

Part 2

Annual financial report and accounts *(for the year ended 31 Dec 2008)*

ST. JAMES'S CHURCH, PICCADILLY

PAROCHIAL CHURCH COUNCIL

Annual financial report and accounts

for the year ended 31st December 2008

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ST JAMES'S CHURCH, PICCADILLY

PAROCHIAL CHURCH COUNCIL

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2008

The Parochial Church Council

The Parochial Church Council, which is a charity excepted from registration with the Charity Commission, present their report for the year ended 31st December 2008 which complies with the current statutory requirements and should be read in conjunction with the PCC Annual Report. The members of the Parochial Church Council during the year were:

The Rev Dr Charles Hedley	(Clergy)
The Rev Lindsay Meader	(Clergy)
The Rev Meg Johnson	(Clergy)
The Rev Hugh Valentine	(Clergy)
Cornell Jackson	(Churchwarden, stood down April 2008)
Jane Preest	(Churchwarden, re-elected April 2008)
Tony Sanchez	(Churchwarden, elected April 2008)
Joanna Hines	(Hon Secretary from April 2006), ordinary PCC member until April 2008, elected as Deanery Synod representative April 2008)
James Dow	(Hon Treasurer, stood down April 2008)
Roy Holland	(Deanery Synod representative until April 2008, deputy churchwarden until April 2008, then elected as PCC member April 2008)
Heather Simmonds	(Deanery Synod representative until 2008)
Puck de Raadt	(Deanery Synod representative, elected April 2008)
Shirley Dixon	(Deanery Synod representative, elected April 2008)
Caroline Clark	(re-elected to PCC April 2008, deputy Churchwarden)
Tom Cook	(elected April 2007)
Ray Crocker	(elected April 2007)
Francis Diamond	(elected April 2008)
Helen Holmes	(resigned from PCC, September 2008)
Duncan Kasasa	(elected April 2008)
Fiona Markey	(Lay Chairperson, from April 2007)
Elizabeth McQuaid	(elected April 2008)
Verity Smith	(resigned from PCC, October 2008)
Heather Williams	(served on PCC until April 2008)
Christopher Ohlson	(elected April 2007, deputy churchwarden from April 2008)
Richard Pullin	(elected April 2007)

The PCC hold an annual induction day for the members of the PCC. The PCC advises new members on their responsibilities. Representatives are invited to attend training sessions arranged by the Diocese of London to keep us up to date with our responsibilities. Standing Committee members receive copies of Charity Governance. Professionals are invited to advise at PCC meetings.

Structure, Governance and Management

The Parish of St James's Piccadilly is a parish within the Church of England as defined by canon law. Individual parishes within the Church of England do not have a separate constitution. They work within the framework of Church of England ecclesiastical law. The PCC consists of fourteen elected members in accordance with Church of England representation rules together with three Deanery Synod representatives, two Churchwardens and clergy.

Objectives and Activities

The objective of the PCC is to provide day-to-day management of the Church, to generate funding necessary for its ongoing commitments, and to safeguard its assets.

The PCC employs staff and vergers to manage and maintain the church. In order to provide funding it raises income from collections and donations, organises concerts and a market, and leases space for use as a café and flat. In addition it is undertaking an appeal for funds to restore the church building.

ST JAMES'S CHURCH, PICCADILLY**PAROCHIAL CHURCH COUNCIL****ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2008****Achievements and performance**

The Church continues to be well attended. The financial performance has been in accord with the budget set by the PCC and progress has been made on the renovation appeal and on plans for future development of the site. Further information is provided in the Annual Report of the Church.

Reserves Policy

Monies are set aside for specific purposes into restricted and designated funds. The general purpose fund is intended to provide for costs of church management and administration during the year ahead.

Results for the year

During the year ended 31st December 2008 the Parochial Church Council made a net surplus of £110,153 (2007 £47,887).

Auditors

A resolution to appoint new auditors was proposed and accepted at the Annual Parochial Church Meeting of the PCC.

A short list of four out of six auditing firms was proposed to the PCC from which new auditors Kingston Smith LLP were appointed in June.

Hon. Treasurer

For and on behalf of the Parochial Church Council on:

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2008

Statement of the Parochial Church Council's financial responsibilities

Law applicable to charities in England and Wales and guidance issued by the Central Board of Finance of the Church of England require the members of the Parochial Church Council to prepare financial statements which give a true and fair view of the Parochial Church Council's financial activities during the year.

In preparing financial statements giving a true and fair view, the members of the Parochial Church Council should follow best practice and:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgments and estimates that are reasonable and prudent;
- iii) state whether the Church guidance, applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parochial Church Council will continue in operation.

The Members of the Parochial Church Council are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Parochial Church Council and enable them to ensure that the financial statements comply with the Church Accounting Regulations 2006 and the Charities Act 1993. They are also responsible for safeguarding the assets of the Parochial Church Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE
PAROCHIAL CHURCH COUNCIL OF
ST JAMES'S CHURCH, PICCADILLY

We have audited the financial statements of St James's, Piccadilly, for the year ended 31 December 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 and the Church Accounting Guidance issued in 2006.

This report is made solely to the members of the Parochial Church Council ("PCC") as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the members of the PCC those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the members of the PCC as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members of the PCC and auditors

The responsibilities of the members of the PCC for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the PCC's Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Regulations. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Annual Financial Report and the Annual Report 2008/2009. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members of the PCC in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE
PAROCHIAL CHURCH COUNCIL OF
ST JAMES'S CHURCH, PICCADILLY**

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Parochial Church Council's affairs as at 31 December 2008 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Charities Act 1993 and the Church Accounting Regulations 2006.

Devonshire House
60 Goswell Road
LONDON
EC1M 7AD
Dated:

Kingston Smith LLP
Chartered Accountants and
Registered Auditors

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	Unrestricted Funds £	Restricted funds £	Total 2008 £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2(a)	104,887	95,399	200,286	131,226
Activities for generating funds	2(b)	-	35,996	35,996	35,204
Income from investments	2(c)	17,295	19,198	36,493	33,517
Incoming resources from charitable activities					
Church activities	2(d)	<u>524,488</u>	<u>-</u>	<u>524,488</u>	<u>472,503</u>
Total incoming resources		<u>646,670</u>	<u>150,593</u>	<u>797,263</u>	<u>672,450</u>
Resources expended					
Charitable Activities					
Church activities	3(a)	449,716	9,723	459,439	426,311
Costs of generating funds					
Cost of generating voluntary income	3(b)	-	10,878	10,878	10,609
Fund-raising costs - Appeal	3(c)	-	18,849	18,849	8,831
Costs of generating funds from the Market Café, Concerts, Basement & Wren Flat	3(c)	178,628	-	178,628	167,735
Governance costs	3(d)	<u>17,026</u>	<u>-</u>	<u>17,026</u>	<u>11,296</u>
Total resources expended		<u>645,370</u>	<u>39,450</u>	<u>684,820</u>	<u>624,782</u>
Net incoming resources before other recognised gains and losses		1,300	111,143	112,443	47,668
(Loss)/gain on investments – unrealised	5	<u>(2,290)</u>	<u>-</u>	<u>(2,290)</u>	<u>219</u>
Net movement in funds		(990)	111,143	110,153	47,887
Fund balances brought forward 1 January		<u>312,595</u>	<u>294,822</u>	<u>607,417</u>	<u>559,530</u>
Fund balances carried forward 31 December		<u>£311,605</u>	<u>£405,965</u>	<u>£717,570</u>	<u>£607,417</u>

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
BALANCE SHEET AS AT 31ST DECEMBER 2008

	Notes	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible assets	4		57,374		28,832
Investments	5		<u>6,677</u>		<u>8,967</u>
			64,051		37,799
CURRENT ASSETS					
Stock		416		590	
Trade debtors		11,710		5,166	
Other debtors		12,495		13,599	
Tax recoverable		4,380		3,257	
Prepayments		27,884		25,452	
CBF Church of England Deposit Fund		682,397		625,829	
Cash at bank and in hand		<u>54,312</u>		<u>27,862</u>	
		793,594		701,755	
CURRENT LIABILITIES					
Loan	6	12,000		12,000	
Trade creditors		16,946		6,804	
Other creditors		19,997		19,051	
Accruals		<u>27,132</u>		<u>18,282</u>	
		76,075		56,137	
NET CURRENT ASSETS			<u>717,519</u>		<u>645,618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			781,570		683,417
LIABILITIES: amounts falling due after more than one year	6		<u>64,000</u>		<u>76,000</u>
NET ASSETS	7		<u>£717,570</u>		<u>£607,417</u>
Unrestricted Income Funds:					
General Purposes Fund		102,882		56,023	
Designated Funds		208,723	<u>311,605</u>	<u>256,570</u>	<u>312,593</u>
			311,605		312,593
Restricted Funds:					
Fixed Assets					
Caravan		-		1,250	
Solar Energy System		<u>-</u>	-	<u>7,123</u>	8,373
Restricted Income Funds					
Building Repair Fund		34,312		32,572	
Church Restoration Fund		363,171		246,083	
Organ Appeal Fund		5,752		5,460	
Garden Replanting		927		900	
Other Projects		<u>1,803</u>	<u>405,965</u>	<u>1,436</u>	<u>286,451</u>
			<u>£717,570</u>		<u>£607,417</u>

Approved and authorised for issue by the Parochial Church Council on:

Hon. Treasurer

ST JAMES'S CHURCH PICCADILLY, PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS, 31ST DECEMBER 2008

1. Accounting policies

(i) Basis of preparation

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Statement of Recommended Practice for accounting and reporting by charities (SORP) 2005.

These financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

(ii) Land and buildings

The Church and the site on which the Rectory and offices sit are consecrated and are excluded from accountability under S.96(2)a of the Charities Act 1993. Maintenance and improvements are written off in the year in which they are incurred.

(iii) Incoming resources

Income is recognised when the PCC is legally entitled to the income. Planned giving, collections and donations are recognised when received. Indirect giving: tax refunds are recognised as soon as the amounts are claimable. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income: dividends are accounted for when received; interest and tax recoverable are accrued. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on a proportionate basis.

All income and gains falling within Section 505 Income and Corporation Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to the entity's charitable objectives.

(iv) Outgoing resources

Payments to the Common Fund are paid regularly and are included in expenditure for the year to which they relate. Grants from unrestricted funds (including donations to missions) are recognised when determined by the PCC. Amounts received specifically for missions are dealt with as restricted funds and the liability for payment is recognised when the amounts are received. All other expenditure is generally recognised when it is incurred.

Costs of generating funds are those costs incurred in attracting voluntary income.

Charitable activities include expenditure associated with the day-to-day management of the Church and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the PCC and its assets and are primarily associated with constitutional and statutory requirements. Governance costs comprise all costs involving the public accountability of the PCC and its compliance with regulation and good practice. These costs include the audit fee.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

(v) Fund accounting

General purposes funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC.

Funds designated for a particular purpose by the PCC are also unrestricted.

(vi) Depreciation

Fixtures, fittings and equipment are depreciated in equal annual instalments over their estimated useful lives of between 2 and 5 years. Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an ongoing use to the PCC.

ST JAMES'S CHURCH PICCADILLY, PAROCHIAL CHURCH COUNCIL

NOTES TO THE ACCOUNTS (CONTINUED), 31ST DECEMBER 2008

1. Accounting policies (continued)

(vi) Depreciation continued

The Rector and churchwardens hold on special trust for the PCC silver and plate gifted to the church for ecclesiastical use. They date from the 17th Century and therefore, there is insufficient cost information available. Due to the unique nature of these assets and their historic association with worship at the church over hundreds of years, conventional valuation techniques are not applicable and therefore they have not been valued in the financial statements. The silver and plate, 53 items in total are listed in the church's inventory and are regarded by law as inalienable assets which the PCC would require a faculty for disposal. Inspection can be arranged at reasonable times where they are located currently at St James's Church, Barclays Bank, The Victoria and Albert Museum, The Museum of London and St Paul's Cathedral.

(vii) Investments

Investments are included in the balance sheet at market value.

(viii) Operating leases

Rentals payable under operating leases are charged to resources expended on a straight line basis over the period of the lease.

(ix) Pension scheme

The PCC operates a stakeholder pension scheme for the benefit of the employees. Contributions to the scheme are charged to the statement of financial activities in the accounting period to which they relate.

(x) Reserves policy

Monies are set aside for specific purposes into restricted and designated funds. The general purpose fund is intended to provide for the costs of church management and administration for the year ahead.

2. Incoming resources

	Unrestricted Funds £	Restricted funds £	Total 2008 £	Funds 2007 £
2a Voluntary income				
<i>Planned giving:</i>				
Gift Aid – Stewardship	28,710	-	28,710	32,651
Other Stewardship	4,262	-	4,262	1,375
Tax recoverable	7,654	1,732	9,386	10,105
Church collections	13,038	-	13,038	13,343
Collection boxes, sundry donations	30,738	1,663	32,401	27,515
Ecclesiastical Charity – Tennison	6,784	-	6,784	6,203
Cards 4 Good Causes	13,701	-	13,701	14,035
Heart of Piccadilly Appeal	-	<u>92,004</u>	<u>92,004</u>	<u>25,999</u>
	<u>104,887</u>	<u>95,399</u>	<u>200,286</u>	<u>131,226</u>

2b Activities for generating funds

Heart of Piccadilly Appeal:

Book Stall	-	261	261	65
Bazaar	-	-	-	591
Christmas Cards	-	-	-	134
St James's Day – Showcase	-	-	-	310
Post Cards	-	63	63	64
Concerts	-	<u>35,672</u>	<u>35,672</u>	<u>34,040</u>
	-	<u>35,996</u>	<u>35,996</u>	<u>35,204</u>

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
NOTES TO THE ACCOUNTS (CONTINUED)
31ST DECEMBER 2008

	Unrestricted Funds £	Restricted funds £	Total 2008 £	Funds 2007 £
2c Income from investments:				
Interest	16,974	19,198	36,172	33,231
Dividends	<u>321</u>	<u>-</u>	<u>321</u>	<u>286</u>
	<u>17,295</u>	<u>19,198</u>	<u>36,493</u>	<u>33,517</u>
2d Income from church activities				
Publications	877	-	877	995
Fees	13,962	-	13,962	7,355
Market rents	270,658	-	270,658	241,550
Café	59,000	-	59,000	59,000
Concerts	107,571	-	107,571	95,123
Church, Church Hall & Rectory	47,570	-	47,570	49,394
Wren flat licence	19,500	-	19,500	19,086
Fire Escape Licence	<u>5,350</u>	<u>-</u>	<u>5,350</u>	<u>-</u>
	<u>524,488</u>	<u>-</u>	<u>524,488</u>	<u>472,503</u>
Total incoming resources	<u>£646,670</u>	<u>£150,593</u>	<u>£797,263</u>	<u>£672,450</u>

3. ANALYSIS OF RESOURCES EXPENDED

	2008		Total 2008 £	Funds 2007 £
	Unrestricted £	Restricted £		
3a Church activities				
<i>Grants</i> (note 10)				
Away-giving	11,750	-	11,750	12,947
St Martin's Day Care Centre	<u>1,645</u>	<u>-</u>	<u>1,645</u>	<u>1,601</u>
	<u>13,395</u>	<u>-</u>	<u>13,395</u>	<u>14,548</u>
<i>Ministry</i>				
Common fund	71,289	-	71,289	65,801
Clergy expenses	1,174	-	1,174	1,386
Other Ministry	42,978	-	42,978	43,323
Other verger fees	4,990	-	4,990	2,622
Organist and choir costs	5,042	895	5,937	4,846
Salary of the animateur	4,063	-	4,063	3,934
Altar requisites	2,486	-	2,486	2,706
Officers, volunteers, visitors and staff expenses	3,498	-	3,498	3,308
Friends diary and other publications	3,359	-	3,359	3,853
Social events	747	90	837	707
Retreat expenses	-	-	-	85
Other projects	358	365	723	661
Salaries	152,658	-	152,658	118,342
Pension contributions	710	-	710	690
Telephone	4,978	-	4,978	4,943
Printing and stationery	6,025	-	6,025	6,531
Consultancy	888	-	888	31,080
Legal and professional fees	2,223	-	2,223	2,430
Advertising	230	-	230	3,048
Depreciation	24,259	8,373	32,632	21,666

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
NOTES TO THE ACCOUNTS (CONTINUED)
31ST DECEMBER 2008

3a Church activities (continued)	Unrestricted funds £	Restricted funds £	Total 2008 £	Funds 2007 £
Bank charges	1,666	-	1,666	2,796
Sundry expenses	307	-	307	1,402
Cleaning	5,013	-	5,013	6,099
Repairs and maintenance	13,680	-	13,680	24,774
Hire of equipment	667	-	667	569
Utilities	23,938	-	23,938	14,511
Insurance	23,068	-	23,068	16,369
Payroll service	1,507	-	1,507	1,458
Bad debt written off	<u>3,719</u>	<u>-</u>	<u>3,719</u>	<u>587</u>
	<u>405,520</u>	<u>9,723</u>	<u>415,243</u>	<u>390,527</u>
Projects				
Renovation project	-	-	-	
Site Redevelopment	<u>30,801</u>	<u>-</u>	<u>30,801</u>	<u>21,236</u>
	<u>30,801</u>	<u>-</u>	<u>30,801</u>	<u>21,236</u>
TOTAL	<u>£ 449,716</u>	<u>£9,723</u>	<u>£ 459,439</u>	<u>£426,311</u>
3b Generation of voluntary income				
Christmas cards	-	-	-	72
T-shirts	-	87	87	-
Post Cards	-	-	-	286
Concerts	<u>-</u>	<u>10,791</u>	<u>10,791</u>	<u>10,251</u>
TOTAL	<u>-</u>	<u>10,878</u>	<u>10,878</u>	<u>10,609</u>
3c Fundraising costs - Appeal	-	<u>18,849</u>	<u>18,849</u>	<u>8,831</u>
Costs of generating funds from				
Market	112,327	-	112,327	102,184
Café	704	-	704	677
Concert	55,317	-	55,317	54,655
Basement	7,229	-	7,229	7,145
Wren Flat	<u>3,051</u>	<u>-</u>	<u>3,051</u>	<u>3,074</u>
TOTAL	<u>178,628</u>	<u>-</u>	<u>178,628</u>	<u>167,735</u>
3d Governance costs				
PCC Induction	70		70	-
PCC Strategy	898		898	-
PCC Secretary	452		452	280
PCC Secretary	7,918	-	7,918	4,985
Printing Annual Report	788	-	788	821
Auditors	<u>6,900</u>	<u>-</u>	<u>6,900</u>	<u>5,210</u>
	<u>17,026</u>	<u>-</u>	<u>17,026</u>	<u>11,296</u>
TOTAL RESOURCES EXPENDED	<u>£645,370</u>	<u>£39,450</u>	<u>£684,820</u>	<u>£624,782</u>

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
NOTES TO THE ACCOUNTS (CONTINUED)
31ST DECEMBER 2008

4. Fixed assets

Fixtures, fittings and equipment	£
Cost:	
At 1st January 2008	184,567
Additions	61,175
Disposal	<u>(3,952)</u>
At 31st December 2008	241,790
Depreciation	
At 1st January 2008	155,735
Charge for the year	32,632
Disposal	<u>(3,952)</u>
At 31st December 2008	<u>184,415</u>
Net book value:	
At 31st December 2008	<u>£57,375</u>
At 31st December 2007	<u>£28,832</u>

5. Investments

	Accumulated fund	Legacy fund	Total
	£	£	£
Market value at 1st January 2008	7,083	1,884	8,967
Unrealised gains on revaluation	<u>(1,809)</u>	<u>(481)</u>	<u>(2,290)</u>
Market value at 31st December 2008	<u>£5,274</u>	<u>£1,403</u>	<u>£6,677</u>

The investments are managed by The Central Board of Finance of the Church of England. The cost is as follows:

	2008	2007
	£	£
The Central Board of Finance of the Church of England: Investment Fund		
150 shares (Legacy fund)	141	141
564 shares (Accumulated fund)	<u>562</u>	<u>562</u>
	<u>£703</u>	<u>£703</u>

The market values of the investments are as quoted by The Central Board of Finance of the Church of England.

ST JAMES'S CHURCH, PICCADILLY
PAROCHIAL CHURCH COUNCIL
NOTES TO THE ACCOUNTS (CONTINUED)
31ST DECEMBER 2008

6. Loans

- (i) The London Diocesan Fund agreed a loan facility of £100,000 in 2002 in respect of anticipated preliminary expenditure for site redevelopment. In 2007 the London Diocesan Fund agreed the PCC's request to extend the repayment terms of the loan subject to the following:
- (a) a standing order of £1,000 per month to repay the capital amount
 - (b) Interest continues to be paid on a quarterly basis
 - (c) If the redevelopment is completed prior to the loan having been fully repaid the outstanding balance will be repaid from the redevelopment proceeds.

The balance payable at 31st December is as follows:	2008 £	2007 £
Due within one year	12,000	12,000
Due after one year	<u>64,000</u>	<u>76,000</u>
	<u>£76,000</u>	<u>£88,000</u>

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NOTES TO THE ACCOUNTS (CONTINUED)

31ST DECEMBER 2008

7. Analysis of net assets by fund	Unrestricted Funds		Restricted Funds				Total
	General purposes £	Designated funds £	Building Repairs £	Church Restoration £	Garden Replanting £	Organ Appeal £	
Fixed assets	64,051	-	-	-	-	-	64,051
Current assets	178,906	208,723	34,312	363,171	927	5,752	793,594
Total liabilities	<u>(140,075)</u>	-	-	-	-	-	<u>(140,075)</u>
	<u>£102,882</u>	<u>£208,723</u>	<u>£34,312</u>	<u>£ 363,171</u>	<u>£927</u>	<u>£5,752</u>	<u>£717,570</u>

The Designated Funds represent sums which have been set aside out of unrestricted funds by the Parochial Church Council to fund special projects and ministries and for the purpose of replacing the church's assets, and for future building repairs and at 31st December 2008 comprised:

Designated Funds	
Running costs in lieu of site redevelopment	200,000
Asset replacement	3,570
Legacy	3,000
Stewardship Distribution	<u>2,153</u>
	<u>£208,723</u>

The Restricted Funds comprised:

The Buildings Repairs Fund which comprises funds specifically gifted for the upkeep of the buildings.
The Church Restoration Fund which was set up in 2001 from a donation from the Garfield Weston Foundation, for the restoration of the church.
The Garden Replanting Fund which was set up from a donation received specifically for that purpose.
The Organ Appeal Fund which was established in 1982 to provide for repair and renovation costs of the organ.

Other projects comprised:

The Diversity Project which was set up from a donation received in 2002 specifically for that purpose.
The Creative Liturgies which was set up from a donation received in 2003 specifically for that purpose.
A donation which was made towards the cost of replacing albs in the future.
A donation which was made towards the costs of debates/lectures and events

	£
	1,001
	401
	110
	<u>291</u>
	<u>£1,803</u>

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8. Reconciliation of movement on funds	Unrestricted Funds		Restricted Funds						Total £
	General purposes £	Designated funds £	Fixed Assets £	Building Repairs £	Church Restoration £	Garden Replanting £	Organ Appeal £	Other Projects £	
Brought forward	56,025	256,570	8,371	32,572	246,083	900	5,460	1,436	607,417
Income	646,671	-	-	1,740	146,815	27	292	1,718	797,263
Expenditure	(633,619)	(11,750)	(8,373)	-	(29,727)	-	-	(1,351)	(684,820)
Unrealised loss on investments	(2,290)	-	-	-	-	-	-	-	(2,290)
Transfer	<u>36,095</u>	<u>(36,097)</u>	<u>2</u>	=	=	=	=	=	=
Carried forward	<u>£102,882</u>	<u>£208,723</u>	=	<u>£34,312</u>	<u>£363,171</u>	<u>£927</u>	<u>£5,752</u>	<u>£1,803</u>	<u>£717,570</u>

There is an allocation of 10% of covenanted donations plus 2% of total unrestricted income net of covenanted donations (Stewardship Distribution) to the Away-Giving Scheme. Funds not distributed in the year are carried forward.

The transfer comprises of £50,000 undesignated by the PCC from Designated Funds for future Site Redevelopment towards the purchase of a new piano.

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31ST DECEMBER 2008

9. **Income from cafe licence**

The Parochial Church Council has a licence agreement with Caffe Nero for the use of the former church room as a cafe.

10. **Grants**

St Martin's Day Care Centre

10% of net income from letting the Wren Flat is donated to St Martin-in-the-Fields for its work with the homeless.

Away-Giving

2% of total unrestricted income net of Stewardship and income from the Wren Flat is given away in grants. Applications are invited from the church community at the annual Church Parochial Meeting. The PCC appoints a small committee to review the applications. Applications need to show a clear relationship between the church and the project and information about how the money is to be used. Projects we support need to fit within our mission statement. The PCC makes the final decision.

The away-giving represents the following grants made by the PCC:

	2008 £	2007 £
Grant – PHD Student	350	500
Bail for Immigration	1,500	1,500
Ethiopia – Fistula Hospital	500	500
Friends of Amasango	-	1,000
Poverty Alleviation Project (Cape Town)	1,500	1,500
Puck de Raadt – Work with Asylum Seekers	2,500	2,200
Soul of Europe	-	247
The Cancer Resource Centre – Wandsworth	1,500	1,200
The Simon Community	-	500
Devon Development Education –Building Project	500	500
Ajos Community High School	-	500
Five Talents	400	500
Student Support – K Musinguzi	-	200
Springboard for Children	-	500
Leighton Project	-	500
Book Aid International	-	500
Crossroads Christian International	-	100
Grace Bible Church	500	500
Notre Dame Refugee Centre	500	-
City of London Migrane Clinic	500	-
Friends of Conservation	500	-
Swansea Bay Asylum Seekers	500	-
Soho Parish School	500	-
	<u>£11,750</u>	<u>£12,947</u>

11. **Staff costs**

	2008 £	2007 £
Wages and salaries	230,758	191,265
Employer's national insurance contributions	20,381	16,427
Pension costs	<u>710</u>	<u>690</u>
	<u>£ 251,849</u>	<u>£208,382</u>

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11.	Staff costs (continued)	2008	2007
		£	£
	Analysed as follows:		
	Activities directly related to the work of the church	4,063	3,934
	- Animateur		864
	- Verger's fee	1,516	
	Church management and administration	152,658	118,342
	- Admin	41,764	39,589
	Cost of generating funds	34,076	32,416
	- Market	9,144	7,561
	- Fundraising assistant	7,918	4,985
	Governance Costs		
		<u>£251,139</u>	<u>£207,691</u>
	Average number of employees	<u>15</u>	<u>14</u>
	No employee earned more than £60,000		
12.	Fundraising costs		
	Fundraising costs incurred during the year totalling £29,727 (2007 - £19,440) have been allocated against restricted funds as the PCC have agreed that such costs should be borne within the fundraising appeal.		
13.	Auditors remuneration	2008	2007
	Audit fee	<u>£6,900</u>	<u>£5,210</u>
14.	Commitments under operating leases		
	At 31st December 2008 the Parochial Church Council had an annual commitment under a non-cancellable operating lease in respect of a photocopier as follows:		
		2008	2007
	Expiry date: 2 – 5 years	<u>£1,061</u>	<u>£1,061</u>
15.	Parochial Church Council Remuneration		
	During the year the following payments were made to members:		
		2008	2007
		Number	Number
		2008	2007
		£	£
	Travel and other expenses	5	5
	Stipend	<u>1</u>	<u>1</u>
		<u>6</u>	<u>6</u>
		<u>£ 44,648</u>	<u>£44,877</u>

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15. Parochial Church Council Remuneration (continued)

Wages comprise cover for verger and concert duties during the course of the year on a temporary / emergency basis.

Alternatives, a private limited company, makes donations of £150 per week for its use of the church and a small basement office. A director of Alternatives is also a member of the PCC.

16. Contingent Liabilities

There were no contingent liabilities as at 31st December 2008.

17. Indemnity insurance

The Parochial Church Council has taken out indemnity insurance for its members with Ecclesiastical Insurance Group plc. This is in the PCC's Commercial Combined Policy of £23,310 (2007 - £20,286).

18. Commitments

During the course of the year the PCC agreed to increase its commitment on expenditure for Site Redevelopment by a further £30,801 (2007 - £30,076) upon resolving planning, land and fee issues. This brings total commitments since 2003 to £216,996 (2007 - £186,076) for expenditure on preliminary fees for Site Redevelopment. The PCC's commitment remains, as do the preliminary issues.