

PAROCHIAL CHURCH COUNCIL OF
ST MARY-LE-BOW

Registered Charity No. 1130098

ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31st December 2019

**ST MARY-LE-BOW
REFERENCE AND ADMINISTRATIVE INFORMATION
AS AT 31 DECEMBER 2019**

Charity Number

1130098

Membership of the PCC

Rector & Chair: The Revd George Bush (*ex officio*)
Churchwardens: Antoine West (*ex officio*; also Clerk of Works)
Dan Hedley (*ex officio*)

Representative to the City Deanery Synod: Ian Hawking (*from 18.07.19; until 2022*)
Dan Hedley (*until 18.07.19*)
Alan Hovell (*until 2022*)

Elected Members: Oliver Boundy (*until 2021*)
Aaron Burchell (*until 2020*)
Margaret Burt (*until 2022*)
William Dempster (*until 2020*)
Giles French (*co-opted member; until 2020*)
Rob Hancock (*until 2020*)
Daniel Ryan (*until 2022*)
James Sanders (Hon.Treasurer; *until 2020*)
David Saunders (*until 2022*)
Victoria Snow (*co-opted member, until 2020*)
Michael Wainwright (*until 2022*)

Parish Officers

Parish Secretary &
Pastoral Assistant: Matthew Power
Verger & Operations Officer: Richard Swann
Electoral Role Officer: Margaret Burt

Office Address

Cheapside
London EC2V 6AU

Independent Examiner

Nik Fisher
Simia Wall
Devonshire House
582 Honeypot Lane
Middlesex HA7 1JS

Bankers

HSBC
City of London Branch
60 Queen Victoria Street
London EC4N 4TR

**Church Architect &
Quinquennial Inspector**

Robert Shaw
Robert Shaw Architects
32 Foster Road
Chiswick
London W4 4NY

Objects and Public Benefit

The purpose of the church is promoting in the parish the whole mission of the Church. The PCC members have taken full recognition of the requirements of section 17 of the 2011 Act in regard to public benefit.

Governing Document

The Church is governed by the Parochial Church Councils (Powers) Measure 1956 (as amended) and the Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended).

**ST MARY-LE-BOW
PCC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Responsibilities of the Parochial Church Council (PCC) in relation the Financial Statements

The PCC is responsible 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.)

The Church Accounting Regulations 2006 and the law applicable to charities in England and Wales require the Members of the PCC to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the PCC and of the incoming resources and application of resources of the PCC for that period. In preparing these financial statements, the PCC are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are responsible and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern unless it is inappropriate to presume that the charity will continue in business.

The Members are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the PCC and enable them to ensure that the financial statements comply with The Church Accounting Regulations 2006 and S.145 of the Charities Act 2011. They are also responsible for safeguarding the assets of the PCC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risks

The Trustees have reviewed the risks of St Mary-le-Bow during the year and believe that existing controls and procedures are best suited to meet its objectives.

Approved by the Trustees on

and signed on their behalf by:

James Sanders
Hon. Treasurer

**INDEPENDENT EXAMINER'S REPORT
TO THE PCC OF
ST MARY-LE-BOW**

I report on the accounts of St Mary-le-Bow for the year ended 31 December 2019, which comprise the Statement of Financial Activities, Balance Sheet and related notes.

Respective Responsibilities of the PCC and Examiner

As members of the PCC you are responsible for the preparation of the accounts. 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 the procedures laid down in the general directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.


Basis of Independent Examiner's 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 PCC and a comparison of the accounts presented with those records. It also includes consideration of any unusual items 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

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; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave 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.


Nik Fisher
SIMIA WALL
Independent Examiner
Chartered Accountants

Date: 02-04-20

**ST MARY-LE-BOW
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR-ENDED 31 DECEMBER 2019**

	Note	Unrestricted Funds (£)	Restricted Funds (£)	Endowment Funds (£)	TOTAL 2019 (£)	TOTAL 2018 (£)
INCOME						
Voluntary income	2	63,065	--	--	63,065	55,840
Investment income	2	5,759	45,721	--	51,480	49,167
Other income	2	93,201	74,131	--	167,332	168,326
TOTAL INCOME		162,025	119,852	--	281,877	273,333
EXPENSES						
Church activities	3	(129,151)	(125,360)	--	(254,511)	(249,257)
Governance costs	3	(5,958)	--	--	(5,958)	(5,918)
TOTAL EXPENDITURE		(135,109)	(125,360)	--	(260,469)	(255,175)
NET INCOME BEFORE REVALUATIONS & TRANSFERS		26,916	(5,508)	--	21,408	18,158
Transfers	10	(149,500)	149,500	--	--	--
Gains/ (losses) on investment revaluation	7	28,210	--	130,364	158,574	(122,739)
Previous year adjustments		--	--	--	--	--
NET MOVEMENT IN FUNDS BEFORE EXCEPTIONAL ITEM		(94,374)	143,992	130,364	179,982	(104,581)
Exceptional items (Tower Project)	1	--	(346,326)	--	(346,326)	217,961
NET MOVEMENT IN FUNDS AFTER EXCEPTIONAL ITEM		(94,374)	(202,334)	130,364	(166,344)	113,380
Total Funds as at 1 January 2019		339,024	238,678	784,427	1,362,129	1,248,749
Total Funds as at 31 December 2019		244,650	36,344	914,791	1,195,785	1,362,129

**ST MARY-LE-BOW
BALANCE SHEET
AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	6	127	254
Investments	7	1,093,814	935,236
		1,093,941	935,490
Current Assets			
Debtors	8	6,205	11,250
Cash at bank		103,761	425,579
		109,966	436,829
Current Liabilities			
Creditors: Amounts falling due within one year	9	(8,121)	(10,190)
		101,845	426,639
Total Fixed Assets and Net Current Assets			
		1,195,786	1,362,129
 Parish Funds			
General funds		244,651	339,024
Restricted funds		36,344	238,678
Endowment funds		914,791	784,427
Total Funds		1,195,786	1,362,129

Approved by the Parochial Church Council and authorised for issue on

James Sanders
Hon. Treasurer

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

GENERAL NOTES

Accounting Policies

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below:

Basis of accounting

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the current Statement of Recommended Practice, Accounting and Reporting by Charities and applicable accounting standard FRS102.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

Incoming resources

Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due and they can be quantified with reasonable certainty. All other income is recognised when it is receivable. All incoming resources are accounted for gross.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a blinding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is incurred and accounted for gross, and is allocated between activities on the basis of the resources used.

Consecrated land and buildings

Consecrated land and benefice property is excluded from the financial statements under S10.2 of the Charities Act 2011.

Movable church furnishings

Movable church furnishings held by the rector and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements. Subsequently, individual items costing more than £1,000 are capitalised and depreciated evenly over 10 years.

Equipment, fixtures and fittings

Equipment used within the church premises is depreciated on a straight line basis over three years. Individual items of equipment with a purchase price of £500 or less are written off when the asset is acquired.

Investments

Investments are stated at market value at 31 December 2019. Any gains or losses arising on revaluations are transferred to the Statement of Financial Activities.

Cash is held on deposit with HSBC and Unity Trust to be used in church business on a continuing basis.

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

Accounting Policies (continued)

Fund accounting

Endowment funds are funds, the capital of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of the year must be carried forward as a balance of that fund. The PCC does not usually invest separately for each fund.

Unrestricted funds are general funds which can be used for PCC ordinary purposes.

SPECIFIC NOTES

1. Tower Project

The church has been engaged since 2017 in a project to undertake essential repairs to its tower.

An unanticipated difficulty arose during the current year when the scaffolding in use for that work was deemed to be inadequate. The church then faced a 'contractual obligation' to pay the increased cost required to meet the revised scaffolding specification.

Legal fees incurred in resisting that liability were to some extent recovered from the legal expenses element of the parish insurance policy. Legal fees not so recovered, which the parish paid from its own resources, totalled £13,902. At the time of writing (February 2020) discussions are under way with the church's architect, and those discussions may result in some further reduction in the church's financial loss on the project. We are confident that the church has sufficient resources to complete the project.

Because of the size and unusual nature of the sums involved, all income and expenditure relating to the Tower Project has been shown as an Exceptional Item on the face of the Statement of Financial Activities.

Tower-related income and expenditure in the previous year (2018) has also been shown as an Exceptional Item. In 2018 those numbers had been included within restricted income and expenditure. As no change has resulted to the overall 2018 outturn, no prior year adjustment has been required.

Income into the separate bank account dedicated to the Tower Project totalled £109,719 in the current year (2018: £265,870). Tower Project expenses totalled £456,045 (2018: £47,908). In order to prevent the resulting deficit of £346,326 (2018: a surplus of £217,961) from taking the Tower Project bank account into overdraft, net funds totalling £164,500 – being £149,500 from General funds and £15,000 from the Voluntary Rate Restricted Fund -- (2018: £0) were transferred from the church's other bank accounts into the Tower Project bank account during the year. As the £15,000 transferred from one Restricted fund (Voluntary Rate) to another Restricted fund (Tower) had no impact of the General-to-Restricted transfer amount, the transfer total shown here in £149,500.

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

2. Incoming Resources

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Voluntary Income				
Regular congregational giving	22,983		22,983	16,953
Collections (open plate)	9,676		9,676	9,062
Grants	4,250		4,250	4,000
Donations, appeals etc.	12,488		12,488	8,767
Collection boxes.	8,576		8,576	9,516
Gift Aid and VAT recovered	5,092		5,092	7,542
	63,065	--	63,065	55,840
Income from investments				
Bank interest and dividends	432		432	376
Other investments UK	5,327	45,721	51,048	48,791
	5,759	45,721	51,480	49,167
Other incoming resources				
Sundry Income	12,474		12,474	7,440
Parish fees	10		10	327
Christmas card commission	2,015		2,015	1,842
*** Voluntary church rates (<i>unrestricted</i>)	29,131		29,131	21,753
Music income	4,925		4,925	6,513
Licence fees	43,350		43,350	48,029
Just Share		8,623	8,623	8,530
Rector's Discretionary Fund		4,352	4,352	4,565
Restricted income		61,156	61,156	68,031
City Parochial Foundation	1,296		1,296	1,296
Tower Project		109,719	109,719	265,870
	93,201	183,850	277,051	434,196
Total	162,025	229,571	391,596	539,203

*** Note on Voluntary Church Rates

Voluntary church rates received in 2019 totalled £46,102 (2018: £39,234), of which £29,131 (2018: £21,753) was unrestricted by ratepayers whilst the remaining £16,971 (2018: £17,481) was restricted to expenditure on church fabric. 'Church fabric' comprises (i) repairs to the church and its fixtures and fittings, and (ii) a portion (27.5%) of the Operations Officer's salary. The restricted amount is contained within the 'Restricted Income' of £61,156 in 2019 (2018: £68,031).

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

3. Allocation of Resources Expended

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Church activities				
*** Charitable donations				
Just Share		9,375	9,375	9,250
Rector's Discretionary Fund		3,244	3,244	6,023
Verger's & Fin Officer's salary costs		24,686	24,686	22,359
Other staff salary costs & employers NI	19,308	21,035	40,343	39,273
Common Fund contributions	72,100		72,100	69,825
Parish expenses	5,595		5,595	8,982
Major repairs	5,562		5,562	2,308
Repairs and renewals	5,721		5,721	6,001
Rates and water	434		434	535
Electricity and gas	7,245		7,245	8,028
Office costs	7,722		7,722	11,415
Music expenses	3,594		3,594	4,342
Sacristy	1,743		1,743	1,273
Depreciation	127		127	127
Restricted expenditure		67,020	67,020	59,516
Tower expenditure		456,045	456,045	47,908
	129,151	581,405	710,556	297,165
Governance costs				
Legal and professional fees	4,395		4,395	3,159
Independent Examination fees	1,000		1,000	2,100
Bank charges and interest	563		563	659
	5,958	--	5,958	5,918
Total	135,109	581,405	716,514	303,083

*** Note on Charitable Donations

Charitable donations made by St Mary-le-Bow are recorded within 'Restricted Expenditure'. The church takes up collections on behalf of third party charities, records them as restricted income on collection, and then further records them as restricted expenditure when the relevant payments are made to the charities. In 2019 St Mary-le-Bow made payments of £9,993 (2018: £16,455) to external charities in this way. The Young Homeless Project received £3,889 (2018: £5,969). Many of those charities will have been eligible to claim a further 25% in Gift Aid on those sums.

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

4. Licence Fees

During the year £46,269 (2018 - £48,274) was received from The Café Below, Bow Wine Vaults, Taberna Etrusca, the Coptic Orthodox Church, the flower and shoeshine stalls, and a number of other groups as licence fee payments. One licensee was granted a part-deferral of payment totalling £3,150 in the year. This amount will be recovered from the licensee in 2020.

5. Staff Costs	2019	2018
	£	£
Wages and salaries	63,747	60,721
Pension (Nest)	5,446	4,066
	69,193	64,787

As set out at the end of Note 2 above, Voluntary Rate income of £46,102 was realised in the current year (2018: £39,234). Of this, £29,131 (2108: £21,753) was made available by ratepayers for unrestricted use and the remaining £16,971 (2108: £17,481) was restricted by donors to fabric-related expenditure.

A Voluntary Rate Restricted Fund ('VRRF') exists as one of the church's 15 restricted funds which are reported on a consolidated basis in the Restricted Income and Restricted Expenditure totals in Notes 2 and 3 above.

The opening balance on the VRRF at the start of 2019 was £7,523 and the closing balance at year-end was £1,717. The net decrease of £5,805 is the difference between the income credited to the VRRF during the year (£16,971) and the expenditure debited from the fund (£22,776). The amount debited included £15,000 transferred from the Voluntary Rate Restricted Fund to the Tower Fund.

Some £4,243 of the gross VRRF expenditure of £22,776 related to the Verger's salary. (By convention, 27.5% of the Verger's annual salary is attributed each year to the VRRF in this way.)

The remaining element of the Verger's salary (£11,186), together with the fees paid to the church's finance officer (£13,500) is considered to be restricted expenditure covered by the restricted income of £45,721 arising from the Sale of Silver Fund. The remaining income from the Sale of Silver Fund (£21,035) was then used to characterise part of the 'Other Staff Costs' as restricted expenditure.

For the purpose of this note, the Wages and Salaries cost shown here (£69,193) *includes* the 27.5% of the Verger's salary (£4,243) posted to the VRRF.

Payments to PCC Members

An immaterial portion of the expenses paid to the incumbent may have related to his services as chairman of the PCC. No other payments or expenses were paid to any other PCC member, persons connected with them or related parties.

There were 4 (2018: 4) employees at St Mary-le-Bow in 2019.

ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

6. Tangible Fixed Assets	Equipment Fixtures & Fittings £	Movable Church Furnishings £	Total £
Cost			
At 1 January 2019 and at 31 December 2019	7,452	3,016	10,468
Depreciation			
At 1 January 2019	7,452	2,762	10,214
Provision for the year		127	127
At 31 December 2019	7,452	2,889	10,341
Net book value			
At 1 January 2019	-	254	254
At 31 December 2019	-	127	127
7. Investments – UK		2019 £	2018 £
Market value at 1 January 2019		935,240	1,057,980
Net gain (loss) on revaluation		158,574	(122,740)
At 31 December 2019		1,093,814	935,240
Managed funds		1,093,814	935,240
Cash		-	-
		1,093,814	935,240
Historical cost of the managed funds at 31 December 2019 - £229,258 (2018 - £229,258)			
8. Debtors		2019 £	2018 £
Other debtors		6,205	11,250
9. Amounts falling due within one year		2019 £	2019 £
Other creditors and accrued expenses		8,121	10,190

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

10. Transfers

As set out in Note 2 above, during the year, net funds totalling £149,500 (2018: £0) were transferred from Unrestricted General funds to Restricted funds (specifically to the Tower restricted fund / separate bank account). This transfer was necessary to prevent the Tower bank account from going into overdraft.

12. Unrestricted funds

General funds	Balance at 01-01-2019 £	Incoming Resources £	Resources Expended £	Revaluation/ Transfers £	Balance at 31-12-2019 £
Unrestricted fund	339,024	162,025	(135,109)	28,210 (149,500)	244,650

13. Restricted funds

	Balance at 01-01-2019 £	Incoming Resources £	Resources Expended £	Revaluation/ Transfers £	Balance at 31-12-2019 £
Restricted funds	238,678	229,571	(581,405)	- 149,500	36,344

The Consistory Court directed in April 2009 that the proceeds of the Sale of Silver Fund may be used to indemnify the PCC for employing persons to do the work of a vergers and other functions. Since that date in no single year has the income of the fund exceeded the expenses of relevant salaries.

14. Endowment Funds:

	Balance at 01-01-2019 £	Incoming Resources £	Resources Expended £	Revaluation/ Transfers £	Balance at 31-12-2019 £
Permanent endowments					
Sale of Silver Fund	784,427	-	-	128,364 -	912,791

15. Commitments under operating leases

At 31 December 2019 the Parochial Church Council had an annual commitment under operating lease in respect of a photocopier as follows:

	2019 £	2018 £
Expiry date: 2 – 5 years	1,512	2,395

**ST MARY-LE-BOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

16. Fund details

The restricted funds include 4,465 units of the Sale of Silver fund which are subjected to direction from the Court and therefore are not permitted to be withdrawn.

The endowment fund includes the balance of units on the Sale of Silver fund (50,620 units) which are used to fund salaries and related expenses of the Verger. (These may also be used on a discretionary basis for the salaries of the Cleaner and Secretary).

17. Funds held as Custodian Trustee

At the year-end the church held an amount of US\$ 24,100 on behalf of the Trinity Church in New York for the purpose of contributing towards the cost of conferences and meetings with similar church leaders.