

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, 2021

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:

**Lisa Darby 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, 2021**

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, 2021 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, April 18, 2021 Previously elected to PCC April 14, 2013 |
| | Ms Isabel Nisbet | 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; April 18, 2021 |
| <i>Deanery Synod Representatives</i> | <i>Elected for a three year period of office from October 25, 2020</i> | |
| | Mrs Vera Taggart Mrs Susan Sorensen | Appointed to Deanery Synod April 2017; resigned 18 May 2021 Honorary Treasurer; resigned from PCC 20 April 2021 |
| <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 | Re-elected. Assistant Treasurer; resigned from PCC 17 April 2021 |
| | Ms Sinead Burniston | Re-elected. Children's Champion |
| | Mrs Rosemary Ross | Re-elected. |
| | <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 | Re-elected. 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>2021¹</i> | <i>2020</i> | <i>2019</i> | <i>2018</i> | <i>2017</i> |
|---|-------------------------|-------------|-------------|-------------|-------------|
| <i>Baptisms</i> | 12 | 2 | 7 | 12 | 12 |
| <i>First Holy Communions</i> | 5 | 9 | 5 | 7 | 8 |
| <i>Confirmations</i> | 0 | 0 | 0 | 0 | 0 |
| <i>Weddings</i> | 6 | 2 | 4 | 5 | 1 |
| <i>Funerals</i> | 15 | 5 | 9 | 12 | 16 |
| <i>Average Sunday attendance (adults)</i> | 35 | 35 | 38 | 42 | 47 |
| <i>Average Sunday attendance (u16s)</i> | 10 | 12 | 14 | 14 | 13 |
| <i>Average Sunday attendance (a+u16)</i> | 45 | 47 | 52 | 56 | 60 |
| <i>Average Communicants</i> | 33 | 33 | 32 | 36 | 36 |

¹ No public worship in the church from 10 January 2021 - 7 March 2021 (incl) because of public health restrictions. Services streamed live from the church and available online.

Review of the year

In 2021 the PCC had 9 meetings and the Standing Committee met once in February. In March, Vicky Bellamy took over Adam Dickson's administrative role and began attending PCC meetings from April. The PCC were most grateful to Adam for all his hard work and wished him well in his new job. Three long-standing PCC members – Vera Taggart, Alastair Hume and Susan Sorensen – resigned in the first half of the year. We acknowledge their huge contribution and dedication to the PCC over the years. Susan Sorensen agreed to continue in the role of Treasurer until her duties could be passed on to someone new, with a view to this being sometime in 2022. Similarly, Alastair Hume has continued to carry out the Assistant Treasurer duties, however these tasks are gradually being transferred to others.

With regard to the PCC's obligations to safeguard children and vulnerable adults, the members of the PCC confirm that they have complied with their duties under section 5 of the Safeguarding and Clergy Discipline Measure 2016.

PCC meetings have continued to be held online using Zoom. This has proved an efficient way of meeting and the intention is to continue this approach. In January the PC discussed a proposal to hold a study group via Zoom and this resulted in a Lent book group which met three times over six weeks to discuss themes from "A History of the Bible, the Books and its Faiths" by John Barton.

The Organ project was discussed at every meeting in 2021, including issues prior to the Consistory Court on 4th March (which was held via Zoom), the result of the court hearing, finalising of plans and drafting of the contract, updates on the works and the costs and budget. The work began in August and continues into 2022 with completion anticipated in early summer.

Concerns about further Covid restrictions meant that the Islington Proms festival was moved from June to September. Isabel Nisbet and the Proms Committee worked hard to sort out an excellent programme and the concerts and associated events went ahead between 4th and 18th September culminating on Sunday 19th September with Lambe's Feast celebrations and lunch. Isabel kept the PCC updated as the plans progressed for the 2021 season and the early stages of planning for the 2022 season.

Maintaining the Ministry of St James remained another dominant theme of PCC meetings. Equipment to facilitate the ongoing streaming of Sunday services was discussed by the PCC. Items purchased and installed included an iPad, new cameras and microphones (to enable streaming of musical services and events). Streaming of services has continued throughout the year.

PCC membership was also discussed at several meetings with the general view being that the PCC needs to expand the number of members, ideally to reflect the diversity in the congregation at St James' and to provide a strong team moving forward towards Fr John's retirement in 2023. The need for additional help with the responsibilities of opening and closing the Hall for groups and weekend events, and with looking after the general maintenance of both the Hall and Church were raised.

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. Despite Covid restrictions and the reduction in income from the Church Hall and Church hire, the finances held up well.

At its meeting in October, the PCC began to discuss the “Time to Dream” process, considering the themes coming out of the input that had already been received from members of the congregation. These discussions continued at the November meeting and will be an ongoing in 2022.

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 continued to account on an accruals basis in 2021 in the expectation that grant funding for major projects would take us the church’s income 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, including the rebuilding of the organ, has been the subject of separate budgets, with planned expenditure charged to designated reserves in addition to the use of any specific grants received. Cloudesley awarded a grant of £50,000 in 2021 as a contribution to the costs of the organ project for which the PCC is extremely grateful. The PCC also successfully applied to the Wm Lambe Trust for a transfer of £150,000 for the rebuilding of the organ. These sources are described in the next paragraph.

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 £249k. This

includes the ownership of the church hall which is valued in the books at £80k at depreciated cost but in reality is worth considerably more. An additional £205k 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 certainly for at least the next 15 months, and this continues to apply despite the financial impact of income loss resulting from the coronavirus pandemic and its aftermath. 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 and was £46k at the end of 2021 following the payment of the grant for the organ project. 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 over £17k in 2021. 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 2021

The out-turn on the general unrestricted fund, before reserve fund transfers, was a deficit of £15,907 compared with the underlying deficit of £25k reported in the previous year and represents a significant improvement. The overall deficit including the impact of non-recurrent income and expenditure was £31,355 compared with £39,976 in 2020. However, this included accrued expenditure on the organ refurbishment contract in excess of grant income received in 2021. This deficit will be covered by increased funding or reserves in 2022. The underlying position reflected a welcome recovery in income generated through the use of both the hall and the church by community and commercial organisations as the restrictions imposed by the pandemic reduced. Despite the deficit, the church again made its full contribution to the Diocesan common fund of £85,200 in 2020. Taking into account the increased value of our investments of £15,473, the overall net financial change was a decrease of £15,882. However, the economic outlook indicates that there may well be a significant negative impact on financial markets in the short term.

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 has increased in value by over £32k in the last two years, but the overall investment income has reduced from £15k in 2019 to around £8k in 2021. It has been decided that the bond element of our investments may well be liquidated and held in an interest earning deposit. 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 Christian Aid, 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. Donations totalling £2,333 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 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. 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, risk assessment and building development plans. The last Quinquennial Review was completed on 9th February 2018 and there are no outstanding urgent works. The next review will be undertaken in 2023. Income from the PCC's investments will be held in an interest-bearing deposit account and designated for specific missional purposes.

Looking ahead, the coronavirus pandemic will clearly have a significant effect on the economy, and together with other geopolitical challenges and uncertainties are likely to affect the financial position of the church in 2022 and beyond. It is encouraging that voluntary income has recovered well as income from church and hall lettings although it is accepted that this may not be sustained in the light of cost of living increases. Every effort will be made to mitigate any adverse effects of the economic situation on the church's finances through whatever means available.



Approved by the Parochial Church Council on 23rd October 2022
and signed on their behalf by the Revd A J Burniston (Chairman)

**THE PARISH OF ST JAMES WITH ST PETER ISLINGTON
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

- * Independent Examiner's Report on the Accounts
- * Statement of Financial Activities (SOFA)
- * Balance Sheet
- * Notes to the Accounts

**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 31st December 2021 on pages 10 to 24 of this document, which have been prepared on the basis of the accounting policies set out on pages 12 to 14.

Responsibilities and basis of report

As members of the PCC you are responsible for the preparation of the accounts in accordance with the requirement 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 the independent examiner's statement

Since the Charity's gross income exceeds £250,000 your examiner must be a member of body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

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:

- (i) assuming records were not kept in respect of the Charity as required by section
- (ii) accounts do not accord with those records; or
- (iii) the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirements 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 matter 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.

Lisa Darby ACA

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

Lisa Darby

26th October 2022

ST JAMES WITH ST PETER ISLINGTON

Statement of Financial Activities (SOFA) for the year ended 31st December 2021

| | | Unrestricted | | | | | | | | |
|--|-----|-------------------------------|------------------|---------|------------------|----------|-------------|----------|----------|------|
| | | Unrestricted General Funds | Designated Funds | | Restricted Funds | | Total Funds | | | |
| | | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | | | | | | | | |
| Note | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Incoming Resources | | | | | | | | | | |
| Voluntary Income | 2a | 46,388 | 34,565 | | | 205,272 | 7,089 | 251,660 | 41,654 | |
| Activities for generating funds: Islington Proms | 2b | | - | 5,116 | - | 179 | - | 5,295 | - | |
| Income from Investments | 2c | 8,052 | 5,768 | | - | | - | 8,052 | 5,768 | |
| Income from church and charitable activities | 2d | 50,287 | 29,257 | - | | - | 30 | 50,287 | 29,287 | |
| Other incoming resources | 2e | 25,764 | 28,143 | | - | - | - | 25,764 | 28,143 | |
| Total Incoming Resources | | 130,491 | 97,733 | 5,116 | - | 205,451 | 7,119 | 341,058 | 104,852 | |
| Resources Expended | | | | | | | | | | |
| Cost of generating voluntary income | 3a | - | - | 5,571 | - | - | - | 5,571 | - | |
| Church and charitable activities | 3b | 146,398 | 122,751 | 2,362 | 17,730 | 218,082 | 4,347 | 366,842 | 144,828 | |
| Total Resources Expended | | 146,398 | 122,751 | 7,933 | 17,730 | 218,082 | 4,347 | 372,413 | 144,828 | |
| Operating surplus/deficit | | (15,907) | (25,018) | (2,817) | (17,730) | (12,631) | 2,772 | (31,355) | (39,976) | |
| Recognised gains/losses | | 15,473 | 17,641 | - | - | - | - | 15,473 | 17,641 | |
| Net income/expenditure | 7 | (434) | (7,377) | (2,817) | (17,730) | (12,631) | 2,772 | (15,882) | (22,335) | |
| Transfers between funds | 10a | (7,927) | (21,257) | 7,927 | 21,257 | - | - | - | - | |
| Net movement in funds | | (8,381) | (28,634) | 5,110 | 3,527 | (12,631) | 2,772 | (15,882) | (22,335) | |
| Total funds brought forward | | 257,422 | 286,056 | 192,545 | 189,018 | 4,701 | 1,929 | 454,667 | 477,002 | |
| Total funds carried forward | | 249,061 | 257,422 | 197,655 | 192,545 | (7,930) | 4,701 | 438,785 | 454,667 | |

ST JAMES WITH ST PETER, ISLINGTON

**BALANCE SHEET
as at 31 December, 2021**

| | Note | 2021 £ | 2020 £ |
|--|------|----------------|----------------|
| Fixed Assets | | | |
| Tangible fixed assets | 6 | 79,848 | 86,413 |
| Current Assets | | | |
| Stocks | | 393 | - |
| Investments | 7 | 324,119 | 308,646 |
| Cash at bank and in hand | 7 | 184,173 | 56,586 |
| Debtors | 8 | 14,092 | 13,997 |
| Total Current Assets | | 522,777 | 379,229 |
| Liabilities: Amounts falling due within one year | 8 | 163,841 | 10,976 |
| Net Current Assets | | 358,936 | 368,253 |
| Total Net Assets | | 438,784 | 454,666 |
| Funds | | | |
| | 9,10 | | |
| Unrestricted - General | | 249,059 | 257,421 |
| Unrestricted - Designated | | 197,655 | 192,545 |
| Restricted | | (7,930) | 4,700 |
| TOTAL FUNDS | | 438,784 | 454,666 |

Signed



Revd John Burniston

23rd October 2022

ST JAMES WITH ST PETER ISLINGTON

Notes to the Accounts

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 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 charity's 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 the ongoing effects of Covid-19 and the current geo-political and economic situation 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, when 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 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 for which they were given. Any balance 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 buildings'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 three to seven years as appropriate.

The carrying value of tangible fixed assets are reviewed for impairment in periods when events or 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:

Invested property and listed investments are valued at the 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 | Unrestricted General Funds | | Total Funds | |
|--|----------------------------------|---------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| 2 (a) Voluntary Income | | | | |
| Planned giving: | | | | |
| Regular bank transfers | 21,359 | 21,144 | 21,359 | 21,144 |
| Other planned giving | 2,044 | 1,878 | 2,044 | 1,878 |
| Collections (open plate) at all services | 3,277 | 2,555 | 3,277 | 2,593 |
| Legacies | 11,597 | - | 11,597 | - |
| Sundry donations | 2,011 | 2,571 | 2,011 | 2,831 |
| Alms and votive candle boxes | 791 | 864 | 791 | 864 |
| Appeals | - | - | 4,372 | 1,791 |
| Donations in kind (see Note 4) | - | - | 900 | - |
| Income tax recoverable | 5,309 | 5,552 | 5,309 | 5,552 |
| Non-recurring grants (see Note 14) | - | - | 200,000 | 5,000 |
| Total | 46,388 | 34,564 | 251,660 | 41,653 |
| 2(b) Activities for generating funds | | | | |
| Islington Proms | - | - | 5,295 | - |
| Spedial events | - | - | - | - |
| 2(c) Income from investments | | | | |
| Interest | 10 | 169 | 10 | 169 |
| Dividends | 8,042 | 5,599 | 8,042 | 5,599 |
| Total | 8,052 | 5,768 | 13,347 | 5,768 |
| 2(d) Income from church activities | | | | |
| Fees from services | 5,649 | 2,310 | 5,649 | 2,310 |
| Church Hall lettings | 34,848 | 19,814 | 34,848 | 19,814 |
| Church lettings | 9,790 | 7,134 | 9,790 | 7,164 |
| Total | 50,287 | 29,258 | 50,287 | 29,288 |
| 2(e) Other ordinary incoming resources | | | | |
| Property rental income | 11,464 | 11,778 | 11,464 | 11,778 |
| Phone mast rental | 14,300 | 14,300 | 14,300 | 14,300 |
| Other income | - | 2,065 | - | 2,065 |
| Total | 25,764 | 28,143 | 25,764 | 28,143 |
| TOTAL INCOMING RESOURCES | 130,491 | 97,733 | 341,058 | 104,852 |

| 3. RESOURCES EXPENDED | Unrestricted General Funds | | Total Funds | |
|--|----------------------------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| 3(a) Costs of generating funds | | | | |
| Costs of generating voluntary income | | | | |
| Fund-raising trading costs - Islington Proms | - | - | 5,571 | - |
| Total | - | - | 5,571 | - |
| 3(b). Church and charitable activities | | | | |
| Missionary and charitable giving (note 5) | | | | |
| Church overseas | - | - | - | 840 |
| Relief agencies | - | - | 1,052 | - |
| Home mission | - | - | 231 | - |
| Secular relief charities | 416 | - | 1,071 | 973 |
| Donations in kind expenses | - | - | 507 | - |
| Ministry: Common Fund (note 16) | 85,200 | 85,500 | 85,200 | 85,500 |
| Clergy expenses (note 14) | 1,132 | 1,050 | 1,132 | 1,050 |
| Staffing costs (see note below) | 14,738 | 13,964 | 14,738 | 13,964 |
| Church running expenses* | 21,969 | 11,386 | 21,969 | 11,556 |
| Church maintenance (see Note 14) | 4,421 | 3,252 | 221,920 | 9,212 |
| Church hall running costs | 6,575 | 4,929 | 6,575 | 12,999 |
| Organists' fees | 3,800 | 2,170 | 3,800 | 2,170 |
| Depreciation: Hall | 6,065 | - | 6,065 | 6,065 |
| Other assets | - | 500 | 500 | 500 |
| Other resources expended | 2,082 | - | 2,082 | - |
| Total | 146,398 | 122,751 | 366,842 | 144,829 |
| TOTAL RESOURCES EXPENDED | 146,398 | 122,751 | 372,413 | 144,829 |

*Church expenses include the fee payable to the independent examiner for examining the accounts, which was £1,800 (2020: £2,040); in addition the charity paid £616 (2020: £623) to Stewardship for payroll bureau services and £90 (2020: £90) for consultancy services.

Staff Remuneration

The PCC employed three part-time staff equivalent to 0.8 full time staff (2020: 0.8) throughout the year ended 31st December 2021.

There were no pension costs payable during the financial year.

No staff received salaries at a rate of more than £60,000 per annum.

4 DONATIONS IN KIND

The church receives donations of perishable and non-perishable food products for the use of the weekly Pack-up lunch service. Any unused perishable goods are passed on to the Arc Centre, a local foodbank.

| 5 CHARITABLE GIVING | Donations made by the PCC or raised by Special Appeals | | Amounts raised directly by fund raising events | | Total | |
|---|--|------------|--|------------|--------------|--------------|
| | £ | | £ | | £ | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| <u>Church Overseas</u> | | | | | | |
| TZABA (Transvaal Zimbabwe & Botswana Assn) | | 840 | | | - | 840 |
| <u>Relief and Development Agencies</u> | | | | | | |
| Christian Aid | 1,052 | | | | 1,052 | - |
| <u>Home Mission</u> | | | | | | |
| Cof E Children's Society | 231 | | | | 231 | - |
| St Peter's Activity Group | | | | | - | - |
| <u>Secular charitable activities</u> | | | | | | |
| "Pack-up" weekly lunch for the street community | 655 | | | | 655 | - |
| Arc Centre | 281 | 100 | | 250 | 281 | 350 |
| North London Cares | 135 | | | | 135 | - |
| Osborne Trust | | | | 623 | - | 623 |
| TOTAL | 2,354 | 940 | - | 873 | 2,354 | 1,813 |

The church supports various mission and out-reach projects in the UK and internationally. During the pandemic there was a focus on local charities including in particular the Arc Centre providing a food bank and our own "Pack-up" service which resumed fully in 2021.

| 6. FIXED ASSETS FOR USE BY THE PCC | Hall buildings | Hall Fixtures & fittings | Other Assets | Total |
|---------------------------------------|-------------------|--------------------------------|-----------------|---------|
| | £ | £ | £ | £ |
| <u>Cost</u> | | | | |
| At 1st January 2021 | 242,597 | 21,589 | 6,604 | 270,790 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| At 31st December 2021 | 242,597 | 21,589 | 6,604 | 270,790 |
| <u>Depreciation</u> | | | | |
| At 1st January 2021 | 157,687 | 21,589 | 5,104 | 184,380 |
| Charge for the year | 6,065 | - | 500 | 6,565 |
| Disposals | - | - | - | - |
| At 31st December 2021 | 163,752 | 21,589 | 5,604 | 190,945 |
| Net book value | | | | |
| At 31st December 2021 | 78,845 | - | 1,001 | 79,846 |
| At 1st January 2021 | 84,910 | - | 1,501 | 86,411 |

The freehold land and buildings are held by the London Diocesan Fund and 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 of 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 LDF.
 - (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' Hall 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 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.

7. CURRENT ASSETS

Investments

The church's investments at 31st December 2019 consisted of units in the Equities Investment Fund for Charities (Charifund) managed by M&G and held in the unrestricted fund. Instability in financial markets led to a review by the PCC's Financial Review Group, and a recommendation to restructure the portfolio and to invest in a combination of global equities and government bonds. This restructuring took place in January 2020. The sale of the M&G Charifund holding yielded £289,653.

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Cost of fair value brought forward | 308,646 | 290,657 |
| Purchases during the year | 0 | 290,000 * |
| Disposals during the year | 0 | 289,653 |
| Change in value of investments | 15,473 | 17,989 |
| Cost of fair value carried forward | 324,119 | 308,646 |

* Investments of £145,000 each were made in the CCLA Global Equities Fund and the M&G Global Bond fund.

Stocks and Work in Progress

Non-perishable stock held by the Pack-up lunch project was valued at £393 on 31st December 2021.

No stock was held at the end of the previous year.

Cash at bank and in hand

| | 2021 | 2020 |
|--------------------------------------|----------------|---------------|
| | £ | £ |
| Cash at bank with immediate access | 174,375 | 51,651 * |
| Notice deposits with < 3 months term | 8,674 | 4,142 |
| Petty cash | 1,124 | 793 |
| Total | 184,173 | 56,586 |

*The large bank deposit is held in the expectation of invoices for the organ rebuild.

8. DEBTORS AND CREDITORS

| | 2021 | 2020 |
|---|----------------|---------------|
| | £ | £ |
| Debtors | | |
| Income tax recoverable | 5,309 | 4,014 |
| Other debtors and accrued income | 8,784 | 9,983 |
| Total Debtors | 14,093 | 13,997 |
| Liabilities: Amounts falling due within one year | | |
| Appeals for specific charities | 1,750 | 706 |
| Other accrued expenditure | 162,093 | 10,270 |
| Total accruals | 163,843 | 10,976 |

9. ANALYSIS OF NET ASSETS BY FUNDS

| | Unrestricted General funds | | Unrestricted Designated Funds | | Restricted Funds | | Total Funds | |
|--------------------------|-------------------------------|----------------|----------------------------------|----------------|------------------|--------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Fixed Assets | 79,848 | 86,413 | - | - | - | - | 79,848 | 86,413 |
| Investments | 151,962 | 129,371 | 172,157 | 179,275 | - | - | 324,119 | 308,646 |
| Stocks | | | | | 393 | - | 393 | - |
| Debtors | 14,062 | 8,997 | - | - | 31 | 5,000 | 14,093 | 13,997 |
| Cash at bank and in hand | 12,542 | 42,404 | 25,588 | 14,182 | 146,044 | - | 184,174 | 56,586 |
| Liabilities | (9,355) | (9,764) | (90) | (912) | (154,398) | (300) | (163,843) | (10,976) |
| Total | 249,059 | 257,421 | 197,655 | 192,545 | (7,930) | 4,700 | 438,784 | 454,666 |

10a **MOVEMENT IN FUND BALANCES**

| | b/f 1st Jan 2021 £ | Incoming Resources £ | Outgoing Resources £ | **Net transfers £ | Net gains /losses £ | c/f 31st Dec 2021 £ |
|-------------------------------|-----------------------------|----------------------------|----------------------------|-------------------------|---------------------------|------------------------------|
| Fund | | | | | | |
| General Fund | 257,421 | 130,490 | (146,398) | (7,927) | 15,473 | 249,059 |
| Designated Funds | | | | | | |
| Bell Fund | 4,372 | - | - | - | - | 4,372 |
| Equipment Depreciation | 3,103 | - | (500) | - | - | 2,603 |
| Hall Depreciation | 179,275 | - | - | 6,065 | - | 185,340 |
| Vincent Terrace Mission Hall* | 2,216 | - | - | - | - | 2,216 |
| William Schroeder Trust* | 1,428 | - | - | - | - | 1,428 |
| Church Renewal Fund | - | - | (1,752) | 1,752 | | 0 |
| Hall Renewal Fund | - | | | | | 0 |
| Proms Concerts | 2,151 | 5,116 | (5,571) | - | - | 1,696 |
| Restricted Funds | | | | | | 0 |
| Special Projects - restricted | 4,408 | 202,203 | (216,291) | - | - | (9,680) |
| Appeals - restricted | 292 | 2,741 | (1,394) | 110 | - | 1,749 |
| Total Funds | 454,666 | 340,550 | (371,906) | - | 15,473 | 438,783 |

10b **MOVEMENT IN FUND BALANCES PRIOR YEAR**

| | b/f 1st Jan 2020 £ | Incoming Resources £ | Outgoing Resources £ | **Net transfers £ | Net gains losses £ | c/f 31st Dec 2020 £ |
|-------------------------------|-----------------------------|----------------------------|----------------------------|-------------------------|--------------------------|------------------------------|
| Fund | | | | | | |
| General Fund | 286,056 | 97,733 | 122,751 | (21,257) | 17,641 | 257,422 |
| Designated Funds | | | | | | |
| Bell Fund | 5,400 | - | 1,028 | - | | 4,372 |
| Equipment Depreciation | 3,103 | - | - | - | | 3,103 |
| Hall Depreciation | 173,210 | - | 6,065 | 12,130 | | 179,275 |
| Vincent Terrace Mission Hall* | 2,216 | - | - | - | | 2,216 |
| William Schroeder Trust* | 1,427 | - | - | - | | 1,427 |
| Church Renewal Fund | - | - | 2,568 | 2,568 | | - |
| Hall Renewal Fund | 1,510 | - | 8,069 | 6,559 | | - |
| Proms Concerts | 2,151 | - | - | - | | 2,151 |
| Restricted Funds | | | | | | |
| Special Projects - restricted | 1,393 | 5,550 | 2,534 | - | | 4,409 |
| Appeals - restricted | 536 | 1,569 | 1,813 | - | | 292 |
| Total Funds | 477,002 | 104,852 | 144,828 | - | 17,641 | 454,667 |

11. 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 2021 or accrued for payment in 2022 to the intended recipients. The Special Projects Fund has a deficit balance carried forward representing costs in excess of grants received for the organ renewal contract entered into during 2021 for completion in 2023. The trustees anticipate that this deficit will be covered by additional funding or transfers from reserves in 2022.

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 in total on the balance sheet, and income/expenses are identified in a separate column in the SOFA.

The *Bell Fund* receives fees and donation from the bellringers in order to save up for repairs and renewals.

The *Equipment and Hall Depreciation funds* are intended to provide for replacement or refurbishment costs as required. The non-cash settlement of depreciation costs are recognised in the expenditure account. The Hall Depreciation reserve is built up through the transfer of the cost from the general reserve.

The *Church and Hall Renewal Funds* are created as and when required by transferring from the general or depreciation reserves 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 the use by the PCC, and is made up as follows:

| | At 1st January 2021 | Income plus unrealised investment gain | *Expend- iture | Net Trans- fers | At 31st December 2021 |
|---|---------------------------|---|-------------------|-----------------------|-----------------------------|
| General Reserve | 171,008 | 145,964 | (146,398) | (1,362) | 169,212 |
| Fixed Assets | 86,413 | - | | (6,565) | 79,848 |
| Total Unrestricted General Funds | 257,421 | 145,964 | (146,398) | | 249,060 |

*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 hall depreciation reserve.

Prior year analysis of unrestricted general fund

| | At 1st January 2020 | Income plus unrealised investment gain | Expend- iture | Net Trans- fers | At 31st December 2020 |
|---|---------------------------|---|------------------|-----------------------|-----------------------------|
| General Reserve | 193,078 | 115,374 | (122,251) | (15,192) | 171,008 |
| Fixed Assets | 92,978 | - | (500) | (6,065) | 86,413 |
| Total Unrestricted General Funds | 286,056 | 115,374 | (122,751) | (21,257) | 257,421 |

12. WILLIAM LAMBE TRUST

Prior to the financial year ended 31st 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 31st December 2021 was £304,330. Following advice from the LDF, the PCC no longer accounts for the WLT but received notification of the fund value and accumulated income from the Diocese as at 31st December each year.

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. Limited applications were made in the few years up to 2017. In 2018 the PCC received a grant of £54,110 to cover the cost of the internal decoration of the church. Since then the accumulated income fund increased further and was £166,612 by the end of 2020. The church made a successful application for a grant of £150,000 towards the cost of rebuilding the organ in 2021 (see Note 14).

With the accrual of income from the WLT permanent endowment during 2021 the accumulated income fund stood at £46,261 at 31st December 2021.

13. 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 members or connected persons received any remuneration in this year or in the previous year.

14. DONATIONS MADE BY MEMBERS OF THE PCC AND CONNECTED PERSONS

A total of £4,995 (2020: £5,575) was donated by the PCC and connected persons during the year. Some but not all of this amount was eligible for tax recovery and was received in the general fund with no restrictions on use. It is assumed that additional anonymous donations were made to restricted funds relating to specific appeals.

15. COMMON FUND (DIOCESAN QUOTA)

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

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Costs for a parish with a single vicar and housing | 85,200 | 85,200 |
| Support for other parishes in the London Diocese | - | 300 |
| Support from other parishes in the London Diocese | - | - |
| Total charge for the year | 85,200 | 85,500 |

| 16. <u>ORGAN REFURBISHMENT PROJECT</u> | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Contracted for but not provided for by the balance sheet date | 0 | 0 |

During the year the church embarked on a project to refurbish its organ. The total cost of this project is expected to be £230,000 of which £210,600 is the subject of a contract with the main provider MPOS. The church received grants towards this work of £150,000 from the William Lambe Trust and £50,000 from the Cloudesley Trust. As at 31 December 2021, £62,486 had been incurred of which £57,450 related to the MPOS contract. A further £153,150 was provided for in the 2021 accounts. Work started in June 2021 and contract completion is expected by August 2023 following installation in February 2023.

Note: There may be small discrepancies in totals due to rounding