

## PRIVATE AND CONFIDENTIAL

The Members of the PCC of St. Margaret, Lothbury  
St. Margaret's Church  
Lothbury  
London  
EC2T 7HH

26 April 2019

Dear Sirs

This confirmation letter is provided in connection with the Independent Examination of the financial statements of the Parochial Church Council of St. Margaret, Lothbury ("the PCC") for the year ending 31 December 2018.

### *Financial statements*

1. You confirm you have fulfilled your responsibilities as trustees, as set out in the terms of my engagement dated 26 March 2018, for preparing financial statements which give a true and fair view of the financial position of the PCC as at 31 December 2018 and of the results of its operations for the year then ended and for making accurate representations to me.
2. You confirm that significant assumptions in making accounting estimates, such as depreciation, are reasonable.
3. You confirm you have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. You have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. You confirm that, to the best of your knowledge and belief, the financial statements are free of material misstatements, including omissions.
8. You confirm that, having considered your expectations and intentions for the next twelve months, the PCC is a going concern.
9. You confirm that all funds received during the year have been properly classified as restricted, unrestricted or designated funds. You confirm that no new endowment funds were

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Chris Lockhart Limited  
Trading as CLLA and CLL Accounting & Tax  
Director: Chris Lockhart MSc FCA  
Registered in England and Wales, company no. 09854485  
ICAEW firm number: C003845862

Chris Lockhart Limited  
Chartered Accountant  
Suite 2015, Letraset Building  
Wotton Road  
Ashford, Kent, TN23 6LN

received during the year.

10. You confirm that the CCLA CBF Building Repair Investment Fund holding is in the name of N Atkins of the London Diocese as sole trustee and that this fund does not form part of the accounts of the PCC.

11. You believe that the endowment funds called the Fabric Fund and the Organ Investment Fund have been historically presented erroneously as endowment funds in the accounts. However, as there is limited available documentation to support your view you confirm that the historic presentation of these funds in the accounts will remain in the current year and you are continuing to seek evidence to support your assertion.

12. Until the position regarding the endowment funds is established, you confirm that any income generated by the investments held in the funds shown as endowment funds in the accounts is correctly transferred to restricted funds to be used for the purposes outlined in note 12. You also confirm that any increase in the value of the investments held in these funds is NOT required to be transferred to the appropriate restricted funds.

13. You confirm that the presentation of the cost of the curate in the accounts as a designated fund is acceptable and reflects the intentions of the PCC in taking on this cost. You also confirm that the transfer from the designated general reserve to the designated curate fund is acceptable and properly reflects the substance of this transaction.

14. You confirm that the donation of £5,000 received from St. Mary, Woolnoth during the year is an unrestricted donation.

15. You confirm the PCC has approved the following transfer from unrestricted funds to designated funds at 31 December 2018:

	£
To cover the cost of the curate in 2018	32,072
To cover the cost of the curate in 2019	35,000
Building alterations for Wednesday Services (estimated)	10,000
Additional funding for the Church Spire Repair Project	<u>25,000</u>
	<u>102,072</u>

You also confirm that a transfer of investment income of £3,399 is to be made from designated funds to unrestricted funds as the PCC intend that income generated from certain designated investment assets is to be applied to unrestricted purposes. This gives a net transfer from unrestricted funds to designated funds of £98,673.

16. You confirm that £32,538 of costs incurred on the Church Spire project at 31 December 2018 is to be paid for by the Restricted Building Repair/Fabric\* Fund and this is a correct use of that restricted fund. *\*Please specify which fund.*

17. You confirm that the PCC does not intend to draw on the following cash deposits for a period of less than one year and that these therefore comprise fixed asset investments: Money Market 6 month term deposits £200,000.

18. You confirm that the PCC hold the following cash deposits are current asset investments and may draw on the funds in a period of between 3 to 12 months: Fixed term Lloyds deposit account £37,704.73 and the CCLA Fabric deposit fund £50,092.14.

19. You confirm that the HLF grant is paid on the basis that the accounts are not required to be audited.

20. You confirm that you agree with the adjustments made to the accounts as shown in Appendix 1 and that you do not require the unadjusted items in Appendix 2 to be adjusted on the basis that they are immaterial.

21. You confirm that you have accepted the suggested format of the Statutory Accounts as put forward by Chris Lockhart Limited.

*Information provided*

22. You confirm all accounting records and relevant information have been made available for the purpose of the preparation of the financial statements.

23. All transactions undertaken by the PCC have been properly reflected in the accounting records and are reflected in the financial statements.

24. You confirm that you have disclosed to me the identity of the PCC's related parties and all related party relationships and transactions relevant to the charity that you are aware of.

25. The PCC has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.

26. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.

You confirm to the best of your knowledge and belief that the above statements are made on the basis that you can properly confirm each of the above items to me.

Yours faithfully



For and on behalf of Chris Lockhart Limited

We confirm we agree all of the items stated above.

Signed on behalf of the PCC of St. Margaret, Lothbury by:

  
.....  
The Reverend Prebendary Jeremy Crossley (Chairman)

  
.....  
Mr Mark Thomas (Treasurer)

Date 29/4/19.....

	SOFA		Balance sheet		Net result £
	Dr £	Cr £	Dr £	Cr £	
Net excess of income over expenditure per first draft accounts					53,590.00
1 Dr Church maintenance work	7,884.83				-7,884.83 Restricted
Cr Accruals				7,884.83	
Being retention on Spire work not accrued (14)					
2 Dr Investment income unrestricted	3,399.00		3,399.00		
Cr Investment income designated		3,399.00		3,399.00	
Dr Designated funds (transfer)			3,399.00		
Cr Unrestricted funds (transfer)				3,399.00	
Being reanalysis of investment income by fund which is then transferred back to unrestricted funds					
 Net excess of income over expenditure					<u>45,905.17</u>

31/12/18

**St Margaret's Lothbury**  
**Year ended 31 December 2018**  
**Independent Examination**  
**Potential adjustments (not adjusted)**

**Appendix 2**

		SOFA		Balance sheet		Net result
		Dr	Cr	Dr	Cr	£
		£	£	£	£	
Net excess of expenditure over income per accounts						45,905.17
1 Dr	Wages - pension payments Nest	157.34				-157.34
Cr	Pension creditor				157.34	
	Being December NEST contribution not included as payroll creditor					
Net excess of expenditure over income						<u>45,747.83</u>

