

St James's Church, New Barnet

Trustees' Report and Financial Statements

for the year ending 31st December 2021



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Trustees' Report

Objectives and Activities

In accordance with St James's Church's charity registration and its position as part of the Church of England, its key activities are

- PROVIDING REGULAR PUBLIC WORSHIP OPEN TO ALL AND
- PROVIDING SERVICES TO THE COMMUNITY.

Youth and children's work has long been a major focus of the work and continues to be so. 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 the pandemic. Throughout 2021, government restrictions fluctuated in their severity but permitted church services to take place. The number of members present in the church building was low at the beginning of the year but gradually increased throughout the year, with others joining online or on the phone via Zoom. Youth and children's events, together with many smaller meetings, social events and prayer ministry, restarted in person during the course of the year, with a few also continuing 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

2021 was another challenging financial year for St James's due to the continuing effects of the Pandemic. As in 2020 we lost significant rental income from KidzChoice nursery because of the impact the pandemic has had on them.

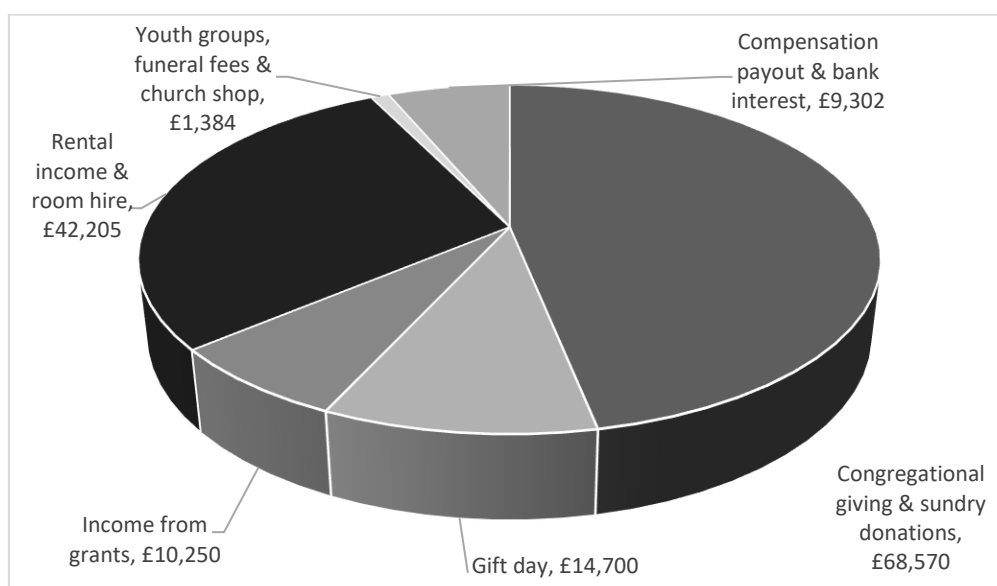
However, God has blessed us with extra income in several areas, including receiving grants and generous giving from congregation members. We have also been able to reduce expenditure in some areas.

Although we had a surplus for the year of just over £20,000, this was largely due to grants and a compensation payout for past income lost to fraud. As these were all one-off payments, we can't assume that we will continue to receive surpluses in future years, and so will continue to be careful in our spending. However, we are very grateful for this one-off extra income which should help us to continue all our community work despite the likely national financial uncertainty over the next few years.

Income

Our income in 2021 was £146,411, a reduction of about £30,000 from 2020. This decrease was largely due to a change in accounting treatment which changed how we recognized the rental income in 2021 compared to 2020. This led to a reduction in income in 2021, but also a reduction in expenditure of a similar amount, so the effect on the overall surplus was minimal.

Here is a breakdown of our 2021 income:



Expenditure

Our expenditure in 2021 was £125,826. This was a significant decrease from 2020 but this was largely due to the change of accounting treatment for KidzChoice income described above, rather than a significant reduction in actual spending.

As in most years, a significant part of our expenditure was the parish share (our contribution to the Diocese of St Albans, which in turn pays Rev Canon Laura's stipend and supports the church in many other ways). Our parish share was paid in full in 2021 and 2020, despite the difficult financial conditions. The main area where savings were achieved was repairs and maintenance where 2021 costs were around £12,000 less than in 2020. However, it is likely we will have to invest more heavily in repairs and maintenance of the church building in future years to keep the building in a good state of repair.

Cash

As always, we aim to maintain a healthy cash balance throughout the year to make sure we are able to deal with any unexpected dips in income. We were able to maintain this for 2021 and 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 'salaries and major projects reserve' to cover unexpected fabric repairs and other large projects and to ensure salaries can be paid during a low patch

Our free reserves are currently higher than the target of £30,000 (at 31 December 2021 they stood at £44,549, which is very similar to the previous year). We feel it is appropriate to keep the reserves higher than £30,000 at the current time to allow us to continue to provide our community services and outreach, despite the expected financial downturn in the coming years. We have also been able to designate £20,000 to the salaries and major projects reserve, on top of the free reserves.

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.
- 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.

Reference and 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 2021) to the date of the 2022 Annual Parochial Church Meeting (May 2022).

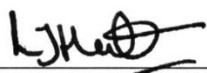
Rev Canon Laura Hewitt (vicar and chair)	Uzor Monu (from APCM 2021)
Koye Akinjogbin (until APCM 2021)	Keisha Murdock
Carol Connah (churchwarden & lay vice chair)	Simon Perera
Luke Cowles (churchwarden from April 2021)	Paul Robinson
Alice Femi-Pearse	Jackie Seiwaa (from APCM 2021)
Zoe Jones (treasurer)	Ros Thompson (secretary)
Rosemary Leaver (deanery synod rep)	Simon Vincent (until APCM 2021)
Alun Matthews	

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

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

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

Approved by the trustees on 20th May 2022 and signed on their behalf by:



Rev Canon Laura Hewitt (PCC chair)



Zoe Jones (Treasurer)

Statement Of Financial Activities

	note	2021 Restricted £	2021 Unrestricted £	2021 Total £	2020 £
INCOME					
Donations and grants		13,350	80,170	93,520	101,172
Charitable Activities		-	1,384	1,384	3,651
Trading Activities		-	42,205	42,205	63,701
Other Income		-	9,302	9,302	10,023
Total INCOME		<u>13,350</u>	<u>133,061</u>	<u>146,411</u>	<u>178,547</u>
EXPENDITURE					
Charitable Giving		1,450	1,400	2,850	1,871
Service Costs		-	1,682	1,682	1,783
Church Ministry		10,824	60,547	71,371	58,662
Employee Costs	2,7	178	31,985	32,163	31,046
Fabric		1,429	10,451	11,880	24,979
Administration		239	4,552	4,791	4,030
Fundraising Costs		-	1,089	1,089	21,199
Total EXPENDITURE		<u>14,120</u>	<u>111,706</u>	<u>125,826</u>	<u>143,570</u>
NET RESOURCES		(770)	21,355	20,585	34,977
TRANSFERS BETWEEN FUNDS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		(770)	21,355	20,585	34,977
BALANCES BROUGHT FORWARD		6,063	208,944	215,007	180,030
BALANCES CARRIED FORWARD		<u>5,293</u>	<u>230,299</u>	<u>235,592</u>	<u>215,007</u>

Balance Sheet

ASSETS		2021	2020
	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		64,028	47,792
Cash in hand		468	660
Stock		1,400	1,400
Debtors - trade		6,130	7,780
Debtors - other		3,900	3,461
Debtors - Gift Aid tax claim		10,822	6,017
Totals		<u>86,748</u>	<u>67,110</u>
Less Creditors			
Trade creditors		(152)	(554)
Other creditors		(10,824)	(11,549)
Deferred income		(180)	-
Totals		<u>(11,156)</u>	<u>(12,103)</u>
NET CURRENT ASSETS		<u>75,592</u>	<u>55,007</u>
NET ASSETS		<u>235,592</u>	<u>215,007</u>
FUNDS		2021	2020
	note	£	£
Restricted Funds	4		
Hardship Fund		835	1,338
Jim's Fund		3,112	3,623
Youth Work Fund		613	500
Other Restricted Funds		733	602
Totals		<u>5,293</u>	<u>6,063</u>
Designated Funds	5		
Charitable giving		4,750	4,150
Youth work designated		1,000	1,000
Buildings Reserve		160,000	160,000
Salaries & major projects		20,000	-
Totals		<u>185,750</u>	<u>165,150</u>
Other Funds	5		
Free Reserves		44,549	43,794
Totals		<u>44,549</u>	<u>43,794</u>
FUNDS TOTALS		<u>235,592</u>	<u>215,007</u>

Income and Expenditure

INCOME		2021	2020
	note	£	£
Donations and grants			
General giving		53,871	52,458
Tax recovered on general giving		11,732	15,087
Gift Day income		12,275	11,848
Tax recovered on Gift Day		2,425	2,489
Grants		10,250	15,710
Other donations		1,470	3,110
Tax recovered on restricted donations		137	125
Collections for other charities		961	50
Church event donations		399	295
Totals		93,520	101,172
Charitable Activities			
Youth & children events subs		673	3,113
Wedding & Funeral Fees		299	213
Church shop income		412	311
Miscellaneous other Income		-	14
Totals		1,384	3,651
Trading Activities			
Nursery rental		24,000	44,681
159 Victoria Road rent		18,000	18,000
Church room hire		60	1,020
Other sales income		145	-
Totals		42,205	63,701
Other Income			
Interest etc received		5	23
Insurance payout		-	10,000
Compensation received		9,297	-
Totals		9,302	10,023
INCOME TOTALS		146,411	178,547

EXPENDITURE		2021	2020
	note	£	£
Charitable Giving			
Church Charitable Giving		1,400	550
Other Charities' Collections		830	147
Hardship fund payments		620	1,174
Totals		2,850	1,871
Service Costs			
Service costs		556	419
Refreshments		179	365
PA & Music		947	999
Totals		1,682	1,783
Church Ministry			
Parish Share		68,199	56,280
Discipleship events		78	61
Youth groups		408	495
Outreach events		732	566
"Jim's"		702	307
Vicar's Expenses	7	184	39
Conferences & Training		64	355
Gifts to Church Members		666	478
Cost of Shop Goods		338	81
Totals		71,371	58,662
Employee Costs	2,7		
Salaries		31,260	30,186
Pensions and National Insurance		903	860
Totals		32,163	31,046
Fabric			
Repairs & Maintenance		1,195	12,894
Health & Safety & Security		1,080	1,033
Church cleaning		1,362	2,280
Church Insurance		2,554	2,526
Electricity & gas & water		5,689	6,246
Totals		11,880	24,979
Administration			
Photocopier expenses		1,704	1,502
Other office costs		1,034	814
IT & software		1,393	910
Bank fees & interest etc		397	364
Miscellaneous Expenses		263	440
Totals		4,791	4,030
Fundraising Costs			
159 Victoria Road insurance & maintenance		1,089	830
Bad Debt Expense		-	20,369
Totals		1,089	21,199
EXPENDITURE TOTALS		125,826	143,570
SURPLUS / (DEFICIT)		20,585	34,977

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

a) Employment costs are as specified in the detailed income and expenditure.

b) 3 people were employed by the charity during the year of which 2 were part-time and the other was full-time (2020 – 2 people of which 1 was part-time and the other was full time).

c) No employee earned more than £60,000 during the year (2020 – 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 2021	Income	Expenditure	Transfers between funds	31 Dec 2021
	£	£	£	£	£
Youth & Children's work fund	500	234	121	-	613
Special collections	550	961	830	-	681
Jim's café fund	3,623	2,038	2,549	-	3,112
Hardship fund	1,338	117	620	-	835
Other	52	10,000	10,000	-	52
	6,063	13,350	14,120	-	5,293

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. This fund contains some donations to be used for any costs relating to youth and children's work and some for specific elements of 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 Jim's café fund consists of donations for the costs of the 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 others known to the church, who are in particular financial hardship or have a particular financial crisis.

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

5. Unrestricted Funds

	1 Jan 2021	Income	Expenditure	Transfers between funds	31 Dec 2021
	£	£	£	£	£
Free reserves	43,794	133,061	111,706	(20,600)	44,549
Designated fabric fund	-	-	-	-	-
Designated charitable fund	4,150	-	-	600	4,750
Designated youth work fund	1,000	-	-	-	1,000
Designated salaries and major projects fund	-	-	-	20,000	20,000
Designated building reserve	160,000	-	-	-	160,000
	208,944	133,061	111,706	-	230,299

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 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 salaries and major projects fund is to support key areas of mission, including salaries, during a period of growth in Jim's and anticipated financial hardship in the country.

The designated buildings reserve 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	-	5,293	5,293
Unrestricted:			
Free reserves	-	44,549	44,549
Designated fund – buildings reserve	160,000	-	160,000
Designated fund – fabric reserve	-	-	-
Designated fund – charitable giving reserve	-	4,750	4,750
Designated fund – salaries and major projects	-	20,000	20,000
Designated fund – youth work reserve	-	1,000	1,000
	160,000	75,592	235,592

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 being employed as a trustee with the charity or a related entity. One trustee, Paul Robinson, received a salary from St James's for his job as Youth and Children's Worker for St James's. In 2021 this salary was £20,706 with employer pension contributions of £723 (2020: salary of £19,300 with employer pension contributions of £704). Paul Robinson received no remuneration for being a trustee and no expenses apart from reimbursement of out of pocket expenses. Paul Robinson also excuses himself from any discussions or votes relating to salaries or employment policies at PCC meetings.

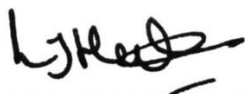
Trustees' Expenses: The Rev Canon Laura Hewitt was paid expenses of £184 (2020 - £39). These expenses were all wholly related to her duties as Vicar of St James's Church.

Transactions with Related Parties: The PCC is not aware of any other related party transactions in 2021 or 2020.

8. Fees for Examination of the Accounts

The fee for the Independent Examiner has not yet been finalised for the examination of the 2021 accounts but an accrual of £250 has been set up for this fee (2020 – £250).

Approved by the trustees on 20th May 2021 and signed on their behalf by:



Rev Canon Laura Hewitt (PCC chair)



Zoe Jones (Treasurer)

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 2021, 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.

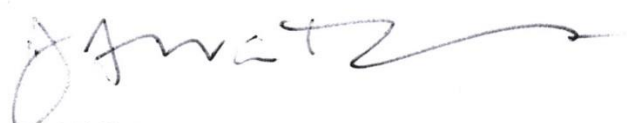
Independent examiner's statement

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
20 May 2022

24 Ventnor Drive
Totteridge
London N20 8BP