

# **The Parish of St Michael Cornhill**

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

**For the  
year ending  
31 December 2020**

Registered Charity Number 1179240

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## **PCC Annual report**

### **Aim and Purposes**

The primary objective of all PCCs is the promotion of the Gospel of our Lord Jesus Christ for the benefit of the public. Given the location and history of the church building, the PCC adopted the following objectives:

- To enable the mission of the Church to spread the good news of Jesus and make disciples of all nations
- To continue the musical tradition of St Michael's
- To allow the public to benefit from the restored organ and new bells

The PCC has specific responsibilities for the maintenance of the church building situated in Cornhill.

### **Objectives and activities**

St Michael's main objective is to encourage further the worship of Almighty God through choral evensong services on Mondays, matins on Tuesdays and occasional services on Sundays following the Book of Common Prayer. In addition a Chinese speaking congregation use the building for their services.

The PCC runs Organ recitals on Monday Lunchtimes.

The PCC has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. The Church provides benefit to the public by providing resources and facilities to provide a place for public worship and prayer, for the provision of pastoral care for those living or working in the Parish, and for missionary and outreach work.

In order to facilitate this work, it is important that the PCC maintain the fabric of the Church of St Michael.

### **Achievements and performance**

In normal circumstances, the church is opened during the week to afford a place of peace and reflection.

All are welcome to attend the Services. As well as our regular Services, we enable our community to celebrate and thank God at the milestones of the journey through life, at Baptism, Marriage and Thanksgiving Services, together with recognising the service of Livery Companies to the City and world at large.

Facilities are made available for those dealing with the problems of drug misuse.

During the Covid lock downs which began in March 2020, services have been live streamed or pre-recorded as well as some services being held in person. Organ recitals have been livestreamed, enabling a much more geographically dispersed audience to participate. We are grateful for the members of the choir who have adapted to the new arrangements, and to our employees, members of the congregation and parish clerks who have responded to the lockdown with creativity and determination.

### **Financial review**

The net expenditure for the year was £23,066 compared to £19,726 in 2019 (charged across both Unrestricted and Restricted Funds). This outflow is planned and is a result of using the bequest mentioned below. The number of services held in 2020 was lower than expected because of the Covid lockdowns, and resulted in lower income from collections and fees than in the prior year. In 2019, a CD was recorded and repairs were made to the building.

In 2015, the Church received a generous bequest of £155,000 in the Will of a former parishioner; this bequest is restricted to the furtherance of music and is not available for the running of the Church. This fund continues to underpin much of the musical activity of the Church.

The PCC thanks the Thalben-Ball Trust for financial assistance for the support and training of an Organ Scholar, and the PCC of St Helen Bishopsgate for supplying clergy and other staff.

### **Reserves policy**

The reserves policy of the PCC is to hold unrestricted funds to cover around three months' expenditure. It is expected that our income in future years will come from collections taken at services and recitals and grants from other charities. These income streams can be volatile and difficult to predict. The ability of the PCC to manage costs in the short term is limited as staff costs and costs associated with running the church building would take time to reduce.

At the end of 2020 unrestricted funds amounted to some £120,000 which is more than the £22,000 needed to cover three months' expenditure. It is expected that some of these funds will be used for repairs to the building in the future.

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

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and is registered with the Charity Commission.

The method of appointment of members is set out in the Church Representation Rules. The PCC met five times during the year. A Standing committee transacts the business of the Council between PCC meetings, subject to any directions given by the Council. It met four times in 2020.

The PCC has complied with the duty to have due regard to the House of Bishops' Safeguarding Policy and Practice Guidance.

**Administrative information**

St Michael's Church is situated in Cornhill, City of London. It is part of the Diocese of London.  
The correspondence address is: St Michael's Church, St Michael's Alley, London, EC3V 9DS.  
PCC members who have served at any time from 1 January 2020 until the date this Report was approved are:

Priest in Charge:	The Reverend C Skrine	
Curates:	The Reverend H Eatock-Taylor	
	The Reverend L Cornelius	
Wardens:	Dr D Bland	
	Alderman Robert Howard	
	R Phelps	
	P Pritchett	
	Miss M Vander-Steen	
	Miss Y Wang	
	Dr L Webster	
Elected:	L Elbourne	
	Mrs E Hunt	
	T Liu	
	D Monro	
	Miss E O'Donoghue	(Resigned 15 October 2020)
	Mrs J Taylor	
	Mrs H White	(Appointed 15 October 2020)
Ex Officio:	Miss D Buggs (General Synod representative)	
	S Hung (Deanery Synod representative)	

The PCC has banking arrangements with:

CAF Bank Ltd  
25 Kings Hill Avenue Kings Hill  
West Malling Kent  
ME19 4JQ

The Examiners of the Accounts are:

Griffin Stone Moscrop & Co  
21-27 Lamb's Conduit Street  
London  
WC1N 3GS

Approved by the PCC on 25 March 2021 and signed on its behalf by:

CWD Skrine

The Reverend C Skrine

**Independent examiner's report to the Trustees of The Parish Church of St Michael, Cornhill**

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2020.

**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 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.

**Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

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

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Richard Hill

Richard Hill FCA  
For and on behalf of  
Griffin Stone Moscrop & Co  
21-27 Lamb's Conduit Street  
London WC1N 3GS

Date: 7 April 2021

PCC of St Michael, Cornhill  
Year ending 31 December 2020

**Statement of Financial Activities**  
for the Year ending 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2019 £
INCOME and ENDOWMENTS from:							
Donations and Legacies	2 (a)	39,380	150	39,530	62,884	2,500	65,384
Charitable Activities	2 (b)	35,145	1,830	36,975	49,841	390	50,231
<b>TOTAL</b>		<b>74,525</b>	<b>1,980</b>	<b>76,505</b>	<b>112,725</b>	<b>2,890</b>	<b>115,615</b>
EXPENDITURE on:							
Charitable activities	3 (a)	67,243	30,756	97,999	95,379	38,402	133,781
Other Costs	3 (b)	1,572	-	1,572	1,560	-	1,560
<b>TOTAL</b>		<b>68,815</b>	<b>30,756</b>	<b>99,571</b>	<b>96,939</b>	<b>38,402</b>	<b>135,341</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>5,710</b>	<b>(28,776)</b>	<b>(23,066)</b>	<b>15,786</b>	<b>(35,512)</b>	<b>(19,726)</b>
<b>TRANSFERS BETWEEN FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENTS IN FUNDS</b>		<b>5,710</b>	<b>(28,776)</b>	<b>(23,066)</b>	<b>15,786</b>	<b>(35,512)</b>	<b>(19,726)</b>
RECONCILIATION of FUNDS							
Total Funds brought forward		114,944	66,104	181,048	99,158	101,616	200,774
Total Funds carried forward		120,654	37,328	157,982	114,944	66,104	181,048

PCC of St Michael, Cornhill  
Year ending 31 December 2020

**Balance Sheet at 31 December 2020**

	Note	2020 £	2019 £
Current Assets			
Debtors	5	9,501	9,710
Bank: PCC		130,321	123,660
Fryer Music Bequest		<u>39,418</u>	<u>64,043</u>
		179,240	197,413
Current Liabilities			
Creditors: amounts falling due within one year	6	21,258	16,365
Net Current Assets		<u>157,982</u>	<u>181,048</u>
Total Net Assets	7	<u><u>157,982</u></u>	<u><u>181,048</u></u>
Parish Funds			
Unrestricted	8	102,554	96,844
- Designated	8	18,100	18,100
Restricted	8	37,328	66,104
		<u>157,982</u>	<u>181,048</u>

The financial statements were approved by the PCC on 25 March 2020 and signed on its behalf by:

CWD Skrine

The Reverend C Skrine



## Notes to the Accounts

### 1. Accounting Policies

#### **Basis of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention and include all transactions, assets and liabilities for which the PCC is responsible at 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 Parish Church of St Michael, Cornhill constitutes a public benefit entity as defined by FRS 102.

#### **Fund accounting**

**Unrestricted Funds:** income funds which may be spent on the PCC's general purposes.

**Restricted Funds:** comprise (a) income from endowments which may be applied only on the restricted purposes intended by the donor and (b) revenue donations or grants for a specific PCC activity intended by the donor. Where there is no separate investment, interest is apportioned on an average balance basis.

**Designated Funds:** unrestricted and whose purpose is determined by the PCC on a revocable basis.

**Incoming Resources:** planned giving, collections and donations are recognised when received. Tax refunds are included on a receivable basis. Grants and Legacies are accounted for when there is a legal entitlement to the amounts due. Dividends are accounted for when receivable and interest on an accrued basis. All incoming resources are accounted for gross. Voluntary Church Rate is recognised in the year the demand is raised. Any outgoings in connection are charged in the year incurred.

**Resources Expended:** Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. Common Fund expected to be paid over is accounted for when due.

**Fixed Assets:** Consecrated and benefice property is not accounted for in the accounts in accordance with s 10(2)(a) and (c) of the Charities Act 2011.

Moveable church furnishings held by the Vicar and Churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the Church's inventory, which can be inspected at any reasonable time. For anything acquired prior to 2000, there is insufficient cost information available and therefore such assets are not valued in the financial statements.

Equipment used within the church premises is depreciated on a straight line basis according to their estimated useful lives: individual items with a cost of under £2,500 are written off in the year of acquisition.

Notes to the Accounts

2. Incoming Resources

	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2019 £
2 (a) Voluntary Income:						
Collections (incl Gift Aid)	8,195	-	8,195	22,338	-	22,338
Grants	3,250	-	3,250	3,250	-	3,250
Donations	19,519	150	19,669	7,768	2,500	10,268
Voluntary Church Rate	8,416	-	8,416	29,528	-	29,528
	<u>39,380</u>	<u>150</u>	<u>39,530</u>	<u>62,884</u>	<u>2,500</u>	<u>65,384</u>
2 (b) Income from Church activities:						
Rental income	19,276	-	19,276	20,829	-	20,829
Organ Recitals (incl Gift Aid)	2,194	-	2,194	5,417	-	5,417
CD sales & contributions	-	1,830	1,830	1,000	390	1,390
Choir & Facility Fees	11,856	-	11,856	19,300	-	19,300
Wedding Services	769	-	769	1,305	-	1,305
Other income	1,050	-	1,050	1,990	-	1,990
	<u>35,145</u>	<u>1,830</u>	<u>36,975</u>	<u>49,841</u>	<u>390</u>	<u>50,231</u>
Total Incoming Resources	<u>74,525</u>	<u>1,980</u>	<u>76,505</u>	<u>112,725</u>	<u>2,890</u>	<u>115,615</u>

Notes to the Accounts

3. Resources Expended

	Unrestricted Funds	Restricted Funds	TOTAL 2020	Unrestricted Funds	Restricted Funds	TOTAL 2019
3 (a) Church activities						
Ministry: Common Fund	6,000	-	6,000	4,000	-	4,000
Clergy & Sacristy	62	-	62	385	131	516
Diocese: Wedding Fees	428	-	428	161	-	161
Parish Events	1,060	1,485	2,545	955	-	955
	<u>7,550</u>	<u>1,485</u>	<u>9,035</u>	<u>5,501</u>	<u>131</u>	<u>5,632</u>
Music						
Director & Standing Choir	16,430	17,101	33,531	22,630	21,346	43,976
Special Services Choir	9,740	230	9,970	15,368	-	15,368
Organ Scholar	500	2,350	2,850	1,100	4,820	5,920
Choral Scholar	-	-	-	-	1,000	1,000
Organ Recitalists	2,000	100	2,100	3,250	100	3,350
CD recording	-	4,961	4,961	-	10,760	10,760
Music Licence	300	-	300	71	-	71
Organists & Musicians for services	2,260	390	2,650	1,550	180	1,730
Organ costs	1,821	-	1,821	2,933	-	2,933
	<u>33,051</u>	<u>25,132</u>	<u>58,183</u>	<u>46,902</u>	<u>38,206</u>	<u>85,108</u>
Administration						
PA	9,779	-	9,779	10,727	-	10,727
Outsourced costs	3,150	-	3,150	3,283	-	3,283
Printing	107	-	107	251	-	251
Web/IT/Phone	382	-	382	307	-	307
Books/Adverts/Subs	19	-	19	631	-	631
Office costs	251	148	399	644	65	709
VCR	1,400	-	1,400	1,400	-	1,400
	<u>15,088</u>	<u>148</u>	<u>15,236</u>	<u>17,243</u>	<u>65</u>	<u>17,308</u>
Church maintenance						
Cleaning	1,382	-	1,382	2,136	-	2,136
Utilities	4,395	-	4,395	3,127	-	3,127
Repairs, maintenance, renewals	5,777	3,991	9,768	20,470	-	20,470
	<u>11,554</u>	<u>3,991</u>	<u>15,545</u>	<u>25,733</u>	<u>-</u>	<u>25,733</u>
3 (b) Governance						
(Independent Examiner fee)	1,572	-	1,572	1,560	-	1,560
	<u>68,815</u>	<u>30,756</u>	<u>99,571</u>	<u>96,939</u>	<u>38,402</u>	<u>135,341</u>
Total Resources expended						

## Notes to the Accounts

### 4a. Payments to PCC Members

No payments were made to PCC members in 2020 or 2019. During the year, no PCC members received any benefits in kind (2019 - £NIL). During the year, no PCC members received any reimbursement of expenses relating to their duties as PCC members (2019 - £NIL).

### 4b. Payments from PCC Members

Giving by ten PCC members amounted to £9,900 (2019: eight gave £4,640).

### 4c. Employee numbers

During the year the PCC had an average of 1.5 of a full time employee (2019 – 1.5 of a full time employee).

### 4d. Staff costs

	2020	2019
		£
Salaries	32,379	39,318
National insurance	-	-
Pension	856	1,105
	<u>33,235</u>	<u>40,423</u>

National Insurance costs were covered by the employer's annual allowance.

The PCC defines Key Management Personnel (KMP) as the members of the PCC. None of these received payment from the PCC during the year.

## 5. Debtors

	Unrestricted Fund	Restricted Funds	TOTAL 2020	Unrestricted Fund	Restricted Funds	TOTAL 2019
	£	£	£	£	£	£
Gift Aid claims	7,594	-	7,594	4,924	-	4,924
Debtors	1,869	-	1,869	4,752	-	4,752
Prepayments	38	-	38	34	-	34
	<u>9,501</u>	<u>-</u>	<u>9,501</u>	<u>9,710</u>	<u>-</u>	<u>9,710</u>

## 6. Creditors

	Unrestricted Fund	Restricted Funds	TOTAL 2020	Unrestricted Fund	Restricted Funds	TOTAL 2019
	£	£	£	£	£	£
Ministry	2,162	-	2,162	2,163	-	2,163
Administration	10,550	160	10,710	4,766	-	4,766
Music	1,190	-	1,190	2,505	-	2,505
Governance	1,580	-	1,580	1,550	-	1,550
Repairs	838	-	838	283	-	283
Utilities	595	-	595	615	-	615
Deposits	-	-	-	300	-	300
Deferred income	4,183	-	4,183	4,183	-	4,183
	<u>21,098</u>	<u>160</u>	<u>21,258</u>	<u>16,365</u>	<u>-</u>	<u>16,365</u>

Notes to the Accounts

7. Analysis of Total Assets

	Unrestricted Fund £	Restricted Funds £	TOTAL 2020 £	Unrestricted Fund £	Restricted Funds £	TOTAL 2019 £
Current assets						
Bank balances	132,251	37,488	169,739	121,599	66,104	187,703
Debtors	9,501	-	9,501	9,710	-	9,710
Current liabilities						
Creditors	21,098	160	21,258	16,365	-	16,365
	<u>120,654</u>	<u>37,328</u>	<u>157,982</u>	<u>114,944</u>	<u>66,104</u>	<u>181,048</u>

## Notes to the Accounts

### 8. Movements in Funds

	At 01.01.20	Incoming resources	Resources expended	Transfers	At 31.12.20
UNRESTRICTED					
General	96,844	74,525	68,815	-	102,554
Designated – Building Fund	18,100	-	-	-	18,100
	<u>114,944</u>	<u>74,525</u>	<u>68,815</u>	<u>-</u>	<u>120,654</u>
RESTRICTED					
Fabric	3,991	-	3,991	-	-
Fryer Music Bequest	62,113	1,980	26,765	-	37,328
	<u>66,104</u>	<u>1,980</u>	<u>30,756</u>	<u>-</u>	<u>37,328</u>
TOTAL	<u>181,048</u>	<u>76,505</u>	<u>99,571</u>	<u>-</u>	<u>157,982</u>
	At 01.01.19	Incoming resources	Resources expended	Transfers	At 31.12.19
UNRESTRICTED					
General	99,158	112,725	96,939	(18,100)	96,844
Designated – Building Fund	-	-	-	18,100	18,100
	<u>99,158</u>	<u>112,725</u>	<u>96,939</u>	<u>-</u>	<u>114,944</u>
RESTRICTED					
Fabric	3,991	-	-	-	3,991
Fryer Music Bequest	97,625	2,890	38,402	-	62,113
	<u>101,616</u>	<u>2,890</u>	<u>38,402</u>	<u>-</u>	<u>66,104</u>
TOTAL	<u>200,774</u>	<u>115,615</u>	<u>135,341</u>	<u>-</u>	<u>181,048</u>

#### Notes:

Funds may be applied as follows:

#### UNRESTRICTED

(i) Designated – Building Fund: for maintenance and repairs of St Michael, Cornhill.

#### RESTRICTED

(i) Fabric: for the maintenance and upkeep of the Church only.

(ii) Fryer Music Bequest: a gift to be used specifically for the furtherance of music in and in connection with the church as directed by a named person.

### 9. Post Balance Sheet Events

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration or severity of the consequences, as well as their impact on the financial position and results of the charity for future periods.