

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

**ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

Annual Report 2015 for APCM April 25th 2016

The Churchwardens and PCC of St Margaret Lothbury have the responsibility of co-operating with the Incumbent, The Reverend Prebendary Jeremy Crossley, in promoting in the ecclesiastical Parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical, and this they do with enthusiasm and style.

During the year the following served as members of the PCC:

Incumbent:

The Reverend Prebendary Jeremy Crossley (Chairman)

Curates were:

The Reverend Tom Buchanan
The Reverend Mark Fox

Elected Churchwardens:

Mrs. Adekemi Adebajo (Vice Chair)
Mr. Nick Hull

Representatives on the Deanery Synod:

Dr. Thomas Miskell
Mr. Mark Thomas
Mr. Rob Wall

Representative on the Diocesan Synod:

Mr. Stephen Priddle

Elected Members from the APCM of 2015:

Mrs. Bebe Coleman
Miss Jacqueline Foot
Dr. Thomas Miskell
Mr. Cliff Radmore
Mr. Brian Smith
Ms. Cheryl Strafford
Mr. William Taylor
Mr. Mark Thomas
Ms. Yvonne Twum-Barima
Mrs. Carolyn Wadey
Mrs. Salise Wright

The treasurer was: Mr. Mark Thomas
The secretary was: Mrs. Bebe Coleman
The Electoral Roll Officer was: Mrs. Salise Wright

The Elected Members up to APCM 2015 were:

Mrs. Bebe Coleman
Miss Jacqueline Foot
Mr. Andrew Large

Dr. Thomas Miskell
Mr. Cliff Radmore
Ms. Beverley Ryan
Mr. William Taylor
Mr. Mark Thomas
Ms. Yvonne Twum-Barima
Mrs. Carolyn Wadey
Mr. Rob Wall
Mrs. Salise Wright

Committees:

The Standing Committee is the only Committee required by law and consists of The Rector, two churchwardens, the treasurer, the PCC secretary, and one other elected member with particular responsibilities.

The Last Tuesday Group consists of the Rector, Mrs Adebajo, Messrs Gerry, Taylor, Radmore, Sutton, Large, White and Wall, plus Ms Beverley Ryan and prays for the Wednesday and Thursday services.

Electoral Roll:

There are 170 names on the electoral roll, none of whom are resident in the Parish. The Parish Christmas Service drew 348.

Review of the Year:

The PCC met six times in the year with an average attendance of 72% of elected members and in the months that the Council did not meet, the Standing Committee did with the exception of July and November, and both meeting in February. Minutes of their meetings were received in full by the PCC and discussed where necessary. The subjects discussed were mission, finance, health & safety and safeguarding, staffing workload and appointments, workplace pensions, appointments to the John Rice Charity, courses, Parish Clerks, buildings and this year saw renovation of some tired and broken fixtures and fittings including a new telephone system and, by generous donation by The Cleary Trust, a refurbished kitchen, services at St Margaret Lothbury, praying as a PCC, after work on Wednesdays and in a group while fasting one Friday a month, engaging with the community, City Center Team, Parish carol service and publicity website update & design and producing of a newsletter.

The life of the Church reflects the nature and location of the Parish at the heart of the Square Mile, which means for example that there is no Sunday worship and no children's work. The main service of the week is on Wednesday lunchtime which is an informal service with worship, teaching and the opportunity to receive prayer. Holy Communion is celebrated to a smaller but growing congregation who meet at 1.10pm on Tuesdays using the BCP. On significant days in the Christian calendar appropriate services are also held.

Apart from services, there is a men's breakfast on Thursday morning which is thriving. For women's ministry, there is a fortnightly breakfast meeting on Monday mornings plus a monthly Monday lunchtime meeting – both are great sources of encouragement. Prayer meetings happen each week on Wednesday evenings and on Friday mornings, where the numbers attending are slowly increasing and once a month there is a day of fasting when meetings happen three times a day. Once a quarter we pray following supper together on Monday evenings. Our organist, Richard Townend, continues the weekly organ recitals, including contributions from the Hill House choristers and visiting organists.

Annual Services for Livery Companies and Ward Clubs associated with the Church take place as does the Annual Service of the ICAEW and we have good relationships with businesses in the Area and with other churches in the Deanery. Post Ordination Training for Non Stipendiary Ministers across the Diocese and for Stipendiaries in the Two Cities Episcopal Area has continued to be based at St Margaret's.

Financially, St Margaret's had a stable year. There was a welcome increase (171%) in corporate giving through the voluntary "Church Rate" although, given decreases in previous years, this is not income the church can rely upon year on year. There was a slight decrease (6.6%) in Congregational giving which amounted to £125k, net of Gift Aid claimed, which was offset by a one-off legacy of approximately £25k. Going forward in 2016 and beyond, great emphasis will continue to be placed on fund raising and individual donations which are inevitably subject to fluctuation given the transitory nature of City life and its impact on congregational demographics.

As in previous years, in the shorter term the situation is mitigated by readily available "cash at bank" at the end of the year amounting to £194k. In the slightly longer term, in the event of a major case of need the church's financial position is further cushioned by two rolling cash deposits for 3 and 6 months respectively, each of £100k. These are supported by 3 further deposits aggregating approximately £207k with maturity profiles ranging to first quarter 2017.

In the longer term, the market value of non-liquid Investments (£183k) has continued to grow with the current position reflecting an overall average 1.5% increase over the previous year's position.

From the above it is considered the church has sufficient funds to sustain its mission for at least the next two years from its current resources. Looking beyond this period and taking a longer term view into the resources required to support the life and work of St Margaret's within the City, greater reliance will inevitably have to be focused on the generosity of our congregations which is already evolving as our prime source of income given changing attitudes in the corporate world to charitable giving.

The financial report, duly independently examined, is below and gives a full and detailed account of the Church's financial situation.

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Annual Report 2015 (Continued)

Addresses

Principal Address

St Margaret's Church
Lothbury
London, EC2R 7HH

Bankers

Brown Shipley
Founders Court
Lothbury
London, EC2R 7HE

HSBC Bank Plc
PO BOX 757
Hemel Hempstead
Hertfordshire HP2 4SS

Independent Examiner

Jonathan Scropton
Oppenheim Scropton
52 Great Eastern Street
London, EC2A 3EP

Investment Advisors

CCLA Investment Management Ltd
St Alphage House
2 Fore Street
London, EC2Y 5AQ

The CBF Church of England
St Alphage House
2 Fore Street
London, EC2Y 5AQ

On behalf of the PCC

Reverend Prebendary Jeremy Crossley
Rector

Date :

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Statement of Financial Activities

For the year ended 31 December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total Funds	
						2016 £	2015 £
Income and Endowments from							
Donations and Legacies:							
Incoming resources from donors	2a	235,993	-	-	-	235,993	241,658
Other voluntary incoming resources	2b	2,184	-	-	-	2,184	25,084
Income from Charitable Activities:							
Income from operating activities to Further the Council's objects	2c	20,253	-	-	-	20,253	12,803
Income from investments	2d	<u>1,751</u>	<u>5,980</u>	<u>383</u>	<u>211</u>	<u>8,325</u>	<u>23,382</u>
Total Income and Endowments		<u>260,181</u>	<u>5,980</u>	<u>383</u>	<u>211</u>	<u>266,755</u>	<u>302,927</u>
Expenditure On							
Expenditure on Charitable Activities:							
Grants	3a	590	-	-	-	590	1,259
Activities directly relating to work of the Church	3b	186,857	20,336	-	-	207,193	224,817
Church management and Administration	3c	<u>18,330</u>	-	-	-	<u>18,330</u>	<u>33,687</u>
Total Expenditure		<u>205,777</u>	<u>20,336</u>	<u>-</u>	<u>-</u>	<u>226,113</u>	<u>259,763</u>
Net Income/(Expenditure) before Transfers		54,404	(14,356)	383	211	40,642	43,164
Transfers		-	-	-	-	-	-
Net Income/(Expenditure) after Transfers		54,404	(14,356)	383	211	40,642	43,164
Gains/(Losses) on Investments							
Realised	6	-	-	-	-	-	-
Unrealised	6	-	-	<u>19,862</u>	-	<u>19,862</u>	<u>2,305</u>
Net Movement in Funds		54,404	(14,356)	20,245	211	60,504	45,469
Balances brought forward at 1 January 2016		<u>208,209</u>	<u>104,298</u>	<u>183,444</u>	<u>506,728</u>	<u>1,002,679</u>	<u>957,210</u>
Balances carried forward at 31 December 2016		<u>262,613</u>	<u>89,942</u>	<u>203,689</u>	<u>506,939</u>	1,063,183 =====	1,002,679 =====

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Balance Sheet at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed Assets					
Tangible fixed assets	5		5,894		6,348
Investment assets	6		<u>203,689</u>		<u>183,444</u>
			209,583		189,792
Current Assets					
Debtors	7	40,888		27,095	
Deposits		502,035		593,370	
Cash at bank and in hand		<u>323,315</u>		<u>198,473</u>	
		866,238		818,938	
Liabilities: Amounts falling due within one year – trade creditors		<u>12,638</u>		<u>6,051</u>	
			<u>853,600</u>		<u>812,887</u>
Net Assets			1,063,183		1,002,679
			=====		=====
Funds					
Unrestricted			262,613		208,209
Restricted	8		89,942		104,298
Endowment	9		203,689		183,444
Designated	10		<u>506,939</u>		<u>506,728</u>
			1,063,183		1,002,679
			=====		=====

Approved by the Parochial Church on
And signed on its behalf by:

Reverend Prebendary Jeremy Crossley

Chairman

Mark Thomas

Treasurer

The notes on pages 7 to 12 form part of these accounts.

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Church Accounting Regulations 1997 together with applicable accounting standards and the Charities SORP.

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

Funds

General 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.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law.

Income and Endowments

Voluntary income and capital resources

Collections are recognised when received by or on behalf of the PCC.

Planned giving receivable under covenant is recognised only when received.

Income tax recoverable on covenants or gift aid donations is recognised when the income is recognised.

Grants and legacies to the PCC are accounted for as soon as the PCC is notified of its legal entitlement and the amount due.

Sale of books and magazines from the Church bookstall are accounted for gross.

Other ordinary income

Rental income from the letting of Church premises is recognised when the rental is due.

Income from investments

Dividends and interest are accounted for when receivable. Tax recoverable on such income is recognised in the same accounting year.

Gains and losses on investments

Realised gains and losses are recognised when investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at the year end.

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (Continued)

Expenditure On

Grants

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Activities directly relating to the work of the Church

The diocesan quota or parish share is accounted for when payable. Any quota unpaid at the year end is provided for in these accounts as an operation (though not a legal liability) and is shown as a creditor in the balance sheet.

Fixed Assets

Consecrated land and buildings and movable church furnishings

Consecrated and beneficed property is excluded from the accounts by Section 96(2)(a) of the Charities Act 1993.

No value is placed on movable Church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or benefice buildings and movable Church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

Other fixtures, fittings and office equipment

Depreciation is provided on all tangible fixed assets over a purchase price of £500, so as to write off the cost of the assets over their estimated useful lives, as follows:

Soft furnishings	Straight line basis over 10 years
Fixtures, fittings and office equipment	Straight line basis over 5 years

Investments

Investments are valued at market value at the balance sheet date.

Current Assets

Amounts owing to the PCC at the year end in respect of fees, rents or other income are shown as debtors.

Short term deposits include cash held on deposit either with the CBF Church of England Funds or at the bank.

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

2. Income and Endowments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Designated Funds	Total Funds	
	£	£	£	£	2016	2015
	£	£	£	£	£	£
Donations and Legacies:						
a. Incoming resources from donors						
Planned giving						
Covenants	77,564	-	-	-	77,564	81,276
Income tax recoverable	19,391	-	-	-	19,391	20,319
Other uncovenanted donations	66,307	-	-	-	66,307	83,852
Voluntary Church rate	<u>72,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,731</u>	<u>56,211</u>
	<u>235,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,993</u>	<u>241,658</u>
					=====	=====
b. Other voluntary incoming resources:						
Grants	<u>2,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,184</u>	<u>25,084</u>
					=====	=====
Income from Charitable Activities:						
c. Income from operating activities to further the Councils objectives						
Use of church building	2,400	-	-	-	2,400	4,400
Salary contribution	<u>17,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,853</u>	<u>8,403</u>
	<u>20,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,253</u>	<u>12,803</u>
					=====	=====
d. Income from investments						
Dividends and interest	<u>1,751</u>	<u>5,980</u>	<u>383</u>	<u>211</u>	<u>8,325</u>	<u>23,382</u>
					=====	=====
3. Expenditure On						
Expenditure on Charitable Activities:						
a. Grants						
Charitable giving	<u>590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590</u>	<u>1,259</u>
					=====	=====

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total Funds	
					2016 £	2015 £
3b. Expenditure on Charitable Activities (Contd)						
Activities directly relating to the work of the Church						
Ministry - Diocesan quota	76,900	-	-	-	76,900	75,000
- Clergy expenses	562	-	-	-	562	871
- Outreach	3,807	-	-	-	3,807	2,817
- Other clergy & service costs	991	-	-	-	991	1,284
CPD	-	-	-	-	-	427
Building manager (note 4)	32,900	-	-	-	32,900	33,270
Church running expenses	13,866	-	-	-	13,866	15,005
Church maintenance (inc. organ)	12,482	20,336	-	-	32,818	49,940
Organist's retainer	1,000	-	-	-	1,000	1,000
Housekeeper (note 4)	4,852	-	-	-	4,852	5,049
Celebrate (note 4)	22,151	-	-	-	22,151	22,891
St Mary Woolnoth (note 4)	<u>17,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,346</u>	<u>17,263</u>
	<u>186,857</u>	<u>20,336</u>	<u>-</u>	<u>-</u>	<u>207,193</u>	<u>224,817</u>
					=====	=====
c. Church management and administration:						
Personnel costs (note 4)	9,254	-	-	-	9,254	18,598
Office costs	1,990	-	-	-	1,990	1,428
Professional fees	5,492	-	-	-	5,492	12,296
Bank interest and charges	41	-	-	-	41	32
Depreciation	<u>1,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553</u>	<u>1,333</u>
	<u>18,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,330</u>	<u>33,687</u>
					=====	=====
4. Personnel						
Gross Salaries:						
STML building manager					32,900	
STML service pastor (included in Celebrate above)					7,550	
STMW service pastor (included in St Mary Woolnoth)					7,550	
Pastoral Assistant					-	
					<u>48,000</u>	
Social Security: Employment Allowance					<u>(886)</u>	
Regular Outsourced Services:						
Bookkeeper					10,140	
Housekeeper					<u>4,852</u>	
					<u>14,992</u>	
					62,106	
					=====	

During the year the PCC outsourced bookkeeping and housekeeping services, neither of whom earned more than £50,000. The organist is no longer a member of the PCC but continued to receive his retainer of £1,000. The building manager and is a member of the PCC and was paid £32,900, 25% of which was reclaimed from St Mary Woolnoth and St Edmund the King. No other member of the PCC received any remuneration.

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

5. Tangible Fixed Assets		Soft Furnishings £	Fixtures, Fittings & Equipment £	Total £
Cost				
Brought forward		12,070	21,773	33,843
Additions		<u>-</u>	<u>1,099</u>	<u>1,099</u>
Carried forward		<u>12,070</u>	<u>22,872</u>	<u>34,942</u>
Depreciation				
Brought forward		5,848	21,647	27,495
Charge for the year		<u>1,207</u>	<u>346</u>	<u>1,553</u>
Carried forward		<u>7,055</u>	<u>21,993</u>	<u>29,048</u>
Net Book Value at 31 December 2016		<u>5,015</u>	<u>879</u>	5,894 =====
Net Book Value at 31 December 2015		<u>6,222</u>	<u>126</u>	6,348 =====
6. Investments		Market Value 2016 £	Market Value 2015 £	
11,219 Central Board of Finance Church of England Investment Fund		168,700	151,845	
1,945 Charities Official Investment Fund Income Units		26,434	23,991	
38,444 Equity Investment Fund for Charities (M&G Charifund) Income Units		<u>8,555</u>	<u>7,608</u>	
		203,689	183,444	
		=====	=====	
Historical cost		32,430	32,430	
		=====	=====	
Movement in investments			2016	2015
Market value at 1 January 2016			183,444	180,785
Additions (dividends)			383	354
Disposals at opening market value			-	-
Annual revaluation			<u>19,862</u>	<u>2,305</u>
Market value at 31 December 2016			203,689	183,444
			=====	=====
7. Debtors				
Income tax recoverable			39,647	25,417
Occasional services			<u>1,241</u>	<u>1,678</u>
			40,888	27,095
			=====	=====

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2016

8. Restricted Funds	Brought Forward £	Incoming Resources £	Resources Used £	Roundings /Transfers £	Carried Forward £
Arising from endowments:					
Building projects	48,974	1,757	(19,580)	-	31,151
Fabric fund	38,636	3,344	-	-	41,980
Organ repair fund	16,312	879	(756)	-	16,435
Difference	<u>376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376</u>
	<u>104,298</u>	<u>5,980</u>	<u>(20,336)</u>	<u>-</u>	89,942 =====
		Gain/(Loss)			
9. Endowment Funds	Brought Forward £	Gain/(Loss) on Investments £	Dividends £	Transfers £	Carried Forward £
Fabric fund (CCLA CBF)	97,544	10,828	-	-	108,372
Building repairs fund (LDF CBF)	54,301	6,027	-	-	60,328
Organ investment fund	23,991	2,443	-	-	26,434
John Simmons Charity	<u>7,608</u>	<u>564</u>	<u>383</u>	<u>-</u>	<u>8,555</u>
	<u>183,444</u>	<u>19,862</u>	<u>383</u>	<u>-</u>	203,689 =====
10. Designated Funds	Brought Forward £	Incoming Resources £	Resources Used £	Roundings/Transfers £	Carried Forward £
Kitchen refurbishment Reserve	-	-	-	-	-
Reserve	504,242	211	-	-	504,453
Vicars discretionary fund	436	-	-	-	436
Rectory repairs	2,050	-	-	-	2,050
	<u>506,728</u>	<u>211</u>	<u>-</u>	<u>-</u>	506,939 =====
11. Analysis of Net Assets by Fund	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total £
Tangible fixed assets	5,894	-	-	-	5,894
Investments	-	-	203,689	-	203,689
Current assets	269,357	89,942	-	506,939	866,238
Liabilities	<u>(12,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,638)</u>
	<u>262,613</u>	<u>89,942</u>	<u>203,689</u>	<u>506,939</u>	1,063,183 =====

INDEPENDENT EXAMINER'S REPORT TO THE PCC OF ST MARGARET, LOTHBURY

I report on the accounts of the PCC for the year ended 31 December 2015, which are set out on pages 5 to 12.

Respective Responsibilities of Trustees and Examiner

The charity's trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an Independent examination is needed.

It is my responsibility to

- Examine the accounts under Section 145 of the 2011 Act;
- Follow procedures laid down in the general directions given by the Charity Commissioners Section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

Basis of Independent Examiners' Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual terms or disclosures in the accounts, and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention.

1. Which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; or
 - to prepare accounts, which accord with the accounting records have not been met; or
2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jonathan Scropton
Oppenheim Scropton
52 Great Eastern Street
London EC2A 3EP

Date : 8th April 2016