



St James's Church, Piccadilly PCC

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Rector: The Revd Lucy Winkett

Clergy: The Revd Dr Ayla Lepine (Associate Rector), The Revd Dr Mariama Ifode-Blease,
The Revd Dr Ivan Khovacs, The Revd Daniel Norris

PAROCHIAL CHURCH COUNCIL

Annual Report and Financial Statements for the year ended 31 December 2022

Charity Number 1133048

**St James's Church, Piccadilly
Parochial Church Council**

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**St James's Church, Piccadilly
Parochial Church Council**

Status:	The PCC is a registered charity, number 1133048
Governing documents:	The Church Representation Rules and The PCC (Powers) Measure 1956
Operational address:	St James's Church, Piccadilly 197 Piccadilly London W1J 9LL
Website:	www.sjp.org.uk
Bankers:	The Co-operative Bank 80 Cornhill London EC3V 2HR CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
Solicitors:	Bates Wells 10 Queen Street Place London EC4R 1BE
Auditors:	Goodman Jones LLP 29 / 30 Fitzroy Square London W1T 6LQ

Annual Report for the year ended 31 December 2022

PCC ADMINISTRATIVE INFORMATION

The Parochial Church Council (PCC), registered with the Charity Commission as of 1 December 2009, presents its Annual Report for the year ended 31 December 2022 which complies with current statutory requirements.

The members of the Parochial Church Council, who were trustees of the charity, during the year are:

The Reverend Lucy Winkett	(Clergy, Rector)
The Reverend Dr John Russell	(Clergy, Associate Rector, appointed May 2020 resigned February 2022)
The Reverend Dr Ayla Lepine	(Clergy, Associate Rector, appointed July 2022)
The Reverend Dr Ivan Khovacs	(Clergy)
The Reverend Daniel Norris	(Clergy)
The Reverend Dr Mariama Ifode-Blease	(Clergy, Assistant Curate, appointed October 2020)
Deborah Colvin	(Churchwarden, elected April 2017, last re-elected October 2020)
Trevor Lines	(Churchwarden, elected April 2017, last re-elected October 2020)
Helen-Claire Burt	(elected May 2022)
Julie Cunningham	(Deanery Synod representative, elected October 2020)
Shirley Dixon	(Deanery Synod representative, elected April 2018, re-elected October 2020, resigned 28 November 2022)
Rosalind Fane	(Deanery Synod representative, elected October 2020)
Deirdre Hetherington	(elected May 2022)
Joanna Hines	(Deanery Synod representative, elected October 2020)
Monica Bashabe	(elected October 2020)
Alison Beck	(elected October 2020)
David Loyn	(elected April 2019, re-elected May 2022)
Ben Mariam	(elected October 2020)
Lia Dong Shimada	(elected as Deanery Synod rep from April 2016, elected as lay member October 2020)
Heather Williams	(elected April 2016, re-elected April 2019, resigned 8 May 2022)
Wilson Wong	(elected April 2017, re-elected October 2020)
Claire Wright	(elected October 2020)

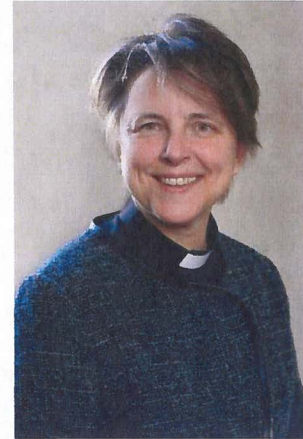
The following attended PCC meetings as appropriate but is not a trustee of the charity:

Keith Best	(PCC Secretary, appointed August 2021)
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New PCC members are provided with an induction which includes advising them of their responsibilities and representatives are invited to attend training sessions arranged by the Diocese of London to keep them up to date with their responsibilities. Professionals are invited to advise at PCC meetings. Free training sessions run by lawyers and accountants are notified to PCC members for their attendance.

FOREWORD

In a challenging environment socially, politically, economically, at a time of climate emergency and a hugely challenging time for the national church institution as a whole, St James's has taken time 2019-22 to formulate a reinvigorated plan for its direction in this perplexing time. The PCC members, the trustees, working with consultants, have taken the step of contributing to the future wellbeing of society by setting a direction that attempts to draw the boundaries around what is 'church' even more inclusively and broadly. This builds on the decades-long reputation that St James's has for open-hearted and open-minded activities, gatherings and projects. The core of St James's life is its historic vocation to gather people for Christian worship and prayer, and care for the parish. But equally direction,



Reverend Lucy Winkett /

is the invitation to people of all faiths and none to gather and explore life's meaning, whether that is at a Christian act of worship or not. The significant surplus made in 2021 was invested by trustees in 2022 in a new Senior Management Team (SMT), tasked with the formation of a strategy, the crafting of objectives and the professionalisation of a monitoring and assessment process that could start to deliver this vision, while planning too for The Wren Project. The Wren Project is a £20m transformation and rejuvenation project, restoring the Wren church and re landscaping the garden, adapting other buildings. Phase 2 of the Wren Project is a campaign to raise £10m in endowment.

2022 has been a year of learning, capacity building and experimentation in terms of reaching new audiences, re-gathering church congregations after the pandemic, and planning for the restoration and rejuvenation of the site in the 'Wren Project'. For PCC members (trustees) 2022 has been an exciting journey in terms of putting together the three years strategy, bringing the vision to life. But it has not been an easy year either, as implementation of this direction has meant change to trustee agendas and patterns of meetings, the delegation to a professional SMT of the executive function and has brought the significant challenge of income generation to the fore.

In this volatile environment in society generally and at a time of change for the church the PCC was especially satisfied to see that the 2022 budget was exceeded, assuring, over 24 months, a breakeven situation after the surplus investment of 2021.

The assurance of an integrated 3-year strategy has also given shape to the agility needed by trustees and staff, given the uncertainty of the timing of The Wren Project. New obligations are also placed on the PCC through the Protect Duty and Martyn's Law regarding the oversight of a central London site open to the public seven days a week. Maintaining the balance needed in governance between planning, assurance and handling the volatility of current circumstances, both external and internal, has demanded a lot of time, energy and commitment from trustees and senior management. But in managing risk, which is being done prudently and clearly with an independent Audit

Committee and revised risk register, it is clear the greater risk to the church's core mission is not being bold in this way.

The PCC, the elected council of the church, in partnership with the Rector and clergy team, remain bold and visionary, committed to shaping church life, both for those who feel comfortable in a Church of England setting, but especially, with their attention focussed on those who do not. St James's will continue to move forward, in its day-to-day open-door policy, the maintenance of its historic building, site and garden seven days a week, in its experimental cultural programming and daily rhythm of prayer, in its development strategy and engagement with its neighbours and in its feeding and clothing of all who come in need. The next three years of the new strategy are in front of us, and the PCC view this time with hope, realistic understanding of the challenges, and determination to remain outward-looking. One new programme that encapsulates the attempt to bring all of this together is the proposed St James's Changemaker Programme. Dependent on funding this programme, linked to the development of the Wren Project, invites young people to imagine the world to be different and will form a community of young changemakers across five disciplines in society, rooted in the values and vision of St James's Piccadilly. This is still in development but is an indication of St James's approach to the challenges and changes that lie ahead in a post Covid 19 central London (still recovering economically), handling climate emergency and a cost-of-living crisis and, at the time of writing, war in Europe. A former Rector of St James's (William Temple, rector 1914-18) said that church is the only institution in society that exists for the benefit of those who do not belong to it. This is the outward looking approach that guides St James's mission today.

Reverend Lucy Winkett, Rector and PCC Chair of Trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parish of St James's, Piccadilly is a parish within the Church of England as defined by canon law. Individual parishes within the Church of England do not have a separate constitution. They work within the framework of Church of England ecclesiastical law. The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council (Powers) Measure 1956.

During 2022 the PCC consisted of nine elected members in accordance with Church of England representation rules together with four Deanery Synod representatives, two Churchwardens, and clergy.

The pay and remuneration of the church's key personnel is set by members of the Senior Management Team (SMT) under the delegated authority of the PCC. SJP undertake annual benchmarking comparable with other charitable organisations to ensure that SJP remains competitive within the sector. This exercise covers all staff, including managers remuneration, and is undertaken by the Human Resources Advisor. The results of the benchmarking are analysed alongside with the skills and experience of each employee to understand the remuneration options available. In broad terms, all salary bands are reviewed annually, and any inflationary increments is deemed appropriate and affordable for the overall pay-scale. Details of staff costs for the year are shown in note 4 of the financial statements.

OBJECTIVES AND ACTIVITIES

The aim, purpose and vocation of every Church of England parish is primarily to promote the mission of the church by serving every person within the historic parish boundary, hold regular public Christian services to which all are welcome, and to guard, promote and safeguard the historic assets of the church, held in trust for the people of England. The Church of England nationally has developed 'Five Marks of Mission'. These are:

- To proclaim the Good News of the Kingdom
- To teach, baptise and nurture new believers
- To respond to human need by loving service
- To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation
- To strive to safeguard the integrity of creation, and sustain and renew the life of the earth

St James's parish is in central London with a small residential population (around 1,000), with around 7,000 businesses, high footfall through the site seven days a week, and a dedicated and energetic gathered congregation, who meet on Sundays for worship, run social action projects and form Christian community.

The vision developed through 2022 is encapsulated in the statement 'Rooted in God's earth, we envision a just society and a creative, open-hearted church'. The ambition set by the Church Council is 'A larger, more inclusive, imaginative and influential SJP community in a transformed site by 2026'. The values of St James's have been identified as Contemplation, Action, Adventure, Courage and Kindness.

Directly related to the support and delivery of the Church of England's Five Marks of Mission, the church's activity is delineated into five missions of its own, outlined below, fit for the context of St James's Piccadilly. In addition to the core activity of holding religious services, these purposes are distinctive, focussed on people of all faiths and none (not just practising Christians), on environmental work, social impact projects and an innovative creative programme.

In 2022, SJP's PCC developed and launched an ambitious new strategy to fulfil its purpose and provide increased public benefit, over a challenging 3-year horizon. Direction was determined by careful analysis of likely environmental conditions and the increased unmet public need they might produce.

Prominent amongst the challenges identified and activities undertaken were:

- Declining UK socio-economic conditions in the wake of BREXIT, COVID, Rising Inflation and the Energy Crisis were assessed as likely to increase the number of people falling into poverty, homelessness, depression and crime.
 - Support from the wider Charity & Public sectors was assessed likely to be under significantly increased strain and therefore unlikely to fully address this challenge, resulting in more unmet public need.
1. As has been stated previously, SJP's Charitable Purpose is to promote the whole mission of the Church of England (CofE), from within our parish. To meet the third and fourth marks of that mission (to respond to human need by loving service, and to transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation), the PCC identified four aims for Public Benefit:
- Increase SJP's capability to deliver high quality hot food to more members of the public experiencing homelessness/food poverty through SJP's twice-weekly Food Outreach programmes.
 - Develop a drop-in Wardrobe programme to provide high quality donated clothing to members of the public experiencing homelessness and/or poverty.
 - Maintain the on-site Caravan counselling service, providing a free drop-in mental health service to the public over a period of increased anxiety. This service, delivered by final year trainee counsellors as part of their qualification, also supports capacity building in public mental health services.

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- To maintain a safe green space (the Southwood Garden), that is accessible to the general public for peaceful respite. This aim also fulfilled the fifth mark of CofE's mission (To strive to safeguard the integrity of creation and sustain and renew the life of the earth), winning a Gold Eco-Church award.



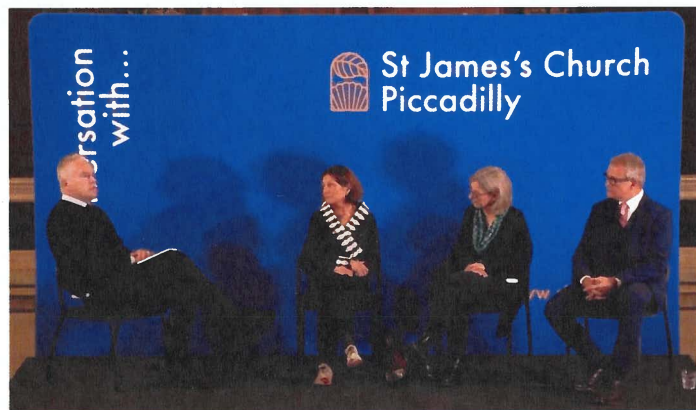
2. Alongside these challenging socio-economic conditions, there remained a continuous decline in faith and church attendance in the UK. With only 1% of UK 18-24-year-olds identifying themselves with Anglican Christianity, this trend (if left uncorrected), painted a bleak future for CofE's first and second marks of mission (to proclaim the Good News of the Kingdom, and to teach, baptise and nurture new believers). In a challenging time, the sources of comfort and messages of hope that the church has traditionally provided were increasingly failing to engage/inspire/benefit the public. The reasons behind this decline are complex but, three areas of opportunity to partially address it stood out from SJP's analysis; that the church remained valued by the public for its social impact projects and environmental stance, that young people were more likely to engage with the church through cultural activities, and that promoting more clearly the modern church's values alongside its beliefs (in particular, providing opportunities to explore and champion shared values together regardless of faith, through face to face activities, advocacy and increasingly online broadcasting), was necessary for the public to more clearly identify what the church stood for and to benefit from becoming a part of its extended community.

To meet the third, fourth and fifth marks of mission, the PCC identified two broad aims for Public Benefit from its assessment:

- To further diversify and extend (beyond a congregation-centred model), its volunteer pool; enabling a wider community of all faiths and none to come together to support social and earth justice initiatives in alignment with the church's values (but not necessarily its beliefs). This enabled more members of the public to benefit from "giving something back" to society in an inclusive way by volunteering to support activities such as FEAST, Sunday Breakfast & Wardrobe (food outreach and social impact initiatives in support of our homeless and/or impoverished community members).



- To develop a carefully curated, mission aligned programme of cultural events, through which to engage a more diverse and younger audience on the church's core values of Contemplation, Action, Adventure, Courage & Kindness. In this way, as a "Provocateur for Good", SJP aimed to inspire a wider section of society to determine and develop strong personal values and adopt aligned behaviours to benefit society as a whole.
3. Over 2022 the newly formed Development Department continued to develop relationships across the parish of St James's with the aim of nurturing and engaging partners to support the day-to-day life of St James's, this alongside those identified to support The Wren Project. St James's has been encouraged to see corporate volunteers from within the community give of their time, and were blessed to see that from that service, for some in this community, a journey of faith and closer engagement with the church came. 2022 started with working to communicate our message in different ways, aimed at our parish and neighbours: first through an 'In-Conversation' series with the BBC presenter Huw Edwards as host.



Local celebrities such as Stephen Fry, Hugh Bonneville and Emerald Fennell, all took part and helped share the mission of St James's and the importance of the outreach work in the community. The Friends of St James's was created, aimed at individuals, not necessarily part of the Sunday congregation, to enable them to support our community outreach on a monthly basis and the Corporate Friends of St James's was created alongside. We saw a 50% increase across the year in our Friends of St James's and welcomed seven founder Corporate Friends, all making possible the ongoing outreach work. We were also able to secure several grants to support St James's mission including the Aziz Foundation and Mosawi Foundation. We were also thrilled to have in-kind support that sees, for example, a quarterly delivery of produce to help with 'Feast', our weekly meal with people going through homelessness or on low incomes.

To support The Wren Project, a series of dinners was created for 20 people each time, with a view to forging longer lasting relationships that become part of the wider support network of the church. From these engagements, St James's received pledges of funds and also introductions to other local networks and in-kind support.



We ended the year with the Heart of St James's Christmas Appeal, and were grateful to the actor Adjoa Andoh, who created an inspiring film with an invitation to become a Friend of St James's. Our inaugural Christmas Gala 'Beacon of Light' fundraising concert ended the year with amazing music performed by The Sixteen ensemble with Septura Brass and featured the world premiere of a commissioned work as part of the creation of a new St James's Songbook. Sponsored by a group of young professionals within the parish, the work took the words of William Blake 'To See a World in a Grain of Sand', with music composed by Sarah McDonald. With this piece, we have now begun a journey that each year will see a new music commission proclaiming the good news of the gospel each Christmas. Over 200 people gathered for the post event reception held at the RAA, for which we are the Parish Church. All went away ready for 2023 with a bottle in hand of the new St James's 1684 Gin, each helping us raise a little more to keep the work of St James's alive and well.



4. Sustaining this work for the public benefit also required the PCC to better utilise the income generation potential of its church site in Piccadilly, in a mission-aligned way. To sustain activities for the Public Benefit, in a way that met the third and fourth marks of mission, the PCC directed a specific change to its site-based income scheme:
 - Supporting a partnership with a profit for purpose provider (Redemption Roasters) to improve offender rehabilitation. The latter train prison residents and people at risk of crime with the skills they need to gain secure and meaningful employment.



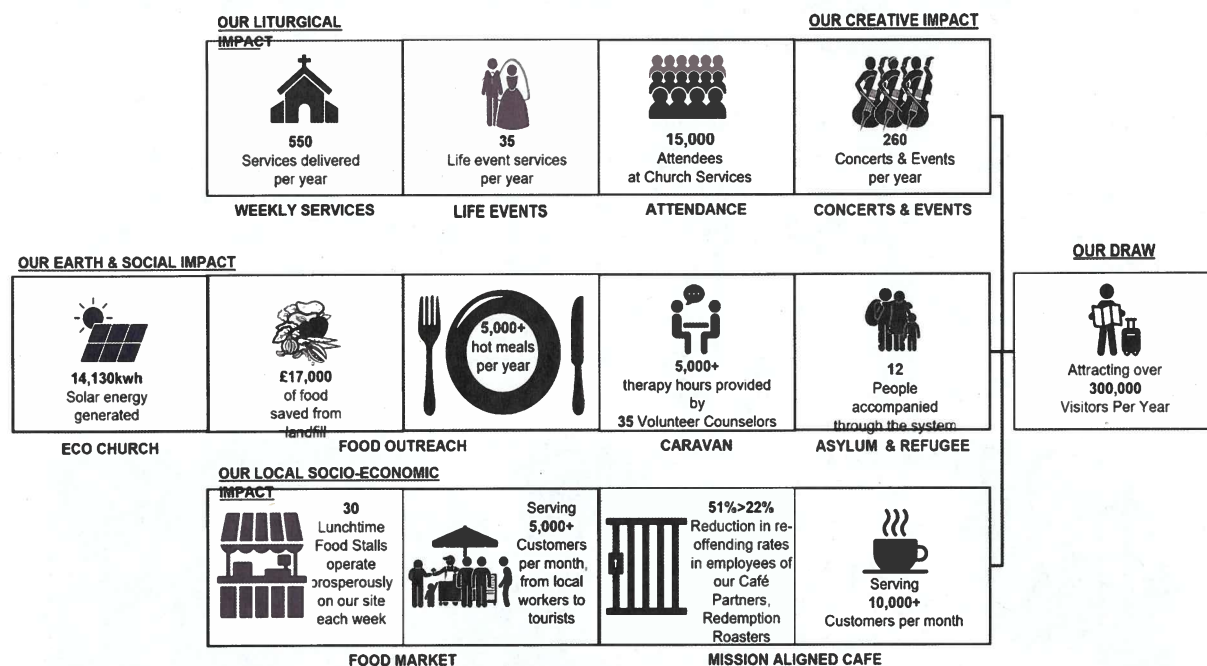
- The long-standing Courtyard Food Market (operated by Foodish Ltd.), expanded its operation from two to four days per week as the country emerged from Pandemic in 2022, helping to further boost on-site income generation.

In setting the objectives and activities of the Charity, the Trustees have had due regard for the guidance issued by the Charity Commission in respect of public benefit.

ACHIEVEMENTS AND PERFORMANCE

St James's Church, courtyard and garden are open seven days a week from 8am until late most days. The staffing of such a public site in the centre of London requires significant resource in itself, in order to provide a well maintained, safe site for all who come. The public benefit of having a Grade I listed heritage asset freely accessible, at no charge, to visitors, providing access to world famous architecture, carvings, art, public space to rest and well-maintained green space is clear. In addition, a weekly programme of music recitals, free to the public, is offered, alongside daily services of prayer and reflection. The Caravan counselling project located in the garden offers free listening on a drop-in basis, and in 2022, a new profit for purpose café partner (Redemption Roasters) was identified and opened.

The next graphic summarises SJP's key achievements quantitatively.



Amongst these it is worth highlighting:

- The recovery in footfall post-pandemic has significantly restored SJP's ability to engage the public in the whole mission of the church, with a draw of an estimated 300,000 visitors per year.
- Our Food Outreach volunteers provided 5,000+ free hot meals to homeless/impooverished community members via the FEAST and Sunday Breakfast

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initiatives in 2022 and saved c.£17,000 of food from going into landfill while doing that.

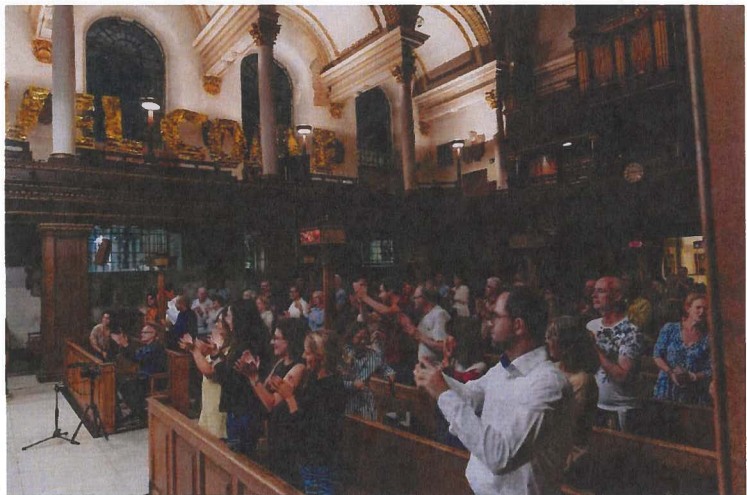
- SJP now supports a 51% to 22% reduction in reoffending rates through its café partnership with Redemption Roasters

New Cultural Programme

With the surplus from 2021, the PCC invested in a new cultural programme for 2022, as part of the strategic direction, with the objective of reaching new audiences, and inviting more diverse communities to engage with the life of St James's. The ambition is to grow a more inclusive, diverse, imaginative and influential SJP community by addressing life's big questions through art, music, and gatherings of different kinds. The vocation of St James's as a central London church, to raise deeper questions and convene diverse gatherings has driven this investment, founded in the belief rooted in Christian theology, that creativity is in itself a language of the human spirit. The cultural programme's purpose is to be a 'provocateur for good', finding partners, individual practitioners, performers and allied organisations to curate programmes that invite people who may think that church is not for them.

2022 has seen the recruiting a new creative team, the testing of a new operating model and assembling building blocks to build audience reach and increase impact. We have seen over 250 concerts and events over the past year, ranging from lunchtime recitals providing a key platform for graduating musicians, to Talvin Singh OBE headlining our new annual 'Embark' festival

which highlighted themes of migration, journeying and the crossing of thresholds and coinciding with the 75th anniversary of the partition of India and the creation of Pakistan. We hosted two artists in residence. The first was Iman Tajik who is based in Glasgow but originally from Iran, and who is himself a refugee and former asylum seeker. Iman created a



new installation *Radical Welcome* as part of the Embark Festival, adopting an expression he took from conversations and the St James's website. The second was Jesse Darling, who undertook a new installation *Miserere* to coincide with the Frieze Art Fair. Darling, perhaps the most prominent UK artist who identifies as trans created an ambitious new multi-media installation in the church, which led to an article and review in *The Tablet*. Both Embark and Jesse Darling's projects were accompanied by panel discussions welcoming congregation as well as those of all faiths or none to expand upon the themes and meanings of the programming, in particular what it means to do these at a church.

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Both creative programme and congregational life have been enhanced by the recruitment of a Head of Communications and Audience Development in order to produce and lead on a plan for building new audiences across all areas of the church's work. This has led to a near doubling of both our congregational and arts mailing lists as well as greater brand and communications coherence and strategy. Our newsletters are published weekly for congregation and monthly for arts and reach 5,000 people with a regular open rate of almost 70%.

The period has been particularly geared towards laying foundations, testing new models and learning. The programme started out with substantial income generation targets, which proved to be a step too far, and the economic challenges of this programme remain. However, the programme can be said to have achieved, in a short time, thoughtful and informed curation as well as attaining wider impact, both through visitor and artist feedback as well as through social media. The programmes have reached new, younger and more diverse audiences and have connected directly with big questions and themes core to the life of the church.



FINANCIAL REVIEW

Despite the challenging funding environment, SJP has exceeded the 2022 deficit budget improving the projected deficit of £283,322 to a result deficit of £247,801 thanks to the new three-year strategy of being a more focussed and streamlined organisation investing part of the reserves in programs more aligned to our mission combined with continued efforts in savings on overheads costs.

Further information regarding the make-up of income and expenditure for 2022 and of the reserves held as 31 December 2022 are given below.

Income

Total unrestricted fund income was £998,512 of which £385,159 was unrestricted planned and voluntary donations, and a further £31,354 was from Gift Aid. Unrestricted but designated donations came to £63,679, the majority of which were to finance the FEAST program.

Unrestricted fund income was 1.6% higher than 2021 and 8.23% above the budget, but the total income, including restricted fund, decreased 6.82% £83,378 compared with the previous year.

The major unrestricted income streams for 2022 was planned and voluntary donations including Gift Aid, which accounted for 42% and use of the premises with 48% of the total unrestricted income.

As the future external funding is focussed on raise funds for The Wren Project, we have evolved the income generation strategy, including the plan for establishing a trading subsidiary, as part of efforts to ensure SJP financial resilience.

Expenditure

£1,459,324 was spent from unrestricted funds, with the running costs of St James's being a significant portion of the total spent. It is to be noted that the higher expenditure amounts are a result of delivering activities reduced in 2021 because of the pandemic, the investment in new skilled staff and the launch of 2023-2025 strategy. St James's original offer towards the Diocesan Common Fund was £108,000 in 2020 (compared to £104,000 in 2019), but in light of the impact of Covid-19 on St James's finances, this was subsequently revised to £85,200 in 2021 and kept the same amount for 2022, which was paid in full. All expenses are scrutinised and kept as low as possible, in line with the church's system of budgetary control.

Investments

The PCC's portfolio of investments as 31 December 2022 had a total value of £460,094 of which £445,342 is held in the CBF Church of England Deposit Fund an actively managed, diversified portfolio of sterling denominated money market deposits and instruments. It will principally invest in sterling call accounts, notice accounts, term deposits and money market instruments that aims to provide a high level of capital security and competitive interest rates, managed by CCLA Investment Management Limited in accordance with the policies of the Church of England National Investing Bodies: The CBF Church of England Funds, the Church Commissioners for England and the Church of England Pensions Board. The objective for 2023 is to continue investing SJP reserves in this fund combining a highest possible interest rate with immediate availability.

Fundraising Regulation

St James's is signed up to both the Fundraising Regulator and the Institute of Fundraising and abides by these codes of conduct. St James's employs a small team of professional fundraisers, running events and handling donations from individual supporters, trusts, foundations, and corporations. Other external professional fundraising advice and legal services has been sought from the More Partnership Ltd in the establishment of the American Friends of St James's Piccadilly.

No complaints have been received regarding St James's fundraising practices, and the safeguarding of all individuals, especially vulnerable adults is taken very seriously within the Development Department. All communication regarding the need for funds indicates that any size of gift is welcome, from £1 upwards, and the regulatory authority logos are used in all communications for reassurance and accountability.

For the encouragement of legacies, a member of the congregation leads on this in a volunteer capacity, and individual who is well known and respected within the community, and has been recruited for their knowledge, integrity and sensitivity.

RESERVES POLICY

The PCC has approved a policy of maintaining unrestricted general reserves at the level needed to cover at least four months of general fund expenditure on church activities, which equates to approximately £335,000. On 31 December 2022, general fund reserves were £337,369 and free reserves as defined by the Charity Commission amounted to £243,350. The level of unrestricted reserves is also reviewed against the risks to budgeted net unrestricted general income in the annual budget. The PCC will continue during 2023 to make efforts to keep free reserves in line with the stated policy.

Surpluses are set aside for specific purposes, either into restricted funds as declared by a donor or resulting from the terms of an appeal, or into designated funds as determined by the PCC to be used for a particular future project or commitment. The purpose of holding the remainder of funds in the unrestricted general fund is to enable the church to cope with fluctuations in its cash flow and to provide a fund of money in case its income drops unexpectedly.

During 2022, the church received income from its services, charitable activities, and the use of its premises for letting out, a food market and from concerts and events. There are expenses already in the budget relating to these activities and the net income is taken into the general fund.

In 2022 St James's generated a general fund deficit of £247,801. On 31 December 2022, general fund reserves were £337,369 (2021 - £585,170), meeting our reserves target.

- Restricted reserves were -£504 on 31 December 2022 (2021 - £411,507).
- Designated reserves were £343,120 on 31 December 2022 (2021 - £558,078)

Restricted funds reserves closing balance was negative, due to the Church Renovation Fund account (The Wren Project) -£79,430. Expenses were needed to carry out and finish the design & planning stage. Finally, this application was submitted to the Westminster City Council on 03 August 2022. The decision on the application was delayed, and some pledges were linked to the outcome. The WCC granted the application in full on 7 February 2023. The SMT decided to bring forward the negative balance as the first pledge were received a few days after in February 2023 enough to cover and clear the balance.

RELATED PARTIES

Transactions with any related party are on an "arm's length" basis. Details of any transactions, either directly or indirectly involving members of the PCC are given in Note 7 to the Financial Statements.

AUDIT COMMITTEE AND RISK MANAGEMENT

The PCC has an Audit Committee to advise the PCC on the adequacy and effectiveness of systems of financial control and arrangements for risk management, governance and audit. The Audit Committee also ordinarily reviews the contents of the Risk Register, although noting that measures are in place to mitigate many ongoing operational risks, the Committee focused its attention during 2022 primarily on new and emerging risks and changes to existing risks emerging from the Covid-19 pandemic.

The PCC, which has the ultimate responsibility for managing any risks faced by the church, has given consideration, under advice from the Audit Committee to the major risks to which it is exposed and has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

The trustees have a risk management strategy comprising of an annual review of the principal risks and uncertainties that the church faces, the establishment of policies, systems and procedures to mitigate those risks, and the implementation of procedures designed to minimise or manage any potential impact on the church should these risks materialise.

Risks

From its environmental analysis, the PCC identified 3 key strategic risks and committed resources to mitigating these as outlined:

Risks to Fundraising

- Growing unmet need, coupled with more straitened economic circumstances, had created a more challenging environment for charitable fundraising. Donors had less disposable income and, in the wake of the pandemic, a larger number of causes competing for a share of it.
- The risk to the church was assessed to be that, in this situation, it could fail to raise the funds needed to commence The Wren Project in a timely way, and to sufficiently sustain its missional activities without further drawing on its reserves.
- To mitigate against this, the PCC invested in an expanded, professional Fundraising & Development Team, and agreed a five-year Fundraising Strategy.

Risks to Other Income Generation

- A slow post-pandemic recovery in West End footfall as well as the general economy was assessed highly likely. This would have a significant, prolonged financial impact on the hospitality and cultural sectors.
- As a significant portion of the church's forecast income came from food and beverage (café, courtyard food market) and its Creative Programme (curated concerts, exhibitions, festivals), this presented a significant risk to financial sustainability.

- To mitigate these risks the PCC directed a balanced programme of cultural events (some in low risk and others higher risk in terms of ticket income), the expansion of the low-risk courtyard food market to four days a week to increase footfall capture, and application for a site alcohol licence to enable the church to run a bar at cultural events, in order to boost peripheral income.

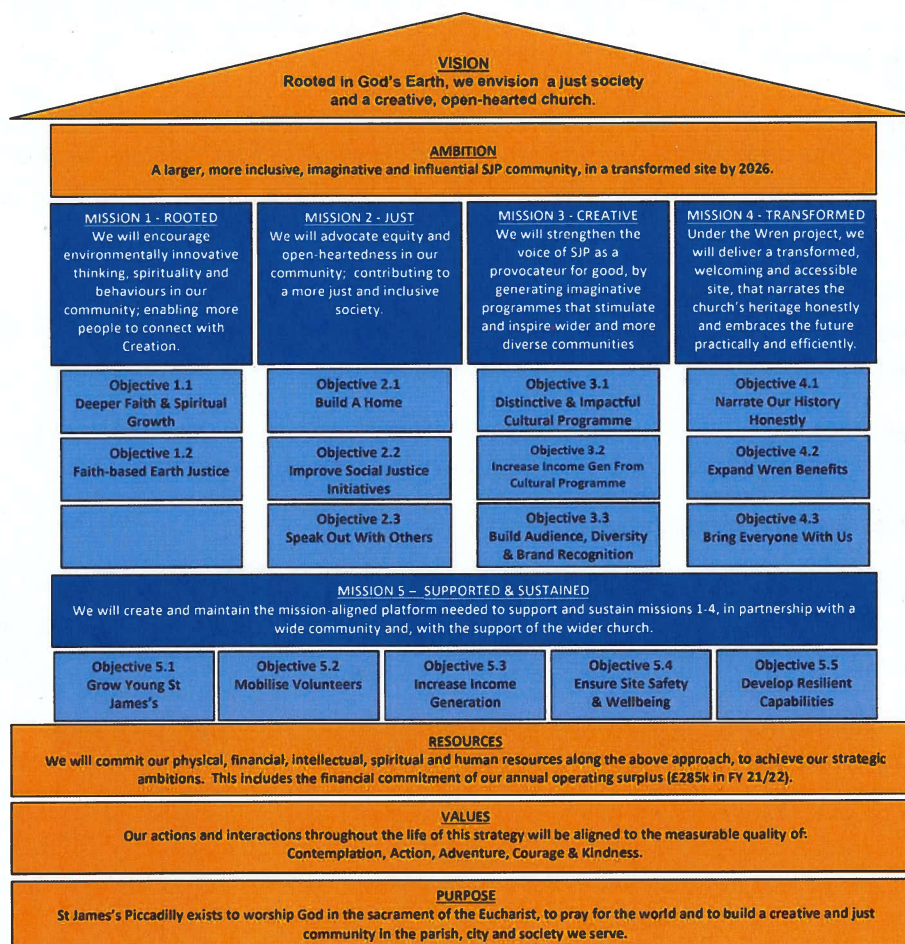
Risks to Congregational Growth

- Analysis of the British Social Attitudes Survey and CofE data showed the continued decline of church attendance in the UK, in particular amongst young people.
- The risk to the church was assessed to be that, if this trend continued, it would cease to become relevant and fall into decline over a period of decades.
- To mitigate this risk the PCC directed a positive and decisive approach to communicating its message through engaging liturgical and cultural programming, launched a transformational three-year strategy and invested its 2021 financial surplus in building the capacity and expertise required to deliver it.

The trustees believe these actions provide sufficient early warning systems, and the requisite controls and procedures in the event of adverse conditions.

PLANS FOR THE FUTURE

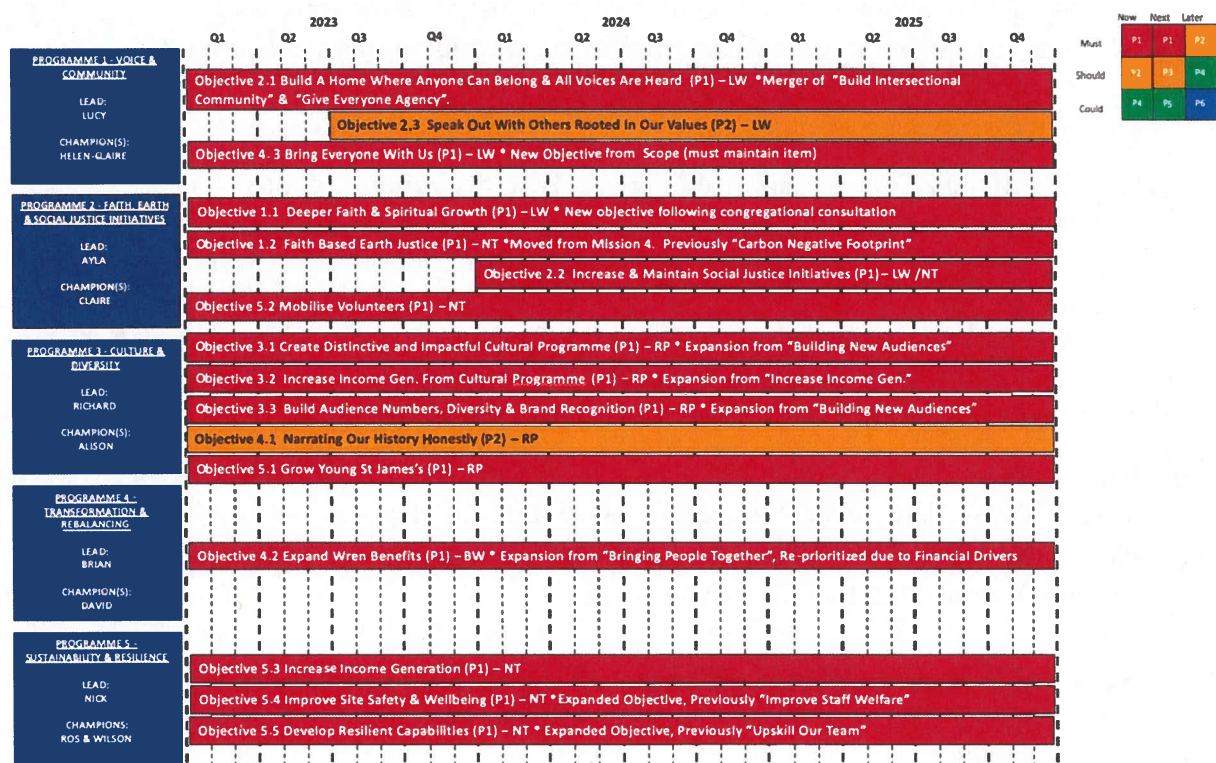
Establishing A Longer-Term Strategy & Objectives



Annual Report for the year ended 31 December 2022

Building on significant previous stakeholder engagement, and in consultation with The Curiosity Society and the newly formed SMT, the PCC sought to define its longer-term ambition for the church and determine the purpose-aligned challenges it would undertake for the public good. Through a series of workshops, facilitated by the SMT, an authoritative Strategy Framework for 2023/26 was developed as illustrated above.

Delivery of this strategy was organised into five Strategic Programmes, each containing a cohesive group of objectives from the Strategy Framework. Each Strategic Delivery Programme would be championed by a PCC member, managed by an SMT member and prioritised in time and resource terms as illustrated below:



The final stage of this work was to produce a Business Plan and Budget for 2023 which would not only deliver against the new strategy but also maintain baseline activities during a period of significant transformation and change. This was approved by the PCC in December.

STATEMENT OF THE PAROCHIAL CHURCH COUNCIL'S FINANCIAL RESPONSIBILITIES

Law applicable to charities in England and Wales and guidance issued by the Central Board of Finance of the Church of England require the members of the Parochial Church Council (PCC) to prepare financial statements which give a true and fair view of the Parochial Church Council's activities during the year in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Annual Report for the year ended 31 December 2022

In preparing financial statements giving a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for the period, the members of the PCC should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles of the Charities SORP (FRS102) and guidance issued by the Central Board of Finance of the Church of England.
- Make judgments and estimates that are reasonable and prudent.
- State whether the Church guidance, applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parochial Church Council will continue in operation.

The Members of the PCC are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that their financial statements comply with the Church Accounting Regulations 2006, the Charity (Accounts and Reports) regulations 2008 and the Charities Act 2011. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

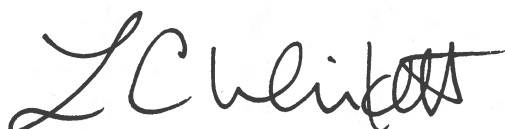
The auditors, Goodman Jones LLP were appointed during the year and have indicated their willingness to be re-appointed, and a resolution proposing their re-appointment will be put to the Annual Parochial Church Meeting.

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- that each Trustee has taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This report was approved by the PCC on 24 April 2023 and signed on its behalf by:



**The Reverend Lucy Winkett
Rector**

AUDITOR'S REPORT

Opinion

We have audited the financial statements of St James's Piccadilly (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JAMES'S PICCADILLY PAROCHIAL CHURCH COUNCIL (CONTINUED)

are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JAMES'S PICCADILLY PAROCHIAL CHURCH COUNCIL

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charity Commission and sector regulations, and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JAMES'S PICCADILLY PAROCHIAL
CHURCH COUNCIL**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Goodman Jones LLP

Goodman Jones LLP

Statutory Auditors
29/30 Fitzroy Square
London
W1T 6LQ

Date: 05-05-23

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**St James's Church, Piccadilly
Parochial Church Council
Statement of Financial Activities
for the year ended 31 December 2022**

FINANCIAL STATEMENTS

		Unrestricted Funds				
	Notes	General Funds	Designated Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£	£
INCOME FROM:						
Donations and legacies	2A	353,852	63,679	141,062	558,592	674,537
Church activities	2B	92,995	-	-	92,995	40,304
Use of premises	2C	480,000	-	-	480,000	331,802
Other trading activities	2D	-	-	-	-	-
Investments	2E	7,987	-	-	7,987	12,412
Other	2F	-	-	-	-	163,895
TOTAL INCOME		934,833	63,679	141,062	1,139,573	1,222,951
EXPENDITURE ON:						
Church activities	3A	852,420	278,636	553,073	1,684,130	1,303,956
<i>Raising funds</i>						
Use of premises	3B	328,268	-	-	328,268	99,592
TOTAL EXPENDITURE		1,180,688	278,636	553,073	2,012,398	1,403,548
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS		(245,855)	(214,958)	(412,012)	(872,824)	(180,597)
NET GAINS/(LOSSES) ON INVESTMENTS		(1,946)	-	-	(1,946)	2,099
NET INCOME/(EXPENDITURE)		(247,801)	(214,958)	(412,012)	(874,770)	(178,498)
TRANSFER BETWEEN FUNDS	8	-	-	-	-	-
NET MOVEMENT IN FUNDS		(247,801)	(214,958)	(412,012)	(874,770)	(178,498)
RECONCILIATION OF FUNDS:						
Total funds brought forward	13A,13B	585,170	558,077	411,507	1,554,754	1,733,251
Total funds carried forward	13A,13B	337,369	343,120	(504)	679,984	1,554,754

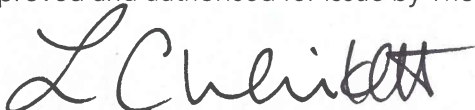
**St James's Church, Piccadilly
Parochial Church Council
Statement of Financial Activities
for the year ended 31 December 2021**

	Unrestricted Funds			Total
	General Funds	Designated Funds	Restricted Funds	2021
	£	£	£	£
INCOME FROM:				
Donations and legacies	381,126	53,557	239,854	674,537
Church activities	40,304	-	-	40,304
Use of premises	331,802	-	-	331,802
Other trading activities	-	-	-	-
Investments	12,109	-	303	12,412
Other	163,895	-	-	163,895
TOTAL INCOME	929,237	53,557	240,157	1,222,951
EXPENDITURE ON:				
Church activities	560,449	79,246	664,261	1,303,956
<i>Raising funds</i>				
Use of premises	75,711	-	23,881	99,592
TOTAL EXPENDITURE	636,160	79,246	688,142	1,403,548
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS	293,077	(25,689)	(447,986)	(180,597)
NET GAINS/(LOSSES) ON INVESTMENTS	2,099	-	-	2,099
NET INCOME/(EXPENDITURE)	295,176	(25,689)	(447,986)	(178,498)
TRANSFER BETWEEN FUNDS	(65,000)	65,000	-	-
NET MOVEMENT IN FUNDS	230,176	39,311	(447,986)	(178,498)
RECONCILIATION OF FUNDS:				
Total funds brought forward	354,993	518,767	859,491	1,733,251
Total funds carried forward	585,170	558,078	411,506	1,554,754

**St James's Church, Piccadilly
Parochial Church Council
Balance Sheet as 31 December 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible	9A	94,019	104,036
Investments	9B	14,752	16,698
		<u>108,772</u>	<u>120,734</u>
CURRENT ASSETS			
Trade debtors	10A	48,253	18,941
Other debtors	10B	553	1,583
Accrued income (restricted)	10C	-	-
Tax recoverable		8,264	3,651
Prepayments and accrued income		22,227	14,214
Short Term Deposits		445,342	876,002
Cash at bank and in hand		186,020	615,272
		<u>710,659</u>	<u>1,529,663</u>
CURRENT LIABILITIES			
Amounts falling due in one year	11	139,447	95,643
		<u>139,447</u>	<u>95,643</u>
NET CURRENT ASSETS		<u>571,212</u>	<u>1,434,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	14	679,984	1,554,754
NET ASSETS		<u><u>679,984</u></u>	<u><u>1,554,754</u></u>
PARISH FUNDS			
Unrestricted funds:	13A	680,488	1,143,246
Restricted funds	13B	(504)	411,507
NET FUNDS		<u><u>679,984</u></u>	<u><u>1,554,754</u></u>

Approved and authorised for issue by The Parochial Church Council on 24 April 2023


The Reverend Lucy Winkett
Rector

**St James's Church, Piccadilly
Parochial Church Council
Statement of Cash Flow
for the year ended 31 December 2022**

	2022	2021
	£	£
Net cash from operating activities	(853,822)	92,455
Cash flows from investing activities		
Dividends, interest and rent from investments	7,987	12,412
Purchase of tangible fixed asset for the use of the PCC	<u>(14,076)</u>	<u>(77,704)</u>
Net cash provided/(used in) investing activities	<u>(6,089)</u>	<u>(65,292)</u>
Change in cash and cash equivalents in the reporting period	(859,911)	27,163
Cash and cash equivalents at 1st January	<u>1,491,274</u>	<u>1,464,111</u>
Cash and cash equivalents at 31st December	<u>631,362</u>	<u>1,491,274</u>
Reconciliation of net income/(expenditure) before investment gains to net cash provided by operating activities		
Net income/(expenditure) as per statement of financial activities	(874,770)	(178,498)
Adjustments for:		
Depreciation charges	24,092	19,618
Loss from disposal of fixed assets	-	745
(Gains)/Losses on investments	1,946	(2,099)
Dividends, interest and rent from investments	(7,987)	(12,412)
Decrease/(Increase) in debtors	(40,907)	221,866
Increase/(Decrease) in creditors	<u>43,804</u>	<u>43,235</u>
Net cash provided by/(used in) operating activities	<u>(853,822)</u>	<u>92,455</u>
Analysis of cash and cash equivalents		
Cash deposit accounts	445,342	876,002
Cash at bank and in hand	<u>186,020</u>	<u>615,272</u>
	<u>631,362</u>	<u>1,491,274</u>
Analysis of changes in net debt	At 1st January 2022	At 31st December 2022
	£	£
Cash	615,272	(429,252)
Cash equivalents	876,002	(430,660)
	<u>1,491,274</u>	<u>(859,912)</u>
	631,362	631,362

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

I. Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS102 effective January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland FRS102 and the Charities Act 2011.

The financial statements have been prepared on the going concern basis. The members of the PCC assess whether the use of going concern is appropriate and have identified no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The members of the PCC make this assessment in respect of a period of twelve months from the date of approval of the financial statements.

The Church constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The presentation currency in these financial statements is sterling and the figures are rounded to the nearest pound.

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 effective January 2019 rather than Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

II. Land and buildings

The Church and the site on which the rectory and offices sit are consecrated and are excluded from accountability under Section 10(2) of the Charities Act 2011. Maintenance and improvement costs are written off in the year in which they are incurred.

III. Income

Income is recognised when the PCC is legally entitled to the income. Planned Giving, collections and donations are recognised when received. Indirect giving: tax refunds are recognised as soon as the amounts are claimable. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due, receipt is probable, and the amounts

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)**

can be measured reliably. Investment income: dividends are accounted for when received; interest and tax recoverable are accrued. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on a proportionate basis.

All income and gains falling within Sections 466-493 of the Corporation Taxes Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to the entity's charitable objectives.

IV. Expenditure

Payments to the Diocesan Common Fund are paid regularly and are included in expenditure for the year to which they relate. Grants from unrestricted funds (including donations to missions) are recognised when determined by the PCC. Amounts received specifically for missions are dealt with as restricted funds and the liability for payment is recognised when the amounts are received. All other expenditure is generally recognised in the period to which it relates.

Expenditure on raising funds are those costs incurred in attracting voluntary income.

Charitable activities include expenditure associated with the day-to-day management of the Church and include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

All expenditure is inclusive of irrecoverable VAT.

V. Allocation of support (overheads) costs.

Resources expended are allocated to a particular Church Centre where the cost relates directly to an activity carried out by the centre. However, the cost of overall activities, comprising the overheads costs is apportioned on proportionate and consistent basis.

SJP has apportioned overheads costs to the centres as follows:

Congregation: 14%
Cultural Programme: 37%
Operations: 49%

VI. Fund accounting

General purposes funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated for a particular purpose by the PCC are also unrestricted.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

VII. Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised where the purchase price exceeds £1,000 and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Fixtures, fittings, and equipment are depreciated in equal annual instalments over a period of four (4) years, except for the AV system and Solar PV system which useful life is ten (10) years. Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an ongoing use to the PCC.

The rector and churchwardens hold on special trust for the PCC silver and plate gifted to the Church for ecclesiastical use. They date from the 17th century and therefore, there is insufficient cost information available. Due to the unique nature of these assets and their historic association with worship at the church over hundreds of years, conventional valuation techniques are not applicable and therefore they have not been valued in the financial statements. The valuables, silver and plate, over 50 individual items in total, are listed in the church's inventory and are regarded by law as inalienable assets for which the PCC would require a faculty for disposal. There have been no additions or disposals from the collection during the year. Most of the items are kept in secure locations including a museum, and the total value for insurance purposes is now £725,500.

VIII. Investments

Investments are included in the balance sheet at market value.

IX. Debtors

Amounts owing to the PCC on 31st December in respect of fees, rents or other income are shown as debtors less provision for any amounts that may prove uncollectable. These are recognised initially at the settlement amount. Prepayments are valued at the amount prepaid, net of any trade discounts due.

X. Cash and Cash equivalents

Cash at bank and in hand and short-term deposits comprise cash and short-term highly liquid investments held with the CBF Church of England Deposit Fund, building societies and banks, maturing within three months or less from the opening of the deposit or similar account.

XI. Creditors

Creditors are recognised when the PCC has an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Creditors are

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)**

recognised at the amount that the PCC anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

XII. Financial Instruments

The church only has financial assets and liabilities of a kind that qualify as basic financial instruments. All (including debtors and creditors) are initially recognised at transaction value and subsequently measured at their settlement value.

XIII. Operating leases

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the period of the lease.

XIV. Pension scheme

The church operates an auto enrolment pension scheme, which includes all employees not already in a personal pension plan. Other employees are included in their own pension plans. The contributions made by the employer were at 6% until the end of March 2018, then at 7.5% from 1 April 2018. The contributions made are charged to the SOFA in the year to which they relate.

Charity information

St James's Church, Piccadilly is an Anglican church located at 197 Piccadilly, London, W1J 9LL. A description of the nature of the charity's operations and its principal activities can be found in The Annual Report of the PCC.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

No judgements (apart from those accounting estimates) have been made in the process of applying the above accounting policies.

No key assumptions concerning the future and key sources of estimated uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been identified.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 2 INCOME

		Unrestricted Funds			Total	Total
		General	Designated	Restricted		
		Funds	Funds	Funds	2022	2021
2A	VOLUNTARY INCOME					
	Planned giving:					
	Gift aid - stewardship	108,110	-	-	108,110	138,134
	Tax recoverable	31,354	-	-	31,354	32,113
	Church collections	175,814	63,679	141,062	380,554	334,422
	Legacies	-	-	-	-	13,423
	Grants	-	-	-	-	136,851
	Collection boxes	37,556	-	-	37,556	19,097
	Trusts	1,018	-	-	1,018	400
	Cards 4 Good Causes	-	-	-	-	-
	Winter Shelter	-	-	-	-	98
		353,852	63,679	141,062	558,592	674,537
2B	INCOME FROM CHURCH ACTIVITIES					
	Fees	65,347	-	-	65,347	23,398
	Lectures and Events	27,648	-	-	27,648	16,906
	Seminars and Retreats	-	-	-	-	-
	Publications	-	-	-	-	-
		92,995	-	-	92,995	40,304
2C	INCOME FROM USE OF PREMISES					
	Market rents	120,558	-	-	120,558	24,068
	Caffe	91,121	-	-	91,121	68,542
	Concerts	159,092	-	-	159,092	65,838
	Church, church hall and rectory	64,098	-	-	64,098	129,203
	Wren Flat licence	34,781	-	-	34,781	33,801
	Fire escape licence	10,350	-	-	10,350	10,350
		480,000	-	-	480,000	331,802
2D	ACTIVITIES FOR GENERATING FUNDS					
	Sale of Christmas Cards	-	-	-	-	-
	Christmas puddings	-	-	-	-	-
	Social Events	-	-	-	-	-
	Flowers	-	-	-	-	-
	Traidcraft Stall	-	-	-	-	-
		-	-	-	-	-
2E	INCOME FROM INVESTMENTS					
	Interest	7,987	-	-	7,987	12,412
	Dividends	-	-	-	-	-
		7,987	-	-	7,987	12,412
2F	OTHER INCOME					
	Licences	-	-	-	-	163,895
		-	-	-	-	163,895
	TOTAL INCOME	934,833	63,679	141,062	1,139,573	1,222,951

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 3 EXPENDITURE

		Unrestricted Funds				
		General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	2022	2021
3A	EXPENDITURE ON CHURCH ACTIVITIES					
	<i>Grants</i>					
	Away-giving	500	-	-	500	1,304
	<i>Ministry</i>					
	Common Fund	85,200	-	-	85,200	85,200
	Clergy expenses	5,397	-	-	5,397	5,381
	Associate Rector	34,757	-	-	34,757	53,903
	Assistant Curate	19,973	-	-	19,973	13,164
	Organist and choir costs	40,348	-	-	40,348	19,905
	Salary of the Director of Music	25,392	-	-	25,392	21,271
	Altar requisites	7,498	-	991	8,489	4,585
	Officers, volunteers, visitors and staff expenses	7,602	-	-	7,602	5,468
	Social events	986	-	-	986	128
	Designated Projects	-	42,860	-	42,860	33,469
	Other events, and children's activities	53,242	-	-	53,242	14,628
	Salaries	270,805	62,104	26,016	358,925	246,392
	Pension contributions	20,402	-	-	20,402	7,638
	Telephone	9,476	-	-	9,476	9,385
	Printing and stationery	17,569	-	-	17,569	7,774
	Legal and professional fees	44,570	-	-	44,570	57,316
	Advertising	10,792	-	-	10,792	16,694
	Depreciation	8,419	3,625	11,705	23,750	19,618
	Bank charges	2,097	-	-	2,097	(12,387)
	Sundry expenses	6,821	-	-	6,821	7,403
	Bad and doubtful debts	968	-	-	968	2,769
	Cleaning & Refuse collection	34,806	-	-	34,806	15,830
	Repairs and maintenance	10,912	-	-	10,912	13,175
	Garden maintenance	6,685	-	-	6,685	7,799
	Computer and equipment expenses	24,796	-	-	24,796	21,094
	Utilities	28,112	-	-	28,112	15,216
	Subscriptions	5,250	-	-	5,250	5,558
	Security	27,389	-	-	27,389	11,517
	Insurance	30,177	-	-	30,177	28,959
	Payroll and accountancy services	11,480	-	-	11,480	11,937
	TOTAL	851,920	108,589	38,713	999,222	750,787
	<i>Projects</i>					
	Wren renovation project	-	133,182	495,734	628,916	234,689
	Building Repair	-	36,865	-	36,865	12,157
	Music scholarship program	-	-	18,627	18,627	7,097
	Recovery and resilience (Business Model)	-	-	-	-	297,920
	TOTAL	-	170,047	514,361	684,408	551,864
	TOTAL	852,420	278,636	553,073	1,684,130	1,303,956
3B	EXPENDITURE ON USE OF PREMISES					
	Markets	23,209	-	-	23,209	5,622
	Café	-	-	-	-	-
	Concerts	305,058	-	-	305,058	93,970
	Basement	-	-	-	-	-
	Wren Flat	-	-	-	-	-
	TOTAL	328,268	-	-	328,268	99,592
	TOTAL EXPENDITURE	1,180,688	278,636	553,073	2,012,398	1,403,548

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 4 STAFF COSTS

	2022	2021
	£	£
Wages and salaries	506,577	328,450
Employer's national insurance contributions	46,619	23,962
Pension costs	38,113	24,788
	<u>591,309</u>	<u>377,200</u>

		2022	2021
		£	£
Analysed as follows:			
Activities directly related to the work of the church:	Director of Music	25,392	21,271
	Verger's fees	1,888	468
Church management and administration:	Administration	340,100	283,952
Use of premises:	Concerts	192,330	71,509
Projects:	Solidarity	12,826	-
	Wren renovation project	18,773	-
		<u>591,309</u>	<u>377,200</u>

Average number of employees	2022	2021
	No.	No.
	20	18

No. of employees earned more than £60,000	2022	2021
	No.	No.
	-	-

The remuneration of the key members of staff amounted to £319,036 (2021 - £209,098)

NOTE 5 AUDITORS' REMUNERATION

	2022	2021
	£	£
Audit	8,000	8,520

St James's Church, Piccadilly
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Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 6 GRANTS

Away-giving

The amount for grants is agreed by the PCC through the budget for the year. Applications for grants are invited from the church community at the Annual Church Parochial Meeting. The PCC appoints a small committee to review the applications. Applications need to show a clear relationship between the church and the project and information about how the money is to be used.

Projects need to fit within our mission statement. The PCC makes the final decision.

The away-giving represents the following grants made by PCC:

	2022	2021
	£	£
Deanery of Westminster	-	654
Grace Bible Church-Pakistan	500	-
Interfaith Matters	-	500
Beyond Food	-	150
TOTAL	500	1,304

NOTE 7 RELATED PARTIES

During the year the following payments were made for PCC members:

	2022	2021	2022	2021
	Number	Number	£	£
Clergy accommodation and other expenses	5	5	6,318	8,095

		2022	2021
		£	£
Lucy Winkett	Leaving gifts for staff	328	-
Alison Beck	As singer for different events	395	-
Deborah Colvin	2 x climate stripes banners for COP26	-	270
Deborah Colvin	Tablets for community use	-	120
Joanna Hines	Flags for St James's Day	-	255
Claire M. Wright	Home for Good, meeting hospitality	22	91
Michael Byrne	Fees assistance with PCC Secretarial matters	-	1,089
		745	1,825

	2022	2021
	£	£
Total donations from PCC members to the Church	46,977	25,391

All transactions involving elected members of the PCC are dealt with on an "arm's length" basis and the individual PCC members concerned do not derive any personal benefit from such transactions. No PCC member received any remuneration during the year.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 8 ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds			
	General	Designated	Restricted	Total £
	Funds	Funds	Funds	
Designation of net income for the year	-	-	-	-
	-	-	-	-

NOTE 9 FIXED ASSETS

9A	TANGIBLE		AV Equipment	Office Equipment	Furniture and Fixtures	Total
			£	£	£	£
Cost	at 1st January 2022		46,400	127,428	172,448	346,276
	Disposal		-	-	-	-
	Additions at cost		-	10,432	3,644	14,076
	at 31st December 2022		46,400	137,860	176,092	360,351
Depreciation	at 1st January 2022		4,378	110,340	127,522	242,240
	Withdrawn on disposals		-	-	-	-
	Charge for the year		4,640	8,798	10,654	24,092
	at 31st December 2022		9,018	119,138	138,177	266,332
Net book value	at 31st December 2022		37,382	18,722	37,915	94,019
	at 31st December 2021		42,022	17,088	44,925	104,036

9B	INVESTMENTS	Accumulated	Legacy	Total
		Fund	Fund	£
		£	£	£
	Market value at 1st January 2022	13,631	3,067	16,698
	Unrealised gain/loss on revaluation	(1,978)	32	(1,946)
	Market value at 31st December 2022	11,653	3,099	14,752
		No. of shares	No. of shares	
		564	150	

The investments are managed by The Central Board of Finance of the Church of England. The historical cost is as follows:

The Central Board of Finance of the Church of England: Investment Fund	2022	2021
150 shares (Legacy Fund)	141	141
564 shares (Accumulated Fund)	562	562
	703	703

The market values of the investments are as quoted by The Central Board of Finance of the Church of England.

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)**

NOTE 10 DEBTORS

	2022	2021
	£	£
10A TRADE DEBTORS (UNRESTRICTED FUNDS)		
Sales ledger balances	52,994	22,715
Less: Provision for doubtful debts:	(4,741)	(3,773)
TOTAL	<u>48,253</u>	<u>18,941</u>
10B OTHER DEBTORS (UNRESTRICTED FUNDS)	2022	2021
	£	£
	553	1,583
10C ACCRUED INCOME (RESTRICTED FUNDS)	2022	2021
	£	£
50% Culture Recovery Grant	-	-

NOTE 11 CURRENT LIABILITIES

	2022	2021
	£	£
CREDITORS: AMOUNTS FALLING DUE IN ONE YEAR (UNRESTRICTED FUNDS)		
Trade creditors	117,834	74,347
Accruals	4,949	6,044
Taxation and social security	15,609	9,297
Other creditors	1,055	5,955
TOTAL	<u>139,447</u>	<u>95,643</u>

NOTE 12 FINANCIAL INSTRUMENTS

	2022	2021
	£	£
Financial assets measured at fair value through income and expenditure	646,114	1,507,972

The above comprises fixed asset investments, cash deposit accounts and cash at bank and in hand.

St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)

NOTE 14 SUMMARY OF ASSETS BY FUND

2022	Unrestricted Funds			Total 2022 £
	General	Designated	Restricted	
	Funds	Funds	Funds	
	£	£	£	
Tangible fixed assets	94,019	27,222	53,653	174,893
Investments fixed assets	14,752	-	-	14,752
Current assets	351,236	315,898	(54,157)	612,977
Liabilities	(122,639)	-	-	(122,639)
	337,369	343,120	(504)	679,984

2021	Unrestricted Funds			Total 2021 £
	General	Designated	Restricted	
	Funds	Funds	Funds	
	£	£	£	
Tangible fixed assets	104,036	-	-	104,036
Investments fixed assets	16,698	-	-	16,698
Current assets	560,079	558,077	411,507	1,529,663
Liabilities	(95,643)	-	-	(95,643)
	585,170	558,077	411,507	1,554,754

NOTE 15 COMMITMENTS UNDER OPERATING LEASES

At 31st December the PCC had a commitment under two non-cancellable operating lease in respect of photocopiers as follows:

	2022 £	2021 £
Within one year	9,041	4,212
In 2-5 years	2,135	3,159
	11,176	7,371

**St James's Church, Piccadilly
Parochial Church Council
Notes to the Financial Statements
for the year ended 31 December 2022 (continued)**

NOTE 16 CAPITAL COMMITMENTS

Capital commitments contracted but not provided for in the financial statements are as follows:

New Electrical Connections

Project UKP11252 with UK Power Solutions Ltd.	173,629
Deposit paid	<u>(46,203)</u>
	<u>127,427</u>

On 26th April 2022, the PCC accepted the proposal for the provision from UK Power Solutions Ltd. of new electrical connections for the premises.

As at the balance sheet date, the PCC had paid a deposit of £46,203, representing 27% of the purchase, VAT incl.

Trial pits in the garden

Daedalus Conservation – a division of R W Armstrong & Sons Ltd.

Application 1	14,098
Application 2	19,977
Deposit paid	<u>-</u>
	<u>34,075</u>

On 11th October, the PCC accepted the proposal for the phase 1 of the works to survey the roots in the top soil.

Due to variation of works (phase 2) a second application was accepted in November.

There were no capital commitments at 31 December 2021.

