

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

**ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2010**

Annual Report 2010 for APCM May 9th 2011

The Churchwardens and PCC of St Margaret Lothbury have the responsibility of co-operating with the Incumbent, The Rev'd 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 Rev'd Jeremy Crossley Chairman

The Churchwardens were:

Ex Officio Alderman Sir Robert Finch

Alderman Sir David Lewis

Elected Mr Stephen Priddle Vice Chairman

Mrs Tanya Chikanza

Mr James Gerry

Major Paul Kennerley

Dr Thomas Miskell

Mr Richard Townend

The Representatives on the Deanery Synod were:

Dr Thomas Miskell

Miss Jacky Foot

Mr Matt Sutton

The Elected Members from the APCM of 2010 were:

Mrs Christine Bretagne

Mr Tom Buchanan

Mr Peter Chadwick

Miss Jacky Foot

Mr Andrew Large

Mr Cliff Radmore

Mr Kim White

Mr Nick Hull

Mr Geoff Hills

Mr Tom Deeming

Mr Mark Fox

The Treasurer was: Mrs Christine Bretagne

The Secretary was: Miss Jacky Foot

The Electoral Roll Officer was: Mr Tom Deeming

The Elected Members up to APCM 2010 were:

Mrs Christine Bretagne

Mr Tom Buchanan

Mr Peter Chadwick

Miss Jacky Foot

Mr Andrew Large

Mr Cliff Radmore

Mr William Taylor

Mr Kim White

Mr Nick Hull

Mr Geoff Hills

Mr Tom Deeming

Committees

- 1) The Standing Committee is the only Committee required by law and consists of The Rector, two churchwardens, the Treasurer, the PCC Secretary, and three other elected members with particular responsibilities.
- 2) The Last Tuesday Group consists of the Rector, Messrs Gerry, Taylor, Radmore, Sutton, Large, White and Mrs Chikanza and is responsible for strategy and reflection on the Wednesday service.

Electoral Roll. There are 132 names on the electoral roll, none of whom are resident in the Parish. One name has been added during the past year arising from one of the many marriages that took place at St Margaret's. The Parish Christmas Service drew 320. The profile of the electoral roll could perhaps have been higher during the past year and this will be addressed going forward. Given the growing congregation at Celebrate on a Wednesday lunch time it is conceivable that there will be some new additions to the roll.

Review of the Year. The PCC met four times in the year with an average attendance of 95% of elected members and in the months that the Council didn't meet the Standing Committee did with the exception of August and December. Minutes of their meetings were received in full by the PCC and discussed where necessary. The subjects discussed were mission, finance, buildings. Although this has about it some element of routine, it allows the Council to consider in detail the situation in all these areas and this year there was initial discussion on the strategy for the Church until 2012. This looked at evangelism, worship, finances and medium term lay leadership.

During the year a fire assessment was completed and an evacuation procedure drawn up; an Initial (general) Risk Assessment has been carried out and this is to be developed with the help of our Insurers and with a member of the PCC taking responsibility for ensuring compliance.

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 members of the Congregation meet for lunch once a quarter, 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. An Inspirational Afternoon for women, followed by dinner together in The City, was held in May and was well received. On Tuesday and Friday mornings there is also a prayer meeting.

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 is based at St Margaret's.

From a financial perspective St Margaret's ended 2010 with a clear surplus of income over expenditure of £13.8k. Congregational giving was down by 2% from 2009 levels although Gift Aid from the Inland Revenue increased by 4% due to the fact that this is claimed from September/October of the previous year through to August/September of the current year. Church Rate income increased by 18% in 2010 bringing it almost back to 2008 levels following the significant dip in 2009. Ward Clubs/Livery income remained the same as 2009.

Overall Unrestricted and Non-designated Income (UNI) increased by 4% but General Expenditure increased by 10% due to both higher Common Fund and the buying in of external expertise to help with significant aspects of the running of the church. The end of year Reserves figure remained the same as at 2009 year end because the interest gained was transferred to General Funds in order to pay staff salaries in line with recommendations by the Charity Commission.

The PCC's policy is to maintain a small but appropriate amount of money in the current account and the church continues to build a deposit account with sufficient funds to sustain the mission of the Church for up to two years in the event of this being necessary.

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

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Annual Report 2010 (Continued)

Addresses

Principal Address

St Margaret, Lothbury,
London, EC2R 7HH

Bankers

Brown Shipley
Founders Court
Lothbury
London, EC2R 7HE

Allied Irish Bank (GB)
City Office
9-10 Angel Court
London, EC2R 7AB

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

Lloyds TSB Bank Plc
Sedgemoor House
Deane Gate Avenue
Blackbrook Business Park
Taunton
Somerset TA1 2UP

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

Rev'd Jeremy Crossley
Rector

Date :

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Statement of Financial Activities

For the year ended 31 December 2010

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total Funds 2009 £	Total Funds 2008 £
Incoming Resources							
Incoming resources from donors	2a	160,152	-	-	-	160,152	158,720
Other voluntary incoming resources	2b	3,684	14,504	-	-	18,188	28,103
Income from operating activities to Further the Council's objects	2c	2,249	-	-	-	2,249	122
Income from investments	2d	<u>25,508</u>	<u>6,468</u>	<u>-</u>	<u>4,454</u>	<u>36,430</u>	<u>36,626</u>
Total Incoming Resources		<u>191,593</u>	<u>20,972</u>	<u>-</u>	<u>4,454</u>	<u>217,019</u>	<u>223,571</u>
Resources Used							
Grants	3a	539	-	-	950	1,489	3,388
Activities directly relating to work of the Church	3b	139,484	19,471	-	1,090	160,045	174,531
Church management and Administration	3c	<u>39,289</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>39,579</u>	<u>28,587</u>
Total Resources Used		<u>179,312</u>	<u>19,471</u>	<u>-</u>	<u>2,330</u>	<u>201,113</u>	<u>206,506</u>
Net Incoming Resources before Transfers		12,281	1,501	-	2,124	15,906	17,065
Differences		(1,275)	-	-	-	(1,275)	1,317
Transfers		<u>21,209</u>	<u>-</u>	<u>-</u>	<u>(21,209)</u>	<u>-</u>	<u>-</u>
Net Incoming Resources after Transfers		32,215	1,501	-	(19,085)	14,631	18,382
Gains/(Losses) on Investments							
Realised	6	-	-	-	-	-	-
Unrealised	6	<u>-</u>	<u>-</u>	<u>11,337</u>	<u>-</u>	<u>11,337</u>	<u>10,537</u>
Net Movement in Funds		32,215	1,501	11,337	(19,085)	25,968	28,919
Balances brought forward at 1 January 2010		<u>51,255</u>	<u>75,172</u>	<u>136,016</u>	<u>390,762</u>	<u>653,205</u>	<u>624,286</u>
Balances carried forward at 31 December 2010		<u>83,470</u>	<u>76,673</u>	<u>147,353</u>	<u>371,677</u>	<u>679,173</u>	<u>653,205</u>
						=====	=====

PAROCHIAL CHURCH COUNCIL OF ST. MARGARET, LOTHBURY

Balance Sheet at 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed Assets					
Tangible fixed assets	5		2,373		930
Investment assets	6		<u>147,353</u>		<u>136,016</u>
			149,726		136,946
Current Assets					
Debtors	7	12,781		8,512	
Deposits		429,039		450,879	
Cash at bank and in hand		<u>91,512</u>		<u>58,676</u>	
		530,332		518,067	
Liabilities: Amounts falling due within one year – accruals		<u>885</u>		<u>1,808</u>	
			<u>529,447</u>		<u>516,259</u>
Net Assets			679,173 =====		653,205 =====
Funds					
Unrestricted			83,470		51,255
Restricted	8		76,673		75,172
Endowment	9		147,353		136,016
Designated	11		<u>371,677</u>		<u>390,762</u>
			679,173 =====		653,205 =====

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

Reverend Jeremy Crossley Chairman

Christine Bretagne Treasurer

The notes on pages 6 to 10 form part of these accounts.

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2010

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 designed 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.

Incoming Resources

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 2010

1. ACCOUNTING POLICIES (Continued)

Resources Used

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 2010

2. Incoming Resources

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total Funds	
					2010 £	2009 £
a. Incoming resources from donors						
Planned giving						
Covenants	50,626	-	-	-	50,626	67,624
Income tax recoverable	17,738	-	-	-	17,738	16,906
Other uncovenanted donations	47,946	-	-	-	47,946	28,980
Voluntary Church rate	43,842	-	-	-	43,842	37,135
Compensation	-	-	-	-	-	8,000
Online filing bonus	-	-	-	-	-	75
	<u>160,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,152</u>	<u>158,720</u>
					=====	=====
b. Other voluntary incoming resources:						
Grants	<u>3,684</u>	<u>14,504</u>	<u>-</u>	<u>-</u>	<u>18,188</u>	<u>28,103</u>
					=====	=====
c. Income from operating activities to further the Councils objectives						
Salary contribution	2,249	-	-	-	2,249	-
Dublin fund	-	-	-	-	-	100
Sundry income	-	-	-	-	-	22
	<u>2,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,249</u>	<u>122</u>
					=====	=====
d. Income from investments						
Dividends and interest	8	6,468	-	4,454	10,930	16,226
Rental – Ironmonger Lane	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>20,400</u>
	<u>25,508</u>	<u>6,468</u>	<u>-</u>	<u>4,454</u>	<u>36,430</u>	<u>36,626</u>
					=====	=====

3. Resources Used

a. Grants						
Charitable giving	<u>539</u>	<u>-</u>	<u>-</u>	<u>950</u>	<u>1,489</u>	<u>3,388</u>
					=====	=====
b. Activities directly relating to the work of the Church						
Ministry - Diocesan quota	64,060	-	-	-	64,060	62,410
- Clergy expenses	1,048	-	-	-	1,048	3,185
- Outreach	5,380	-	-	-	5,380	6,681
- Other clergy & service costs	3,925	-	-	-	3,925	4,564
Building manager	5,291	-	-	-	5,291	5,387
Church running expenses	18,193	-	-	-	18,193	13,879
Church maintenance (inc. organ)	7,323	19,471	-	1,090	27,884	6,789
Major repairs and decoration	-	-	-	-	-	39,397
Organist's retainer	1,000	-	-	-	1,000	1,000
Salaries (note 4)	8,067	-	-	-	8,067	8,150
Celebrate	25,197	-	-	-	25,197	21,802
Transfer	<u>21,209</u>	<u>-</u>	<u>-</u>	<u>(21,209)</u>	<u>-</u>	<u>-</u>
	<u>160,693</u>	<u>19,471</u>	<u>-</u>	<u>(20,119)</u>	<u>160,045</u>	<u>173,244</u>
					=====	=====

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2010

3. Resources Used (Contd)	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total Funds	
					2010 £	2009 £
c. Church management and administration:						
Salaries (note 4)	19,712	-	-	-	19,712	11,035
Office costs	1,361	-	-	-	1,361	4,798
Professional fees	18,311	-	-	-	18,311	12,459
Bank interest and charges	(95)	-	-	-	(95)	178
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>290</u>	<u>117</u>
	<u>39,289</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>39,579</u>	<u>28,587</u>
					=====	=====
4. Staff Costs						
Salaries					25,813	17,953
Social security costs					<u>1,966</u>	<u>1,232</u>
					27,779	19,185
					=====	=====

During the year the PCC employed an administrator and a housekeeper none of whom earned more than £50,000 per annum. The organist is a member of the PCC and was paid a retainer of £1,000 (2009 : £1,000). The building and production manager, is a member of the PCC, the Church's share of his salary £10,582 (2009 £10,774) being paid to St Mary Woolnorth and St Edmund the King. No other member of the PCC received any remuneration.

5. Tangible Fixed Assets	Soft Furnishings £	Fixtures, Fittings & Equipment £	Total £
Cost			
Brought forward	1,163	21,144	22,307
Additions	<u>1,733</u>	<u>-</u>	<u>1,733</u>
Carried forward	<u>2,896</u>	<u>21,144</u>	<u>24,040</u>
Depreciation			
Brought forward	233	21,144	21,377
Charge for the year	<u>290</u>	<u>-</u>	<u>290</u>
Carried forward	<u>523</u>	<u>21,144</u>	<u>21,667</u>
Net Book Value at 31 December 2010	<u>2,373</u>	<u>-</u>	<u>2,373</u>
			=====
Net Book Value at 31 December 2009	<u>930</u>	<u>-</u>	<u>930</u>
			=====
6. Investments			
	Market Value 2010 £	Market Value 2009 £	
11,219 Central Board of Finance Church of England Investment Fund	122,952	114,701	
1,945 Charities Official Investment Fund Income Units	19,616	17,805	
38,444 Equity Investment Fund for Charities (M&G Charifund) Income Units	<u>4,785</u>	<u>4,230</u>	
	<u>147,353</u>	<u>136,016</u>	
	=====	=====	
Historical cost	32,430	32,430	
	=====	=====	

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2010

	2010 £	2009 £
6. Investments (Contd)		
Movement in investments		
Market value at 1 January 2010	136,016	125,479
Additions	-	-
Disposals at opening market value	-	-
Annual revaluation	<u>11,337</u>	<u>10,537</u>
Market value at 31 December 2010	<u>147,353</u>	<u>136,016</u>

	2010	2009
7. Debtors		
Income tax recoverable	12,781	8,512
Prepayments and accrued income	-	-
	<u>12,781</u>	<u>8,512</u>

8. Restricted Funds	Brought Forward £	Incoming Resources £	Resources Used £	Transfers £	Carried Forward £
Arising from endowments:					
Building projects	1,862	14,504	17,739	28,000	26,627
Fabric fund	44,207	3,630	-	(28,000)	19,837
Building repairs fund	16,207	1,998	1,316	-	16,889
Organ repair fund	12,898	839	416	-	13,321
Difference	-	-	-	-	-
	<u>75,174</u>	<u>20,971</u>	<u>19,471</u>	-	<u>76,674</u>

9. Endowment Funds	Brought Forward £	Gain/(Loss) on Investments £	Transfers £	Carried Forward £
Fabric fund (CCLA CBF)	73,683	5,300	-	78,983
Building repairs fund (LDF CBF)	41,018	2,951	-	43,969
Organ repair fund	17,085	1,210	1,321	19,616
John Simmons Charity	<u>4,230</u>	<u>555</u>	-	<u>4,785</u>
	<u>136,016</u>	<u>10,016</u>	<u>1,321</u>	<u>147,353</u>

10. Analysis of Net Assets by Fund	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds £	Total £
Tangible fixed assets	2,373	-	-	-	2,373
Investments	-	-	147,353	-	147,353
Current assets	60,864	76,674	-	392,794	530,332
Liabilities	<u>(885)</u>	-	-	-	<u>(885)</u>
	<u>62,352</u>	<u>76,674</u>	<u>147,353</u>	<u>392,794</u>	<u>679,173</u>

PAROCHIAL CHURCH OF ST. MARGARET, LOTHBURY

Notes to the Financial Statements

For the year ended 31 December 2010

11. Designated Funds	Brought Forward	Incoming Resources	Resources Used	Transfer Out/In	Carried Forward
	£	£	£	£	£
Reserve	387,860	4,454	-	(21,720)	370,594
Vicars discretionary fund	1,462	-	950	-	512
Rectory repairs	1,712	-	1,090	-	622
Dublin Fund	(142)	-	-	142	-
Flowers	(175)	-	-	175	-
Soft Furnishings	267	-	290	-	(23)
Reserve (difference)	(27)	-	-	-	(27)
Gardening	(195)	-	-	195	-
	<u>390,762</u>	<u>4,454</u>	<u>2,330</u>	<u>(21,208)</u>	<u>371,677</u>
					=====

**INDEPENDENT EXAMINER'S REPORT TO
ST MARGARET LOTHBURY, PAROCHIAL CHURCH COUNCIL**

This report on the accounts of the PCC for the year ended 31 December 2010, which are set out on pages 4 to 11, is in respect of an examination carried out under Regulation 3(3) of the Church Accounting Regulations 1997 and Section 43 of the Charities Act 1993.

This report is made solely to the members of the PCC as a body, in accordance with regulations made under Section 43(3) of the Charities Act 1993. My work has been undertaken for no purpose other than to draw to the attention of the members of the PCC those matters which I am required to include in an Independent Examiner's Report addressed to them. To the fullest extent permitted by law, I do not accept or assume any responsibility to any party other than the charity and the members of the PCC as a body, for my examination work, for this report, or for the opinions I have found.

Respective Responsibilities of Trustees and Examiner

As the members of the PCC you are responsible for the preparation of the accounts; you consider that the audit requirement of regulation 3(3) of the Church Accounting Regulation 1997 and Section 43(2) of the Charities Act 1993 (the Act) do not apply. It is my responsibility to issue this report on those accounts in accordance with the terms of Regulation 25 of the Church Accounting Regulations 1997 and Regulation 7 of the Charities (Accounts and Reports) Regulations 1995.

Basis of Independent Examiners' Report

My examination was carried out in accordance with the General Directions given by the Charity Commission under Section 43(7)(b) of the Act and to be found in the Church guidance 2001 edition issued by the Finance Division of the Archbishop's Council. That examination includes a review of the accounting records kept by the PCC and a comparison of the accounts with those records. It also includes considering any unusual terms or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by 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 41 of the Act:
and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the Act, as also contained in the Church Accounting Regulations 1997

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 Scroxton
Oppenheim Scroxton
52 Great Eastern Street
London EC2A 3EP

Date :