

St James's Church, New Barnet

Trustees' Report and Financial Statements

for the year ending 31st December 2020



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Trustees' Report

Objectives and Activities

In accordance with St James's Church's charity registration, its key activities are

- to provide regular public worship open to all and
- to provide services to the community.

Youth and children's work continues to be a major focus of the work, as it has been for a number of years. A Youth and Children's pastor has been employed since 2012 and the PCC hopes to continue this in the years ahead, provided funding is available.

Achievements and Performance

Since March 2020, the programme of events has been severely affected by COVID-19. For most of this time, government restrictions have permitted church services to take place, but with extremely limited numbers present in the church building. So, while Sunday services have continued without a break, the majority of the members have joined in via Zoom. Some smaller meetings, social events and prayer ministry have also taken place online, while others have been temporarily abandoned. Youth and children's events have also continued online.

Throughout the pandemic, the church's leaders have made especial efforts to ensure that members are supported, providing practical help especially to the elderly and vulnerable.

Financial Review

Summary

As with the rest of the world 2020 was a challenging financial year for St James's due to the COVID-19 pandemic. We lost significant rental income from our nursery because of the impact of the pandemic, and we also suffered a reduction in cash collections. However, the congregation were very generous in giving extra. God has blessed us with extra income in several areas, and we have been able to reduce expenditure in some areas.

We had a surplus for the year of £34,977, for which we are really grateful in the current financial climate. This was largely due to a one-off £10,000 insurance payout for past income lost to fraud, £15,710 being received in grants, a

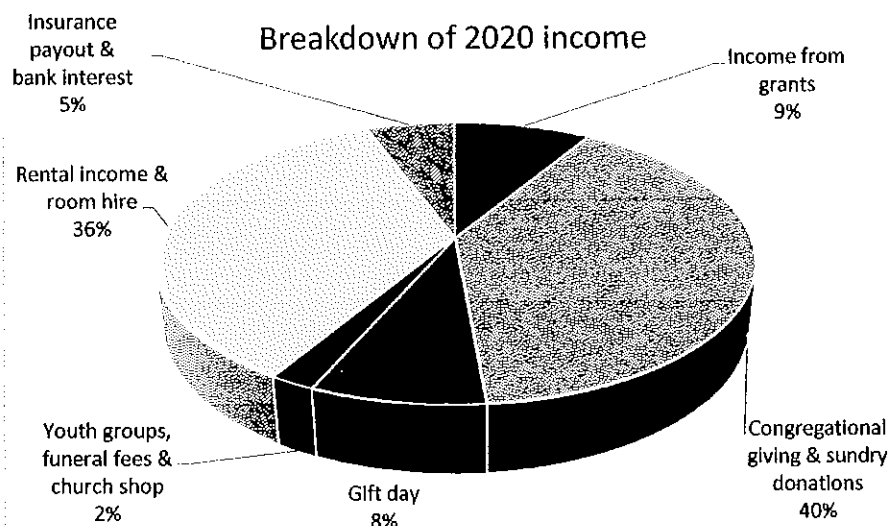
significant increase in planned giving by the congregation, and the Diocese agreeing to write off £11,919 of prior year parish share that was outstanding.

This has put us in a strong position to weather the financial uncertainty of the next few years while maintaining our community work.

Income

Our income increased from £152,851 in 2019 to £178,547 in 2020. This increase is largely due to the £10,000 insurance payout and the £15,710 in grant funding (£11,370 was a grant for roof repair, £4,140 was a grant for Jim's café and £200 was a grant for IT costs). The income presented in the accounts includes the full rent charged from the KidzChoice Nursery. However, due to COVID-19 we have not yet received all of this income; the difference between what we are owed and what we have actually received is presented as a 'Bad Debt Expense' in the 'Expenditure' section of the accounts.

Here is a breakdown of our 2020 income:



Expenditure

Our expenditure decreased slightly from £143,890 in 2019 to £143,570 in 2020.

Some cost savings were made in 2020 due to the church being closed for much of the time. Costs like gas and electricity, and the costs of youth groups, events and services, were all less in 2020 than in 2019. The parish share (our contribution to the Diocese of St Albans, which in turn pays Laura's stipend and supports the church in many other ways) is also less than in 2019 because the Diocese kindly agreed to write off £11,919 of contributions that we owed from previous years. However, we also had a significant cost in 2020 of rental income from the nursery which we haven't yet received.

Cash

We had a healthy cash balance throughout the year to make sure we were able to deal with any unexpected dips in income. We ended the year with a cash balance of £48,452. We were also able to pay most of our significant outstanding debts before the end of 2020.

Reserves Policy

The free reserves are the total funds available to the PCC, excluding funds tied up in our rental property in Victoria Road and funds designated to be used on specific items.

It is the PCC's policy to:

- keep three months' running costs (approximately £30,000) in free reserves to cover essential expenditure in the event of loss of income
- save up funds in a 'fabric and large projects reserve' to cover unexpected fabric repairs and other large projects

Our free reserves are currently higher than the target of £30,000 (at 31 December 2020 they stood at £43,794 compared to £13,485 as at 31 December 2019). We feel it is appropriate to keep the reserves higher than £30,000 at the current time to help St James's deal with the expected financial downturn in the coming years while still providing our community services and outreach.

Structure, Governance and Management

St James's Parochial Church Council (PCC) is a corporate body established by the Church of England and operating under the Parochial Church Council Powers Measure.

It is registered as a charity in England as "The parochial church council of the ecclesiastical parish of St James New Barnet", also known as "St James PCC, New Barnet". Its registered charity number is 1150299.

Individuals become members of the PCC (in accordance with the Church Representation Rules):

- by virtue of their office within the church (vicar and churchwardens)
- by membership of certain other ecclesiastical bodies (e.g. Barnet Deanery Synod)
- by direct election by members of the church (those on the Church Electoral Roll).

On appointment or election to the PCC, all members automatically become trustees of the charity.

As well as constituting the charity trustees, the PCC is the overall management committee of the church. It has the following sub-committees:

- Standing Committee – which is empowered to take urgent decisions between normal PCC meetings.
- Ministry Leaders Team – which works with the vicar to ensure that the spiritual life of the church is continually developing.
- Fabric Team – which deals with practical matters, including maintenance of the church building and other church-owned premises (chaired by Carol Connah).
- Finance Team – which, under the leadership of the treasurer, aims to establish and maintain best practice in all aspects of financial management.
- Home and Overseas Mission Team – which provides support for, and education about, Christian mission beyond St James's.

Administrative Details

The following served as trustees (and as members of the PCC) in the period from the start of the reporting period (1 Jan 2020) to the date of the 2021 Annual Parochial Church Meeting (April 2021).

Rev L J Hewitt (vicar and chair)

Mr O A Akinjogbin

Mr R E Bayman (member & secretary to Oct 2020)

Mrs C J Connah

Mrs H C Cooper (to Oct 2020)

Mr L Cowles

Mrs A A Femi-Pearse

Miss Z M Jones (treasurer)

Mrs R A Leaver

Mr A D Matthews

Miss K Murdock (from Oct 2020)

Mr S Perera

Mr P Robinson (from Oct 2020)

Miss R I A Thompson (secretary from Oct 2020)

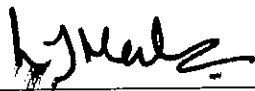
Mr S D Vincent

Registered Office: St. James's Church, 71 East Barnet Road, New Barnet, EN4 8RN


Bankers: Barclays Bank PLC, 1250 High Road, Whetstone, London, N20 0PB

Independent Examiner: Mr D Watson ACIB, 24 Ventnor Drive, Totteridge, London, N20 8BP

Approved by the trustees on 11th April 2021 and signed on their behalf by:



Rev Laura Hewitt (PCC chair)



Simon Vincent (PCC vice-chair)

Statement of financial activities

	note	2020 Restricted £	2020 Unrestricted £	2020 Total £	2019 £
INCOME					
Donations and grants		17,777	83,395	101,172	81,001
Charitable Activities		-	3,651	3,651	8,322
Trading Activities		-	63,701	63,701	63,509
Other Income		-	10,023	10,023	19
Total INCOME		<u>17,777</u>	<u>160,770</u>	<u>178,547</u>	<u>152,851</u>
EXPENDITURE					
Charitable Giving		1,220	651	1,871	8,190
Service Costs		56	1,727	1,783	2,178
Church Ministry		325	58,337	58,662	73,948
Employee Costs		1,000	30,046	31,046	28,887
Fabric		11,773	13,206	24,979	19,438
Administration		185	3,845	4,030	5,424
Fundraising Costs		-	21,199	21,199	5,825
Total EXPENDITURE		<u>14,559</u>	<u>129,011</u>	<u>143,570</u>	<u>143,890</u>
NET RESOURCES		3,218	31,759	34,977	8,961
TRANSFERS BETWEEN FUNDS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		3,218	31,759	34,977	8,961
BALANCES BROUGHT FORWARD		2,845	177,185	180,030	171,069
BALANCES CARRIED FORWARD		<u>6,063</u>	<u>208,944</u>	<u>215,007</u>	<u>180,030</u>

Balance sheet

ASSETS		2020	2019
	note	£	£
Fixed Assets			
Buildings - 159 Victoria Road	3	160,000	160,000
Totals		<u>160,000</u>	<u>160,000</u>
Current Assets			
Cash at bank		47,792	27,964
Cash in hand		660	507
Stock		1,400	1,400
Debtors - trade		7,780	17,742
Debtors - other		3,461	2,452
Debtors - Gift Aid tax claim		6,017	7,027
Totals		<u>67,110</u>	<u>57,092</u>
Less Creditors			
Parish Share Payable		-	(23,437)
Trade creditors		(554)	(1,000)
Other creditors		(11,549)	(12,625)
Totals		<u>(12,103)</u>	<u>(37,062)</u>
NET CURRENT ASSETS		<u>55,007</u>	<u>20,030</u>
NET ASSETS		<u>215,007</u>	<u>180,030</u>
FUNDS			
	note	2020	2019
		£	£
Restricted Funds	4		
Hardship Fund		1,338	740
Jims Fund		3,623	558
Youth Work Fund		500	1,000
Other Restricted Funds		602	547
Totals		<u>6,063</u>	<u>2,845</u>
Designated Funds	5		
Charitable giving		4,150	3,700
Youth work designated		1,000	-
Buildings Reserve		160,000	160,000
Totals		<u>165,150</u>	<u>163,700</u>
Other Funds	5		
Free Reserves		43,794	13,485
Totals		<u>43,794</u>	<u>13,485</u>
FUNDS TOTALS		<u>215,007</u>	<u>180,030</u>

Income & expenditure

INCOME		2020	2019
	note	£	£
Donations and grants			
General giving		52,458	47,741
Tax recovered on general giving		15,087	9,795
Gift Day income		11,848	10,286
Tax recovered on Gift Day		2,489	2,346
Grants		15,710	-
Youth work appeal		-	5,571
Other donations		3,110	1,801
Tax recovered on appeals and other donations		-	1,296
Tax recovered on Jim's		125	-
Collections for other charities		50	507
Church event income		295	1,658
Totals		101,172	81,001
Charitable Activities			
Youth & children event income		3,113	5,787
Wedding & Funeral Fees		213	734
Church shop income		311	807
Other event income		-	819
Miscellaneous other income		14	175
Totals		3,651	8,322
Trading Activities			
Nursery rental		44,681	41,243
159 Victoria Road rent		18,000	18,000
Church room hire		1,020	4,195
Other sales income		-	71
Totals		63,701	63,509
Other Income			
Interest received		23	19
Insurance payout		10,000	-
Totals		10,023	19
INCOME TOTALS		178,547	152,851

EXPENDITURE		2020	2019
	note	£	£
Charitable Giving			
Church Charitable Giving		550	6,806
Other Charities Collections		147	737
Costs of Special Appeals		-	37
Hardship fund payments		1,174	610
Totals		1,871	8,190

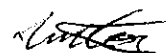
Trustees' Report and Financial Statements for the year ending 31/12/2020

Service Costs		
Service costs	419	921
Refreshments	365	718
PA & Music	999	539
Totals	1,783	2,178
Church Ministry		
Parish Share	68,199	66,076
Parish Share – write off prior period balance	(11,919)	-
Outreach & Discipleship Groups	36	255
Youth & children's groups	611	3,001
Regular events	348	455
One-off outreach events	145	2,240
Ecumenical activities	289	-
Vicar's Expenses	7 39	600
Conferences & Training	355	214
Advertising	-	106
Gifts to Church Members	478	128
Cost of Shop Goods	81	873
Totals	58,662	73,948
Employee Costs		
Salaries	2,7 30,186	28,203
Pensions and National Insurance	860	684
Totals	31,046	28,887
Fabric		
Repairs & Maintenance	12,894	4,030
Health & Safety & Security	1,033	910
Church cleaning	2,280	4,153
Church Insurance	2,526	1,261
Electricity & gas & water	6,246	9,084
Totals	24,979	19,438
Administration		
Photocopier expenses	1,502	2,124
Other office costs	1,724	2,274
Bank fees & interest etc	364	924
Miscellaneous Expenses	440	102
Totals	4,030	5,424
Fundraising Costs		
159 Victoria Road insurance & maintenance	830	525
Bad Debt Expense	20,369	5,300
Totals	21,199	5,825
EXPENDITURE TOTALS	143,570	143,890
SURPLUS / (DEFICIT)	34,977	8,961

Approved by the trustees on 11th April 2021 and signed on their behalf by:



Rev Laura Hewitt (PCC chair)



Zoe Jones (Treasurer)

Notes to the Accounts

1. Accounting Policies

a) Basis of Accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014; the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102); the Charities Act 2011; and UK Generally Accepted Practice as it applies from 1 January 2015.

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

b) Recognition of Income

Income is included in the Statement of Financial Activities when the charity becomes entitled to the resources, it is more likely than not that the charity will receive the resources and the monetary value can be measured with sufficient reliability.

c) Incoming resources

Donations and grants are included in the accounts when the general income criteria are met. When donors specify they are to be used for a future accounting period they are treated as deferred income. Contributions, fees and tax recoverable from the Inland Revenue under the Gift Aid scheme are recognised on an accruals basis when there is a valid declaration from the donor.

d) Resources Expended

Expenditure is accounted for on an accruals basis, inclusive of VAT, which cannot be recovered.

e) Capitalisation and Depreciation

All fixed assets are initially recorded at cost.

Tangible fixed assets costing more than £1,500 are capitalised in the accounts.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment – computers 50% straight line, other equipment 25% straight line.

Property – the property is not depreciated as the PCC believes the current market value of the property is significantly higher than the valuation in the accounts.

f) Stocks

Stocks held for resale are measured at the lower of cost or net realisable value.

g) Pensions

St. James's PCC contributes to a defined contribution pension scheme on behalf of employees, the cost of which is disclosed in the detailed income and expenditure account.

h) Funds accounting

Funds held by the charity are:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Unrestricted designated funds – these are funds which the PCC has designated for specific purposes, as set out in note 5.
- Restricted funds – these are funds which can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The nature and purpose of each fund is explained further in the notes to the accounts.

2. Staff Costs

- Employment costs are as specified in the detailed income and expenditure.
- 2 people were employed by the charity during the year of which 1 was part-time and the other was full-time; (2019 – 2 people of which 1 was part-time and the other was part-time some of the year and full time for the rest of the year).
- No employee earned more than £60,000 during the year (2019 – nil).

3. Fixed Assets

The only fixed asset is an investment property in Victoria Road. No depreciation has been applied to this property because the PCC believes the current market value of the property is significantly higher than the current valuation. This valuation was made several years ago.

4. Restricted Funds

	1 Jan 2020	Income	Expenditure	Transfers between funds	31 Dec 2020
	£	£	£	£	£
Youth & Children's Pastor	1,000	500	1,000	-	500
Special collections	547	50	47	-	550
Jim's café	558	3,837	772	-	3,623
Hardship fund	740	1,750	1,152	-	1,338
Other	-	11,640	11,588	-	52
	2,845	17,777	14,559	-	6,063

The youth and children's work fund consists of grants and donations given to pay for the youth and children's work at St James's so this fund can only be used for costs relating to youth and children's work.

The special collections fund consists of special collections the church ran for other charities or mission activities. These funds can only be spent on the purpose each collection was advertised as being for.

The fund for Jim's café consists of donations for the costs of the new social action café run by St James's called Jim's café.

The hardship fund consists of donations to be given to members of the congregation or other known to the church who are in particular financial hardship and have a particular financial crisis.

The other restricted fund is for other small donations donated for specific causes such as the Homeless Night Shelter which St James's participates in.

5. Unrestricted Funds

	1 Jan 2020	Income	Expenditure	Transfers between funds	31 Dec 2020
	£	£	£	£	£
General funds	13,485	160,770	129,011	(1,450)	43,794
Designated fabric fund	-	-	-	-	-
Designated charitable fund	3,700	-	-	450	4,150
Designated youth work fund	-	-	-	1,000	1,000
Designated building fund	160,000	-	-	-	160,000
	177,185	160,770	129,011	-	208,944

The designated fabric fund is a fund which is designated by the PCC to be used for repairs and maintenance of the church building.

The designated charitable fund is reserves remaining from the previous year which the PCC has decided to donate to other charities as charitable giving.

The designated youth work fund is reserves designated by the PCC to either a youth work trip or general youth work.

The designated building fund is the total of the charity's reserves which are tied up in the church's property in Victoria Road. Therefore, these reserves can't be spent unless the property is sold.

6. Analysis of Net Assets (between restricted and unrestricted funds)

	Tangible fixed assets	Other net assets	Total
	£	£	£
Restricted	-	6,063	6,063
Unrestricted:			
General Fund	-	43,794	43,794
Designated fund - buildings reserve	160,000	-	160,000
Designated fund - fabric reserve	-	-	-
Designated fund - charitable giving reserve	-	4,150	4,150
Designated fund – youth work reserve	-	1,000	1,000
	160,000	55,007	215,007

7. Transactions with Trustees and Related parties

Trustees Remuneration & Benefits: None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity.

Trustees Expenses: The Rev Laura Hewitt was paid expenses of £39 (2019 - £600). These expenses were all wholly related to her duties as Vicar of St James's Church.

Transactions with Related Parties: The PCC is not aware of any other related party transactions in 2020 or 2019.

8. Fees for Examination of the Accounts

The fee for the Independent examiner has not yet been finalised for the examination of the 2020 accounts but an accrual of £250 has been set for this fee (2019 – £nil).

Independent Examiner's Report

Report to the Parochial Church Council of the Ecclesiastical Parish of St James New Barnet. Charity Number 1150299

I report to the trustees on my examination of the accounts of the above charity ("the PCC") for the year ended 31 December 2020, set out on pages 5 to 11.

Responsibilities and Basis of Report

As the charity's trustees, you, are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

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

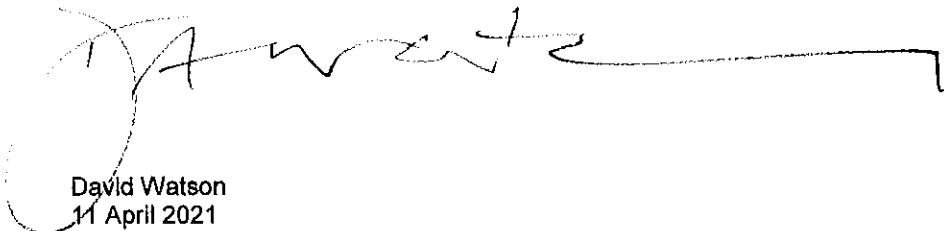
Independent examiner's statement

I have completed my examination.

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

1. accounting records were not kept in respect of the Trust 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 confirm that I 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.



David Watson
11 April 2021

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Totteridge
London N20 8BP