

ST. MARTIN-IN-THE-FIELDS PAROCHIAL CHURCH COUNCIL

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2006

St. Martin-in-the-Fields Parochial Church Council

Statement of Responsibilities of PCC Members

Law applicable to Parochial Church Councils in England and Wales requires the PCC Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the PCC and the group and of the group's incoming resources and application of resources for the year. In preparing those financial statements the PCC is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the PCC will continue in operation for the foreseeable future.

The PCC members are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the PCC and the group and which enable them to ensure that the financial statements comply with the Charities Act 1993 and the Church Accounting Regulations 2006. They are also responsible for safeguarding the assets of the PCC and the group and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

Independent Auditors' Report to the Members of St. Martin-in-the-Fields Parochial Church Council

We have audited the financial statements of St. Martin-in-the-Fields Parochial Church Council for the year ended 31st December 2006 which comprise the Statement of Financial Activities, the Balance Sheets and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the members of the PCC, as a body, in accordance with regulations made under section 43 of the Charities Act 1993 and the Church Accounting Regulations 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the PCC those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the PCC as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of PCC Members and Auditors

The PCC Members' responsibilities for preparing their Report and the financial statements in accordance with applicable law and United Kingdom Standards are set out in the Statement of Responsibilities of PCC Members.

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 & 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 PCC's Annual Report is not consistent with the financial statements, if the PCC has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report of the PCC and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

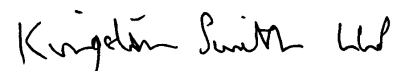
Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK & 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and 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 an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the PCC and the group as at 31st December 2006 and of the incoming resources and application of resources of the group in the year then ended and have been properly prepared in accordance with the Charities Act 1993 and the Church Accounting Regulations 2006.



Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date: 19th April 2007

St. Martin-in-the-Fields Parochial Church Council
Consolidated Statement of Financial Activities
For the year ended 31st December 2006

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2006 Total Funds £	2005 Total Funds £
Incoming Resources						
Incoming Resources from generated funds:						
Voluntary income						
Incoming resources from donors	2	148,548	-	-	148,548	162,759
Other voluntary incoming resources	3	23,287	7,281,375	-	7,304,662	1,966,244
Activities for generating funds						
Trading activities	5	2,645,027	-	-	2,645,027	2,587,548
Investment and rental income	6	20,765	77,219	3,573	101,557	112,171
Incoming Resources from charitable activities:						
- to further the Council's objects	4	24,874	-	-	24,874	35,675
Total Incoming Resources		<u>2,862,501</u>	<u>7,358,594</u>	<u>3,573</u>	<u>10,224,668</u>	<u>4,864,397</u>
Resources Expended						
Cost of generating funds:						
Publicity costs	9	5,021	-	-	5,021	4,207
Operating costs of trading activities	5	2,342,501	-	-	2,342,501	2,304,485
Charitable activities:						
Grants	7	5,522	1,429,289	-	1,434,811	7,584
Activities directly relating to the work of the Church	8	422,305	5,492,973	-	5,915,278	876,270
Governance costs:						
Church management and administration	10	10,356	-	-	10,356	9,615
Total Resources Expended		<u>2,785,705</u>	<u>6,922,262</u>	<u>-</u>	<u>9,707,967</u>	<u>3,202,161</u>
Net Incoming Resources before Transfers		76,796	436,332	3,573	516,701	1,662,236
Transfers between funds	18	-	3,573	(3,573)	-	-
Net Incoming Resources before revaluations		76,796	439,905	-	516,701	1,662,236
Gains and Losses on Investments						
Unrealised gain	14	27,254	13,836	51,238	92,328	107,514
Net Movement in Funds		<u>104,050</u>	<u>453,741</u>	<u>51,238</u>	<u>609,029</u>	<u>1,769,750</u>
Balance brought forward at 1st January 2006		<u>948,958</u>	<u>4,708,331</u>	<u>651,620</u>	<u>6,308,909</u>	<u>4,539,159</u>
Balance carried forward at 31st December 2006		<u><u>1,053,008</u></u>	<u><u>5,162,072</u></u>	<u><u>702,858</u></u>	<u><u>6,917,937</u></u>	<u><u>6,308,909</u></u>

All recognised gains and losses for the year are included in the Statement of Financial Activities.

St. Martin-in-the-Fields Parochial Church Council

Balance Sheets at 31st December 2006

	Note	Group		PCC	
		2006	2005	2006	2005
		£	£	£	£
Fixed Assets					
Intangible assets	12	-	-	-	-
Tangible assets	13	5,784,397	3,351,853	5,680,733	3,232,490
Investments	14	916,310	818,499	916,316	818,505
		<u>6,700,707</u>	<u>4,170,352</u>	<u>6,597,049</u>	<u>4,050,995</u>
Current Assets					
Stocks		84,292	89,495	-	-
Debtors	15	853,829	209,403	698,292	192,431
Cash at bank and in hand		1,413,536	3,346,404	736,500	2,877,357
		<u>2,351,657</u>	<u>3,645,302</u>	<u>1,434,792</u>	<u>3,069,788</u>
Liabilities: Amounts falling due within one year	16	<u>(1,509,251)</u>	<u>(863,124)</u>	<u>(577,516)</u>	<u>(272,114)</u>
Net Current Assets		842,406	2,782,178	857,276	2,797,674
Liabilities: Amounts falling due after more than one year	17	<u>(625,176)</u>	<u>(643,621)</u>	<u>(560,000)</u>	<u>(560,000)</u>
Net Assets		<u><u>6,917,937</u></u>	<u><u>6,308,909</u></u>	<u><u>6,894,325</u></u>	<u><u>6,288,669</u></u>
Funds					
Non-charitable trading reserves	5	23,612	20,240	-	-
Unrestricted	18	1,029,395	928,718	1,029,395	928,718
Restricted	18	5,162,072	4,708,331	5,162,072	4,708,331
Expendable endowment	18	72,000	72,000	72,000	72,000
Permanent endowment	18	630,858	579,620	630,858	579,620
	19	<u><u>6,917,937</u></u>	<u><u>6,308,909</u></u>	<u><u>6,894,325</u></u>	<u><u>6,288,669</u></u>

Approved by the Parochial Church Council on 2nd April 2007
and signed on its behalf by:

Nicholas Holtam

Rev. N. Holtam Vicar

Andrew Caspari

Andrew Caspari..... Churchwarden

Jeff Claxton

Jeff Claxton Churchwarden

The notes on pages 5 to 16 form part of these financial statements.

St. Martin-in-the-Fields Parochial Church Council
Consolidated Cashflow Statement
For the year ended 31st December 2006

	Notes	2006 £	2005 £
Net Cash Inflow from Activities	20(a)	<u>5,467,702</u>	<u>1,493,536</u>
Returns on Investments and Servicing of Finance			
Interest received	6	<u>101,298</u>	<u>112,099</u>
Net Cash Inflow from Returns on Investment and Servicing of Finance		<u>101,298</u>	<u>112,099</u>
Capital Expenditure and Financial Investment			
Payments to acquire tangible fixed assets	14(a)	(7,477,940)	(1,582,394)
Payments to acquire investments		<u>(5,483)</u>	<u>(4,640)</u>
Net Cash (Outflow) from Capital Expenditure		<u>(7,483,423)</u>	<u>(1,587,034)</u>
Financing			
Cash outflow from decrease in financing		<u>(18,445)</u>	<u>(22,593)</u>
(Decrease) in Cash in the Year	20(b)	<u><u>(1,932,868)</u></u>	<u><u>(3,992)</u></u>

St. Martin-in-the-Fields Parochial Church Council

Notes to the Financial Statements

For the year ended 31st December 2006

1 Accounting Policies

a) Basis of Preparation

The accounts have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards, the guidance issued in November 2006 by the Church Commissioners for interpreting the Statement of Recommended Practice "Accounting and Reporting by Charities" and the Charities Act 1993. They have been prepared under the historical cost convention except for the valuation of investment assets, which are shown at market value.

The consolidated accounts include the results, assets and liabilities of the PCC's subsidiaries St. Martin-in-the-Fields Limited and St. Martin-in-the-Fields Building Renewal Project Limited and include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of other charities which have been established to raise funds to support the church and its activities, church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members over which the PCC does not have operational or financial control.

b) 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 when received or as soon as the PCC is reasonably certain of the amount due.

Funds raised by the Fair and similar events 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.

c) Resources Expended

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 Common Fund share is accounted for when payable. Any quota unpaid at 31st December is provided for in these accounts as an operational (though not a legal) liability and is shown as a creditor in the balance sheet. Similarly, overpayments of quota are shown as debtors and deducted from the following year's payments.

Allocation of expenditure

Expenditure is charged directly to the appropriate category under Resources Expended where possible. Certain items of office overhead costs which cannot be allocated directly are apportioned between the categories on a basis reflecting the estimated split of resources used.

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

1 Accounting Policies (Continued)

d) Fund Accounting

Unrestricted funds are available for use at the discretion of the PCC in the furtherance of its general objectives.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of a fundraising appeal and are separately categorised in the notes to the financial statements.

Expendable endowment funds are funds which have accumulated income and is available for expenditure when the fund reaches a certain level, as more fully described in the notes to the financial statements.

Permanent endowment funds are funds which the donor or the Consistory Court has stated to be capital.

e) Fixed Assets

Goodwill

Goodwill has been determined by comparing the amount paid on the acquisition of The London Brass Rubbing Centre and the aggregate fair value of its separable net assets, and has been written off over an estimated useful life of three years.

Assets in course of construction

The assets in the course of construction comprises costs incurred that are directly attributable to the development and management of the building renewal project. The PCC has reviewed the likely total cost of the project in comparison to the estimated value in use of the enhanced facilities in terms of the charitable use to which they will be put as well as increased revenue streams. The PCC considers that the total cost will significantly exceed the value in use and has therefore made a provision against the costs to date in accordance with Financial Reporting Standard 11, "Impairment of Tangible Fixed Assets".

This asset will not be depreciated until the project is completed and the buildings to which it relates are brought into use.

Consecrated land and buildings

Consecrated and beneficed property is excluded from the accounts by s.96(2) of the Charities Act 1993. All expenditure incurred during the year on consecrated or benefice buildings, whether maintenance or improvement, is written off as expenditure in the Statement of Financial Activities and separately disclosed.

Tangible fixed assets and moveable church furnishings

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets on a straight line basis to write off the cost, less estimated residual value, over their expected useful lives as follows:

Equipment and fittings	5 years
Fixtures and moveable church furnishings	20 years

f) Investments

Investments are valued at market value. It is the PCC's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year.

g) Current Assets

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

Cash at bank includes short term deposits held either with the CBF Church of England Funds or at the bank.

Stock comprises goods for resale and is stated at the lower of cost and net realisable value.

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

1 Accounting Policies (Continued)

h) Pension Costs

The PCC contributes to the personal pension arrangements of certain employees on a discretionary basis. These are charged to the Statement of Financial Activities as they arise. There are no prepaid or accrued contributions at the balance sheet date.

2 Incoming Resources from Donors

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
Planned giving: Gift Aid and envelopes	58,569	-	58,569	65,764
Other donations under Gift Aid	17,005	-	17,005	12,770
Income tax recoverable on Gift Aid	19,469	-	19,469	20,906
Collections	27,711	-	27,711	31,754
Boxes in church	25,794	-	25,794	31,565
	<u>148,548</u>	<u>-</u>	<u>148,548</u>	<u>162,759</u>

3 Other Voluntary Incoming Resources

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
Building Development grants and donations:				
Heritage Lottery Fund grant	-	-	-	245,705
Other grants and donations	-	7,142,383	7,142,383	1,431,437
Income tax recoverable on Gift Aid	-	-	-	10,212
Sponsorship income - building development	-	-	-	20,000
VGF grant (clergy)	-	47,117	47,117	54,163
Donations received	3,715	90,000	93,715	155,579
VAT reclaim	-	-	-	27,036
Chinese Congregation donation	2,000	-	2,000	1,000
Legacies	3,312	-	3,312	9,365
Music income	8,172	-	8,172	4,192
Committees:				
International	10	-	10	34
Worship and Spirituality	2,181	-	2,181	1,796
Hospitality Committee	1,199	-	1,199	1,218
Education income	2,698	-	2,698	4,507
Trinity Chapel	-	1,875	1,875	-
	<u>23,287</u>	<u>7,281,375</u>	<u>7,304,662</u>	<u>1,966,244</u>

4 Incoming Resources from Operating Activities to further the Council's objects

	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
St. Martin's Review	190	-	190	1,817
Special church services	24,684	-	24,684	33,858
	<u>24,874</u>	<u>-</u>	<u>24,874</u>	<u>35,675</u>

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

5 Trading Subsidiaries

The PCC, through nominees, owns the whole of the issued share capital of the following companies, which are both registered in England and Wales.

St Martin-in-the-Fields Limited (SMITFL), whose principal activities during the year were those of operating a restaurant, a bookshop, a market, concert management, the organisation of exhibitions and other retailing activities. The whole of the company's taxable profits are payable under Gift Aid to the PCC.

St Martin-in-the-Fields Building Renewal Project Limited (BRP), which commenced its principal activity of the management and administration of the building renewal project from 1st January 2004. The entire turnover of this company is intra group and is therefore excluded from the consolidated results. The cost of sales represents expenditure incurred in connection with the Building Renewal Project, the majority of which has been capitalised in accordance with FRS 15.

A summary of the results of the subsidiaries are shown below:

	SMITFL	BRP	Total	Total
	2006	2006	2006	2005
	£	£	£	£
Turnover	2,639,845	7,418,819	10,058,664	5,479,606
Cost of sales	<u>(1,206,274)</u>	<u>(7,418,818)</u>	<u>(8,625,092)</u>	<u>(4,032,220)</u>
Gross Profit	1,433,571	1	1,433,572	1,447,386
Other income	5,182	2,566	7,748	10,912
Other operating costs	(1,133,661)	(2,567)	(1,136,228)	(1,170,334)
Charges payable to PCC	(77,448)	-	(77,448)	(85,786)
Gift Aid donation to PCC	<u>(224,272)</u>	<u>-</u>	<u>(224,272)</u>	<u>(198,357)</u>
Net profit retained in Subsidiaries	<u>3,372</u>	<u>-</u>	<u>3,372</u>	<u>3,821</u>
Accumulated profits brought forward	20,240	-	20,240	16,419
Non-charitable trading reserves	<u>23,612</u>	<u>-</u>	<u>23,612</u>	<u>20,240</u>

6 Investment and Rental Income

	Unrestricted	Restricted	Endowment	2006	2005
	Funds	Funds	Funds	Total	Total
	£	£	£	Funds	Funds
	£	£	£	£	£
Interest received from Rysbrack and others	20,506	77,219	3,573	101,298	112,099
Sundry income	<u>259</u>	<u>-</u>	<u>-</u>	<u>259</u>	<u>72</u>
	<u>20,765</u>	<u>77,219</u>	<u>3,573</u>	<u>101,557</u>	<u>112,171</u>

7 Grants

	Unrestricted	Restricted	Endowment	2006	2005
	Funds	Funds	Funds	Total	Total
	£	£	£	Funds	Funds
	£	£	£	£	£
International Committee grants	5,522	-	-	5,522	7,584
SMITF Development Trust	<u>-</u>	<u>1,429,289</u>	<u>-</u>	<u>1,429,289</u>	<u>-</u>
	<u>5,522</u>	<u>1,429,289</u>	<u>-</u>	<u>1,434,811</u>	<u>7,584</u>

A list of grants paid is available on request from the PCC office.

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

8 Activities directly relating to the work of the Church	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
Ministry:				
Common Fund	101,338	-	101,338	96,230
Capitation fee	922	-	922	904
Clergy expenses	7,585	-	7,585	6,897
Altar supplies	2,290	-	2,290	3,812
Church running expenses	20,704	-	20,704	19,352
Church maintenance and repairs	11,234	22,375	33,609	67,217
Building development proposals	-	132,068	132,068	117,220
Clergy costs	-	37,136	37,136	54,668
Crib figure costs	-	80,601	80,601	77,460
Training	97	-	97	924
St. Martin's Review	27	-	27	3,727
Special Church Services expenses	5,790	-	5,790	9,010
Church Music	12,664	-	12,664	10,203
Choral and Organ Scholars	6,590	-	6,590	9,982
Hospitality committee	727	-	727	608
Flowers	443	-	443	512
Worship and Spirituality Committee	3,333	-	3,333	1,987
Insurance	50,003	-	50,003	50,897
Sundries	4,898	-	4,898	12,236
Depreciation	-	4,918	4,918	3,591
Provision for impairment	-	5,000,000	5,000,000	-
Staff accommodation	4,321	-	4,321	4,064
Furniture and equipment expenses	1,979	-	1,979	300
Staff costs (including temporary staff)	177,559	215,875	393,434	307,300
Staff pension cost	2,926	-	2,926	3,248
Dedicated giving officer	2,474	-	2,474	2,468
Education	3,885	-	3,885	7,127
Recruitment costs	516	-	516	1,191
Computer costs	-	-	-	3,135
	<u>422,305</u>	<u>5,492,973</u>	<u>5,915,278</u>	<u>876,270</u>

9 Publicity Costs	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
Welcome Pack	114	-	114	105
Church Guides	2,542	-	2,542	1,986
Marketing	1,378	-	1,378	1,396
Annual Report	987	-	987	720
	<u>5,021</u>	<u>-</u>	<u>5,021</u>	<u>4,207</u>

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2005 (Continued)

10 Governance Costs	Unrestricted Funds £	Restricted Funds £	2006 Total Funds £	2005 Total Funds £
Professional fees	2,174	-	2,174	1,538
Bank charges	1,278	-	1,278	1,154
Auditors' remuneration	6,904	-	6,904	6,923
	10,356	-	10,356	9,615

11 Staff Costs	2006 £	2005 £
Wages and salaries	1,211,679	1,182,162
Social security costs	108,792	103,855
Pension costs	18,323	7,987
PCC activities and administration (agency & subcontractors)	162,007	43,624
	1,500,801	1,337,628

The average number of employees across the group was 70 (2005 - 75). Their payroll costs can be analysed as follows:

	2006 £	2005 £
PCC activities and administration	182,959	157,510
Clergy support	-	19,142
Building campaign team	215,875	155,505
Building renewal project	63,329	104,129
Trading subsidiary	1,038,638	901,342
	1,500,801	1,337,628

The number of employees whose emoluments amounted to over £50,000 in the year was as follows:

	2006 Number	2005 Number
£50,001 - £60,000	1	1
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
	1	1

Expenses reimbursed to members of the clergy, who are ex-officio PCC members, amounted to £7,585 (2005 - £4,621) for various items of expenditure. An honorarium of £2,474 (2005 - £2,468) was paid to a member of the PCC as dedicated giving officer. During 2005 Gloria A Mumuney of St Martin-in-the-Fields Limited was elected to the PCC. Her remuneration for the year amounted to £4,393 (2005: £5,353 in the period since joining the PCC). None of the other PCC members received emoluments or reimbursements of expenses during the year (2005 - £Nil).

12 Intangible Assets - Goodwill	Group £	PCC £
Cost		
At 1st January 2006 and 31st December 2006	135,000	-
Amortisation		
At 1st January 2005	135,000	-
Charge for the year	-	-
At 31st December 2006	135,000	-
Net Book Value		
At 31st December 2006	-	-
At 31st December 2005	-	-

The goodwill relates to the acquisition by St Martin-in-the-Fields Limited of the London Brass Rubbing Centre in 2003.

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

13 Tangible Fixed Assets for Use by the PCC

a) Group	Assets in the course of construction	Equipment and Fittings	Fixtures and Moveable Church Furnishings	Total
Cost	£	£	£	£
At 1st January 2005	3,184,764	442,676	71,816	3,699,256
Additions	7,451,751	24,779	1,410	7,477,940
Disposals	-	(103,864)	-	(103,864)
	<u>10,636,515</u>	<u>363,591</u>	<u>73,226</u>	<u>11,073,332</u>
At 31st December 2006				
Depreciation				
At 1st January 2005	-	322,268	25,135	347,403
Charge for the year	-	41,522	3,873	45,395
Provision for impairment	5,000,000	-	-	5,000,000
Disposals	-	(103,863)	-	(103,863)
	<u>5,000,000</u>	<u>259,927</u>	<u>29,008</u>	<u>5,288,935</u>
At 31st December 2006				
Net Book Value				
At 31st December 2006	<u>5,636,515</u>	<u>103,664</u>	<u>44,218</u>	<u>5,784,397</u>
At 31st December 2005	<u>3,184,764</u>	<u>120,408</u>	<u>46,681</u>	<u>3,351,853</u>
b) PCC	Assets in the course of construction	Equipment and Fittings	Fixtures and Moveable Church Furnishings	Total
Cost	£	£	£	£
At 1st January 2006	3,184,764	35,348	71,816	3,291,928
Additions	7,451,751	-	1,410	7,453,161
	<u>10,636,515</u>	<u>35,348</u>	<u>73,226</u>	<u>10,745,089</u>
At 31st December 2006				
Depreciation				
At 1st January 2006	-	34,303	25,135	59,438
Charge for the year	-	1,045	3,873	4,918
Provision for impairment	5,000,000	-	-	5,000,000
	<u>5,000,000</u>	<u>35,348</u>	<u>29,008</u>	<u>5,064,356</u>
At 31st December 2006				
Net Book Value				
At 31st December 2006	<u>5,636,515</u>	<u>-</u>	<u>44,218</u>	<u>5,680,733</u>
At 31st December 2005	<u>3,184,764</u>	<u>1,045</u>	<u>46,681</u>	<u>3,232,490</u>

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

14 Fixed Asset Investments	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2006	Total 2005
(a) Group	£	£	£	£	£
Market value at 1st January 2006	193,686	132,852	491,961	818,499	706,345
Additions at cost	5,483	-	-	5,483	4,640
Revaluation gain	27,254	13,836	51,238	92,328	107,514
	<u>226,423</u>	<u>146,688</u>	<u>543,199</u>	<u>916,310</u>	<u>706,345</u>
Market value at 31st December 2006	<u>226,423</u>	<u>146,688</u>	<u>543,199</u>	<u>916,310</u>	<u>706,345</u>
Historical cost at 31st December 2006	<u>172,873</u>	<u>100,000</u>	<u>350,000</u>	<u>622,873</u>	<u>618,233</u>

The market values of the principal investments at 31st December 2006 were as follows:

	2006 £	2005 £
Friends Provident Exempt Ethical UK Equity Trust (Contingency reserve)	223,696	191,678
CBF Investment Fund Accumulation Units (Fabric reserve)	146,688	132,852
CBF Investment Fund Income Shares	543,199	491,961

(b) PCC

In addition to the investments shown above, the PCC owns 100% of the issued share capital of St. Martin-in-the-Fields Limited at a cost and market value of £3 (2005 - £3) and 100% of the issued share capital of St Martin-in-the-Fields Building Renewal Project Ltd at a cost of and market value of £3 (2005 - £3).

15 Debtors	Group		PCC	
	2006 £	2005 £	2006 £	2005 £
Trade debtors	100,527	53,776	-	905
Amounts owed by group and subsidiary undertakings:				
Charitable donation	-	-	224,272	148,357
Current account	-	-	41,559	-
Amount owed by connected charity	211,269	-	211,269	-
Other debtors	462,559	131,243	199,573	18,785
Prepayments and accrued income	79,474	24,384	21,619	24,384
	<u>853,829</u>	<u>209,403</u>	<u>698,292</u>	<u>192,431</u>

16 Liabilities: Amounts falling due within one year	Group		PCC	
	2006 £	2005 £	2006 £	2005 £
Unsecured loans (see note 17)	24,319	32,186	-	-
Trade creditors	1,017,014	215,159	12,228	16,906
Amounts owed to subsidiary undertakings	-	-	492,173	118,604
Other creditors	271	374,090	271	311
Advance receipts	750	759	750	759
Other taxes and social security	123,023	105,396	-	-
Accruals and deferred income	343,874	135,534	72,094	135,534
	<u>1,509,251</u>	<u>863,124</u>	<u>577,516</u>	<u>272,114</u>

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

17 Liabilities: Amounts falling due after more than one year	Group		PCC	
	2006	2005	2006	2005
	£	£	£	£
Unsecured loans	<u>625,176</u>	<u>643,621</u>	<u>560,000</u>	<u>560,000</u>

The bank loans are repayable in equal monthly instalments of £1,536 and £2,060 respectively. They carry interest at 2.5% per annum and 2.0% per annum respectively above the Bank's Base Rate. The other loan does not attract interest and is subject only to the criterion that it does not exceed £560,000.

Analysis of loans	Bank Loans		Other Loan	
	2006	2005	2006	2005
	£	£	£	£
Repayable in 1 - 2 years	24,319	24,319	-	-
Repayable in 2 - 5 years	40,857	59,302	560,000	560,000
Repayable in over 5 years	-	-	-	-
	<u>65,176</u>	<u>83,621</u>	<u>560,000</u>	<u>560,000</u>

18 Statement of Funds - PCC	At				At
	1st January	Income	Expenditure	Transfers/ Investment	31st December
	2006			Gains	2006
	£	£	£	£	£
Unrestricted Funds					
General	864,112	516,627	(437,682)	27,254	970,311
Business reserve fund	50,000	-	-	-	50,000
Other designated funds (see below)	<u>14,606</u>	-	<u>(5,522)</u>	-	<u>9,084</u>
Total unrestricted funds	<u>928,718</u>	<u>516,627</u>	<u>(443,204)</u>	<u>27,254</u>	<u>1,029,395</u>
Restricted Funds					
Moveable Church Furnishings	46,681	-	(4,918)	-	41,763
Church maintenance fund	202,011	77,219	(22,375)	3,573	260,428
Renewal Project	4,378,582	7,142,383	(6,777,232)	13,836	4,757,569
East Window Project	-	35,383	(27,695)	93,259	100,947
Other restricted income	<u>81,057</u>	<u>103,609</u>	<u>(90,042)</u>	<u>(93,259)</u>	<u>1,365</u>
Total restricted funds	<u>4,708,331</u>	<u>7,358,594</u>	<u>(6,922,262)</u>	<u>17,409</u>	<u>5,162,072</u>
Endowment Funds					
<i>Permanent endowment fund</i>					
Rysbrack Bust Fund	579,620	-	-	51,238	630,858
<i>Expendable endowment fund</i>					
Church Silver Fund	<u>72,000</u>	<u>3,573</u>	-	<u>(3,573)</u>	<u>72,000</u>
Total endowment funds	<u>651,620</u>	<u>3,573</u>	-	<u>47,665</u>	<u>702,858</u>
Total funds	<u>6,288,669</u>	<u>7,878,794</u>	<u>(7,365,466)</u>	<u>92,328</u>	<u>6,894,325</u>

Designated Funds

Renewal Project

During 2005 PCC decided to transfer £50,000 to a designated fund to provide a reserve for the expected decrease in the level of activity by St Martin-in-the-Fields Limited as a result of the disturbance caused by the Building Renewal Programme.

International and Hospitality Committees

These committees form part of the activities of the PCC and funds held by them are shown as designated reserves. During the year the PCC transferred £5,522 to the International Committee (2005 - £7,584).

St. Martin-in-the-Fields Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

18 Statement of Funds (Continued)

Restricted Funds

Moveable Church Furnishings represent donations and grants that were used to acquire assets in accordance with the wishes of the donors. The cost of these assets has been capitalised as part of fixed assets and are being depreciated over their useful economic life.

The Church Maintenance fund represents accumulated donations and income from the Rysbrack Bust Fund, which is restricted to maintenance of the fabric and ornaments of the Church.

The Renewal Project represents income and expenditure specifically in connection with the new buildings development.

At 31st December 2006 there was a commitment of £25,863,251 (2005: £9,328,558) for works connected with the building renewal project.

Endowment Funds

Rysbrack Bust Fund

At 31st December 2006, the London Diocesan Fund held investments and cash to the value of £630,858 (2005 - £576,959) on behalf of the Parochial Church Council following a judgement of the Consistory Court of the Diocese in accordance with agreements proposed on the sale by the Parochial Church Council of the Rysbrack Bust. The agreements state that once this fund, together with accumulated income, reached the amount of £435,000, the income therefrom would become available for the purposes of maintaining the fabric of the church. The income payable to the church during the year amounted to £20,500 (2005 - £20,036).

Church Silver Fund

At 31st December 2006, the London Diocesan Fund held the sum of £82,487 (2005 - £78,914) on behalf of the Parochial Church Council as an accumulation fund set up as decreed by the Chancellor of the Court of Arches following a sale of church silver. An amount of £10,487 will be passed to the Church under the terms of the fund which has now reached a total of £72,000. All further increases in the Church Silver Fund will be transferred in the same manner for the purpose of maintaining the fabric of the church.

As the PCC is the beneficial owner of these funds, they have been included in the financial statements.

19 Analysis of Group Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2006 £
Fund balances at 31st December 2006 are represented by:				
Tangible fixed assets	103,664	5,680,733	-	5,784,397
Investments	226,423	146,688	543,199	916,310
Net current assets	788,096	(105,349)	159,659	842,406
Long term liabilities	(65,176)	(560,000)	-	(625,176)
	<u>1,053,007</u>	<u>5,162,072</u>	<u>702,858</u>	<u>6,917,937</u>
Total net assets	<u>1,053,007</u>	<u>5,162,072</u>	<u>702,858</u>	<u>6,917,937</u>

St. Martin-in-the-Field Parochial Church Council
Notes to the Financial Statements
For the year ended 31st December 2006 (Continued)

20	Notes to the Consolidated Statement of Cash Flows	2006	2005
		£	£
	<i>(a) Reconciliation of net change in resources to net cash inflow from activities:</i>		
	Net incoming resources	516,701	1,662,236
	Depreciation	45,395	66,952
	Impairment provision	5,000,000	-
	Amortisation	-	33,750
	Decrease/(increase) in stock	5,203	(1,516)
	(Increase)/decrease in debtors	(644,426)	27,192
	Increase/(decrease) in creditors	646,127	(182,979)
	Interest received	<u>(101,298)</u>	<u>(112,099)</u>
	Net cash inflow from activities	<u>5,467,702</u>	<u>1,493,536</u>
		2006	2005
		£	£
	<i>(b) Reconciliation of net cash flow to movement in funds</i>		
	(Decrease) in cash in the year	(1,932,868)	(3,992)
	Cash outflow from decrease in financing	<u>18,445</u>	<u>22,593</u>
	Movement in net funds in the year	(1,914,423)	18,601
	Net funds at 1 September	<u>2,702,783</u>	<u>2,684,182</u>
	Net funds at 31 August	<u>788,360</u>	<u>2,702,783</u>
	<i>(c) Analysis of changes in net funds</i>		
		Cash Flow	2006
		£	£
	Cash at bank	(1,932,868)	(1,932,868)
	Bank and other loans	<u>18,445</u>	<u>(625,176)</u>
	Net funds	<u>(1,914,423)</u>	<u>(2,558,044)</u>