

# **The Parish of St Michael Cornhill**

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

**For the  
year ending  
31 December 2021**

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 were live streamed or pre-recorded as were organ recitals, enabling a much more geographically dispersed audience to participate. In mid 2021 services and recitals returned to the normal format. We are grateful for the members of the choir who adapted to the new arrangements, and to our employees, members of the congregation and parish clerks who responded to the lockdown with creativity and determination.

### **Financial review**

The net income for the year was £35,037 compared to net expenditure of £23,066 in 2020 (across both Unrestricted and Restricted Funds). A net outflow was planned, to use the bequest mentioned below however better than expected income has resulted in a net surplus for the year.

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 and as at 31 December 2021 there was an unutilised balance on this fund of £24,448.

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 2021 unrestricted funds amounted to some £169,000 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 seven 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 three times in 2021.

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 2021 until the date this Report was approved are:

Priest in Charge:	The Reverend C Skrine	(Resigned 25 March 2021)
Curates:	The Reverend H Eatock-Taylor	
	The Reverend L Cornelius	(Resigned 30 September 2021)
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	
	Mrs J Taylor	
	S Sodadasi	(Appointed 17 May 2021)
	R Meacher	(Appointed 17 May 2021)
Ex Officio:	Miss D Buggs (General Synod representative)	
	S Hung (Deanery Synod representative)	
	Mrs H White (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 20 April 2022 and signed on its behalf by:

*P Pritchett*

P Pritchett

**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 2021.

**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: 22 April 2022

PCC of St Michael, Cornhill  
Year ending 31 December 2021

**Statement of Financial Activities**  
for the Year ending 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £
INCOME and ENDOWMENTS from:							
Donations and Legacies	2 (a)	67,293	3,410	70,703	39,380	150	39,530
Charitable Activities	2 (b)	60,023	-	60,023	35,145	1,830	36,975
<b>TOTAL</b>		<b>127,316</b>	<b>3,410</b>	<b>130,726</b>	<b>74,525</b>	<b>1,980</b>	<b>76,505</b>
EXPENDITURE on:							
Charitable activities	3 (a)	77,802	16,290	94,092	67,243	30,756	97,999
Other Costs	3 (b)	1,597	-	1,597	1,572	-	1,572
<b>TOTAL</b>		<b>79,399</b>	<b>16,290</b>	<b>95,689</b>	<b>68,815</b>	<b>30,756</b>	<b>99,571</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>47,917</b>	<b>(12,880)</b>	<b>35,037</b>	<b>5,710</b>	<b>(28,776)</b>	<b>(23,066)</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>47,917</b>	<b>(12,880)</b>	<b>35,037</b>	<b>5,710</b>	<b>(28,776)</b>	<b>(23,066)</b>
RECONCILIATION of FUNDS							
Total Funds brought forward		120,654	37,328	157,982	114,944	66,104	181,048
Total Funds carried forward		168,571	24,448	193,019	120,654	37,328	157,982

PCC of St Michael, Cornhill  
Year ending 31 December 2021

**Balance Sheet at 31 December 2021**

	Note	2021 £	2020 £
Current Assets			
Debtors	5	2,861	9,501
Bank: PCC		176,719	130,321
Fryer Music Bequest		<u>26,377</u>	<u>39,418</u>
		205,957	179,240
Current Liabilities			
Creditors: amounts falling due within one year	6	12,938	21,258
Net Current Assets		<u>193,019</u>	<u>157,982</u>
Total Net Assets	7	<u><u>193,019</u></u>	<u><u>157,982</u></u>
Parish Funds			
Unrestricted	8	150,471	102,554
- Designated	8	18,100	18,100
Restricted	8	24,448	37,328
		<u>193,019</u>	<u>157,982</u>

The financial statements were approved by the PCC on 20 April 2022 and signed on its behalf by:

*P Pritchett*

P Pritchett



## 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. Donations include donations in kind representing amounts paid by third parties to cover expenditure relating to the PCC. 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 2021 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £
2 (a) Voluntary Income:						
Collections (incl Gift Aid)	4,796	-	4,796	8,195	-	8,195
Grants	2,500	-	2,500	3,250	-	3,250
Donations	23,942	3,410	27,352	19,519	150	19,669
Voluntary Church Rate	36,055	-	36,055	8,416	-	8,416
	<u>67,293</u>	<u>3,410</u>	<u>70,703</u>	<u>39,380</u>	<u>150</u>	<u>39,530</u>
2 (b) Income from Church activities:						
Rental income	34,604	-	34,604	19,276	-	19,276
Organ Recitals (incl Gift Aid)	2,824	-	2,824	2,194	-	2,194
CD sales & contributions	-	-	-	-	1,830	1,830
Choir & Facility Fees	9,884	-	9,884	11,856	-	11,856
Wedding Services	3,210	-	3,210	769	-	769
Other income	9,501	-	9,501	1,050	-	1,050
	<u>60,023</u>	<u>-</u>	<u>60,023</u>	<u>35,145</u>	<u>1,830</u>	<u>36,975</u>
Total Incoming Resources	<u>127,316</u>	<u>3,410</u>	<u>130,726</u>	<u>74,525</u>	<u>1,980</u>	<u>76,505</u>

Notes to the Accounts

3. Resources Expended

	Unrestricted Funds	Restricted Funds	TOTAL 2021	Unrestricted Funds	Restricted Funds	TOTAL 2020
3 (a) Church activities						
Ministry: Common Fund	8,000	-	8,000	6,000	-	6,000
Clergy & Sacristy	1,132	-	1,132	62	-	62
Diocese: Wedding Fees	530	-	530	428	-	428
Parish Events	1,800	-	1,800	1,060	1,485	2,545
	<u>11,462</u>	<u>-</u>	<u>11,462</u>	<u>7,550</u>	<u>1,485</u>	<u>9,035</u>
Music						
Director & Standing Choir	10,079	15,343	25,422	16,430	17,101	33,531
Special Services Choir	7,975	-	7,975	9,740	230	9,970
Organ Scholar	600	-	600	500	2,350	2,850
Organ Recitalists	2,960	650	3,610	2,000	100	2,100
CD recording	-	-	-	-	4,961	4,961
Music Licence	300	-	300	300	-	300
Organists & Musicians for services	904	200	1,104	2,260	390	2,650
Organ costs	3,316	-	3,316	1,821	-	1,821
	<u>26,134</u>	<u>16,193</u>	<u>42,327</u>	<u>33,051</u>	<u>25,132</u>	<u>58,183</u>
Administration						
PA	10,513	-	10,513	9,779	-	9,779
Outsourced costs	3,072	-	3,072	3,150	-	3,150
Printing	138	-	138	107	-	107
Web/IT/Phone	3,113	-	3,113	382	-	382
Books/Adverts/Subs	249	-	249	19	-	19
Office costs	246	97	343	251	148	399
VCR	1,400	-	1,400	1,400	-	1,400
	<u>18,731</u>	<u>97</u>	<u>18,828</u>	<u>15,088</u>	<u>148</u>	<u>15,236</u>
Church maintenance						
Cleaning	1,028	-	1,028	1,382	-	1,382
Utilities	14,368	-	14,368	4,395	-	4,395
Repairs, maintenance, renewals	6,079	-	6,079	5,777	3,991	9,768
	<u>21,475</u>	<u>-</u>	<u>21,475</u>	<u>11,554</u>	<u>3,991</u>	<u>15,545</u>
3 (b) Governance						
(Independent Examiner fee)	1,597	-	1,597	1,572	-	1,572
	<u>1,597</u>	<u>-</u>	<u>1,597</u>	<u>1,572</u>	<u>-</u>	<u>1,572</u>
Total Resources expended	<u>79,399</u>	<u>16,290</u>	<u>95,689</u>	<u>68,815</u>	<u>30,756</u>	<u>99,571</u>

## Notes to the Accounts

### 4a. Payments to PCC Members

No payments were made to PCC members in 2021 or 2020. During the year, no PCC members received any benefits in kind (2020 - £NIL). During the year, no PCC members received any reimbursement of expenses relating to their duties as PCC members (2020 - £NIL).

### 4b. Payments from PCC Members

Giving by nine PCC members amounted to £4,765 (2020: ten gave £9,900).

### 4c. Employee numbers

During the year the PCC had an average of 1.0 of a full time employee (2020 – 1.5 of a full time employee).

### 4d. Staff costs

	2021	2020
	£	£
Salaries	30,149	32,379
National insurance	-	-
Pension	841	856
	<u>30,990</u>	<u>33,235</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 2021	Unrestricted Fund	Restricted Funds	TOTAL 2020
	£	£	£	£	£	£
Gift Aid claims	-	-	-	7,594	-	7,594
Debtors	2,628	-	2,628	1,869	-	1,869
Prepayments	233	-	233	38	-	38
	<u>2,861</u>	<u>-</u>	<u>2,861</u>	<u>9,501</u>	<u>-</u>	<u>9,501</u>

## 6. Creditors

	Unrestricted Fund	Restricted Funds	TOTAL 2021	Unrestricted Fund	Restricted Funds	TOTAL 2020
	£	£	£	£	£	£
Ministry	422	-	422	2,162	-	2,162
Administration	618	-	618	10,550	160	10,710
Music	4,986	-	4,986	1,190	-	1,190
Governance	1,600	-	1,600	1,580	-	1,580
Repairs	354	-	354	838	-	838
Utilities	475	-	475	595	-	595
Deposits	300	-	300	-	-	-
Deferred income	4,183	-	4,183	4,183	-	4,183
	<u>12,938</u>	<u>-</u>	<u>12,938</u>	<u>21,098</u>	<u>160</u>	<u>21,258</u>

Notes to the Accounts

7. Analysis of Total Assets

	Unrestricted Fund £	Restricted Funds £	TOTAL 2021 £	Unrestricted Fund £	Restricted Funds £	TOTAL 2020 £
Current assets						
Bank balances	178,648	24,448	203,096	132,251	37,488	169,739
Debtors	2,861	-	2,861	9,501	-	9,501
Current liabilities						
Creditors	12,938	-	12,938	21,098	160	21,258
	<u>168,571</u>	<u>24,448</u>	<u>193,019</u>	<u>120,654</u>	<u>37,328</u>	<u>157,982</u>

## Notes to the Accounts

### 8. Movements in Funds

	At 01.01.21	Incoming resources	Resources expended	Transfers	At 31.12.21
UNRESTRICTED					
General	102,554	127,316	79,399	-	150,471
Designated – Building Fund	18,100	-	-	-	18,100
	<u>120,654</u>	<u>127,316</u>	<u>79,399</u>	<u>-</u>	<u>168,571</u>

#### RESTRICTED

Fryer Music Bequest	37,328	3,410	16,290	-	24,448
	<u>37,328</u>	<u>3,410</u>	<u>16,290</u>	<u>-</u>	<u>24,448</u>

TOTAL	<u>157,982</u>	<u>130,726</u>	<u>95,689</u>	<u>-</u>	<u>193,019</u>
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	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>
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#### 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.