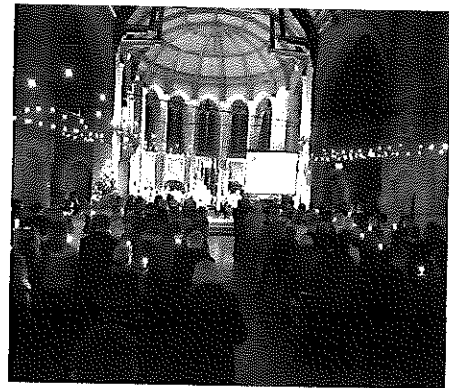
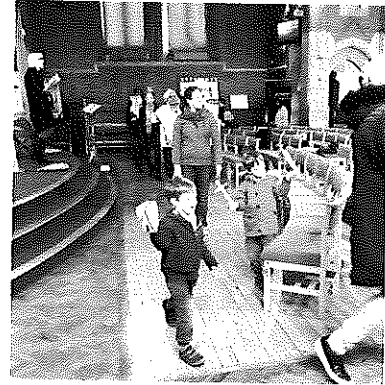


St James's Church, New Barnet

Trustees' Report and Financial Statements

for the year ending 31st December 2019



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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

Reflecting the emphasis on youth work, children of all ages are catered for during Sunday morning services and many other groups are regularly arranged on other days, There are also frequent events for adults with both a spiritual and social element. There are regular weekday events when the church is open and all visitors are welcomed.

Ecumenical activities have played an increasingly important part at St James's over the past year or so, with events organised with other local churches, both Anglican and non-Anglican. Involvement within the local (Anglican) deanery is enhanced with the vicar's appointment as Assistant Area Dean.

Financial Review

Summary

The financial focus for 2019 was to be good stewards of the church's money and build up our reserves, while also making sure that we invested in maintaining and building up key areas of mission such as youth work and outreach. We had our annual Gift Day in May and we also held a special appeal during the autumn for our youth work.

We had a surplus for the year of £8,961. This was encouraging as it allowed us to build up our reserves a little, but we are still significantly below the level of reserves recommended for churches (intended to allow them to get through financial dips). Therefore, in 2020 we still plan to focus on building up our reserves to the recommended level while still investing in the ministry and outreach of the church.

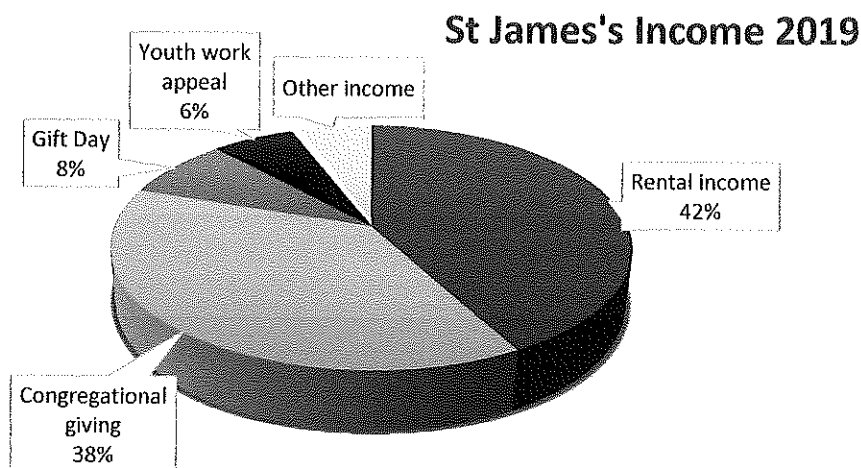
Maintaining a reasonable level of reserves has become even more imperative during the Coronavirus crisis as income is now much more uncertain but we are still trying to keep our ministries going. See the reserves policy at the end of the finance report for more detail on the church's reserves.

Income

Our income increased from £147,851 in 2018 to £152,851 in 2019. This was partly due to the youth work appeal in Autumn 2019 which raised £6,818 (including £1,247 in gift aid) and increased income from room hire, weddings and youth groups.

Here is a breakdown of our 2019 income:

- 42% from rental income (either from our rental property in Victoria Road, or renting out rooms to Kids Choice nursery and other room hirers)
- 38% from regular congregational giving, either by standing orders or weekly cash collections
- 8% from our Gift Day in May
- 6% from our youth work appeal in the autumn and other donations restricted for particular purposes such as youth work and the hardship fund
- 6% from sundry other sources including youth groups and church events



Expenditure

Our expenditure decreased significantly from £158,171 in 2018 to £143,890 in 2019.

This is largely due to careful financial management which allowed us to make significant savings while still investing in key areas. Spending in discipleship, outreach and church ministry went up a little, but spending in several other areas went down. For example, service costs went down from £3,934 in 2018 to £2,178 in 2019; costs of the youth and children's work went down from £3,041 in 2018 to £2,838 in 2019 (the 2019 figure doesn't include youth work spending from a couple of small restricted donations); repairs and maintenance went down from £6,658 in 2018 to £4,940 in 2019.

Other reasons for the reduction in expenditure were reduced salary costs – down from £37,434 in 2018 to £28,887 in 2019. This was largely due to the youth worker post being only part time for the first few months of the year. Also, in 2018, there were £12,580 of payments made which we don't know the reason for and which are subject to an ongoing police investigation. No such payments have been made since.

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 were partly able to do this by deferring our Parish Share payments temporarily, with the consent of the Diocese, to allow us to build up our reserves. (The Parish Share payments are those each church makes to their Diocese to allow the Diocese to support the ministry of all their churches.)

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

Due to the situation outlined in last year's financial report, our reserves fell far short of this target at the end of 2018, but from 2019 we have been taking steps to rectify this. We have now managed to build the free reserves back up to £13,485 as at 31 December 2019, compared to £992 at the end of 2018. This is a much healthier amount and closer to our target of £30,000. It would have been unrealistic to be able to build up our reserves fully to the £30,000 in just one year, especially as we were keen to keep our mission and outreach going. However, for our reserves to have gone up as much as they have in one year is very encouraging and we thank God for this.

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.

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 2019) to the date of the 2020 Annual Parochial Church Meeting (April 2020).

Rev L J Hewitt (vicar and chair)

Mr O A Akinjogbin (from April 2019)

Mr R E Bayman (secretary)

Mrs C J Connah

Mrs H C Cooper

Mr L Cowles

Mrs A A Femi-Pearse

Miss Z M Jones (treasurer)

Mrs R A Leaver

Mr A D Matthews

Mr S Perera

Mr D C Rolfe (to April 2019)

Miss R I A Thompson (from April 2019)

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 OPB

Independent Examiner: Mr A Davis, 26 Dew Pond Road, Flitwick, Bedford, MK45 1RT

Approved by the trustees on 21st June 2020 and signed on their behalf by:



Rev Laura Hewitt (PCC chair)



Simon Vincent (PCC vice-chair)

Statement Of Financial Activities

	2019 Restricted note £	2019 Unrestricted £	2019 Total £	2018 £
INCOME				
Donations and grants	8,931	72,070	81,001	81,144
Charitable Activities	-	8,322	8,322	5,120
Trading Activities	-	63,509	63,509	61,578
Investments	-	19	19	9
Total INCOME	<u>8,931</u>	<u>143,920</u>	<u>152,851</u>	<u>147,851</u>
EXPENDITURE				
Charitable and Mission Giving	1,147	7,043	8,190	3,747
Service Costs	-	2,178	2,178	3,934
Church Ministry	358	73,590	73,948	71,042
Employee Costs	6,137	22,750	28,887	37,434
Fabric	-	19,438	19,438	22,346
Administration	21	5,403	5,424	5,698
Fundraising Costs	-	5,825	5,825	1,390
Other Expenditure	-	-	-	12,580
Total EXPENDITURE	<u>7,663</u>	<u>136,227</u>	<u>143,890</u>	<u>158,171</u>
NET RESOURCES	1,268	7,693	8,961	(10,320)
TRANSFERS BETWEEN FUNDS	-	-	-	-
NET MOVEMENT IN FUNDS	1,268	7,693	8,961	(10,320)
BALANCES BROUGHT FORWARD	1,577	169,492	171,069	181,389
BALANCES CARRIED FORWARD	<u>2,845</u>	<u>177,185</u>	<u>180,030</u>	<u>171,069</u>

Balance Sheet

ASSETS	note	2019 £	2018 £
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		27,964	29,982
Cash in hand		507	1,203
Stock		1,400	1,400
Debtors - trade		17,742	17,697
Debtors - other		2,452	99
Debtors - Gift Aid tax claim		7,027	9,657
Totals		<u>57,092</u>	<u>60,038</u>
Less Creditors			
Parish Share Payable		(23,437)	(34,437)
Trade creditors		(1,000)	(400)
Other creditors		(12,625)	(12,786)
PAYE and National Insurance		-	(1,346)
Totals		<u>(37,062)</u>	<u>(48,969)</u>
NET CURRENT ASSETS		<u>20,030</u>	<u>11,069</u>
NET ASSETS		<u>180,030</u>	<u>171,069</u>
FUNDS		2019 £	2018 £
Restricted Funds	note 4		
Hardship Fund		740	-
Jims Fund		558	-
Youth Work Fund		1,000	-
Other Restricted Funds		547	1,577
Totals		<u>2,845</u>	<u>1,577</u>
Designated Funds	5		
Charitable giving		3,700	8,500
Buildings Reserve		160,000	160,000
Totals		<u>163,700</u>	<u>168,500</u>
Other Funds	5		
Free Reserves		13,485	992
Totals		<u>13,485</u>	<u>992</u>
FUNDS TOTALS		<u>180,030</u>	<u>171,069</u>

Approved by the trustees on 21st June 2020 and signed on their behalf by:



Rev Laura Hewitt (PCC chair)



Zoë Jones (PCC treasurer)

Income		2019	2018
	note	£	£
Donations and grants			
General giving		47,741	50,440
Tax Recovered on general giving		9,795	10,166
Gift Day income		10,286	9,746
Tax recovered on Gift Day		2,346	2,254
Youth work grants		-	6,000
Youth work appeal		5,571	-
Other donations		1,801	222
Tax recovered on appeals and other donations		1,296	-
Collections for other charities		507	1,424
Church event income		1,658	892
Totals		<u>81,001</u>	<u>81,144</u>
Charitable Activities			
Youth & children event income		5,787	4,367
Wedding & Funeral Fees		734	289
Church shop income		807	464
Other event income		819	-
Miscellaneous other income		175	-
Totals		<u>8,322</u>	<u>5,120</u>
Trading Activities			
Nursery rental		41,243	41,243
159 Victoria Road rent		18,000	17,900
Church room hire		4,195	2,435
Other sales income		71	-
Totals		<u>63,509</u>	<u>61,578</u>
Investments			
Interest received		19	9
Totals		<u>19</u>	<u>9</u>
INCOME TOTALS		<u><u>152,851</u></u>	<u><u>147,851</u></u>

Expenditure		2019	2018
	note	£	£
Charitable and Mission Giving			
Church Charitable Giving		6,806	2,600
Other Charities Collections		737	1,147
Costs of Special Appeals		37	-
Hardship fund payments		610	-
Totals		<u>8,190</u>	<u>3,747</u>
Service Costs			
Service costs		921	1,263
Refreshments		718	1,224
PA & Music		539	1,447
Totals		<u>2,178</u>	<u>3,934</u>

Expenditure	2019	2018
Church Ministry		
Parish Share	66,076	64,518
Outreach & Discipleship Groups	255	349
Youth & children's groups	3,001	3,041
Regular events	455	33
One-off outreach events	2,240	2,074
Vicar's Expenses	7 600	562
Conferences & Training	214	552
Advertising	106	-
Gifts to Church Members	128	-
Cost of Shop Goods	873	(87)
Totals	<u>73,948</u>	<u>71,042</u>
Employee Costs	2,7	
Salaries	28,203	36,052
Pensions and National Insurance	684	1,382
Totals	<u>28,887</u>	<u>37,434</u>
Fabric		
Repairs & Maintenance	4,030	5,001
Health & Safety & Security	910	1,657
Church cleaning	4,153	3,191
Church Insurance	1,261	2,533
Electricity & gas & water	9,084	9,964
Totals	<u>19,438</u>	<u>22,346</u>
Administration		
Photocopier expenses	2,124	2,022
Other office costs	2,274	2,092
Bank fees & interest etc	924	1,039
Miscellaneous Expenses	102	545
Totals	<u>5,424</u>	<u>5,698</u>
Fundraising Costs		
159 Victoria Road insurance & maintenance	525	1,390
Bad Debt Expense	5,300	-
Totals	<u>5,825</u>	<u>1,390</u>
Other Expenditure		
Transactions under investigation	-	12,580
Totals	<u>-</u>	<u>12,580</u>
EXPENDITURE TOTALS	<u>143,890</u>	<u>158,171</u>
SURPLUS / (DEFICIT)	<u>8,961</u>	<u>(10,320)</u>

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) 2 people were employed by the charity during the year of which 1 was part-time and the other was part-time for the first part of the year and full-time for the rest of the year; (2018 – 3 people of which 2 were part-time).
- c) No employee earned more than £60,000 during the year (2018 – 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 2019	Income	Expenditure	Transfers between funds	31 Dec 2019
	£	£	£	£	£
Youth & Children's Pastor	-	7,300	6,300	-	1,000
Special collections	1,577	507	737	(800)	547
Jim's café	-	753	195	-	558
Hardship fund	-	350	410	800	740
Other	-	21	21	-	-
	1,577	8,931	7,663	-	2,845

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 2019	Income	Expenditure	Transfers between funds	31 Dec 2019
	£	£	£	£	£
General funds	992	143,920	136,227	4,800	13,485
Designated fabric fund	-	-	-	-	-
Designated charitable fund	8,500	-	-	(4,800)	3,700
Designated building fund	160,000	-	-	-	160,000
	169,492	143,920	136,227	-	177,185

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 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	-	2,845	2,845
Unrestricted:			
General Fund	-	13,485	13,485
Designated fund - buildings reserve	160,000	-	160,000
Designated fund - fabric reserve	-	-	-
Designated fund - charitable giving reserve	-	3,700	3,700
	<u>160,000</u>	<u>20,030</u>	<u>180,030</u>

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 £600 (2018 - £562). These expenses were all wholly related to her duties as Vicar of St James's Church.

Transactions with Related Parties: The youth worker until December 2018, Jackie McCulloch (wife of Craig McCulloch, a trustee until December 2018), was paid salary and employer pension contributions of £nil (2018 - £26,381).

8. Fees for Examination of the Accounts

The Independent examiner was not paid for the examination of the accounts (2018 – £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 2019, 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.



Anthony Davis F.C.A.
21st June 2020

26 Dew Pond Road
Flitwick
Bedford
MK45 1RT