nearly 11.1% compared to their value at the start of the year and negated the huge gain seen in the previous year. In addition to the annual income, there is still a substantial gain on their purchase price.

2023 is a year of uncertainty. We are forecasting a balanced budget but we will see some considerable expenditure as the renovation of the church commences in the future. We may also lose the use of St Michael Paternoster Royal, which will mean the loss of hire income as well as the livery companies that use St Michael's, but we are hopeful that this will continue during the forthcoming 12 months.

At 31st December 2022, the Church has total net assets of £631,417 of which £281,275 relates to the depreciated cost of the parish room and associated fittings and £1,127 restricted in cash for the Parish Room; £19,261 is restricted to the organ and music fund, £14,983 is restricted to the maintenance of the Royal Jubilee Bells and £3,000 is restricted to Technology fund. The fabric fund has a small surplus of £283.

Therefore, the church has free reserves of £311,488 (2021 - £285,108), up 9.3%. 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, the Big Project and technology.

The PCC noted the result for the year and is satisfied with the level of reserves held at 31st December 2022.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, the free reserves covered costs for around 21 months (2021 – 18 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.

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

St James 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 and to wish him well at his future church; to Ellis Pike for his duties as Verger, for documenting the parish plate and operating the live streaming; to Dickon Love, Tower Captain. To Gavin Stevens for all his support with the live streaming and assisting in the church. To Johanne Moss for acting as secretary and parish administrator. To Francis Barber and Lynette Stone for authorising banking transactions. To Malcolm Brown for compiling and sending out the Parish Rate requests. To Philip Grant for completing the gift aid returns. Finally, we would like to thank the churchwardens and the other trustees for their work welcoming visitors and attending to the livery companies and others at their services.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 27th March 2023 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 2022, 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 which gives me cause to believe that in any material respect:

1. the accounting records were not kept in accordance with section 130 of the Charities Act; or
2. the accounts did not accord with the accounting records; or
3. the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts 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
Raffan and Golding
17 Short’s Garden
St Giles, Covent Garden,
London, WC2H 9AT

Dated: 14th April 2023

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 UNRESTRICTED FUNDS GB £	2022 RESTRICTED FUNDS GB £	2022 ENDOWMENT FUNDS GB £	2022 TOTAL FUNDS GB £	2021 TOTAL FUNDS GB £
Income						
Donations and legacies	2	67,322	27,113	-	94,435	114,298
Income from charitable activities	3	969	-	-	969	969
Income from other activities	4	128,160	-	-	128,160	89,140
Income from investments	5	3,964	22	1,306	5,292	5,033
Total income		200,415	27,135	1,306	228,856	209,440
Expenditure						
Costs of raising funds						
Costs of generating activity income	6	(1,335)	(750)	-	(2,085)	(1,320)
Expenditure on charitable activities	7	(149,714)	(13,611)	(3,230)	(166,555)	(173,370)
Total expenditure		(151,049)	(14,361)	(3,230)	(168,640)	(174,690)
Net income/(expenditure) for the year		49,366	12,774	(1,924)	60,216	34,750
Gains/(Loss) on investments	11	(18,347)	-	(5,945)	(24,292)	23,889
Net income/(expenditure) after gains/(losses)		31,019	12,774	(7,869)	35,924	58,639
Transfers between funds	15	-	-	-	-	-
Net movement in funds		31,019	12,774	(7,869)	35,924	58,639
Reconciliation of funds:						
Total funds brought forward	16	233,485	24,753	337,255	595,493	536,854
Total funds carried forward	16	264,504	37,527	329,386	631,417	595,493

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

STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2022

		2022	2021
		GB £	GB £
Cash flows from operating activities:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		35,924	58,639
Add: Depreciation		3,230	3,230
Deduct: interest and dividend income		(5,292)	(5,033)
Deduct (gain)/ add loss on revaluation of investments		24,292	(23,889)
(Increase)/ decrease in debtors		(6,661)	(7,733)
(Decrease)/ increase in creditors		(23,910)	9,698
(Decrease)/ increase in provisions		10,480	(42,500)
Cash used in operating activities	A	<u>38,063</u>	<u>(7,588)</u>
Cash flows from investing activities			
Income from interest and dividends		5,292	5,033
(Additions) to investment assets		-	-
Disposal of investment assets		-	-
Cash provided by/ (used in) investing activities	B	<u>5,292</u>	<u>5,033</u>
Cash flows from financing activities	C	<u>-</u>	<u>-</u>
(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)			
		43,355	(2,555)
Total cash & cash equivalents brought forward		<u>139,888</u>	<u>142,443</u>
Total cash & cash equivalents carried forward †		<u>183,243</u>	<u>139,888</u>

† See balance sheet, page 12

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022 (BALANCE SHEET)

	NOTES	31 December 2022		31 December 2021	
		GB £	GB £	GB £	GB £
FIXED ASSETS					
TANGIBLE ASSETS	10		281,275		284,505
INVESTMENT ASSETS					
Managed Investment Funds	11	154,296		178,589	
London Missional Housing Bond		15,000		15,000	
Total Investment Assets			169,296		193,589
Total Fixed Assets			450,571		478,094
CURRENT ASSETS					
Debtors	12	32,568		25,907	
Cash at bank & on deposit		183,243		139,888	
Total Current Assets			215,811		165,795
CREDITORS, amounts falling due within one year	13	(14,485)		(38,396)	
NET CURRENT ASSETS			201,326		127,399
PROVISIONS FOR LIABILITIES	14		(20,480)		(10,000)
TOTAL NET ASSETS			<u>631,417</u>		<u>595,493</u>
CHURCH FUNDS:					
Endowment Funds					
New Parish Room Fund	15 & 16	282,402		285,632	
St Mary Somerset Fund	15 & 16	46,984		51,623	
			329,386		337,255
Restricted Funds					
Organ & Music Fund	15 & 16	19,261		20,165	
Church Fabric Fund	15 & 16	283		(10,000)	
Technology Fund	15 & 16	3,000		-	
Royal Jubilee Bells Fund	15 & 16	14,983		14,588	
			37,527		24,753
Unrestricted funds					
General Fund	15 & 16	220,429		219,910	
Rectory Redecoration - designated fund	15 & 16	4,075		3,575	
St James Big Project Fund	15 & 16	20,000		-	
Technology - Designated Fund	15 & 16	20,000		10,000	
			264,504		233,485
TOTAL CHURCH FUNDS			<u>631,417</u>		<u>595,493</u>

The accounts were approved by the Parochial Church Council on 27th March 2023 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 2022

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 2022 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 2022 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 2022

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 2022

INCOME	Unrestricted	Restricted	Endowment	Total 2022	Total 2021
	GB £	GB £	GB £	GB £	GB £
2 DONATIONS AND LEGACIES					
Tax efficient regular giving (net donations)	5,467	-	-	5,467	8,361
Other donations, including Charities Aid Fund	3,644	19,789	-	23,433	8,667
Collections at services	14,838	-	-	14,838	14,801
Livery grants & donations	30,137	-	-	30,137	28,043
City Churches' Grants Committee	-	-	-	-	30,000
Friends of City Churches	-	-	-	-	-
All Churches Trust	-	-	-	-	-
Trust for London	1,117	-	-	1,117	1,117
City Burial Ground Fund	2,500	-	-	2,500	2,500
Dept for Digital, Culture, Media & Sport (LPOW)	-	3,168	-	3,168	10,875
Income Tax recoverable on gift aided donations	9,619	4,156	-	13,775	9,934
Total	67,322	27,113	-	94,435	114,298
3 INCOME FROM CHARITABLE ACTIVITIES					
Parochial fees & service fees recoverable	969	-	-	969	969
4 INCOME FROM OTHER ACTIVITIES					
Telecoms mast fees	36,070	-	-	36,070	37,570
Hire of churches and meeting rooms	67,830	-	-	67,830	31,558
Celebrations & sales of goods	1,141	-	-	1,141	653
Voluntary parish rate	23,119	-	-	23,119	19,359
Insurance claim	-	-	-	-	-
Total	128,160	-	-	128,160	89,140
5 INCOME FROM INVESTMENTS					
Bank deposit interest	497	22	-	519	318
Bond interest	300	-	-	300	300
Dividends from investments	3,167	-	1,306	4,473	4,415
Total	3,964	22	1,306	5,292	5,033
6 COST OF GENERATING ACTIVITY INCOME					
Fundraising costs incl. hire agents & marketing	1,335	750	-	2,085	1,320
Telecoms consultancy	-	-	-	-	-
Celebratory events & goods for sale	-	-	-	-	-
Total	1,335	750	-	2,085	1,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2022 GB £	Total 2021 GB £
7.1 EXPENDITURE ON CHARITABLE ACTIVITIES					
Diocesan contribution	85,200	-	-	85,200	85,200
Charitable giving - home missions	-	-	-	-	185
Ministry costs - visiting clergy & clergy outreach	1,163	-	-	1,163	479
Freelance choirs & participants	13,169	-	-	13,169	12,477
Candles, decorations & sacraments	1,321	-	-	1,321	1,604
Bibles, hymn books, prayer books, sheet music	981	-	-	981	560
Refreshments, events & hospitality	2,684	-	-	2,684	1,379
Office costs	2,729	240	-	2,969	2,994
Premises costs (<i>note 7.2</i>)	15,991	13,371	3,230	32,592	51,203
Bank charges	98	-	-	98	44
Support costs (<i>note 8</i>)	25,178	-	-	25,178	16,045
Governance costs (<i>note 9</i>)	1,200	-	-	1,200	1,200
Total	149,714	13,611	3,230	166,555	173,370
7.2 PREMISES COSTS					
Utilities	5,294	-	-	5,294	7,046
Repair, maintenance & fire protection	6,937	13,371	-	20,308	38,148
Other Expenses	893	-	-	893	154
Cleaning & window cleaning	2,867	-	-	2,867	2,625
Depreciation of modern equipment (<i>note 11</i>)	-	-	3,230	3,230	3,230
Total	15,991	13,371	3,230	32,592	51,203

In addition to the service costs recorded above, a further £18,362 (£16,946 in 2021) 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

	2022 GB £	2021 GB £
Accountancy	7,827	5,967
Administration	17,351	10,078
Total	25,178	16,045

EMPLOYMENT COSTS

Wages & salaries	23,313	15,557
Social security costs	-	-
Pension costs	1,865	187
Outsourced services	-	301
Total	25,178	16,045

No employee earned £60,000 or more.

9 GOVERNANCE COSTS

	2022 GB £	2021 GB £
Independent examiner's honorarium	1,200	1,200
Trustee expenses	-	-
Total	1,200	1,200

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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	-	38,760	11,677	728	51,165
Charge for year	-	3,230	-	-	3,230
Balance carried forward	-	41,990	11,677	728	54,395
NET BOOK VALUE					
AS AT 31 DECEMBER 2022	-	281,275	-	-	281,275
AS AT 31 DECEMBER 2021	-	284,505	-	-	284,505

† 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 2022	TOTAL FUNDS 2021
	GB £	GB £	GB £	GB £
CBF Church of England Global Equity Income Fund b/f	130,736	-	130,736	112,526
COIF Charities Ethical Fund Income Fund b/f	-	47,853	47,853	42,174
Unrealised gain/(loss) in the year	(18,347)	(5,945)	(24,292)	23,889
Value at 31st December 2022	112,389	41,908	154,297	178,589

12 DEBTORS	2022	2021
	GB £	GB £
Service & other fees recoverable	13,037	5,800
Donations & grants pledged	-	10,837
Other debtors & prepayments	-	-
Gift Aid reclaimable from HMRC	19,447	9,186
Accrued interest on bonds & investments	84	84
	32,568	25,907

13 CREDITORS, amounts falling due within one year	2022	2021
	GB £	GB £
Creditors	4,714	3,414
Deferred income	-	520
Other creditors & accruals	9,772	34,462
	14,486	38,396

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14 PROVISIONS FOR LIABILITIES

	2022	2021
	GB £	GB £
Provision for contracted work on phase two of eaves	-	-
Provision for contracted work on St James Statue Repair	<u>20,480</u>	<u>10,000</u>
	<u>20,480</u>	<u>10,000</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 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. In addition, 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 **St James Big Project Fund** is a *designated fund* which has been established by the PCC for an improvement to the meeting rooms, the repurposing of the narthex and an upgrade to the nave including redecoration, rewiring and other repairs to include a move towards net zero emissions.

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 £30,500 from the General Fund to the various designated funds does not show on the face of the SOFA because the transfers are all between unrestricted funds, but they can be viewed at note 16 on page 19. £500 was transferred to the Rectory Redecoration Fund towards future periodic redecoration at the residence of the priest; £20,000 to St James Big Project Fund and a further £10,000 to the Technology Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 MOVEMENT ON FUNDS IN YEAR

	Opening Balance at 1/1/22 GB £	Incoming Resources GB £	Outgoing Resources incl gains GB £	Gain/ (loss) on investments GB £	Transfers between funds † GB £	Closing Balance at 31/12/22 GB £
Endowment Funds						
New Parish Room Fund	285,632	-	(3,230)	-	-	282,402
St Mary Somerset Fund	51,623	1,306	-	(5,945)	-	46,984
Total Endowment Funds	337,255	1,306	(3,230)	(5,945)	-	329,386
Restricted Funds						
Organ & Music Fund	20,165	-	(904)	-	-	19,261
Church Fabric fund	(10,000)	23,293	(13,010)	-	-	283
Technology Fund	-	3,000	-	-	-	3,000
Royal Jubilee Bells Fund	14,588	842	(447)	-	-	14,983
Total Restricted Funds	24,753	27,135	(14,361)	-	-	37,527
Unrestricted Funds						
General Fund	219,910	200,415	(151,049)	(18,347)	(30,500)	220,429
Rectory Redecoration designated	3,575	-	-	-	500	4,075
St James Big Project Fund	-	-	-	-	20,000	20,000
Technology Designated Fund	10,000	-	-	-	10,000	20,000
Total Unrestricted Funds	233,485	200,415	(151,049)	(18,347)	-	264,504
Total Funds	595,493	228,856	(168,640)	(24,292)	-	631,417

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

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment		Restricted	Unrestricted		
	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	281,275	-	-	-	-	281,275
Investments	-	41,908	-	-	127,389	169,297
Bank accounts	1,127	5,076	53,890	44,075	79,075	183,243
Debtors & prepayments	-	-	4,156	-	28,412	32,568
Current liabilities	-	-	(39)	-	(14,447)	(14,486)
Provisions	-	-	(20,480)	-	-	(20,480)
Net assets at 31 DECEMBER 2022	282,402	46,984	37,527	44,075	220,429	631,417

18 TAXATION

No corporation tax was payable on the surplus or investment income in 2022 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 (2021 - £nil) were paid to the lay members of the PCC. The priest was reimbursed with £1,163 towards ministry costs and consumables in 2021 (2021 - £556).

