

**THE PAROCHIAL CHURCH COUNCIL OF
THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK
(registered charity no. 1130866)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023**

The Parochial Church Council (PCC) has pleasure in presenting its Report and Financial Statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, the Charities Act 2011, the Church Accounting Regulations 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The PCC is a Public Benefit Entity.

OBJECTIVES AND ACTIVITIES

St Michael le Belfrey Parochial Church Council (PCC) is responsible with the Vicar (Matthew Porter until June 2023) / Interim Priest-in-Charge (Andy Baker from October) for good governance of the church.

Over the last 12 months the church – often known as the Belfrey – has continued in its vision to *Serve God's Transformation of the North*. Our five aims of *Serving York, Making disciples, Nurturing disciples, Developing leaders* and *Planting churches* are at the heart of our strategy. These are about social action, evangelism, discipleship, leadership and planting. These five aims particularly informed our activities, our prayers and our preaching during 2023. We also launched a new mission statement in September, which was a public-facing summary of all of our vision and aims. This statement was that we are to *Pray, Give, Grow*, building on our legacy of prayer and ministry, our value of generosity and our desire to continue to grow in fruitfulness as we temporarily occupy the De Grey Rooms. The Leadership Team and PCC believe that, if we do these things, with the help of God our missional influence on our city and region will be great.

We believe that our major project to reorder and repair St Michael le Belfrey Church, known as *Impact*, is crucial to the advancement of the Belfrey's vision and strategy. Significant milestones were achieved in 2023, when we received planning permission and listed building consent from City of York Council, faculty approval from the Chancellor of the Diocese of York and our first substantial grant towards the work. Tenders were issued and we continued to fundraise for the final 20% of finance required.

When considering the objectives of the charity the trustees (the PCC) have referred to the guidance contained in the Charity Commission's general guidance on public benefit. This report highlights some of the public benefit of St Michael le Belfrey Church.

ACHIEVEMENTS AND PERFORMANCE

Church attendance

St Michael le Belfrey has a simple gathering structure of congregations and groups. During 2023 we had 4 weekly services (on Sundays, meeting in St Michael le Belfrey Church, moving to De Grey Rooms from September at 9am, 11am and 6pm; and on Wednesdays at 12.30pm). Our Sunday services were also available online. Throughout 2023 we had approximately 40 midweek small groups, known as Belfrey Groups.

At the Annual Meeting 2023 there were 488 people on the church electoral roll, plus a further 38 at G2, a church we began in 2004, still legally under our governance, making the total 526.

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The average weekly attendance during October 2023 was 414 for congregations meeting in De Grey Rooms, and 180 for online linkups, making a weekly total of 594. (This does not include G2.)

Operational review

2023 was a year of change, as we said farewell to our previous Vicar, Matthew Porter, on his consecration as Bishop of Bolton; and as we temporarily decanted into the De Grey Rooms so that the build phase of our Repair and Reordering project, *Impact*, could begin in St Michael-le-Belfrey Church. Church life picked up in our new venue, as we gathered there for weekly services and events. But as is clear from this booklet, which summarises many ministries of our church, so much more happened in 2023!

As we continued to be a church wanting to play our part in serving God's transformation of the North, we had our five aims very much in mind:

- serving York (social action)
- making disciples (evangelism)
- nurturing disciples (discipleship)
- developing leaders (leadership)
- planting churches (planting)

As we sought to **serve York** especially by supporting those in need through our Social Action Programme, it was exciting to see our CAP (Christians Against Poverty) Debt Centre develop, helping those struggling with debt. We rejoiced with each of the four people who were set free from debt by this work. Within this programme, our Post-Pandemic Fund (PPF) continued to be a beneficial resource, enabling us to give many small grants to organisations serving York in our three focus areas: poverty; mental health; and young people and families. We did this in partnership with Two Ridings Community Foundation as well as some grant-making responsive to immediate local needs. We also ran a £100,000 'Catalyser' Fund where we awarded larger grants to 8 local charities to act as a catalyst for growth, innovation and sustainability, and formed a Community of Practice to continue learning together.

Other grant-making included £50,000 to support the Eden Byker Team being established by St Thomas' Newcastle, one of our previous Belfrey church plants. Thanks to the PPF, we were delighted to appoint Mandy Smith as our Children & Families Outreach Worker, to develop a network supporting church-run toddler groups, in partnership with the Diocese of York who provided some additional funding for this, and to set up a family befriending service to start in 2024 in partnership with Safe Families UK. Jessica Horn also joined us to set up and manage our Counselling Service, due to launch in spring 2024 in partnership with Wellspring Therapy and Training.

All the projects we've started as part of our social action programme provide opportunities for church members to get involved in volunteering, and we especially emphasised this through our Love Your Neighbour initiative, which had a different focus for each quarter of the year for congregations to get involved with, including Besom projects, harvest foodbank donations and Christmas hampers for those in need.

We also, in 2023, continued to preach Christ and sought to be a church **making disciples**. We know of at least 53 people who made professions of faith during the year, and 27 adults publicly marked new or renewed faith (in Baptism, or Affirmation of Baptismal Faith). Our Belfrey Doors team facilitated daily opening of our church building during the week until it closed in September, to welcome in visitors to experience the good news of Jesus. Welcome Lunches were hosted almost every month, and we continued to ensure people were linked into Belfrey Groups.

Through our Belfrey Groups, worship services and courses such as *The Bereavement Journey*, we aimed to be a church **nurturing disciples**. In 2023 we were sad to say farewell to Elaine Davies,

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Grace Dawson, Doug Greenfield, Jenny Hough, Daniel Lydiate, Harry Lydiate, Linda Peace, Bob Shead and Dan Simpson as they passed away. We honoured them and their kind and faithful service to many. They will be sorely missed. Our House of Prayer team continued to pray for transformation in York and the North, and a faithful group gathered on Zoom at 7am each Tuesday morning for Dynamic Prayer.

Developing leaders continued by giving more people opportunities to lead – not just in services, but in small groups and many of the church’s ministries. We were pleased to have 22 fantastic interns with us across 2023, and to watch them grow in faith, spiritual maturity and experience. As well as running the *Growing Leaders* course, lots of people have been safeguarding-trained and equipped for roles in all sorts of areas of church life. Most of all, we hope the teaching in our services and the Bible studies in our small groups are able to be applied in a multiplicity of contexts, so each one of us is increasingly equipped to be people of influence, in our families, in our streets, at work and beyond.

It was wonderful to be preparing to send Vicky Earll and a team to plant a church in Hull early in 2024. As **planting churches** becomes more embedded in our culture, we’ve been able to serve the vision of our Diocese. Having a *Northern Church Planting Fund* is also helpful, as we can support a variety of planting initiatives beyond us, not just in prayer but with some financial support and networking too.

As part of our move to the De Grey Rooms, and in order to specify what God was doing this year, we launched our new Mission Statement ‘Pray, Give, Grow.’ This was to make it apparent that for the next few years, whilst we are out of our own church building, we have a clear way to keep our eyes fixed on Jesus. We will continue to focus on our five aims but this mission statement allows us to clearly focus on prayer, generosity and growth in order to work towards them.

2023 was a hugely significant year for *Impact*, our c£11m project to repair and reorder St Michael le Belfrey Church building. We received a further £1.5 million and are enormously grateful to those who have given their support, including Trusts, individual donors and our generous church members. Significant grants have been pledged or received from the Benefact Trust, Liz and Terry Bramall Foundation, Feoffee of St Michael’s Spurriergate, Yorkshire Historic Churches Trust, The Hobson Charity and The Collier Trust.

The project was granted essential permissions in 2023 - a big answer to prayer - which included planning permission and listed building consent from City of York Council and faculty approval from the Chancellor of the Diocese of York. Further applications to install smoke vents in the new roof to meet fire regulations and for the external signage and creation of hoardings with graphics were submitted later in the year.

Autumn 2023 gave us the opportunity to carry out our Wood Reclamation project, ahead of the Construction stage. The aim is to repurpose the wood for commercial and domestic use as part of our Sustainability strategy. Taking down the pews, gallery and narthex panels was carried out carefully and sensitively, recognising that the removal of such features has met with opposition. The hope is the gallery staircases can be used in new locations and the children’s pews reconstructed and relocated. Some of the wood has been made into Belfrey furniture for people to purchase, particularly for members or those with a former connection with the church. It gives them the opportunity to own a physical reminder of the church building before it is reordered and contributes to the fundraising campaign.

In December 2023 the Tender, a substantial piece of work, was issued to six contractors by Cost Consultants Morham & Brotchie (The Belfrey’s Cost Consultants and part of the design team led by LDN Architects). Tenders are due to be returned in March 2024 and the hope is to select a Contractor to start on site by Spring 2024.

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We continue to cover Impact in prayer as we move into 2024. It is a stretching project but the results from which will support our ministries for generations to come.

PLANS FOR THE FUTURE

In order to further our vision, we continued in 2023 to work on fulfilling our 5 Year Roadmap, launched in 2021. The roadmap informed much of our preaching and in 2023, we preached on themes that would prepare us well for our reordering project, while keeping mission central to our church life. Looking ahead we are convinced that all five aims need to be kept central to church life if we are to continue to grow, impact our city and beyond and be a church that plants churches that plant churches.

St Michael le Belfrey continues to plan for growth, not for decline. We believe we have a strategic and God-given vision and humbly, prayerfully and confidently seek for it to be furthered in the coming years. We plan to send out a team every two years to plant either something brand new or to revitalise an old church. We are pleased to be part of the Diocese's strategic planning for the coming years as together we seek to grow and to particularly impact the 20s-40s age group. We will also continue developing our plans for using a re-ordered St Michael le Belfrey church building. As we do so, we will seek to become an increasingly sustainable church, in line with the *Climate and Environmental Emergency Declaration* which the PCC made in autumn 2021. As part of this declaration we committed to becoming an eco-church, resolving that our church repair/reordering and our church family should treat eco matters as very important.

CHARITY GOVERNANCE CODE

As a charitable body, we fulfil the 7 principles set out in the Charity Governance Code as follows:

1. Organisational Purpose:

We exist for worship and mission in the parish of St Michael le Belfrey, York. Our vision is to be serving God's Transformation of the North and for this we work and pray. To fulfil this vision our strategic emphases in 2023 were: serving York, proclaiming Christ, nurturing disciples, developing leaders and planting churches.

2. Leadership:

The church is led by the Vicar with the assistance of a Leadership Team and is governed by the PCC. Both the Vicar and Associate Minister are of incumbent status. Responsibility for much of the day-to-day life of the church is delegated to our staff and volunteers. We highly value the ministry of the whole church, with much work being done by volunteers, including small group leaders, helpers and pray-ers in all sorts of areas of church life.

3. Integrity:

We are followers of Jesus who seek to live under the authority of Scripture in the power of the Holy Spirit, while recognising our imperfections and weaknesses and our need of God's grace. We take safeguarding very seriously, being ably led by our Parish Safeguarding Officer, Barrie Stephenson, with over 200 members of our church family receiving regular safeguarding training. We seek to live with integrity, telling the truth and abiding by the law of the land. At PCC meetings we name conflicts of interest. We seek to honour each other, speak well of each other and give each other the benefit of the doubt. We particularly value generosity, festivity, simplicity, and humility. Our supporting values include kindness, creativity, diversity and integrity.

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4. Decision-Making, Risk and Control:

We have a number of key goals for each year which are regularly monitored. We regularly review terms of reference, policies and the risk register. Our PCC membership is refreshed annually. Our accounts are professionally audited. Our financial statements, annual reports and various publications are shared with the Diocese of York, of which we are part. All staff and volunteers are line-managed.

5. Board Effectiveness:

Our PCC and Standing Committee meet in alternate months. We take advice from experts outside our church, especially in specialist HR, safeguarding or finance matters. We believe the PCC has a good mix of skills, experience, common sense and prayerfulness. New PCC members are given trustee induction and all undergo basic online safeguarding training.

6. Diversity:

God's Kingdom is made up of all manner of people but, historically, our church has not fully reflected this diversity in its membership, staffing and leadership, partly because of the background and makeup of York residents. We have continued to seek to make progress towards greater diversity within the leadership and membership of this church. There is a better gender and age balance across wardens and PCC members than in most churches. In particular, in 2022 we were pleased, with other larger churches in our diocese, to support a new racial diversity policy, committing ourselves to develop our recruitment processes to attract greater participation from diverse groups, and ensuring our interview panels are suitably diverse and their members have undergone unconscious bias training.

7. Openness & Accountability:

Our key stakeholders are our church family. Those who belong to the Belfrey normally show this by joining our electoral roll, worshipping regularly at one of our services, joining a small group and giving regularly. Most choose to receive a weekly email which includes a Friday Message (from the Vicar and staff), as well as news items, a calendar of services and Belfrey events, links to useful resources for church members, and the latest PCC Minutes. As well as oral and video notices in our services our church provides regular information on various social media platforms, including Facebook, Instagram and Twitter. We listen to feedback and take seriously all suggestions on how to improve our church life, discussing this at VLT and when necessary at PCC. Our 5 Year Roadmap, launched in 2021, incorporated feedback gathered in a large-scale Church Survey carried out in 2020. This survey also took place in 2023, which gave us interesting data. The issues that were highlighted were mainly around prayer and the value people place on Worship and Bible Teaching. We were also delighted to see that over 50% of our church would be interested in planting. We also encourage questions to be asked throughout the year, with written questions being invited on our annual report as well as oral questions at our Annual Meeting. We comply with the Data Protection Act 2018 and keep clear, accurate and up-to-date membership records using the safe and secure ChurchSuite church management system.

FINANCIAL REVIEW

Total income received in 2023 was £1,465,176 and total expenditure was £1,765,271. This led to an overall deficit of £300,095, mostly due to expenditure of restricted funds related to the Impact project and the Post-Pandemic Fund.

Unrestricted income was £815,276 and unrestricted expenditure £793,317 leaving a surplus of £21,959. Compared with 2022, unrestricted donations and legacies increased by £126,000 to £696,000. £15,000 of this was designated by the PCC for work with children, families and students. Unrestricted expenditure reduced by £67,000 to £793,000. This was mostly to do with

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moving to the De Grey Rooms over the summer and savings on utilities in the church and the parish centre over winter.

Restricted income was £649,900 and restricted expenditure £971,954, resulting in a deficit of £322,054. Compared with 2022, restricted donations and legacies increased by £76,000. This was due to continued fundraising for Impact, which brought in £65,000 more than in 2022 before Gift Aid. We also received £291,000 of restricted grant income. £220,000 of this was for the Impact project, £33,000 was reimbursed VAT under the Listed Places of Worship grant scheme (also for the Impact project), and £35,000 towards 18-30s and student workers' salaries. We were able to earn £55,000 of bank interest by investing money received for Impact in short-term deposits.

The Post-Pandemic Fund for social action gave out grants in 2023 amounting to £217,000. While we did receive £9,500 of income into the PPF in 2023, the fund is on track to be fully spent by the end of 2027. Fundraising has started in order to enable the social action projects that have been established to continue after that time. No grants were awarded out of the Northern Church Planting Fund in 2023 but there are four applications which will be considered in the first half of 2024.

Total expenditure on Impact during 2023 was £473,612, while income totalled £511,472. The main costs were architect fees (£129,000), the deposit and rent for the De Grey Rooms (£115,000), project team salaries (£73,000), wood removal (£38,000), reclaimable VAT (£34,000), and legal fees for lease agreements and Diocesan Chancellor costs (£26,000).

In 2023 trading activities amounted to £34,000, consisting of a mixture of hiring out the De Grey Rooms and the Belfrey Hall, as well as Impact merchandise and furniture reclamation sales.

During the year a legacy received for Holy Communion was used to buy two new silver chalices, two new silver plates, storage boxes and items of linen, which are now being used in De Grey Rooms while our older and more precious pieces of silverware are being repaired and then stored in York Minster for the duration of Impact. We also purchased a new keyboard to be used for worship. The rest of the legacy will be used to repair the reredos and altar area in the church building.

The move to De Grey Rooms over the summer was a significant event. While Impact funds have covered the rent for the building, general church funds were used to invest in new staff laptops, the truss set up in the ballroom and the extra desks, chairs, sofas and tables needed to use the space effectively. The new computers and truss have been added to the balance sheet as assets and we are planning to sell the truss when we vacate the De Grey Rooms, as it should still have significant value by then.

INVESTMENT POLICY

The PCC took external financial advice in 2021 from CCLA Investment Management Ltd on the investment of funds restricted for expenditure on the Impact Project, taking account also of its reserves and funds held for other projects. We continued to follow this advice in 2023. In view of the likely timescale for expenditure of the bulk of these funds and uncertainty over market conditions in the meantime, it would be appropriate to avoid significant risk and keep funds in cash deposits. The PCC will authorise the opening of additional bank deposit accounts as necessary, seeking to maximise the rate of interest consistent with the security of the funds and the required availability for Impact and other expenditure.

RISK MANAGEMENT

The PCC acknowledges its responsibility to identify, assess and manage the major risks to which it is exposed.

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Major risks arise from a variety of aspects of the church's internal operations and external environment, including security, health and safety, and finance.

The PCC delegates the management of risk to the Operations Manager, the Treasurer team and Finance Manager, and a designated Churchwarden. Through this group the PCC maintains a register of major risks, and continues to ensure that systems and processes are in place to mitigate exposure to these risks. The risk register is held and kept up to date by the Operations Manager. The full PCC reviews the risk register on at least an annual basis, usually every March. The Impact Project, to restore and reorder St Michael le Belfrey, holds its own separate risk register which is managed by the Impact Board under the supervision of the PCC.

RESERVES POLICY

Our policy is to keep a cash reserve equating to three months' core staffing costs. At the moment that is around £90,000. Our total unrestricted net current assets at 31 December 2023 amounted to £108,047, which includes £15,000 designated by the PCC for work with children, families and students. Our reserves as at 31 December 2023 were £93,047.

The PCC holds property and equipment valued at £974,714, which are included in the unrestricted reserves and could be converted into cash if the need arose.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parish of St Michael le Belfrey, York, is a parish within the Church of England as defined by canon law. Individual parishes within the Church of England do not have a separate constitution. They work within the framework of Church of England ecclesiastical law, consisting of the Parochial Church Council (Powers) Measure 1956 and the Church Representation Rules. The Belfrey received individual charitable status on 30 July 2009.

St Michael le Belfrey is governed by the PCC, the members of which are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. In 2023 the church was led by the Vicar until June, by the Associate Minister and Church Wardens from June to October and thereafter by the Interim Priest-in-Charge, all assisted by a Leadership Team. A team of dedicated staff and volunteers manages day-to-day activities. We are most grateful for all that these various office-holders contribute to the life and witness of the church.

The only committee of the PCC required by law is the Standing Committee. This is made up of the Vicar, Associate Minister, Church Wardens, Secretary, Treasurer, and up to two elected PCC members. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. The full PCC meets bi-monthly and the Standing Committee meets in the intervening months, along with the various other sub-groups. Full PCC meetings tend to discuss bigger picture matters, agree formal matters including the annual budget and receive a regular Safeguarding Report, whilst the Standing Committee deals with matters of more detail.

The PCC has delegated some decision-making powers to the following sub-groups: the Human Resources (HR) Group for HR matters, the Impact Project Board for the reordering of St Michael le Belfrey Church, the World Mission Team for overseeing mission partners, the Social Action Programme Board (SAPB) for social action and the implementation of the Love York Post Pandemic Fund, the Northern Church Planting Group for governance of the Northern Church Planting Fund, and G2 Council for governance of G2.

All major governance matters are decided by the Vicar/Priest-in-charge and PCC together.

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ADMINISTRATIVE INFORMATION

Parish name:	St Michael le Belfrey, York
Church address:	St Michael le Belfrey, High Petergate, York, YO1 7EN
Office address:	The De Grey Rooms, St Leonard's Place, York, YO1 7HB
Charity working name:	St. Michael le Belfrey PCC
Registered number:	1130866
Principal address:	The Parish Centre, 11/12 Minster Yard, York, YO1 7HH
Independent auditors:	Fawley Judge & Easton, 1 Parliament St, Hull, HU1 2AS
Financial institution:	Royal Bank of Scotland, 27 Park Row, Leeds, LS1 5QB

PCC Members / Trustees

The members of the PCC who served during the year were as follows:

Clergy

Matthew Porter (until June)
Andy Baker
James Congreve-Horn
Vicky Earll

Churchwardens

Daniel Brookes
Karen Dixon
Remi Oduyemi
Andrew Oldroyd

Deanery Synod

Daniel Brookes (until June)
James Hayden
John Lindley
Andrew Oldroyd (from June)
Tony Scott
Martine Somerville
Becca Tilbrook

Elected representatives

Lydia Baldwin
Katherine Bridge
Ross Kenyon (until April)
Joe McKeogh
Liv Portway
Dan Tilbrook (from April)
Paddy Wordsworth (until September)

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Officers

Secretary: Martine Somerville
Treasurer Team: Joe McKeogh (Treasurer) &
Martine Somerville
Electoral Roll Officer: Izzy Pysanczyn

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STATEMENT OF RESPONSIBILITIES OF THE PAROCHIAL CHURCH COUNCIL

Law applicable to charities in England and Wales and guidance issued by the Central Board of Finance of the Church of England require the members of the Parochial Church Council to prepare financial statements which give a true and fair view of the Parochial Church Council's financial activities during the year.

In preparing financial statements giving a true and fair view, the members of the Parochial Church Council should follow best practice and:

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

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

PROVISION OF INFORMATION TO AUDITORS

In so far as the members of the PCC are aware:

- there is no relevant information of which the PCC's auditors are unaware; and
- the members of the PCC have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The church's firm of auditors changed to Fawley Judge & Easton, appointed at the Annual Parochial Church Meeting on 24 April 2023.

Approved by the Parochial Church Council and signed on its behalf by:

Martine Somerville
Secretary

18/03/2024

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INDEPENDENT AUDITOR'S REPORT

**TO THE OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
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Opinion

We have audited the financial statements of The Parochial Church Council of The Ecclesiastical Parish of ("the PCC") for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The PCC is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

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INDEPENDENT AUDITOR'S REPORT (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the PCC

As explained more fully in the statement of responsibilities, the PCC are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the PCC are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL
LE BELFREY WITH ST CUTHBERT, YORK**

INDEPENDENT AUDITOR'S REPORT (continued)

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
East Yorkshire
HU1 2AS

Date 18th March 2024

Fawley Judge & Easton is eligible for appointment as auditor of the by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2023 £	2022 £
Income and endowments from:						
Donations and legacies	2	680,948	15,000	275,717	971,665	770,601
Income from charitable church activities	3	73,419	-	15,978	89,397	82,214
Other trading activities	4	22,983	-	11,219	34,202	19,038
Investments	5	10,748	-	56,721	67,469	15,215
Other income	6	12,178	-	290,265	302,443	7,482
Total income		800,276	15,000	649,900	1,465,176	894,550
Expenditure on:						
Raising funds	7	102	-	6,863	6,965	13,843
Charitable church activities		793,215	-	965,091	1,758,306	1,680,958
Total expenditure		793,317	-	971,954	1,765,271	1,694,801
Net income/(expenditure) before gains and losses		6,959	15,000	(322,054)	(300,095)	(800,251)
Net gains revaluation of fixed assets	11	-	-	-	-	-
Net income/(expenditure)		6,959	15,000	(322,054)	(300,095)	(800,251)
Transfers between funds		-	-	-	-	-
Net movement in Funds		6,959	15,000	(322,054)	(300,095)	(800,251)
Total funds brought forward at 1 January 2023		1,057,114	-	8,586,533	9,643,647	10,443,898
Total funds carried forward at 31 December 2023	17/18	£1,064,073	£15,000	£ 8,264,479	£ 9,343,552	£ 9,643,647

The notes on pages 17 to 30 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses in the year and all of the above amounts relate to continuing activities.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2023 £	2022 £
Fixed Assets						
Tangible fixed assets	11	971,026	-	3,688	974,714	951,565
		971,026	-	3,688	974,714	951,565
Current Assets						
Stock	12	513	-	4,990	5,503	613
Debtors	13	24,265	-	5,136,600	5,160,865	6,219,971
Cash at bank and in hand	14	99,604	15,000	3,126,035	3,240,639	2,522,356
Total Current Assets		124,382	15,000	8,267,625	8,407,007	8,742,940
Current Liabilities						
Creditors: amounts falling due within one year	15	31,335	-	6,834	38,169	50,858
Total current liabilities		31,335	-	6,834	38,169	50,858
Net Current Assets		93,047	15,000	8,260,791	8,368,838	8,692,082
Total assets less current liabilities		1,064,073	15,000	8,264,479	9,343,552	9,643,647
Net Assets		£ 1,064,073	£ 15,000	£ 8,264,479	£ 9,343,552	£ 9,643,647
The funds of the charity						
Unrestricted general fund	17	753,073	-	-	753,073	746,114
Designated funds	17	-	15,000	-	15,000	-
Unrestricted revaluation reserve fund	17	311,000	-	-	311,000	311,000
Restricted funds	18	-	-	8,264,479	8,264,479	8,586,533
Total Charity Funds		£ 1,064,073	£ 15,000	£ 8,264,479	£ 9,343,552	£ 9,643,647

Approved by the Parochial Church Council on 18/03/2024 and signed on its behalf by:

.....
Martine Somerville (Secretary)

The notes on pages 17 to 30 form part of these financial statements.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net income for the reporting period	(300,095)	(800,251)
Adjusted for:		
Depreciation charges	5,474	2,625
Dividends and interest from investments	(67,469)	(15,215)
Revaluation of fixed assets	-	-
Decrease/(increase) in stocks	(4,890)	(80)
Decrease/(increase) in debtors	1,059,106	997,455
Increase/(decrease) in creditors	(12,689)	(28,835)
	679,437	155,699
Net cash provided by operating activities	679,437	155,699
Cash flows from investing activities:		
Dividends and interest from investments	67,469	15,215
purchase of tangible fixed assets	(28,623)	15,215
	38,846	15,215
Net cash provided by investing activities	38,846	15,215
Change in cash and cash equivalents in the reporting period	718,283	170,914
Cash and cash equivalents at the beginning of the reporting period	2,522,356	2,351,442
Cash and cash equivalents at the end of the reporting period	£ 3,240,639	£ 2,522,356
Analysis of cash and cash equivalents		
Cash in hand	364	351
No notice and notice deposits (less than 3 months)	1,122,393	640,243
Notice deposits (more than 3 months)	2,117,882	1,881,762
	£ 3,240,639	£ 2,522,356

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Charity. This constraint has not adversely affected cashflows as stated above.

The notes on pages 17 to 30 form part of these financial statements

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, the Charities Act 2011, and the Church Accounting Regulations 2006.

The financial statements include all transactions, assets and liabilities for which the Parochial Church Council ("the PCC") is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

The PCC is a public benefit entity as defined by FRS 102.

Statutory information

The PCC is registered with the Charity Commission, registration number 1130866. The registered address is The Parish Centre, 11/12 Minster Yard, York, YO1 7HH.

Funds

Unrestricted funds represent the general funds of the PCC that are not subject to any restrictions regarding their use and are available for application for the ordinary purposes of the PCC.

Designated funds represent those unrestricted general funds which have been set aside by the PCC for a particular purpose.

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 each year must be carried forward as a balance on that fund. Most of the money in restricted funds is held in separate bank and Stewardship accounts and interest that arises is allocated to those restricted funds. The remaining interest largely represents monies accrued from unrestricted funds.

Income recognition

All income is recognised once the PCC has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. 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 entitled to the use of the resources, their ultimate receipt is considered reasonably certain and the amounts due are readily quantifiable. Dividends are accounted for when declared receivable, interest as and when accrued by the payer. All other income is recognised when it is receivable. Amounts received specifically for mission are dealt with as restricted funds. All incoming resources are accounted for gross.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the PCC to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The Diocesan Freewill Offering is accounted for when due. All other expenditure is generally recognised when it is incurred and is accounted for gross.

Fixed assets

Consecrated and benefice property is not included in the financial statements in accordance with section 10 (2) (a) and (c) of the Charities Act 2011.

Movable church furnishings held by the vicar 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. All expenditure incurred during the year on consecrated or benefice buildings and movable church furnishings, whether maintenance or improvement, is written off.

Other land and buildings held on behalf of the PCC for its own purposes are valued at market value. No depreciation is charged against such properties as they are regularly maintained to such an extent that their estimated economic lives and residual values are such that their depreciation is insignificant. At each year end an assessment is carried out to ascertain whether there is any indication that the properties should be written down (i.e. whether its carrying amount is more than its recoverable amount). If there is no indication that a property should be written down, it is not necessary to estimate the recoverable amount.

Equipment used within the church premises, The Parish Centre and Church Hall are depreciated on a straight-line basis over their estimated useful life of 4 to 10 years. Individual items of equipment with a purchase price of £3,000 or less are written off in the period in which they are acquired.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of two years or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The PCC only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Irrecoverable Value Added Tax

The PCC is not registered for Value Added Tax (VAT) and accordingly expenditure is shown gross of irrecoverable VAT. The VAT incurred from time to time on certain fabric repair and maintenance expenditure can, however, be recovered under the Listed Places of Worship Grant Scheme.

Going Concern

The PCC has cash resources from a large generous congregation and has also started to look for and apply for grants to help support the mission of the church. These include youth work, student and 18-30s work and also grants towards the repair and reordering project (Impact). The PCC has a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future.

The PCC continue to believe the going concern basis of accounting is appropriate in preparing the financial statements.

Heritage Assets

The Vicar/Priest-in-Charge and Church Wardens hold on special trust for the PCC silver and plate gifted to the church for ecclesiastical purposes. They date from the 17th century and therefore, there is insufficient cost information available. Due to the unique nature of these assets and their historic association with worship at the church over hundreds of years, conventional valuation techniques are not applicable and therefore have not been valued in the financial statements. The silver and plate, 38 items in total are listed in the church's inventory and are regarded by law as inalienable assets which the PCC would require a faculty for disposal. Inspection can be arranged at reasonable times where they are located.

Pensions

The PCC pays employer contributions into a variety of pension schemes consisting of individual employee's personal pension schemes of their choice and a workplace pension scheme to fulfil the PCC's auto enrolment obligations (Church Workers Pension Fund).

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Church Workers Pension Fund - Pension Builder 2014

St Michael le Belfrey PCC participates in the Pension Builder Scheme section of Church Workers Pension Fund for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the St Michael le Belfrey PCC and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are the contributions payable (2023: £24,827 2022: £22,896).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2022. The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £2m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, St Michael le Belfrey PCC could become responsible for paying a share of that employer's pension liabilities.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees believe that the following judgements are critical due to the potential material impact it has on the financial statements.

Included within debtors are amounts received in respect of donations towards the Impact project, the Post Pandemic fund and Church planting. These amounts have been paid by donors to Stewardship who hold the funds on trust for the Church. The Trustees consider that the income recognition criteria of entitlement, probability of receipt and measurement have all been met. The donations were therefore recognised in full in 2020 and are included in debtors at the year-end as shown in note 13. The debtor will be released as funds are received from Stewardship over the life of the projects.

Property Values

The trustees consider that the freehold land and buildings are valued at their fair value in the financial statements. The valuations are undertaken by an external professional valuer who carried out a revaluation at 4 October 2021 and the directors have used this valuation to review the fair value at 31 December 2021.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
				2023 £	2022 £
2. Donations and legacies					
Planned giving	496,364	-	60,535	556,899	518,481
Tax recoverable	81,493	-	47,558	129,051	116,941
Collections (open plate)	13,047	-	-	13,047	5,797
Legacies	-	-	-	-	500
Impact donations	-	-	145,271	145,271	80,793
General donations	90,044	15,000	22,353	127,397	48,089
	£ 680,948	£ 15,000	£ 275,717	£ 971,665	£ 770,601

In 2022, income from donations and legacies amounting to £569,734 related to unrestricted funds and £200,867 related to restricted funds.

3. Income from charitable church activities

Events	62,122	-	4,965	67,087	67,859
Other income from church activities	11,297	-	11,013	22,310	14,355
	£ 73,419	£ -	£ 15,978	£ 89,397	£ 82,214

In 2022, income from charitable church activities amounting to £80,083 related to unrestricted funds and £2,131 related to restricted funds.

4. Other trading activities

Sales	6,103	-	11,219	17,322	7,450
Hire of facilities	16,880	-	-	16,880	11,558
Music	-	-	-	-	30
	£ 22,983	£ -	£ 11,219	£ 34,202	£ 19,038

In 2022, all income from other trading activities related to unrestricted funds.

5. Investment income

Dividends received	-	-	1,183	1,183	1,179
Deposit interest	10,748	-	55,538	66,286	14,036
	£ 10,748	£ -	£ 56,721	£ 67,469	£ 15,215

In 2022, investment income amounting to £4,645 related to unrestricted funds and £10,570 related to restricted funds.

The PCC also receives income from 2,212 Charities Official Investment Fund shares. However, the value of the shares has not been included within the balance sheet because, although the PCC receives the income, the legal title belongs to two charities associated to the PCC.

6. Other income

Other income	5,012	-	5	5,017	4,982
Grants	7,166	-	290,260	297,426	2,500
	£ 12,178	£ -	£ 290,265	£ 302,443	£ 7,482

In 2022, all other income related to unrestricted funds.

Total Income	£ 800,276	£ 15,000	£ 649,900	£ 1,465,176	£ 894,550
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**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(CONTINUED)**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
7. Analysis of expenditure				
Raising funds	£ 102	£ 6,863	£ 6,965	£ 13,843
Charitable church activities				
Missionary and charitable giving (note 8)				
Grants	-	223,400	223,400	200,761
Overseas mission	38,301	-	38,301	48,341
Home mission	12,740	12,323	25,063	24,574
	51,041	235,723	286,764	273,676
Ministry: Diocesan free will offering	176,544	3,000	179,544	179,544
Church - general upkeep and services	68,556	58,007	126,563	97,033
Church - premises	121,878	320,637	442,515	504,121
Music	2,407	296	2,703	2,611
Events	20,857	355	21,212	22,553
Staff salaries, pensions and other staffing costs	308,158	282,157	590,315	534,011
Office and administration costs	34,825	38,293	73,118	57,383
Finance costs	2,049	26,623	28,672	3,042
Audit fee	3,300	-	3,300	4,200
Outsourced accountancy, taxation and payroll	3,600	-	3,600	2,784
	£ 793,215	£ 965,091	£ 1,758,306	£ 1,680,958
Total	£ 793,317	£ 971,954	£ 1,765,271	£ 1,694,801

In 2022, expenditure of £860,433 related to unrestricted funds and £834,368 related to restricted funds.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(CONTINUED)**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	2022 £
8. Mission and charitable grants				
<i>Grants</i>				
Acts 435	-	780	780	1,550
Ukrainian refugees	-	-	-	1,017
Church Planting Grant	-	-	-	135,000
Hardship fund	-	-	-	100
Small grants fund PPF	-	67,000	67,000	59,000
PPF Belfrey Group Match Funding	-	783	783	831
PPF Catalyser Grants	-	100,000	100,000	-
PPF Charity Donations	-	130	130	-
PPF Out of York Grants	-	50,000	50,000	-
One-Off Restricted Donations	-	4,707	4,707	3,263
	-	223,400	223,400	200,761
<i>Overseas mission</i>				
Blacker Support	12,260	-	12,260	11,388
Wycliffe (Eves)	9,000	-	9,000	9,000
Fletcher Support	8,364	-	8,364	7,371
Homer Support	6,120	-	6,120	6,120
Roberts Support	-	-	-	9,408
Bayfords	-	-	-	2,400
Wilson	2,040	-	2,040	2,040
International Students	239	-	239	120
Missionary Discretionary	13	-	13	229
Global Connections	265	-	265	265
	38,301	-	38,301	48,341
<i>Home mission</i>				
Church Missions	20	-	20	236
Friends International	2,000	-	2,000	2,000
Warren Furman Mission	-	-	-	1,500
Paul Myers Mission	2,000	-	2,000	2,000
Restore	1,000	-	1,000	1,000
Riding Lights	3,000	-	3,000	3,000
YoYo mission giving	1,000	-	1,000	3,000
Evangelism Cafes	160	-	160	91
Women's Ministry	-	1,683	1,683	582
Student Mission	338	-	338	216
Children and Family Outreach	-	-	-	285
Youth Outreach	149	-	149	436
Students International Mission	-	-	-	50
Students Social Action	-	-	-	41
Evangelism Ministry	53	-	53	250
Community/Families Outreach	174	-	174	491
Youth Outreach Miscellaneous	-	-	-	17
Alpha	2,021	-	2,021	1,966
Student Alpha	825	-	825	1,966
G2 Giving	-	2,841	2,841	2,845
G2 Giving to Fusion	-	-	-	2,963
G2 Outreach Events	-	60	60	-
CAP contribution	-	7,200	7,200	1,200
Funeral Collection	-	539	539	405
	12,740	12,323	25,063	26,540
	£ 51,041	£ 235,723	£ 286,764	£ 275,642

In 2022, all Grants were related to restricted funds. all Overseas Mission were related to unrestricted funds. Home Mission was made up of £16,498 relating to unrestricted funds and £8,076 relating to restricted funds.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(CONTINUED)**

9. Net income for the year

This is stated after charging:

Staff pension contribution	24,827	22,896
Depreciation	5,474	2,625
Auditors' remuneration - audit of financial statements	3,300	4,200

10. Staff costs and emoluments

Total staff costs were as follows:

Wages and salaries	512,534	465,628
Social security costs	33,820	30,679
Other pension costs	24,827	22,896
	£ 571,181	£ 519,203

During the year the PCC employed no one who earned more than £60,000.

The average head count (number of staff employed) during the year was 29 (2022- 29). The average number of employees calculated on the basis of full-time equivalents was 19 (2022 - 19)

The PCC considers its key management personnel to comprise only of the PCC Members (Trustees). They receive no remuneration in their capacity as trustees but may be employed to carry out their roles within the church. The total of remuneration received by trustees and key management personnel for their services to the church amounted to £2,473 (2022 - £5,580).

11. Tangible fixed assets

	Freehold Land & Buildings £	Motor Vehicles £	Church Equipment £	Total £
Cost or valuation				
At 1 January 2023	950,000	12,850	83,891	1,046,741
Revaluation in year	-	-	-	-
Disposal in year	-	-	-	-
Additions			28,623	28,623
Revaluation	-	-	-	-
At 31 December 2023	950,000	12,850	112,514	1,075,364
Depreciation				
At 1 January 2023	-	12,850	82,326	95,176
Charge for year	-	-	5,474	5,474
Disposal in year	-	-	-	-
At 31 December 2023	-	12,850	87,800	100,650
Net book value				
At 31 December 2023	£ 950,000	£ -	£ 24,714	£ 974,714
At 31 December 2022	£ 950,000	£ -	£ 1,565	£ 951,565

The freehold land and buildings, comprising 13 Hempland Drive, 28 Langdale Avenue and the Church Hall were revalued at 4th October 2021 by Stephenson's Estate Agents, and are included at their revised market values of £450,000, £210,000 and £290,000 respectively.

If the freehold property had not been included at valuation, they would have been included under the historical cost convention as follows:

	2023	2022
Historical cost at 31 December 2023	£ 639,000	£ 639,000

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12. Stock	2023	2022
Impact furniture - Chopping Board	£ 120	-
Impact furniture - Holding Cross	£ 170	-
Impact furniture - Footstool	£ 150	-
Impact Merchandise - Brew Cups	£ 883	-
Impact Merchandise - Keep Cup	£ 1,252	-
Impact Merchandise - Chilly Water Bottle	£ 1,409	-
Impact Merchandise - Cookie Cutters	£ 1,006	-
Bookstall stock	£ 513	£ 613
	<u>£ 5,503</u>	<u>£ 613</u>

At 31 December 2023 £514 related to unrestricted funds and the rest restricted funds. At 31 December 2022 all stock related to the unrestricted funds.

13. Debtors	2023	2022
Trade debtors	375	55
Income tax recoverable	10,635	15,511
Prepayments and accrued income	124,855	24,405
Accrued income - Church Planting, Post Pandemic and Impact grants within one year	3,398,000	2,348,000
Accrued income - Church Planting, Post Pandemic & Impact grants more than one year	1,627,000	3,832,000
	<u>£ 5,160,865</u>	<u>£ 6,219,971</u>

At 31 December 2023 £5,136,599.57 (2022 - £6,194,867) of debtors related to restricted funds, the balance of debtors related to the unrestricted funds.

14. Cash at bank and in hand	2023	2022
	£	£
Bank balances	3,240,275	2,522,005
Cash balances	364	351
	<u>£ 3,240,639</u>	<u>£ 2,522,356</u>

At 31 December 2023 £99604 (2022 - £117,340) of cash and bank balances related to unrestricted funds and £15,000 (2022 - Nil) related to designated funds £3,126,033 (2022 - £2,405,016) related to restricted funds.

15. Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	5,316	14,181
Accruals and deferred income	22,401	28,846
Tax and social security creditor	10,090	7,554
Pension creditors	362	277
	<u>£ 38,169</u>	<u>£ 50,858</u>

At 31 December 2023 £6,834 (2022 - £13,350) of creditors related to restricted funds, the balance of creditors related to unrestricted funds.

	2023	2022
	£	£
Deferred income at 1 January 2023	5,822	6,491
Resources deferred during the year	5,684	5,822
Amounts released from previous periods	(5,822)	(6,491)
	<u>£ 5,684</u>	<u>£ 5,822</u>

Deferred income consists of grant and contract income where a time condition is included in the initial offer and it is specified as being for use after the year end. Deferred income for 2022 and 2023 was income in advance for church events where an early bird discount was offered and also rent income paid for future periods.

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16. Commitments under operating leases

At 31 December 2021 the PCC had annual commitments under non-cancellable operating leases as set out below:

	2023		2022	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Under 1 year	-	-	-	-
Within 2 to 5 years	67,644	1,315	7,644	1,315
After more than 5 years	32,800	-	32,800	-
	<u>£ 100,444</u>	<u>£ 1,315</u>	<u>£ 40,444</u>	<u>£ 1,315</u>

The following lease payments have been recognised as an expense in the statement of financial activities:

	2023	2022
Operating lease rentals	£ 64,954	£ 41,759

17. Unrestricted and Designated Funds

<i>Current Year</i>	Brought forward 01/01/2023 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2023 £
Unrestricted fund - General	746,114	800,276	(793,317)	-	-	753,073
Unrestricted fund - Revaluation Reserve	311,000		-	-	-	311,000
	<u>1,057,114</u>	<u>800,276</u>	<u>(793,317)</u>	<u>-</u>	<u>-</u>	<u>1,064,073</u>
Designated fund - students and/or children and families	-	15,000	-	-	-	15,000
Total Unrestricted and Designated Funds	<u>£ 1,057,114</u>	<u>£ 815,276</u>	<u>£ (793,317)</u>	<u>-</u>	<u>-</u>	<u>£ 1,079,073</u>
<i>Comparative Year</i>	Brought forward 01/01/2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2022 £
Unrestricted fund - General	922,584	680,982	(860,433)	2,981	-	746,114
Unrestricted fund - Revaluation Reserve	311,000		-	-	-	311,000
	<u>1,233,584</u>	<u>680,982</u>	<u>(860,433)</u>	<u>2,981</u>	<u>-</u>	<u>1,057,114</u>
Total Unrestricted and Designated Funds	<u>£ 1,233,584</u>	<u>£ 680,982</u>	<u>(860,433)</u>	<u>£ 2,981</u>	<u>£ -</u>	<u>£ 1,057,114</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18. Restricted Funds

Current Year

	Brought forward 01/01/2023 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2023 £
G2 fund	36,620	92,341	(111,119)		17,842
Acts 435	-	780	(780)		-
Church Planting fund	1,395,000		(18,893)		1,376,107
St Wilfred Ecclesiastical Charity (COIF)	3,908	1,183	(1,500)		3,591
Funeral Collections	-	539	(539)		-
Grant Income - Multiply	-	10,000	(3,333)		6,667
Giving Away Day	6,500				6,500
Hardship Fund	481				481
Holy Communion	23,197		(9,192)		14,005
Holyrood Sisters Grant	-	15,000	(5,000)		10,000
House of Prayer	-	460			460
House of Prayer People	10,000		(10,000)		-
Impact Project	6,072,254	511,472	(473,612)		6,110,114
Internship Bursary	1,120				1,120
Legacy for Church Silver	311				311
Let's Cook (Never Give Up)	2,794	443	(1,125)		2,112
One-Off Collections	245	7,558	(4,860)		2,943
Post Pandemic Fund	872,497	9,520	(330,068)		551,949
Premises Legacy	154,825				154,825
Music (royalties)	382		(234)		148
Shoeboxes	14				14
Sozo Fund	796				796
Stained Glass Maintenance St Michael's Warwick Burton	2,000				2,000
Stained Glass Maintenance St Cuthbert's Warwick Burton	1,000				1,000
The Corner Youth Outreach	281				281
Ukrainian Refugees in the UK	243				243
Women's Ministry	2,065	604	(1,699)		969
	8,586,533	649,900	(971,954)	-	8,264,479

The purpose and use of each restricted fund is generally explained by the name of that respective fund. The Impact Project fund is to be used to fulfil the plans to renovate and renew St Michael le Belfrey Church building so it can become more fit for purpose for worship and mission in the coming years.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18. Restricted Funds

Comparative Year

	Brought forward 01/01/2022 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2022 £
G2 fund	42,532	90,417	(96,329)	-	36,620
Acts 435	-	1,550	(1,550)	-	-
Storehouse	1,120	-	(509)	(611)	-
Bible Fund	32	-	(32)	-	-
Church Planting fund	1,530,000	-	(135,000)	-	1,395,000
St Wilfred Ecclesiastical Charity (COIF)	3,336	1,179	(607)	-	3,908
Evangelism of the North	161	-	-	(161)	-
Funeral Collections	69	335	(404)	-	-
Giving Away Day	6,752	-	(24)	(228)	6,500
Hardship Fund	581	-	(100)	-	481
Holy Communion	23,474	-	(277)	-	23,197
House of Prayer	1,566	127	(124)	(1,569)	-
House of Prayer People	10,000	-	-	-	10,000
Impact Project	6,434,149	113,232	(475,127)	-	6,072,254
Internship Bursary	1,120	-	-	-	1,120
Legacy for Church Silver	311	-	-	-	311
Never Give Up	4,237	510	(1,953)	-	2,794
One-Off Collections	646	2,728	(3,290)	161	245
Post Pandemic Fund	988,009	1,620	(117,132)	-	872,497
Premises Legacy	154,825	-	-	-	154,825
Music (royalties)	382	-	-	-	382
Shoebboxes	14	-	-	-	14
Sozo Fund	1,051	-	(255)	-	796
Stained Glass Maintenance St Michael's Warwick Burton	2,000	-	-	-	2,000
Stained Glass Maintenance St Cuthbert's Warwick Burton	1,000	-	-	-	1,000
The Corner Youth Outreach	338	-	(57)	-	281
Ukrainian Refugees in the UK	-	1,260	(1,017)	-	243
Unspecified but Restricted	573	-	-	(573)	-
Women's Ministry	2,036	611	(582)	-	2,065
	9,210,314	213,568	(834,368)	(2,981)	8,586,533

19. Analysis of net assets by fund

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2023 £
<i>Current Year</i>				
Tangible fixed assets	971,026	-	3,688	974,714
Current assets	124,382	15,000	8,267,625	8,407,007
Creditors: Amounts falling due within one year	(31,335)	-	(6,834)	(38,169)
	£ 1,064,073	£ 15,000	£ 8,264,479	£ 9,343,552
<i>Comparative Year</i>				
Tangible fixed assets	951,565	-	-	951,565
Current assets	143,057	-	8,599,883	8,742,940
Creditors: Amounts falling due within one year	(37,508)	-	(13,350)	(50,858)
	£ 1,057,114	£ -	£ 8,586,533	£ 9,643,647

20. Related party transactions

No member of the PCC received any remuneration or expenses for their services to the PCC. Rev'd Matthew Porter, Rev'd Andrew Baker, Rev'd Victoria Earll and Rev'd James Congreve-Horn are reimbursed for parochial expenses which are necessarily incurred by them to fulfil the duties of their post in accordance with the guidelines set down by the Central Stipends Authority of the Church of England. In addition Mr. Porter receives set statutory parochial fees for officiating at weddings and funerals, these are accounted for to the local Diocese.

During the year a total of £84,690 (including gift aid) (2022 - £61,943) was donated to the PCC by PCC Members (trustees), including close family members. This also includes donations towards the Impact project.

During the year expenses of £4,491.37(2022-£3,787.41) were incurred by PCC members and close family towards running of the church and ministry and not for services to the PCC.

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21. Comparative Statement of Financial Activities

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Unrestricted Funds £	Restricted Funds £	Total Funds	
			2022 £	2021 £
Income and endowments from:				
Donations and legacies	569,734	200,867	770,601	814,374
Income from charitable church activities	80,083	2,131	82,214	56,531
Other trading activities	19,038	-	19,038	10,474
Investments	4,645	10,570	15,215	7,751
Other income	7,482	-	7,482	13,926
Total income	680,982	213,568	894,550	903,056
Expenditure on:				
Raising funds	253	13,590	13,843	764
Charitable church activities	860,180	820,778	1,680,958	1,153,715
Total expenditure	860,433	834,368	1,694,801	1,154,479
Net income/(expenditure) before gains and losses	(179,451)	(620,800)	(800,251)	(251,423)
Net gains revaluation of fixed assets	-	-	-	155,000
Net income/(expenditure)	(179,451)	(620,800)	(800,251)	(96,423)
Transfers between funds	2,981	(2,981)	-	-
Net movement in Funds	(176,470)	(623,781)	(800,251)	(96,423)
Total funds brought forward at 1 January 2022	1,233,584	9,210,314	10,443,898	10,540,321
Total funds carried forward at 31 December 2022	£1,057,114	£ 8,586,533	£ 9,643,647	£ 10,443,898