

**Parish Church of St James with St Matthew
St James's Lane
Muswell Hill
London
N10 3DB**

**Annual Report and Financial Statements
of the Parochial Church Council
for the year ended 31 December 2009**

Incumbent:

The Reverend Kim Swithinbank

Registered auditors:

**Lakin Rose Limited
Chartered Accountants
Cambridge CB24 9NL**

Bankers:

**HSBC Bank plc
Muswell Hill
London N10 3RX**

Parish Church of St James with St Matthew, Muswell Hill
Year Ended 31 December 2009

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Parish Church of St James with St Matthew, Muswell Hill
Year Ended 31 December 2009

Background

The PCC of St James with St Matthew has the responsibility, together with the Incumbent for promoting the whole mission of the Church of England in its local parish. This responsibility covers evangelistic, pastoral, social and ecumenical matters. It also has maintenance responsibilities for the Church, Parish Centre and Birchwood Centre, and the houses occupied by clergy and staff.

The PCC is pleased to present its report for 2009. Set out below are a few highlights, which are expanded in the rest of this report:

- Our preaching series for most of the year focussed on Luke's Gospel, asking the question for us, as individuals and a church, "What does it mean to Live as Jesus Lived and Love as Jesus Loved?" Many of the Home Groups and new Pastorates followed this series in their own study times. It was a great way to allow the Word of God to shape our future vision.
- One of the major new emphases that came out of this was to build on our stated value of 'Humbly Serving those in Need' in particular hosting the Haringey Churches Winter Night Shelter which has shown how much this value has been owned and lived out by the Church Family. Another key development in this area has been the formation of the WAVE (we're all valued equally) Group who are pioneering to children and adults with learning difficulties. The Challenge Group, a playgroup for parents and children with additional needs, on Friday mornings is the first outworking of this. Other initiatives are being planned.
- In specific ministry areas one of the significant changes has been in our worship pattern. In the mornings we now have a monthly All Age Worship Service on the last Sunday of every month. In the evenings we started a new 6pm service in place of the previous 5pm and 7pm services. This has brought a new vitality to the evening service and also allowed ROOT, our 14-18 ministry, to start at an earlier time.
- September saw a major new initiative in our Children's Ministry with the launch of PromiseLand. The goal was to make this 'the best hour of our children's week'. Many children would agree with this. The main noticeable change is that the children now go straight to PromiseLand rather than coming to Church for the first ten minutes of the service. A more significant change is that, due to the dedication of the volunteer leaders, they now have the same group leaders each week who are developing much more meaningful relationships with the children. Our hope is that this will make us much more effective in discipling our children.
- On the staff front, we said goodbye this year to Simon Corner, our Youth Minister, and to Sarah Holden, who most recently had acted as Church Administrator and had been with us for a number of years. Niki Evans continues with her work with Pathway but moved her base this year from St James to Grace Church, where she worships.
- This year we welcomed Gaz Daly as our new Curate with his family. It has been great to have them here, and especially good to have a Clergy family, with children involved in our Church school, at the heart of things. We also welcomed Elizabeth Harrison, Adam Maynard and Gary Ball as Ministry Assistants in September. This has been really helpful to have a full strength in this area again.
- Two staff members have stayed on after their Ministry Assistant time in new roles. Rachel Elliott has stepped in to coordinate our Community Involvement. Amy Powis has become our Youth Associate, responsible for the day-to-day activities of Engage and ROOT under Will Hunter Smart's oversight.
- There have been many encouragements this year as God has continued to bless the ministries of St James and our initiatives to support our local community – such as our Legal

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Advice Centre (further details in the remainder of this report). We also continue to be blessed by the congregation's continued support of the ministry financially, by generous and often sacrificial giving. St James is entirely funded by its own members and in this difficult financial climate we are grateful for past provision and prayerful about future provision.

Church leadership and oversight

PCC

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) or by co-option in accordance with the Church Representation Rules. The members of the PCC for the year to the close of the 2009 Annual Parochial Church Meeting are as follows:

<i>Incumbent:</i>	Revd Kim Swithinbank
<i>Other ministers:</i>	Revd Will Hunter Smart (<i>Associate Vicar</i>) Revd Clare Hendry (<i>Minister for Pastoral Care</i>) Revd Gaz Daly (<i>Curate</i>) from June 2009 Revd Penelope Swithinbank (<i>Honorary Curate</i>)
<i>Wardens:</i>	Andy Brookes (Warden until 12 December 2009) Simon Upcott (Warden until 12 December 2009) (<i>PCC Vice Chair, Chair of Finance Committee</i>) Paul Ellerby (<i>from 13 December 2009</i>) Bernice Hardy (<i>from 13 December 2009</i>)
<i>Other representatives on the Deanery Synod (in addition to the Wardens):</i>	
Keith Edmunds Ajay Gohill Gillian Dunkeld Stephen Hendry	Gina Titheridge Sandra Walker John Waters (<i>HonTreasurer</i>) Keith Welton
<i>Other members, all elected unless otherwise indicated:</i>	
Andrea Bleakley (<i>co-opted as PCC Secretary</i>) Mike Bryant Jimmy Peppiatt (<i>Chair of Building Committee</i>) Carolyn Ritchie Viv Roberts Julian Slater Nick Dawe Julia Awty	Dan Dartington (<i>co-opted as Director of Operations</i>) Sarah Reynolds David Stone Theresa Hunt Claire Dartington Joe Lang Isobel Lee James Rogers Caroline Streets

PCC Sub-Committees

The PCC operates through a number of sub-committees, which meet between full meetings of the PCC. These sub-committees comprised the following people since the Annual Parochial Church Meeting ("APCM") in March 2009 (see the 2008 Annual Report and Financial Statements for sub-committee membership up to that date):

Standing Committee

Parish Church of St James with St Matthew, Muswell Hill Year Ended 31 December 2009

This committee has responsibility to transact the necessary business of the PCC between its meetings, subject to any directions given by the Council. It comprised Kim Swithinbank from February 2008 (*Incumbent*), Simon Upcott (*Church Warden*), Andy Brookes, Chair (*Church Warden*), Will Hunter Smart (*Associate Vicar*), John Waters (*Honorary Treasurer*), Dan Dartington (*Director of Operations*). In December 2009, Simon Upcott and Andy Brookes both resigned as Church Wardens. Andy resigned due to his new job as Chief Executive of the Diocese of London and Simon, who was due to finish his six year tenure as Warden in March 2010, resigned in December to ensure a smooth hand-over to the new Wardens. On 13 December 2009 Paul Eilerby and Bernice Hardie were elected as the new Wardens at a PCC Extraordinary General meeting. We give great thanks to both Simon and Andy for their work here as wardens.

Finance Committee

This committee oversees the financial affairs of the Parish, by monitoring income and expenditure, cash flow, budgeting, accounting and setting the fund raising targets for the Parish. Its members comprised Simon Upcott (*Church Warden – Chair until 7 December 2009*), John Waters (*Treasurer and Chair from 8 December 2009*), Jimmy Peppiatt, Gina Titheridge (*Deputy Treasurer*), Keith Edmunds and Adrian Carr.

Buildings Committee

The Buildings Committee is responsible for maintaining the Parish Church itself and all its associated buildings, including staff housing. Its members comprised Jimmy Peppiatt (*Chair*), John Waters (*Hon Treasurer*), Adrian Burgering, Yvonne Hardy, Stephen Hendry (joined in May 2009) and Keith Welton (*Church Property Manager*).

World Mission Group

The World Mission Group is responsible for developing mission links outside the Parish and the distribution of the bulk of the funds set aside for mission giving (10% of the Parish's unrestricted donation income is designated for mission giving). Its members comprised Clare Atkins (*Chair*), Julia Awty (joined in March) Richard Bird, Richard Brueton, Iain Smith (left in April 2009) Will Hunter Smart, Deborah Kiwanuka, and Gina Titheridge.

In addition, Gillian Dunkeld and Keith Welton represented St James on the Muswell Hill Christian Council.

What has the PCC been doing in 2009

The PCC had one meeting in January and a meeting in March, before the APCM where it considered and approved the 2008 Annual Report and Financial Statements and the Financial Budget for 2009. The PCC then had a further five meetings.

At each PCC meeting time is spent looking at the Bible and praying as well as normal business including finance updates. Other key areas that the PCC looked at this year were the St James Vision, Buildings, Evening Services and Children's work.

Throughout the year the various PCC Sub-Committees met regularly between the PCC meetings.

At the PCC Away Day in May the day was spent looking at a number of areas of church life including a review of the use of our buildings, the pattern of evening services and the proposal to have one evening service at 6pm, and Children's ministry.

Our Patrons, The Diocese of London and Common Fund

We continue to enjoy an open and productive relationship with the Patrons of the church, The Bishop of Edmonton and the Church Pastoral Aid Society. Bishop Peter has been extremely supportive during this transition period and is keen that we become a training parish again in 2010 and we are on the Diocesan list to have an additional curate.

The Common Fund we pay to the Diocese of London fully covers the direct costs of employing our three full time clergy posts, and in addition makes a contribution to other costs of the Diocese of London. So we fully fund all our clergy costs, and always have done.

We increased our Common Fund for 2009 by 9.1% to £120,000. We plan to increase our Common Fund payments in 2010 to £130,000, an increase of 8.3% reflecting growth in underlying clergy employment costs in particular in the area of clergy pension contributions.

Finance

The financial statements set out fully the income, expenditure, funds and assets of the Parish in 2009, including details of how the Charitable Giving Fund has been applied. They are prepared in accordance with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

The General Fund is our main fund and meets the normal operating expenses of the Church and its ministries. It is set out in detail in the first column in the table entitled Statement of Financial Activities.

The fund ran at a surplus of just over £10,000 for the year which is a similar outturn to that in 2008. This surplus is after allowing for a further transfer of £15,000 to the Capital Fund in order to set aside some money to cover for the inevitable disruption during the refurbishment of our organ which is planned for this summer. This outcome leaves us with much to thank the Lord for as we did not achieve the planned level of fundraising for 2009 but were able to reduce our planned expenditure.

We finished the year with cash of just over £105,000 compared with just over £85,000 a year ago. Substantially all of this cash is allocated to projects other than the General Fund, in particular the Capital Fund which now stands at £ 65,000 and the Charitable Giving fund which stands at £ 21,808. Accordingly the cash held for General Fund use is less than one month's normal expenditure so despite this cash the Church remains dependent on the regular and generous giving of its members to survive.

Whilst it would be wonderful if all of our income was regular and committed, it is also to be expected that some income will be in the form of lump sums and that we will annually need to ask our membership for such lump sums to be repeated each year – replacement activity. We are targeting a minimum of £70,000 new income from St James members in 2010. This is a reduction from our targets in recent years and reflects a cautious assessment as to how the recession in the UK has affected and will continue to affect our members.

We have found in recent years that the predominant part (70-80%) of our unrestricted income is committed in nature, in particular in the form of regular standing order or payroll giving. We are grateful for this as it provides a solid financial base to plan for our ministries. It does however mean we need to find the remaining 20-25% each year to ensure our costs are covered.

Parish Church of St James with St Matthew, Muswell Hill Year Ended 31 December 2009

The PCC, leadership and staff teams strive at all times to be wise stewards of the resources made available by willing and sacrificial donations from the members of St James. Particular attention is given to keeping costs down to reasonable and appropriate levels at all times.

Building Committee

It has been a very busy year for the Building Committee, who have met regularly to continue to maintain and upgrade the fabric of the church, to a high standard as finances permit, to show God's glory in the buildings we have been entrusted with.

The subsidence at the East End of the church is being monitored, and a new tree will be planted shortly to replace the old ash tree.

The upgrade to 8 St.James` Lane was completed in good time for our new curate Gaz Daly and his family to move in the spring.

New wood windows have been installed at 176b Muswell Hill Road, as required by the local authority.

A separate group met to discuss the Birchwood Centre (a listed building since 1994) and various recommendations will be implemented in the near future. A shed has been erected at the side to provide necessary storage for equipment.

Security of our Church buildings has sadly been a major problem in 2009 and this has been improved with several modifications made to existing doors etc.

Chubb provided us with a report on Fire Risks and Means of Escape containing many suggestions, some of which have already been implemented, and more will be carried out in 2010, including a fire drill and training for all members of staff.

The annual inspection of all properties took place in October, and items needing attention are included in the 2010 budget.

A 20 year plan has been prepared, together with a Policy Document for the committee. The architects, Caroe and Partners, have prepared plans for a Meeting Room at the side of the Vicarage, additional storage areas at the side of the centre, and car parking in the vicarage drive, these will be submitted shortly to the local authority.

Special thanks to Keith Welton for his devotion and for dealing with all the emergencies that occur from time to time, and other members of the committee who freely give of their time and advice, we are truly blessed to have such talented people who wished to serve God in this way.

At 31 December 2009 the Capital Fund, which was re-established in 2006, had increased to £65,000 (2008: £44,000). This includes £20,000 transferred in 2008 to meet the PCC's commitment to the organ refurbishment (see later comments) and a further £15,000 transferred in 2009 to cover the anticipated costs of disruption whilst the work is performed. It is intended the remainder of fund will be used to support major items of Church fabric expenditure and £6,000 of legacy income received during 2009 was transferred during the year.

Mission Giving

It has for some time now been the policy of the PCC to allocate 10% of all income of the Church to mission activity. This policy was revised in 2009 and the PCC agreed that 10% of unrestricted donated income would be allocated by the Church to mission activity. The amount actually paid away to mission activity in 2009 was £96,767. This includes £17,254 in donations received from parishioners for specific purposes or direct appeals, £29,975 under the direction of the World Mission Group and £49,538 as instructed by the Standing Committee. The Standing Committee figure is inclusive of £17,300 paid in salaries to the Primary and Secondary Schools workers employed by St James.

Full details of how these monies were allocated are set out in note 9 to the financial statements.

The World Mission Group (WMG) had responsibility this year for allocating £30,000 of the 10% raised from General Fund unrestricted donated income to mission activity outside the parish. It endeavours to support mission projects and organisations both in the UK and overseas. Priority is given to church members going out into the mission field or where there is a direct link with St James. Part of the vision of the World Mission Group is to see members of St James serving as long term missionaries overseas. We view the promotion of short term mission as crucial in the raising up of these missionaries, and we were pleased to see a number of members of the congregation travelling overseas to visit and work alongside our mission partners during the year.

The remainder of the donations during 2009 were allocated to substantial projects identified by the Standing Committee:

- £7,000 donation as support for our former curate JP Aranzulla and his wife Susan in their work with Crosslinks in Bologna, which will continue for the next three years in the amounts of £5,000, £3,000 and finally £1,000)
- £3,000 to support Simon Johnson's study and training as an independent student at Oak Hill Theological College.
- £2,000 to support for Tom Putt (former ministry assistant) as he trains for ordination at Oak Hill Theological College, in recognition of his fantastic work in our children's ministry for three years.
- £3,000 donation via the St James Growth Trust as support for our previous minister Alex Ross and his wife Lynne Ross in their work at St Ann's, Tottenham.
- £2,000 to support Niki Evans in her primary schools ministry based at Grace Church having moved on from the staff at St James in 2009.
- £200 donation to Mark Thomas (former ministry assistant) for books as he trains for ordination at Ridley Hall Theological College.
- £200 donation to Emma Hawthorne for books for her study at the Cornhill Training Course

Organ refurbishment

The Friends of St James, a separate charity set up some years ago by the PCC to manage the organ appeal, has had another very successful year. Fund raising events have included the very well supported Grade One Challenge and a Burns Night Ball in January 2009. The Friends have now raised a total in excess of £215,000 towards the costs of restoration. These costs are now projected to come in at around £230,000, including expected inflation. Work is planned to start after Easter this year and to be finished in early 2011. The PCC had committed to raising funds to cover the risk of contract cost overruns, to a maximum of £20,000 and this sum was transferred to the capital fund in 2008. It is an exciting prospect for us to have our organ returned to its full glory and the PCC is considering ways to ensure its potential is fully utilised.

Other matters

Other decisions and debates of the PCC and Wardens' Team during 2009 included consideration and re-adoption of the Child Protection Policy Statement, as required under the Children Act 1989.

Governance, internal control and risk management

It is through the various committees and sub-committees that the PCC has addressed the key operational and financial control requirements of the Parish. St James is subject to the full accounting and auditing requirements established by UK law and practice. In addition, the PCC and staff team have addressed certain of the non-financial risks associated with the activities of the Church, such as Child Protection policy and the health and safety of its employees, members, visitors and contractors, and established appropriate risk management policies and procedures, including where necessary, appropriate insurance cover.

Under the Charities Act 2006 the supervision of organisations such as St James Church will pass directly to the Charities Commission. The oversight of the Diocese of London will continue as now, but a key task for 2010 will be for the PCC to consider how the new Act will impact on its activities, more particularly the structure under which it operates and the processes by which it manages its key risk and opportunities.

The PCC is grateful for the considerable efforts of volunteers for its successful operation. Without that help, the church would not be able to carry out the ministries it does, and neither would we as individuals have opportunity to serve our Lord God as he would have us.

Auditors

Lakin Rose Limited acted as auditors during the year. A resolution for their re- appointment will be put forward at the 2010 APCM, as required by law.



On behalf of the PCC
Kim Swithinbank (PCC Chair)

10 March 2010

Summary of a Parochial Church Council's Financial Responsibilities:

1.	The PCC shall prepare accounts of the ecclesiastical parish and be accountable in particular to all whose names are on the electoral roll (<i>Church Accounting Regulations 1997</i>).
2.	Every PCC shall furnish to the Annual Parochial Church Meeting the audited accounts of the council for the years ending 31 December immediately preceding the meeting and an audited statement of the funds and property, if any, remaining at that date (<i>Parochial Church Councils (Powers) Measure 1956</i>).
3.	"Because of their status, which exempts them from the requirement to register with the Charity Commission, PCCs do not have to file annual returns, accounts and reports with the Charity Commission. However, they do have to prepare their annual accounts as if they were registered. The accounts must conform to the Charities Act 1993 and the Charity Accounting Regulations, and PCCs must make them available to the public like any other charity." (<i>Extract from the Guidance and Regulations prepared by the working party of the Central Board of Finance of the Church of England, August 1997</i>).
4.	The charity trustees (<i>for which read PCCs</i>) shall ensure that accounting records are kept in respect of the charity which are sufficient to show and explain all the charity's transactions (<i>Charities Act 1993, Part VI, Charity Accounts, Reports and Returns</i>).

Independent Auditors' Report to the PCC of St James with St Matthew, Muswell Hill

We have audited the financial statements of the Parish Church of St James with St Matthew ("Financial Statements") for the year ended 31 December 2009 set out on pages 11 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the PCC, as a body, in accordance with Section 43 of the Charities Act 1993 and Regulations made under that Act. Our audit work has been undertaken so that we might state to 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 PCC as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the PCC and auditors

As described in the Summary of a PCC's Financial Responsibilities, the PCC is responsible for the preparation of the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Church Accounting Regulations 2006. We also report to you if, in our opinion, the Annual Report is not consistent with the Financial Statements, if the PCC has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding remuneration and transactions with the PCC is not disclosed.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within.

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 PCC in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the PCC's circumstances, are consistently applied and are adequately disclosed.

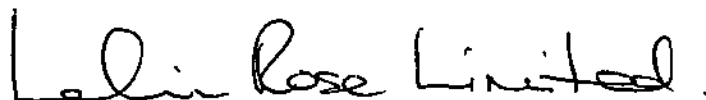
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity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

**Parish Church of St James with St Matthew, Muswell Hill
Year Ended 31 December 2009**

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 affairs of the Parish Church as at 31 December 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with the requirements of the Charities Act 1993 and the Church Accounting Regulations 2006.



Lakin Rose Limited
Chartered Accountants, Registered Auditors
Cambridge, CB24 9NL

9 March 2010

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2009

	UNRESTRICTED			RESTRICTED		TOTAL			
	General Revenue (incl CIMF)	Capital Fund	Charitable Giving	Property	Total Special Collection Fund		2009	2008	
	£	£	£	£	£	£	£		
INCOMING RESOURCES									
Incoming resources from donors	Note 2(a)	589,792	0	0	0	589,792	16,621	606,413	594,918
Other voluntary incoming resources	Note 2(b)	6,000	0	0	0	6,000	0	6,000	0
Income resources from operating trading	Note 2(c)	35,894	0	0	0	35,894	0	35,894	35,235
Other ordinary incoming resources	Note 2(d)	24,756	0	0	0	24,756	0	24,756	9,921
TOTAL INCOMING RESOURCES		656,442	0	0	0	656,442	16,621	673,063	640,074
RESOURCES USED									
Grants	Note 3(a)	0	0	62,213	0	62,213	17,254	79,467	87,202
Activities directly relating to the work of St James's	Note 3(b)	475,303	0	0	10,853	486,156	0	486,156	489,130
Church management and administration	Note 3(c)	92,279	0	0	0	92,279	0	92,279	55,054
Governance costs	Note 3(d)	2,879	0	0	0	2,879	0	2,879	2,938
TOTAL RESOURCES USED		570,461	0	62,213	10,853	643,527	17,254	660,781	634,324
Transfers between funds:									
To the Charitable Giving Fund	Note 8	(58,979)	0	58,979	0	0	0	0	0
To the Capital Fund	Note 8	(21,000)	21,000	0	0	0	0	0	0
From the Property Fund	Note 8	0	0	0	0	0	0	0	0
From the Special Collections Fund	Note 8	4,389	0	0	0	4,389	(4,389)	0	0
TOTAL TRANSFERS		(75,590)	21,000	58,979	0	4,389	(4,389)	0	0
SURPLUS/(DEFICIT)		10,391	21,000	(3,234)	(10,853)	17,304	(5,022)	12,282	5,750
SURPLUS BROUGHT FORWARD		12,123	44,000	25,042	450,823	531,988	9,254	541,242	535,492
SURPLUS CARRIED FORWARD		22,514	65,000	21,808	439,970	549,292	4,232	553,524	541,242

ST JAMES WITH ST MATTHEW, MUSWELL HILL

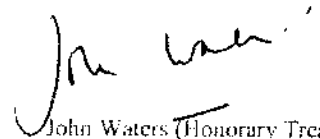
BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009			2008		
		Property Fund	Other Funds	Total Funds	Property Fund	Other Funds	Total Funds
		£	£	£	£	£	£
FIXED ASSETS							
Tangible fixed assets	5	439,970	13,270	453,240	450,823	23,416	474,239
CURRENT ASSETS							
Debtors	6	0	28,116	28,116	0	31,480	31,480
Cash at bank and in hand		0	105,812	105,812	0	85,344	85,344
Represented by:							
Charitable Giving		0	4,409	4,409	0	25,042	25,042
Capital Fund		0	65,000	65,000	0	44,000	44,000
Special Collections		0	9,472	9,472	0	9,254	9,254
General Fund	8	0	26,931	26,931	0	7,048	7,048
			<u>0</u>	<u>133,928</u>	<u>133,928</u>	<u>0</u>	<u>116,824</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR							
	7		<u>0</u>	<u>(33,644)</u>	<u>(33,644)</u>	<u>0</u>	<u>(49,821)</u>
NET CURRENT ASSETS							
			<u>0</u>	<u>100,284</u>	<u>100,284</u>	<u>0</u>	<u>67,003</u>
NET ASSETS							
			<u>439,970</u>	<u>113,554</u>	<u>553,524</u>	<u>450,823</u>	<u>90,419</u>
FUNDS							
Unrestricted		439,970	109,322	549,292	451,006	80,982	531,988
Restricted		0	4,232	4,232	0	9,254	9,254
		<u>439,970</u>	<u>113,554</u>	<u>553,524</u>	<u>451,006</u>	<u>90,236</u>	<u>541,242</u>

Approved by the PCC on 9 March 2010, and signed on its behalf by:



The Revd Kim Swathinbank (Chair)



John Waters (Honorary Treasurer)

The notes on pages 13 to 18 form part of these financial statements.

Parish of St James with St Matthew, Muswell Hill

Notes to the 2009 Financial Statements

1 ACCOUNTING POLICIES

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 (SORP) "Accounting and Reporting by Charities" 2005. They have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at estimated market value.

Fund accounting

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. 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

Voluntary income and capital sources

Collections are recognised when received by or on behalf of the PCC. Planned giving receivable under Gift Aid is recognised only when received. Income tax recoverable on 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, the amount due is quantifiable and its ultimate receipt is reasonably certain.

Income from investments and other income

Interest entitlements (including any tax recoverable thereon) are accounted for as they accrue. Rental income from the letting of the church premises or related property is recognised when the rental is due.

Resources used

Grants and donations

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 Common Fund is accounted for when payable. Any amount unpaid at 31 December is provided for in these financial statements as an operational (though not legal) liability and is shown as a creditor in the Balance Sheet.

Fixed assets

Consecrated and inalienable land and buildings, movable church furnishings

Consecrated and beneficed property is excluded from the accounts by virtue of section 96(2) (a) of the Charities Act 1993. In the case of this Parish, the properties excluded by this section are the Church, the Parish Centre, the land surrounding both and the Vicarage.

The Birchwood Memorial Hall is the subject of a separate trust dating back to the early 1900s, the sole custodian trustee of which is a Diocesan body. The Church is allowed to use the Hall for Church activities, as directed by the Church Wardens for the time being, but has no other rights to the building. It is regarded therefore as inalienable

property of the Church. As no reliable cost information is available, and conventional valuation methods lack sufficient reliability and would involve cost which far outweigh the benefit such a valuation could provide in the circumstances, no valuation is provided for this property in these financial statements.

The costs of maintaining and using this property are treated as expenses of the General Fund, and expensed or capitalised (as relevant) as incurred.

No value is placed on movable church furnishings held by the Church Wardens 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 on consecrated or benefice buildings and movable church furnishings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Staff housing and other property

Freehold or leasehold property required to be accounted for by the PCC are included in these financial statements at market values estimated in 1998, in accordance with the SORP. These values were reviewed in 2000 and considered by the PCC to continue to be appropriate valuations for the purposes of these financial statements. Maintenance expenditure is written off as incurred.

Land and buildings are not revalued upwards unless there are exceptional reasons for so doing. This is because, in the PCC's view

- i. the presentational and other benefits of formally revaluing such properties outweigh the cost and effort of obtaining appropriate valuations
- ii. these buildings comprise residential property in Muswell Hill, whose market value is and has historically been substantially higher than the values at which these properties are currently recognised in these financial statements.

Any permanent diminution in the value of these properties, as evidenced by formal or informal valuations drawn up by or on behalf of the PCC, below that at which these properties are recognised in these financial statements, however, is appropriately provided for.

Depreciation has been provided on these properties based upon an expected useful life of 50 years.

Other fixtures, fittings and office equipment

Equipment purchased and used within Parish premises is depreciated on a straight line basis over 4 years. Individual items of equipment with a purchase price of £1,000 (excluding VAT) or less are written off when the asset is acquired.

Current assets

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectible.

Short-term deposits include cash held on deposit either with the Central Board of Finance Church of England Funds or at the bank.

ST JAMES WITH ST MATTHEW, MUSWELL HILL - NOTES TO 2009 YEAR END FINANCIAL STATEMENTS

2 INCOMING RESOURCES

	ANALYSIS BY FUND		TOTAL FUNDS	
	Unrestricted	Restricted	2009	2008
	£	£	£	£
2(a) Incoming resources from donors				
Planned giving:				
Gift Aid donations	354,880	16,554	371,434	323,222
Income tax recoverable on these	116,225	67	116,292	98,036
Other planned giving	32,234	0	32,234	54,331
Collections at all services	38,690	0	38,690	36,235
Other donations	47,763	0	47,763	83,094
	<u>589,792</u>	<u>16,621</u>	<u>606,413</u>	<u>594,918</u>
2(b) Other voluntary incoming resources				
Legacies	6,000	0	6,000	0
Other	0	0	0	0
	<u>6,000</u>	<u>0</u>	<u>6,000</u>	<u>0</u>
2(c) Income from operating activities to further the PCC's objectives				
Memorial Hall lettings	2,944	0	2,944	1,574
Rental	31,950	0	31,950	31,016
Service fees	1,000	0	1,000	2,645
	<u>35,894</u>	<u>0</u>	<u>35,894</u>	<u>35,235</u>
2(d) Other ordinary incoming resources				
Interest income	1,257	0	1,257	2,067
Insurance proceeds	12,913	0	12,913	5,145
Other income	10,586	0	10,586	2,709
	<u>24,756</u>	<u>0</u>	<u>24,756</u>	<u>9,921</u>
TOTAL INCOMING RESOURCES	<u>656,442</u>	<u>16,621</u>	<u>673,063</u>	<u>640,074</u>

3 RESOURCES USED

	ANALYSIS BY FUND		TOTAL FUNDS	
	Unrestricted	Restricted	2009	2008
	£	£	£	£
3(a) Grants				
Missionary and charitable giving (see 9 below):				
Church overseas	21,159	13,070	34,229	49,028
UK missions and societies	41,054	4,184	45,238	38,174
	<u>62,213</u>	<u>17,254</u>	<u>79,467</u>	<u>87,202</u>
3(b) Activities directly relating to the work of the Church				
Diocesan Common Fund	120,000	0	120,000	110,000
Staff and ministry costs	250,876	0	250,876	297,636
Church property expenses	99,564	0	99,564	61,334
Costs of services	15,600	0	15,600	19,279
Other activities	116	0	116	881
	<u>486,156</u>	<u>0</u>	<u>486,156</u>	<u>489,130</u>
3(c) Church management and administration				
Office expenditure	42,722	0	42,722	31,471
Staff and lay assistance costs	49,543	0	49,543	23,563
Bank charges	14	0	14	20
	<u>92,279</u>	<u>0</u>	<u>92,279</u>	<u>55,054</u>
3(c) Church management and administration				
Audit fees	2,879	0	2,879	2,938
TOTAL RESOURCES USED	<u>643,527</u>	<u>17,254</u>	<u>660,781</u>	<u>634,324</u>

4 STAFF AND RELATED COSTS

The Diocesan Common Fund payment covers all salary and pension costs of the three permanent clergy positions at St James's Church. In addition, the housing and other normal employment related costs for those positions are paid directly by the PCC and are included in Staff and Other Ministry costs above. These three positions are full time, and each clergy member is by right a member of the PCC.

The other ordained clergy served for all or part of the year at the church, all of whom were members of the PCC, and two of which were are only part time and are unpaid.

The Church also employs other staff, in ministry and support posts. All employment costs are reviewed annually, effective July in each year. Clergy and other staff costs excluding Diocesan Common Fund but including staff property depreciation may be summarised as follows:

	2009	2008
	£	£
Wages and salaries (including expense reimbursements, training, etc)	181,098	175,371
Social security costs	14,036	10,254
Pension costs	1,519	201
Housing costs (including repairs and maintenance)	63,904	89,282
	<u>260,557</u>	<u>275,108</u>

Excluding the three permanent clergy posts, the average number of other employees working over 16 hours per week (measured from 1 July in each year when contracts normally commence), analysed by function, was:

	No.	No.
Activities directly relating to the work of the Church	10	6
Church management and administration	6	4
	<u>16</u>	<u>10</u>

Of those employees, none earned more than £60,000 in the year (2008 - same).

Transactions with PCC members : The following members of the PCC were also employees for all or part of 2009: Mrs Andrea Bleakley, Mr Dan Dartington, Rev Clare Hendry, Ms Gina Titheridge and Mr Keith Welton. Each was paid a salary commensurate with their employment responsibilities. Gross salaries paid to these people whilst they were also members of the PCC totalled £74,301 (2008: £ 48,155).

In addition the following transactions were undertaken with PCC members or related parties, all figures are inclusive of VAT if applicable:

- £9,585 was paid for building and property services to CH Peppiatt & Son Ltd. Mr Jimmy Peppiatt is a consultant of this company and a PCC member (2008: £2,983).
- £9,227 was paid to Penelope Swithinbank, [in addition to the £10,000 paid to her in support of her work as Honorary Chaplain at the St Mellitus College, see note 9] of which £288 was for Core Team catering and £8,939 in her capacity as an employee. Penelope is the wife of the Vicar.
- £54 was paid to Susan Hunter Smart who supplied soft furnishing to the Promiseland stage. Susan is the mother of Will Hunter Smart, a PCC member.
- £421 was paid for books, purchased by staff through the St James Church bookshop, to St James Growth Trust, a trustee of which is Julian Slater, a PCC member. (2008 : £294)
- £40 was paid for emergency window repairs, following a break-in, to Keith Welton, a PCC member.
- £5,748 was received from the Rev. K Swithinbank, the Vicar for the purchase by him of the church car .

ST JAMES WITH ST MATTHEW, MUSWELL HILL - NOTES TO 2009 YEAR END FINANCIAL STATEMENTS

5 FIXED ASSETS FOR USE BY THE PCC

	Land and buildings		Plant and equipment	Motor vehicles	Total
	Freehold	Leasehold			
	£	£	£	£	£
Tangible fixed assets					
Gross book value					
At 1 January 2009	361,420	181,233	87,085	7,100	636,838
Additions	0	0	3,272	0	3,272
Disposals	0	0	0	(7,100)	(7,100)
At 31 December 2009	361,420	181,233	90,357	0	633,010
Depreciation					
At 1 January 2009	60,134	31,696	70,769	0	162,599
Charge for year	7,228	3,625	6,318	148	17,319
Disposals	0	0	0	(148)	(148)
At 31 December 2009	67,362	35,321	77,087	0	179,770
Net book value					
At 31 December 2008	301,286	149,537	16,316	7,100	474,239
At 31 December 2009	294,058	145,912	13,270	0	453,240

As at 31st December 2008 and 2009 the freehold land and buildings comprised staff housing located at 67 St James's Lane, Muswell Hill and a 61% effective interest in 18 Wroxham Gardens. The remaining 39% of Wroxham Gardens is owned by St James Growth Trust (SJGT), a trust independent of St James, which is the legal owner of this property. The trustees include Julian Slater who is a member of the PCC.

The leasehold land and buildings comprised the staff housing at 26 Summerland Grange and 176B Muswell Hill Road. The Parish also occupies the property at 8 St James's Lane. This property cost £193,750 a number of years ago. It is financed by a Value Linked Loan from the Church Commissioners, and is formally accounted for as the property of the London Diocese of the Church of England. Consequently, it is not treated as an asset to be accounted for on the balance sheet of the Parish.

6 DEBTORS

	2009	2008
	£	£
Income tax recoverable	9,340	14,284
Prepayments and accrued income	1,675	1,454
Property, equipment and other deposits	17,101	15,742
	<u>28,116</u>	<u>31,480</u>

**7 LIABILITIES:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009	2008
	£	£
Accruals and deferred income	22,159	36,349
Other creditors	11,485	13,472
	<u>33,644</u>	<u>49,821</u>

8 FUND DETAILS

The **unrestricted funds** in use in 2009 comprised the General Revenue Fund, into which the majority of the Parish's income is placed, and three funds (Charitable Giving, Capital and Property Funds) to which funds are designated from the General Revenue Fund by the PCC.

The PCC has for some years designated that 10% of the Church's total unrestricted income should be placed in the Charitable Giving Fund and paid away to missionary and related endeavours both in the UK and overseas (see note 3 above and 9 below). This policy was amended during 2009, the PCC has agreed that the 10% should be calculated on the unrestricted donated income (see Note 2 (a)) alone.

The Capital Fund is used to set aside funds which are earmarked for specific capital projects, such as significant church building fabric repair and refurbishment of our Organ.

The Property Fund comprises the assets used for staff accomodation plus any surplus on previous disposals of such property. Amounts otherwise not invested in property are lent to the General Fund on an interest free basis, but there were no assets other than property in the fund at the end of 2008 and 2009. Given this fund is fully invested in staff accomodation it is presented separately from other funds in the balance sheet of St James.

The **restricted funds** comprises the Special Collections Fund. Funds donated for specific purposes or projects as specified by the donor are placed in, and paid away from, the Special Collections Fund. An adjustment has been made from the Special Collections fund to the General Fund in 2009 to reflect amounts totalling £4,389 relating to special appeals income which was expensed through the General Fund in the period 2004 to 2006.

With the exception of the Staff Property Fund, the assets and liabilities of each of these funds are not separately distinguished.

ST JAMES WITH ST MATTHEW, MUSWELL HILL - NOTES TO 2009 YEAR END FINANCIAL STATEMENTS

9 GRANTS

	2009			2008	
	£	£	Total	£	£
	Unrestricted	Restricted (Special Collections)		Unrestricted	Restricted
Church overseas					
Educaid, Sierra Leone	2,000	1,854	3,854	2,000	640
Foundation for Reconciliation in the Middle East	1,000		1,000	1,000	1,772
Harriet Evans re Sierra Leone trip	613	500	1,113		
India, support for Heather Payne	3,000	5,760	8,760	3,000	7,200
India, Orissa appeal via Barnabus Fund			0		2,588
Interserve, support for Bendor-Samuels	3,000	32	3,032	3,000	
Italy, Bologna project re JP and Susan Aranzulla	7,000	500	7,500	9,000	3,011
Italy, IFED	1,017		1,017	2,015	
Peru, Missionary Evangelical Church re Peru summer mission	2,612		2,612		
Peru, Hyancao breakfast project		2,046	2,046		
Romania, The Emmanuel Institute			0	3,500	2,000
South Africa, the Kidz Club	517		517	515	
Tear Fund, (Carol Service collection)		2,378	2,378		
Uganda Bushfire project (S Roberts + J Boustred)			0	800	
Uganda, All Saints Church	400		400		587
Uganda, Veritas College for pastor training			0	1,500	
Other £750 or under			0	150	650
	21,159	13,070	34,229	26,480	18,448
UK missions and societies					
Agape (In Soo, Seung Ho and Nam Young)	5,000	500	5,500	5,500	
Birmingham University Christian Union	200		200		
Bishop of Edmonton's Fund re confirmation service collection			0		397
Challenge Group		800	800		
Derby City Mission	500		500	500	
Lawrence Barham Memorial Trust	1,000		1,000		
Mark Thomas book grant	200		200		
Nflame, Emma Baxter			0	1,000	
Open Air Campaigners, Peter Kennelly	2,000		2,000	2,000	
Open Air Campaigners			0	500	
Pathway	2,500		2,500	2,500	
Spanish Church, Samuel Cueva	4,804		4,804	4,668	
St Ann's Tottenham	2,500		2,500	2,500	23
St James Growth Trust (A&L Ross)	3,000		3,000	3,000	
Support for Niki Evans	2,000		2,000		
Support for Chris and Foluso Enwerem	2,000	500	2,500	3,000	1,100
Support for Tom Putt	2,000		2,000		
Staff leaving gifts		261	261	500	600
Penelope Swithinbank (for her Honorary Chaplain role at St Mellitus College)	10,000		10,000	10,000	
Support for Emma Hawthorne	200		200		
Youth with a Mission, Margaret McGuire			0	1,000	
Support for Simon Johnson	3,000		3,000	3,000	
Winter Shelter		1,963	1,963		
Other £750 or under	150	160	310		486
	41,054	4,184	45,238	39,668	2,606
Total Charitable Giving	62,213	17,254	79,467	66,148	21,054