

THE PARISH OF ST JAMES  
WITH  
ST PETER ISLINGTON

**Annual Report**  
and  
**Financial Statements**  
of the  
**Parochial Church Council**

*for the year ended December 31, 2020*

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**INCUMBENT:**

**The Revd John Burniston  
St James's Vicarage  
Arlington Square  
Islington  
LONDON N1 7DS**

**BANKERS:**

Lloyds Bank plc  
19/20 Upper Street  
Islington  
LONDON N1 0PJ

The Central Board of Finance  
of the Church of England,  
Senator House  
85 Queen Victoria Street  
LONDON EC4V 4ET

**INDEPENDENT EXAMINER:**

Jacob Farley ACA  
Stewardship Accounts Examination  
1 Lamb's Passage  
London  
EC1Y 8AB

**THE PARISH CHURCH OF ST JAMES WITH ST PETER,  
ISLINGTON  
ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Administrative Information**

St James' Church is situated in Prebend Street, Islington. It is part of the Diocese of London within the Church of England. The correspondence address is The Vicarage, 1a Arlington Square, Islington, London N1 7DS.

The Parochial Church Council (PCC) is a charity registered with the Charity Commission under registration number 1134267. PCC members who have served from 1 January, 2019 until the date this report was approved are:

<i>Incumbent:</i>	The Revd John Burniston	Chairman Representative on the Diocesan Synod; elected to fill a clergy vacancy.
<i>Wardens:</i>	Mrs Hilary Roden	First elected at a Special Meeting of Parishioners on July 26, 2015 and re- elected at the Annual Meeting of Parishioners on April 10, 2016; April 30, 2017; April 15, 2018; April 07, 2019; October 25, 2020
	Ms Isabel Nisbet	Previously elected to PCC April 14, 2013 First elected at the APCM on April 30, 2017 and re-elected at the Annual Meeting of Parishioners on April 15, 2018; April 07, 2019; October 25, 2020
<i>Representatives on the Deanery Synod:</i>	<i>Elected for one year from October 25, 2020</i>	
	Mrs Vera Taggart Mrs Susan Sorensen	Re-elected Honorary Treasurer
<i>Lay Members:</i>	<i>Elected for three years from the APCM April 30, 2017 and re-elected October 25, 2020</i>	
	Mr Alastair Hume Ms Sinead Burniston Mrs Rosemary Ross	Assistant Treasurer Children's Champion
	<i>Elected for three years from the APCM April 15, 2018</i>	
	Ms Kerry Sabine	Re-elected. PCC Secretary; resigned April 30, 2020
	<i>Elected for three years from the APCM April 07, 2019</i>	
	Ms Kerri Allen	Lay Vice Chair. Publicity Officer.

### **Standing Committee**

This is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. The members of the Standing Committee are the Vicar, Lay Vice Chair of the PCC, the Secretary, the Hon Treasurer and the two Churchwardens.

### **Structure, governance and management**

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC. As from the Annual Parochial Church Meeting April 2012, a third of the PCC are elected each year as resolved by the adjourned PCM in 2011. With effect from the APCM April 19, 2015 it was agreed that with an electoral roll that fluctuated around 100 people, lay representation on the PCC should remain stable at 9 members.

### **Objectives and activities**

When planning our activities for the year, the incumbent, the Revd John Burniston, and St. James' PCC have considered the Charity Commission's guidance on public benefit and in particular the specific guidance for the advancement of religion. In particular, we take responsibility for promoting the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the ecclesiastical parish. We also have maintenance responsibilities for the fabric of the Church and for the Church Hall complex at the corner of Packington Street.

### **General Data Protection Regulation**

The PCC is committed to protecting the data privacy of all the persons and organisations with which it interacts. Personal information contained in this report and elsewhere (including names, addresses and telephone numbers) are stored securely in electronic and paper copy in the Parish Office. Any member who objects to personal information relating to him/her being stored in this manner should so inform, in writing, the PCC Secretary. The details of any member who does object will be omitted from future reports.

For further information on our Privacy Policy, please visit the link below or contact a member of the PCC.

<http://stjamesislington.org/wp-content/uploads/2018/04/SJI-Privacy-notice-template-for-non-role-holders-March-2018.pdf>

### **Church Attendance**

<i>Statistics:</i>	<i>2020<sup>(1)</sup></i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>Baptisms</i>	2	7	12	12	12
<i>First Holy Communions</i>	9	5	7	8	8
<i>Confirmations</i>	0	0	0	0	0
<i>Weddings</i>	2	4	5	1	6
<i>Funerals</i>	5	9	12	16	11
<i>Average Sunday attendance (adults)</i>	35	38	42	47	46
<i>Average Sunday attendance (u16s)</i>	12	14	14	13	10
<i>Average Sunday attendance (a+u16)</i>	47	52	56	60	56
<i>Average Communicants</i>	33	32	36	36	40

(1) 31 Sundays (no public worship from 29 March 2020 - 12 July 2020 (incl) and from 8 November 2020 – 29 November 2020 (incl) because of public health restrictions)

## **(2) Review of the year**

In 2020 the PCC had 10 members and held 6 meetings. From March 2020 the role of PCC Secretary passed from Kerry Sabine to Adam Dickson. The PCC were most grateful to Kerry for all the support she had given. The APCM for 2019 was postponed from 26 April 2020 because of Lockdown restrictions, and took place on 25 October 2020.

The PCC meeting on 20 January 2020 was the last to be held in person in 2020. Isabelle Sharples joined the meeting to talk about her role as Safeguarding Officer and the Safeguarding Policies at St James's. Fr John can confirm that the PCC has complied with the duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016, which sets out the PCC's obligations to safeguard children and vulnerable adults.

From March 2020 onwards, because of Covid precautions, the PCC has met remotely, using Zoom. On 23 November 2020, the PCC welcomed to their meeting Joe Ammoun, student in training.

Maintaining the Ministry of St James during the pandemic was a dominant theme of PCC meetings. For long periods in 2020 services were recorded, initially from the Vicarage and later, when allowed, from the church, and made available online. The numbers watching these services increased during the year. In addition, Maria and Sinead Burniston worked hard during Lockdown periods to prepare craft material each week, for delivery to Sunday School children. At the delayed APCM in October 2020, members of the congregation expressed their appreciation for the considerable effort put into this task, as well as for the editing and preparation of the recorded services.

Because of national restrictions, it was not possible for the hall to be made available for many of the usual lettings, and the scope for hire of the church was also greatly curtailed. The opportunity was taken for extensive refurbishment of the hall kitchen and replacement of the stage curtains. However, the church income from hall lettings largely ceased during successive Lockdowns, and the income from church lettings was greatly reduced. The PCC received regular reports on the financial position of St James's and approved the use of reserves to maintain the level of our contribution to the Common Fund.

At its meeting in November 2020, the PCC approved in principle the purchase of audio-visual equipment for streaming services and other events live from the church. We were grateful for a grant from the Cloudesley Foundation for this purpose.

Sadly, the Islington Proms, planned for June 2020, had to be cancelled because of Covid. The artists who had been booked were offered the opportunity to perform in 2021, and the 2021 series is planned to take place in September 2021

At its meeting in July 2020, the PCC undertook a "forward look", prompted by the resumption of public worship. They looked forward to the resumption of sacramental public worship, but reflected that it would take time for some members of the congregation to feel confident to return. They acknowledged the work done by Fr John during Lockdown to maintain contact with parishioners, including those who had been planning baptisms or First Communions.

On 21 January 2020 the Diocesan Advisory Committee approved the proposals for development of the St James's organ. These had been discussed at many PCC meetings in 2019. The proposals were put out for consultation in late January 2020. Eight objections were received, and written submissions were exchanged during the year. Two of the objectors became "parties opponent" and towards the end of the year they exercised their right to request that the case should be heard at a session of the Consistory Court.

As well as discussing all of these matters the PCC received regular updates from Fr John, the Churchwardens, the Treasurer, the Electoral Roll Officer and representatives from the Deanery and Diocesan Synods.

### **Statement of Trustees' Responsibilities**

Under the Charities Act 2011, the PCC is required to prepare a statement of accounts for each accounting year which gives a true and fair view of the state of affairs of the church.

We are required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the policies adopted are in accordance with the Church Accounting Regulations and with applicable accounting standards.
4. Prepare the financial statements on a going concern basis.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and to ensure that such accounts comply with applicable accounting standards and with the Statements of Recommended Practice and the Regulations made under Section 130 of the Charities Act 2011. We also have a responsibility to safeguard the assets of the church and to take reasonable steps for the prevention of fraud and other irregularities.

### **Financial Review**

St James continues to account on an accruals basis in the expectation that grant funding for major projects may take us over the threshold of £250k to which the requirement applies. Accruals accounting also provides a more accurate statement of income and expenditure over the accounting year if, for example, there is a timing gap between receipts and associated payments. This policy will be kept under review in the current uncertain environment. As previously determined, the PCC has monitored the financial performance of the church on the basis of its routine "normalised" income and expenditure, under the heading "Unrestricted General funds". Exceptional expenditure on church and hall renewal has been the subject of separate budgets, with the transfer of the planned expenditure from the general reserve to designated reserves in addition to the use of any grants received. Cloudesley awarded a grant of £5,000 in 2020 as part of the special initiative to provide support to churches to enable streaming of services during the closures necessitated by the Coronavirus pandemic. This has been an enormous benefit for which the PCC is very grateful to Cloudesley.

The PCC has again assessed the parish's position as a going concern in compliance with FRS 102 and the relevant Statement of Recommended Practice (SORP). Although the church has experienced income and expenditure operating deficits in recent years, it holds significant

free reserves. These include a general unrestricted reserve of approximately £257k. This includes the ownership of the church hall which is valued in the books at £86k at depreciated cost but in reality is worth considerably more. An additional £197k is held in reserve for designated and restricted purposes. The charity therefore is confident that the church can continue to operate for the foreseeable future and this continues to apply despite the financial impact of income loss resulting from the current coronavirus pandemic. In addition, the church has access to the accumulated income from the permanent endowment held in the William Lambe Trust (WLT) for the financing of repairs and maintenance. The income fund stood at just under £167k at the end of 2020. The fund, which is managed and accounted for by the London Diocesan Fund (LDF) is for the exclusive use of St James'. Although the income varies with movements in financial markets, it yielded just under £19k in 2020. As a result in the reduction in the value of the WLT investments, the income was less than in previous years. The church also has access to Cloudesley, another local charitable trust, which allocates grants to Church of England churches within the Islington Deanery for work to the church fabric and the maintenance of services. In recent years we have successfully applied to Cloudesley for significant contributions to the costs of new developments. Applications are invited twice a year and the PCC is extremely grateful to Cloudesley for their continued support.

### **Financial Performance 2020**

The out-turn on the general unrestricted fund, before reserve fund transfers, was a deficit of £25,018 which was £18,426 higher than the underlying deficit reported in the previous year. The overall deficit including the impact of non-recurrent income and expenditure was £39,976, reflecting the impact of the significant loss of income from both church and hall lettings during the closures resulting from the pandemic. This was in line with the projections during 2020. Nevertheless, the church made its full contribution to the Diocesan common fund of £85,500 in 2020. Taking into account the increased value of our investments, the overall net financial change was a reduction of £22,335 which will be taken into account in updating the budget for 2021 and proposing the common fund contribution for 2022.

During 2019, the Financial Review Group (FRG - an informal advisory group of parishioners with financial, investment and property expertise), recommended the reallocation of our investment portfolio. This split our investment between equity and bond funds and moved into global markets. The equity portfolio increased in value by £17k during the year, but the overall investment income reduced from £15k to around £6k. It is anticipated that in the longer term, a further reallocation will allow the optimisation of investment income.

### **Charitable donations**

The church continued to support a number of charitable causes including the Medical Orphans' Project (MOP) in Zimbabwe, the Church of England Children's Society and local charities. The Pack-up project providing a weekly soup and sandwich kitchen for the street community operated in the church hall while this was allowed under the Covid-19 regulations, providing a take-away service when the hall was closed. A number of charities were able to hire the hall at reduced rates during part of the year. Significant donations totalling £1,813 were made from the proceeds of special appeals and generous gifts.

### **Identification and Use of Reserves**

The overall reserves are now broken down into a number of designated reserves in addition to the undesignated general fund. In common with many other parishes in London, St James' has been subject to pastoral reorganisation and amalgamation over the years. This resulted

in the acquisition of a number of buildings (or part shares in buildings) at nil or negligible cost, their costs having presumably been written off many years ago in the former constituent parishes. A portion of proceeds of sales enabled the building of a new church hall in 1992, developed as a joint project with a housing association. The balance of the capital proceeds have been held in financial investments, with the income from these investments available for the church's mission. The FRG will continue to be called upon on an ad hoc basis to monitor the position, update the financial risk assessment and inform discussion of the PCC's reserves and investment policies.

The identification of designated reserves represents the current plan for the future use of resources, the largest provision representing the accumulated depreciation provision for the church hall which will be available to contribute to the replacement or renewal of the facilities. The development of the church's next stage of its Mission Action Plan is currently under discussion. Plans to restore and upgrade the organ are now progressing. This will involve considerable investment of around £230k. The PCC has already secured a grant from Cloudesley and will make an application to the WLT in addition to drawing on reserves if required. In order to fulfil the requirement of both the Diocese and the Charity Commission to have a clearly formulated policy on the holding and application of reserves, the PCC will continue to ensure that liquid resources sufficient to meet six months of expected revenue costs are held in the general reserve. It will also consider and update the range of options for future capital spending on the basis of Quinquennial Reviews (the last of which was 9<sup>th</sup> February 2018), risk assessment and building development plans. Income from the PCC's investments will be held in an interest-bearing deposit account and designated for specific missional purposes.

Looking ahead, the ongoing global coronavirus pandemic will clearly have a major effect on the financial position of the church in 2021 and beyond. Hall and church lettings ceased from Lockdown in March 2020 until restrictions eased in September, and again from November to the present apart from a period in December. This has inevitably resulted in a significant loss of income from those sources which will continue into 2021. Additionally, there were no plate collections in the period when services were not held in church. A Stewards 19th hip campaign has boosted our regular planned giving but other sources of voluntary income will continue to be constrained by the measures in place to control the pandemic. The church has not been able to access any support for employees or compensation for income loss, but every effort will be made to mitigate the adverse effects of the situation on the church's finances through whatever means available. It is expected that income from both church and hall lettings will be restored from the Spring of 2021 and, together with the recovery of voluntary giving from the congregation and community will enable the church's finances to improve during the year.

Approved by the Standing Committee of the Parochial Church Council at its meeting on 19<sup>th</sup> October 2021 and signed on their behalf by the Revd John Burniston (Chairman)

John Burniston

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Revd John Burniston  
(Chairman)

Date 24<sup>th</sup> October 2021



## **INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST JAMES WITH ST PETER ISLINGTON**

I report to the members of the PCC of St James with St Peter, Islington (who are the charity's trustees) on my examination of the accounts of the Charity for the year ended 31<sup>st</sup> December 2020 on pages 10 - 24, which have been prepared on the basis of the accounting policies set out on pages 12 - 15.

### *Responsibilities and basis of report*

As members 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 Charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### *Basis of independent examiner's statement*

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (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.

Jacob Farley FCA

For and on behalf of:  
Stewardship  
1 Lamb's Passage  
London EC1Y 8AB

Jacob Farley

Date 28<sup>th</sup> October 2021

**ST JAMES WITH ST PETER, ISLINGTON**

**STATEMENT OF FINANCIAL ACTIVITIES (SOFA)**

for the year ended 31 December 2020

		Note	Unrestricted							
			Unrestricted		Designated Funds		Restricted Funds		Total Funds	
			General Funds							
			2020	2019	2020	2019	2020	2019	2020	2019
			£	£	£	£	£	£	£	£
<b>Incoming Resources</b>										
Voluntary Income	2a		34,565	33,240		86	7,089	13,737	41,654	47,063
Activities for generating										
funds: Islington Proms	2b		-	-	-	4,479	-	-	-	4,479
Income from investments	2c		5,768	14,950	-	-	-	-	5,768	14,950
Income from church and										
charitable activities	2d		29,257	64,904			30	254	29,287	65,158
Other incoming resources	2e		28,143	25,936	-	-	-	-	28,143	25,936
<b>Total Incoming Resources</b>			<b>97,733</b>	<b>139,030</b>	<b>-</b>	<b>4,565</b>	<b>7,119</b>	<b>13,991</b>	<b>104,852</b>	<b>157,586</b>
<b>Resources Expended</b>										
Cost of generating	3a		-	-	-	4,145	-	-	-	4,145
voluntary income										
Church and charitable	3b		122,751	145,622	17,730	11,490	4,347	12,947	144,828	170,059
activities										
<b>Total Resources Expended</b>			<b>122,751</b>	<b>145,622</b>	<b>17,730</b>	<b>15,635</b>	<b>4,347</b>	<b>12,947</b>	<b>144,828</b>	<b>174,204</b>
Operating surplus/deficit			(25,018)	(6,592)	(17,730)	(11,070)	2,772	1,044	(39,976)	(16,618)
Recognised gains/losses			17,641	41,681	-	-	-	-	17,641	41,681
Net income/expenditure			(7,377)	35,089	(17,730)	(11,070)	2,772	1,044	(22,335)	25,063
Transfers between funds			(21,257)	(17,555)	21,257	17,555	-	-	-	-
<b>Net movement in funds</b>			<b>(28,634)</b>	<b>17,534</b>	<b>3,527</b>	<b>6,485</b>	<b>2,772</b>	<b>1,044</b>	<b>(22,335)</b>	<b>25,063</b>
<b>Total funds brought forward</b>			<b>286,056</b>	<b>268,523</b>	<b>189,018</b>	<b>182,533</b>	<b>1,929</b>	<b>855</b>	<b>477,002</b>	<b>451,941</b>
<b>Total funds carried forward</b>			<b>257,422</b>	<b>286,057</b>	<b>192,545</b>	<b>189,018</b>	<b>4,701</b>	<b>1,899</b>	<b>454,667</b>	<b>477,004</b>

The notes on pages 12 - 24 form part of these accounts.

**ST JAMES WITH ST PETER, ISLINGTON**

**BALANCE SHEET**

as at 31 December, 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible fixed assets	5	86,413	92,978
<b>Current Assets</b>			
Investments	6	308,646	290,657
Cash at bank and in hand	6	56,586	95,642
Debtors	7	13,997	12,873
<b>Total Current Assets</b>		<b>379,229</b>	<b>399,172</b>
Liabilities: Amounts falling due within one year	7	10,976	15,148
<b>Net Current Assets</b>		<b>368,253</b>	<b>384,024</b>
<b>Total Net Assets</b>		<b>454,666</b>	<b>477,002</b>
<b>Funds</b>	8,9		
Unrestricted - General		257,421	286,056
Unrestricted - Designated			
Bell Fund		4,372	5,400
Equipment depreciation		3,103	3,103
Hall Depreciation		179,275	173,210
Vincent Hall Mission Fund		2,216	2,216
William Schroeder Trust		1,428	1,428
Church renewal		-	-
Hall Renewal		-	1,509
Islington Proms		2,151	2,151
<b>Restricted</b>			
Special projects		4,408	1,393
Specific Appeals		292	536
<b>TOTAL FUNDS</b>		<b>454,666</b>	<b>477,002</b>

The notes on pages 12 -24 form part of these accounts.

The financial statements were approved by the members of the PCC and signed on its behalf  
by the Revd. John Burniston, Chairman

Signed John Burniston

Date 24th October 2021

## Notes to the financial statements

### 1. ACCOUNTING POLICIES

The Parochial Church Council of St James with St Peter, Islington is a charity registered with the Charity Commission in England and Wales. The charity's registered number and principal address can be found on the Charity Information page.

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities (SOFA). The financial statements include all activities for which the PCC is legally responsible; the activities of informal gatherings of church members and groups that owe their main affiliation to another body are excluded.

These financial statements have been prepared in accordance with the Church Accounting Regulations 2006, the 'Statement of Recommended Practice (SORP): 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") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

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 financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

#### **Going Concern**

The PCC have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The PCC have made this Assessment for a period of at least one year from the date of the approval of the financial statements. In particular the PCC have considered the charities forecasts and projections and the possible implications should projected income and/or expenditure vary unexpectedly. The PCC have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the trustees have considered how Covid-19 might affect projections.

#### **Income**

Income (which includes planned giving, collections and other donations) is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and the receipt is probable. For the most part the income is generally recognised when it is received by, or on behalf of, the PCC. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Donated facilities services and goods. Goods donated for distribution to beneficiaries are recognised as income when receivable at fair value, where this can be reliably measured. Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity.
- iii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be reliably measured.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church events and courses.

Investment income represents income generated by the charity's assets and includes bank income and income from letting property acquired by the charity for investment.

### **Expenditure**

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Contributions in respect of the diocesan parish share are included in the SOFA for all amounts agreed to being payable for the financial year. Any contributions that have not been paid over by the year end are included as a creditor.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The cost of raising funds is not significant and has not been disclosed.

Governance costs, which are included in expenditure on charitable activities but are separately identified in the notes to the accounts, include costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

### **Funds**

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

Unrestricted designated funds represent amounts which have been earmarked by the PCC for specific purposes. However, these funds may be amended by decision of the PCC.

Unrestricted general funds are funds which can be used for PCC ordinary purposes.

## **Tangible Fixed Assets**

Consecrated and beneficed property is not included in these financial statements by virtue of s.10(2) of the Charities Act 2011. All expenditure on consecrated or beneficed buildings is written off in the year in which it is incurred.

Movable church furnishings held by the incumbent and churchwardens on special trust for the PCC and which require a faculty for disposal are capitalised in accordance with the policy set out below. These items are regarded as inalienable property and are listed in the church's inventory which can be inspected at any reasonable time. Inalienable property acquired prior to 2000 has not been capitalised as there is insufficient cost information available.

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £1,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land is not depreciated because it is not consumed by use. Freehold buildings are depreciated over 40 years taking account of the building's residual value. The hall building is depreciated over 40 years. Leasehold improvements are depreciated over the lease term or, if shorter, the expected useful life. Equipment is written down over 3 to 7 years as appropriate.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events of changes in circumstances indicate that the carrying value may not be recoverable.

## **Investments**

Fixed asset investments are held to generate income and/or for their investment potential. Current asset investments are investments that are held specifically for sale or are investments that the charity expects to sell by the next balance sheet date. Investments other than social investments are valued as follows:

Investment property and listed investments are valued at their market value (fair value) at the balance sheet date

Unlisted investments are measured at cost less impairment where it becomes apparent that the amount that could be realised is less than cost

## **Current Assets**

Current Assets represent all realisable assets including amounts due to the PCC from debtors which can realistically be recovered. Unrecoverable debts may be written off as expenses with the agreement of the PCC.

## **Current liabilities**

These are amounts owed to creditors by the PCC which fall due within a year. Unclaimed amounts may be carried forward from year to year, written back or held as designated reserves with the agreement of the PCC.

## **Taxation**

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

**Financial instruments**

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive).

**Exemption from preparing a cash flow statement**

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

**Critical accounting estimates and areas of judgement**

The members of the PCC do not consider that there are any material sources of estimation of uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

## 2. INCOMING RESOURCES

	Un-restricted General Funds		Total Funds	
	2020 £	2019 £	2020	2019
<b>2(a) Voluntary income</b>				
Planned giving:				
- Regular bank transfers	21,144	19,223	21,144	19,223
- Income tax recoverable	5,552	6,127	5,552	6,322
- Other planned giving	1,878	-	1,878	-
Collections (open plate) at all services	2,555	4,887	2,593	4,887
Legacies	-	-	-	-
Sundry donations	2,571	1,346	2,831	1,432
Alms and votive candle boxes	864	1,657	864	1,657
Appeals (note 4)	-	-	1,791	3,542
Non-recurring grants	-	-	5,000	10,000
	<b>34,564</b>	<b>33,240</b>	<b>41,653</b>	<b>47,063</b>
<b>2(b) Activities for generating funds</b>				
Islington Proms	-	-	-	4,479
	-	-	-	<b>4,479</b>
<b>2(c) Income from investments</b>				
Interest	169	423	169	423
Dividends	5,599	14,527	5,599	14,527
	<b>5,768</b>	<b>14,950</b>	<b>5,768</b>	<b>14,950</b>
<b>2 (d) Income from church activities</b>				
Fees from services	2,310	4,093	2,310	4,093
Church Hall Lettings	19,814	50,920	19,814	50,920
Church Lettings	7,134	9,891	7,164	10,145
	<b>29,258</b>	<b>64,904</b>	<b>29,288</b>	<b>65,157</b>
<b>2(e) Other ordinary incoming resources</b>				
Property rental	11,778	11,778	11,778	25,936
Phone mast rental	14,300	14,300	14,300	-
Other income	2,065	-	2,065	-
	<b>28,143</b>	<b>25,936</b>	<b>28,143</b>	<b>25,936</b>
<b>TOTAL INCOMING RESOURCES</b>	<b>97,733</b>	<b>139,029</b>	<b>104,852</b>	<b>157,585</b>



### 3. RESOURCES EXPENDED

	Un-restricted General Funds		Total Funds 2020	Total Funds 2019
	2020	2019		
	£	£	£	£
3(a) <i>Costs of generating funds</i>				
Costs of generating voluntary income	-	-	-	-
Fund-raising trading costs	-	-	-	4,145
	-	-	-	<b>4,145</b>
3(b) <i>Church and charitable activities</i>				
Missionary and charitable giving (note 5):				
Church overseas		-	840	975
Relief agencies		-	-	801
Home missions and other Church Societies	-	2,000	-	2,000
Secular relief charities	-	-	973	1,171
Ministry: Common Fund (note 16)	85,500	82,800	85,500	82,800
Clergy expenses (note 14)	1,050	1,207	1,050	1,207
Staffing costs (See note below)	13,964	4,421	13,964	4,421
Church – running expenses	10,012	15,059	10,181	15,059
Church maintenance	3,252	9,389	9,212	29,336
Church Hall running costs	4,929	18,021	12,999	19,564
Organists' fees	2,170	3,970	2,170	3,970
Depreciation: Hall	-	6,065	6065	6,065
Other assets	500	500	500	500
Governance costs*	1,374	2,190	1,374	2,190
	<b>122,751</b>	<b>145,622</b>	<b>144,828</b>	<b>170,059</b>
3(c) <i>Other resources expended</i>	-	-	-	-
<b>TOTAL RESOURCES EXPENDED</b>	<b>122,751</b>	<b>145,622</b>	<b>144,828</b>	<b>174,204</b>

\*Fees payable to Stewardship, other than for the independent examination, were £623 in respect of payroll services (included in staffing costs) and £90 for consultancy.

#### STAFF REMUNERATION

The PCC employed three part-time staff equivalent to 0.8 full time staff throughout the year ended 31 December 2020.

There were no pension costs payable in the financial year 2020.

No employee received remuneration over £60,000.

#### 4. CHARITABLE GIVING

	Donations made by PCC or raised by special appeals £		Amount raised directly by fundraising events £		Total £	
	2020	2019	2020	2019	2020	2019
<u>Church Overseas:</u> TZABA (Transvaal Zimbabwe & Botswana Association)	840	975			840	975
<u>Relief and Development Agencies:</u> Red Cross re Hurricane Dorian	-	801			-	801
<u>Home Mission:</u> Children's Society Church Urban Fund/Capital Mass St Peter's Activity Group		2,000				2,000
<u>Secular charitable activities:</u> "Pack-up" weekly lunch for the street community		918				918
Arc Centre	100		250		350	
Osborne Trust			623		623	
North London cares				254		254
<b>TOTAL</b>	<b>940</b>	<b>4,694</b>	<b>823</b>	<b>254</b>	<b>2,183</b>	<b>4,947</b>

The church supports various mission and out-reach projects in the UK and internationally. Donations to TZABA for the Medical Orphans' Project (MOP) arose from the Harvest Festival Appeal. During the pandemic, the Arc Centre, a local community centre, opened a foodbank and the church made donations, of which £200 was raised at the annual carol service. A donation was made to the Osborne Trust from a fund-raising event in memory of a member of the church community.

#### 5. FIXED ASSETS FOR USE BY PCC

	Freehold land and buildings £	Hall buildings £	Hall fixtures and fittings £	Other fixtures and fittings and office equipment £	Total £
<u>Cost</u>					
At January 1, 2020	-	242,597	21,589	6,604	270,790
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At December 31, 2020</b>	<b>-</b>	<b>242,597</b>	<b>21,589</b>	<b>6,604</b>	<b>270,790</b>
<u>Depreciation</u>					
At January 1, 2020	-	151,622	21,589	4,604	177,815
Charge for the year	-	6,065	-	500	6,565
Disposals	-	-	-	-	-
<b>At December 31, 2020</b>	<b>-</b>	<b>157,687</b>	<b>21,589</b>	<b>5,104</b>	<b>184,380</b>
<u>Net Book Value</u>					
<b>At December 31, 2020</b>	<b>-</b>	<b>84,910</b>	<b>0</b>	<b>1,501</b>	<b>86,411</b>
At January 1, 2020	-	90,978	0	2,000	92,978

The freehold land and buildings comprise the following:

- a) Grantbridge Street School and St. Peter's Church Hall - a lease of 125 years was granted on this property in 1985.
- b) Cumming Memorial Hall site - a long lease of 125 years was granted on this site in 1993, to the Women's Housing Trust (WHT) in connection with the development of the new St. James' Hall. In 1995 the agreed amount for this grant of £150,000 was paid to the PCC. The WHT has now passed to the Southern Housing Group (SHG) and an underlease for the PCC's use of the hall buildings is being completed in consultation with the LDF. A revised draft is being reviewed by SHG.
- c) All fixtures and fittings previously accounted for as fixed assets have now been written down to zero.
- d) The donated grand piano is recognised as an asset and is being written down over seven years.

The new Hall was partly funded from the proceeds of the 1973 sale of the old St. James' Church Hall in Britannia Row of £33,635. These proceeds were held in a formal trust (Britannia Row Trust) under which the sum could only be used to provide land and buildings which in turn would be held on the same terms as the proceeds. Therefore on any disposal of the new Hall, proceeds which represent the funding provided from the Britannia Row Trust, will have to be restricted in similar manner to the original Britannia Row Trust

## **6. CURRENT ASSETS**

### **Investments**

The church's investments at 31<sup>st</sup> December 2019 consisted of Units in the Equities Investment Fund for Charities (Charifund) managed by M & G and held in the Unrestricted Fund. The investment comprised 17,502.202 units at an original cost of £224,532. The value as at 31<sup>st</sup> December 2019 was £290,657 an increase of £41,421 over the previous year, when there had been an unrealised loss resulting from a market correction in 2018. Continued political uncertainty resulted in instability in financial markets during 2019 but with a marked recovery in the latter part of the year. This led to a review by the Financial Review Group of the PCC's investment strategy and a recommendation to restructure the portfolio and to invest in a combination of global equities and government bonds. This restructuring took place in early January 2020, before the coronavirus pandemic caused significant losses in global equities. The sale of the M&G Charifund holding yielded £289,653.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cost or fair value brought forward	290,657	249,237
Purchases during the year*	290,000	-
Disposals during the year	289,653	-
Change in value of investments	17,989	41,420
Cost or fair value carried forward	308,646	290,657

\* Investments of £145,00 each were made in the CCLA Global Equities Fund and the M&G Global Bond fund, i.e. a total of £290,000. The value of these investments at 31<sup>st</sup> December 2020 increased to £308,646 but investment income was £9,182 less than the previous year.

## Cash at bank and in hand

	2020 £	2019 £
Cash at bank with immediate access	51,651	39,410
Notice deposits with a term of 3 months or less	4,142	54,679
Petty cash	793	1,552
<b>Total</b>	<b>56,586</b>	<b>95,641</b>

## 7. DEBTORS AND CREDITORS

	2020 £	2019 £
<b>Debtors</b>		
Income tax recoverable	4,014	4,723
Other debtors and accrued income	9,983	8,150
<b>Total Debtors</b>	<b>13,997</b>	<b>12,873</b>
<b>Liabilities: Amounts falling due within one year</b>		
Appeals for specific charities	706	536
Other accrued expenditure	10,270	14,612
<b>Total accruals</b>	<b>10,976</b>	<b>15,148</b>

## 8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General Funds £		Unrestricted Designated Funds £		Restricted Funds £		Total Funds £	
	2020	2019	2020	2019	2020	2019	2020	2019
Fixed assets	86,413	92,978	-	-	-	-	86,413	92,978
Investments	129,371	147,772	179,275	142,885	-	-	308,646	290,657
Debtors	8,997	12,666	-	-	5,000	207	13,997	12,873
Cash at bank and in hand	42,404	50,406	14,182	42,708	-	2,527	56,586	95,641
Liabilities	(9,764)	(12,826)	(912)	(1,517)	(300)	(805)	(10,976)	(15,158)
<b>TOTAL</b>	<b>257,421</b>	<b>290,997</b>	<b>192,545</b>	<b>184,076</b>	<b>4,700</b>	<b>1,929</b>	<b>454,666</b>	<b>477,002</b>

The liabilities of the designated and restricted funds relate to money to be paid to charities and an outstanding amount relating to hall refurbishment.

## 9a MOVEMENT IN FUND BALANCES

<b>Fund</b>	<b>b/f 1<sup>st</sup> Jan 2020 £</b>	<b>Incoming Resources £</b>	<b>Outgoing resources £</b>	<b>**Net Transfers £</b>	<b>Net gains and losses £</b>	<b>c/f 31<sup>st</sup> Dec 2020 £</b>
General Fund	286,056	97,733	122,751	(21,257)	17,641	257,421
Designated Funds		-	-			
Bell Fund	5,400	-	1,028	-		4,372
Equipment	3,103	-		-		3,103
Hall Depreciation	173,210		6,065	12,130		179,275
VincentTerrace		-				
Mission Hall*	2,216	-	-	-		2,216
William Schroeder Trust*	1,427	-	-			1,427
Church Renewal	-	-	2,568	2,568		-
Hall Renewal	1,510	-	8,069	6,559		-
Proms concerts	2,151		-	-		2,151
Restricted Funds				-		
Special Projects - restricted	1,393	5,550	2,534	-		4,408
Appeals - restricted	536	1,569	1,813	-		292
<b>Total Funds</b>	<b>477,002</b>	<b>104,851</b>	<b>144,828</b>	<b>-</b>	<b>17,641</b>	<b>454,666</b>

\*Balances on The Vincent Terrace Mission Hall (£2,215) and William Schroeder Trust (£1,427) had been held as current liabilities for many years and are now separately identified as designated reserves.

\*\*Transfers between the general and the designated unrestricted funds are agreed by the PCC to build up the hall depreciation reserve and to finance specific projects not covered by routine income and expenditure budgets.

## 9b Movement in fund balances prior year

<b>Fund</b>	<b>b/f 1<sup>st</sup> Jan 2019 £</b>	<b>Incoming Resources £</b>	<b>Outgoing resources £</b>	<b>Net Transfers £</b>	<b>Net gains and losses £</b>	<b>c/f 31<sup>st</sup> Dec 2019 £</b>
General Fund	268,522	139,029	145,622	(17,555)	41,681	286,056
Designated Funds						
Bell Fund	5,314	86	-	-		5,400
Equipment	3,103	-	-	-		3,103
Hall Depreciation	167,145	-		6,065		173,210
VincentTerrace			-	-		
Mission Hall*	2,216	-	-			2,216
William Schroeder Trust*	1,427	-	-			1,427
Church Renewal	-	-	1,543	1,543		-
Hall Renewal	1,510	-	9,947	9,947		1,510
Proms concerts	1,817	4,479	4,145			2,151
Restricted Funds				-		
Special Projects - restricted	885	11,679	11,171	-		1,393
Appeals - restricted	-	2,312	1,776	-		536
<b>Total Funds</b>	<b>451,940</b>	<b>157,585</b>	<b>174,204</b>	<b>-</b>	<b>41,681</b>	<b>477,002</b>

## **10. FUND DETAILS**

### **Restricted Funds**

There are currently two active restricted funds. The Specific Appeals and Special Projects Funds receive all income that has been exclusively earmarked for a particular purpose or charity. All appeal income was paid in 2019 or accrued for payment in 2020 to the intended recipients. The Special Projects Fund has a balance carried forward representing the unspent element of donations to the Pack-up project since 2016.

### **Unrestricted Designated Funds**

These funds are established for particular purposes, but can be amended by the PCC and transfers may be authorised between funds. In order to assist in efficient financial planning and monitoring a number of new designated funds have been set up. This will enable routine and recurrent income and expenditure to be managed without the distorting effect of non-recurrent or exceptional expenditure. The year end balances on these funds are shown individually on the statement of assets and liabilities, and income/expenses are identified in a separate column in the SOFA.

The *Bell Fund* receives fees and donations from the bellringers in order to save up for repairs, maintenance and renewals

The *Equipment and Hall Depreciation Funds* are built up by transferring from the general reserve the non-cash settlement of depreciation costs recognised as expenses in the expenditure account. They are intended to provide for replacement or refurbishment costs as required.

The *Church and Hall Renewal Funds* are created as and when required by transfer from the general or depreciation reserve in order to provide budgets for planned major projects.

The *Vincent Terrace Mission Hall* and *William Schroeder Trust* are historic funds which will be applied when their original purposes have been clearly established.

The *Islington Proms Fund* represents the accumulated net income from the annual Proms programme and is available for use in planning future programmes

### **Unrestricted General Fund**

The unrestricted general fund comprises the free funds which are not designated for particular purposes (the general reserve), and the fixed assets for use by the PCC, and is made up as follows:

### **Unrestricted General Fund**

	At January 1 2020 £	Income plus unrealised investment gain £	Expenditure £	Net Transfers £	At Dec 31 2020 £
General Reserve	193,078	115,374	(122,251)	(15,192)	171,008
Fixed assets	92,978	-	(500)	(6,065)*	86,413
<b>Total unrestricted general funds</b>	<b>286,056</b>	<b>115,103</b>	<b>(122,751)</b>	<b>(21,257)</b>	<b>257,421</b>

\*Prior to 2020 the hall depreciation was charged to the general unrestricted fund, but is now charged to a designated fund and transferred to the designated hall depreciation reserve.

## Prior year analysis of unrestricted general fund

	At January 1 2019 £	Income less unrealised investment loss £	Expenditure £	Net Transfers £	At Dec 31 2019 £
General Reserve	168,979	180,710	(139,047)	(17,555)	193,078
Fixed assets	99,543	-	(6,565)	-	92,978
Total unrestricted general funds	268,522	180,710	(145,622)	(17,555)	286,056

## 11. WILLIAM LAMBE TRUST

Prior to the financial year ended 31<sup>st</sup> December 2014, the church accounts incorporated the accounts of the William Lambe Trust (WLT). This included an endowment fund comprising the William Lambe (St. James, Islington) Charity which is a permanent endowment under the sole trusteeship of the London Diocesan Fund (LDF) and which allows all income arising to be applied solely for the repair and maintenance of St. James' Church. The market value of this fund as at 31<sup>st</sup> December 2020 was £268,419.79. Following advice from the LDF, the PCC no longer accounts for the WLT but receives notification of the fund value and accumulated income from the Diocese as at 31<sup>st</sup> December each year.

The fund arose from a reorganisation in 1986 of Charities administered by the Clothworkers' Company under the William Lambe Chapel and Estate Act of 1872, which came into force when St. James' Church was built to replace the original Chapel in Cripplegate endowed under the will of William Lambe in 1574.

The 1986 reorganisation was under a scheme of the Charity Commissioners approved by Parliament by virtue of "The Charities (William Lambe (London) Trust) Order 1986" which came into force on December 8, 1986.

Under this scheme £92,342 was transferred to the LDF as sole trustee and this amount was subsequently invested in 19,556 income units of the M & G Charifund unit trust, a gross fund specifically designed for Charities. Undistributed income from the WLT is held in a restricted income fund also under the sole trusteeship of the LDF. It is held in M & G Charifund income units and a Central Board of Finance (CBF) interest bearing account.

The church may apply for transfers from this fund for the purposes of works which have been approved by the LDF as falling within the terms of the trust. No applications had been made in the few years up to 2017. In 2018 the PCC successfully applied for a grant of £54,110 to cover the cost of the internal decoration of the church. Taking account of the additional income accrued in 2019 By 31<sup>st</sup> December 2019, the cumulative income fund had increased to £170,829, of which £39,303 was held in the deposit account. The value of the Charifund investment fell significantly during 2020, and the income fund reduced to £166,612

## **12. TRANSACTIONS WITH MEMBERS OF THE PCC AND CONNECTED PERSONS**

Personal expenses of Revd John Burniston are disclosed separately in note 3 under clergy expenses. Expenses incurred by members of the PCC and reimbursed are not required to be disclosed. No PCC or connected persons received any remuneration in this year or in the previous year.

## **13. DONATIONS MADE BY MEMBERS OF THE PCC AND CONNECTED PERSONS**

A total of £5,575 (2019: £5,998) was donated by members of the PCC and connected persons during the year. Some but not all of this amount was eligible for tax recovery. Of this, £100 was donated to restricted funds relating to special appeals. All other donations were received in the general fund with no restrictions on their use.

## **14. COMMON FUND (DIOCESAN QUOTA)**

Common Fund (Diocesan Quota) is paid to the London Diocesan Fund (LDF) to cover the stipend and housing costs of our vicar, indirect clergy costs and a contribution to central costs and in total is as follows:

	<b>£ 2020</b>	<b>£ 2019</b>
Costs for a parish with a single vicar and housing	85,200	82,800
Support for other parishes in the Diocese of London	300	-
Support from other parishes in the Diocese of London	-	-
<b>Total charge for the year</b>	<b>85,500</b>	<b>82,800</b>

Note: Some totals may be affected by rounding