

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 2020

HPH
Chartered Accountants
54 Bootham YORK
YO30 7XZ

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST
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YEAR ENDED 31 DECEMBER 2020

CONTENTS	Page(s)
Annual Report of the Parochial Church Council	1 - 11
Independent Auditors' Report	12 - 14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18 - 30

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

The Parochial Church Council (PCC) has pleasure in presenting its Report together with the Financial Statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 Practice as it applies from 1 January 2015.

The PCC is a Public Benefit Entity

OBJECTIVES AND ACTIVITIES

St Michael le Belfrey Church Council (PCC) is responsible, with the Vicar (Matthew Porter) for good governance of the Church.

Over the last 12 months the church - often known as The Belfrey - has continued to sustain and develop its ministry and mission, aiming to be *serving God's transformation of the North* through everything we do.

The general theme of our activities and prayers in 2020 was *Build*. Not only did we make good plans for the future renovation and renewal of our church building, but stronger relational ties were built between many people through online small groups and meetings, as we learned to support and reach out differently due to the Covid-19 pandemic.

Back in 2015 the PCC agreed four strategic emphases to help prioritise and plan more effectively, and these remained central to our strategy and our work during 2020. These are: *making disciples* (evangelism); *nurturing disciples* (discipleship); *developing leaders* (leadership) and *planting churches* (church planting). The values of *generosity, simplicity, festivity and humility* have also continued to be highlighted. In 2020 the Leadership Team and PCC spent time revisiting these strategic emphases and values, in preparation for the launch of a Five Year Roadmap in 2021.

We believe that a community living a purposeful Christ-centred life adds enormous value to society. As we respond to the gracious love of Christ, so we want to live lives of service in our city and region.

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

ACHIEVEMENTS AND PERFORMANCE

Church attendance

St Michael le Belfrey has a simple structure of congregations and groups. At the start of 2020 we had 4 weekly services (on Sundays, meeting in St Michael le Belfrey Church or online at 9am, 11am and 6pm; and on Wednesdays, at 12.30pm when not in lockdown). From late March, in-person services were temporarily replaced with online services only, due to national emergency regulations. In July, an 8am in-person communion service was launched, but was

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

replaced in September by the resumption of our 9am, 11am and 6pm Sunday services, at which point our Wednesday 12.30pm service also resumed. By the end of 2020 our Sunday provision had grown to 5 weekly services, as the 11am and 6pm had begun smaller services into the Belfrey Hall. Throughout 2020 we had approximately 37 midweek groups, known as Belfrey Groups.

At the Annual Meeting 2020 there were 398 people on the church electoral roll (plus a further 88 at G2, a church begun by us in 2004, still legally under our governance). The average weekly attendance during October 2020 was 449 for congregations meeting in St Michael le Belfrey Church/the Belfrey Hall (including serving teams), and 607 online/telephone linkups, making a weekly total of 1018. *(Please note this is based on data for the month of October only, and was affected by Covid-19 restrictions.)*

Professions of faith, baptism, and confirmation are important to us as public marks of following Jesus Christ. With many services held online in 2020 it was hard for us to gauge responses but nevertheless we know of at least 10 professions of faith. We have been restricted in our ability to baptise but despite this we have conducted 1 re-affirmation of baptismal faith, and baptised 4 infants and 6 adults, and confirmed 4 adults.

Public Benefit Review of the year

Community

The clergy and staff team have continued to serve not just the people of The Belfrey but also the wider community. We have had St Michael le Belfrey church open almost every day during an average week when not in lockdown, welcoming over 10,000 visitors to come in and discover something of our heritage and to hear stories of faith today. Up to March 2020 our youth and children's centre, The Storehouse, provided youth groups and support for a wide range of young people inside and outside the church. It also ran parenting courses, a group for those with pre-school children, including *Dads & Little 'Uns*. We also, up to March served homeless and vulnerable members of our city through *Never Give Up*, providing a weekly hot meal in the Belfrey Hall. Welcome lunches took place at The Vicarage in Jubilee Terrace in January and February, to welcome newcomers to The Belfrey, with one online welcome meeting taking place in October. The senior staff are able to give up to 10% of their time to the Diocese of York or to assisting other churches and to the New Wine network of churches. We continued to invest in running *Alpha* courses, moving online in the autumn, which provided space for those exploring faith to find answers to their questions. We believe that helping people find faith in Jesus Christ is the greatest public benefit that we can provide.

Buildings

St Michael le Belfrey and St Cuthbert's Church (our House of Prayer) are significant buildings which we value very much and have continued to maintain and upgrade under the guidance of our Facilities Manager, Rob Hill, to assist us in our mission and ministry and as part of our heritage. Plans for the renovation and redevelopment of St Michael le Belfrey Church continued as we met with the Diocesan Advisory Committee (DAC) and heritage groups to discuss and consider our plans. The church also owns The Belfrey Hall, 13 Hempland Drive and 28 Langdale Avenue. It rented the Parish Centre (11/12 Minster Yard) from York Minster as church offices. It also rented the Storehouse for our youth and children's work, until summer 2020. It owned various buildings to house interns. St Michael le Belfrey Church, St Cuthbert's Church and the Belfrey Hall were, outside of lockdown, used most days, not just for worship and prayer, but also for meetings, concerts, theatre productions and as a home to the

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

Yorkshire Bach Choir. We provided office space in the Parish Centre for *G2*, *Fusion*, and *Ace Active*, and other churches use our photocopier to produce their newsletters.

Money

St Michael le Belfrey is a not-profit-making, charitable organisation and we see all financial provision as money for mission and ministry. Our income was £777,421 plus £5,920,427 restricted to the Impact project and £2,550,000 restricted to church planting for a total of £9,247,848. Not only was this money used to pay our staff and to fund various aspects of church life, but much was given away, especially to various long-term Mission Partners in York, the UK and abroad. We support the local Diocese, contributing £177,392 in 2020 which, after supporting our three full-time stipendiary clergy posts, supports the Diocese of York in its wider mission in schools, and a breadth of communities, rural and urban.

People

People are the key resource of the church, because church is first and foremost people. The PCC would like to thank all the paid and voluntary staff who have contributed so much over the year. In 2020 we said goodbye to Chris Rousell, and welcomed 1 new full-time member of staff - Joe Portway. Izzy Pysanczyn increased her hours with us as she added the role of Vicar's PA to her existing role as Belfrey Doors Coordinator. Grateful thanks are given to Rev'd Liz Ransford who retired as a licensed clergy member of our church.

Impact

The Impact team together with LDN Architects and the Design team are thankful that we have continued to work on the project throughout 2020 with minimal disruption.

The year presented its fair share of challenges as we consulted with stakeholders about the proposed Reordering. For the Diocese of York, Historic England and the amenity societies this project is of a level of magnitude and complexity that has not had to be considered for some time. In response to their concerns, the architect carried out a specific design options appraisal, which looked again at the gallery, staircases and the flexible space on the ground floor. Despite making some design modifications it was a struggle to elicit support, so in December 2020 the Impact board instructed LDN Architects to carry out a more significant revision to the concept design. The Impact board are also revisiting a feasibility study prepared earlier in the year for No.12 Minster Yard, to consider whether a redevelopment of the parish centre provides options that may support the revised concept design for St Michael le Belfrey and avoid the project needing to compromise against its objectives, particularly with respect to accessible meeting space.

As part of the Faculty application process for the Diocese of York, it is essential that the Belfrey makes a strong case for the reordering through the Statements of Need and Significance. These documents will be strengthened accordingly and submitted to the Diocese along with the latest design drawings.

The Belfrey, through Impact, has supported St Lawrence with the Organ restoration project which included underwriting some of the cost. It was a challenging project for St Lawrence and Nicholson & Co, the company who restored the organ, to complete but the results are so worthwhile. The organ looks beautiful and the sound of it being played just encourages you to sing God's praises! It has already been well used to help the church family of St Lawrence through advent and to celebrate Christmas.

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

During the summer a series of surveys were carried out to assess the extent and nature of repairs necessary for the project, while in September workshops were held to consider in more detail specific features such as seating and meeting spaces, staging, a baptistery, sustainability and accessibility.

Revised cost reports were received reflecting the revisions to the Concept design which could impact on the later design and construction stages. A value engineering exercise was conducted to assess if all the proposed works were necessary and whether they sat within the scope of the Impact project.

In early December a pre planning application was submitted to City of York Council seeking an initial steer on external features of the project including the landscaping and new door openings at the west elevation.

As 2021 is now well underway, we look forward to receiving feedback from the Council soon; consulting with the Diocese in March when we hope to gain a greater sense of their support; and to recommence the developed design work on the project.

Church Planting

St Michael le Belfrey is a resource church, seeking to give time, energy and people to our Diocese and region in a variety of ways, especially through church planting, as part of the Diocese of York's *Multiply* strategy. We were pleased in 2020 to receive Vicky Earll as a new planting curate. We were also delighted to announce a large gift of £2.55m to establish a Northern Church Planting Fund, to be held in trust by Stewardship. The Fund will help support future plants across the North. In 2020 we took £50,000 from this Fund to support the work of the St Hild Centre for Church Planting (to be distributed over 3 years), and we plan to take £60,000 from the Fund for each future church plant. We are delighted that the Fund can be added to by further donations, so the work of church planting and revitalisation may continue hopefully into the long term.

PLANS FOR THE FUTURE

In February 2020 we conducted a major church survey. The results were encouraging, with much to analyse and areas to improve. We aim to do such a survey annually.

In order to further our vision in the year ahead, we have begun to publicise our Five Year Roadmap. The map turns our previous strategic emphases into *Aims*, to which a new first aim is added - of *Serving York*. With many struggling in 2020 due to the effects of the pandemic, it is important that our church does all it can to support vulnerable and disadvantaged people. The Five Year Roadmap will be communicated inside and outside of church in a variety of ways. It particularly highlights five 'stretch goals', summarising key actions:

- every one loves one
- every one brings one
- every one disciples one
- every leader trains one
- every church plants one

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 2021 and beyond. We plan to send out Mike Perkins with a team in the next 12 months or so to revitalize a local church in the Diocese of York. We're pleased to be part of the Diocese's strategic planning for the coming years as they seek to grow and to particularly

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

impact the 20s-40s age group. We will also continue developing our strategic plans for re-ordering St Michael le Belfrey church. All this will be demanding and exciting as we look to the future.

In 2018 the PCC approved a proposal from the leadership of G2 that, in view of the size to which it has grown and its exciting plans for future development, it should cease to be a satellite church of The Belfrey and become a free-standing church within the Diocese of York. The legal process for implementing this change began, with G2 becoming a Mission Initiative through a Bishop's Mission Order in January 2020, whilst still under The Belfrey's leadership. This is an interim stage towards G2's full independence from The Belfrey. The Belfrey will provide whatever support G2 needs during the process of transition.

LEADERSHIP

The Church is led by the Vicar with the assistance of a Leadership Team (the 'Vicar's Leadership Team' which meets weekly) and is governed by the PCC, which meets monthly. It is managed by a team of staff and volunteers.

The PCC has delegated some decision-making powers to the Human Resources Group (for HR matters), the Impact Project Board (for the reordering of St Michael le Belfrey Church) and the World Mission Steering Group (for overseeing mission partners) with terms of reference for the HR Group updated in 2018. Terms of Reference for the Impact Project Board were updated in 2020, stating that the Chair need no longer be a member of the PCC, and that a Church Warden should be on the Board.

All major governance matters are decided by the Vicar and PCC together.

The only committee required by law is the Standing Committee. This is made up of the Vicar, Associate Minister, Church Wardens, Secretary and Treasurer. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. Given that the PCC meets monthly, the standing committee rarely meets. In 2020, decisions were made by the Standing Committee once in an online meeting, and occasionally by email, both relating to practical responses to the Covid-19 pandemic.

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 2020 were: making disciples, 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. The Vicar has freehold of the church. Both the Vicar and Associate Minister are of incumbent status. Responsibility for much day-to-day church life is delegated to our staff. We

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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 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. In 2020 we especially appreciated the values of generosity, humility, simplicity and festivity.

4. Decision-Making, Risk and Control:

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

5. Board Effectiveness:

The Vicar's Leadership Team meets most weeks and our PCC meets monthly. The Vicar meets with the Wardens every other month. We regularly take advice from experts outside our church, especially in specialist HR 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, the Belfrey has not fully reflected this diversity in its membership, staffing and leadership, partly because of the background and makeup of York residents. In a year in which issues of equality have gained particular prominence nationally and internationally through such things as the Black Lives Matter movement, we reviewed our historic memorials in church and found no links to slavery. We have continued to seek to make progress towards greater diversity within the leadership of this church. We are pleased that diversity is now one of our church values agreed by the PCC at the start of 2021.

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 from the Vicar, which contains a weekly message, as well as news items, a calendar of services and Belfrey events, links to useful resources for church members, and the latest PCC Minutes. Up to lockdown, every two weeks the main news for all church members was produced on video and shown in services and included in the weekly email. As well as verbal notices in our services our church provides regular information on various social media platforms, including Facebook, Instagram and Twitter, and there is a Belfrey Prayer page on Facebook. At the start of 2020 we produced the second edition of our church magazine - called *Cultivate*, providing information and stories about church life, of interest both inside and outside our church. We take seriously negative feedback, and suggestions on how to improve our church life, discussing this at VLT and occasionally at PCC. The Church Survey in February 2020 was helpful in many ways, giving us information about lots of aspects of church life from the church family. We spent part of a PCC Day considering the survey, and it fed into our 5 Year Roadmap. We also encourage

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

questions to be asked throughout the year, with written questions being invited on our annual report and time given for a few verbal questions at our Annual Meeting. We are GDPR (data protection) compliant and keep clear, accurate and up-to-date membership records using the safe and secure ChurchSuite church management system.

FINANCIAL REVIEW

Overall ordinary unrestricted donation income rose by 6%, but within this there were tremendous variations between different types of donations, which were mainly attributable to the effects of the Covid-19 pandemic - weekly offerings in services fell from £41,569 to £10,056, but we were blessed by a 7.5% rise in planned giving, other one-off donations rising from £18,438 to £30,357 and a £25,000 legacy (which more than offset this decline). It was encouraging to see that even though we could not meet as usual, giving was still in the forefront of people's minds and a lot of people found another way to give, either through our Churchsuite giving link or by posting cheques to the Parish Centre. As we were unable to hire out neither the Belfrey Hall nor the church, trading income was £7k less than budgeted and £11k less than in 2019.

As the landlord of the Storehouse wanted to end our lease early for redevelopment of the area, we were offered a payment of £15,000, which included the rateable value of £10k, £4k from the landlord and £1k refund of rent paid in advance. This money will be used towards future youth and children's work.

Expenditure during the year was reduced as events and other activities had to be done either online or not at all. However, payments to our mission partners, rent, insurance, and staff costs remained the same. Although, we did utilise the government's Job Retention Scheme as appropriate and were able to reclaim £8,826 under the scheme.

The total unrestricted income was £675,048 and total unrestricted expenditure was £739,572. We had planned to use £144k of our reserves in order to be able to do everything we wanted to do in 2021. Because of the reduction of expenditure due to Covid-19 and the stability of our income we only needed to use £64k.

In January 2020 we announced a donation of £5,900,000 restricted to the building project (Impact) of St Michael le Belfrey Church. We received £750,000 of that donation and the rest will be received over the next two years. The remaining £5,150,000 is shown as a debtor in the accounts. (see note 14 in the accounts)

Expenditure on the Impact project can be broken down as follows:

Design team (LDN architect, engineers & cost consultants)	£137,886
Surveys & specialist advice	£ 24,431
Removal and restoration of the organ in collaboration with St Lawrence	£125,000
Project management team (salaries)	£ 56,823
Communication activities	£ 3,675
Other costs (bank charges, pre-planning app, zoom etc)	£ 2,970
Total expenditure	£350,785

In October 2020 we received a donation of £2,550,000 to create a Northern Church Planting Fund, to help new church plants in the North of England over the next 10 plus years. This fund

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

can be added to and is shown in our restricted funds (note 19 in the accounts). We received the first instalment of that donation in the amount of £50,000 be distributed over three years to St Hild Centre for Church Planting. As we only received £50,000 of the £2,550,000 the remaining amount of £2,500,000 is show as a debtor. (see note 14 in the accounts)

As a result of these two large donations mentioned above our total funds carried forward look very large at just over £10.5m. However, both of these donations are restricted in purpose and will be spent over the next few years. If you look at note 2 in the accounts, the two large amounts have been split out so you can clearly see the comparison between 2019 and 2020 excluding them.

G2's 2020 budget was a deficit budget with planned use of savings to balance it. Due to Covid-19 there were savings made due to meeting only online for most of the year. They managed a nearly balanced budget only using £844 of reserves. Total donations were £87,876 and their expenditure came to £88,720 as shown in the G2 Surplus restricted fund in note 19.

Year	Belfrey regular giving				G2 regular giving				
	Donors	Total	Avg per person per annum	Avg per person per month	Donors	Total	Avg per person per annum	Avg per person per month	Total
2018	263	£394,791	£1,501	£125	85	£67,797	£798	£66	£462,588
2019	274	£404,782	£1,477	£123	84	£64,843	£772	£64	£469,625
2020	266	£435,258	£1,636	£136	63	£58,630	£931	£78	£493,888

The table above shows the regular giving for the Belfrey and G2 from 2018 to 2020 excluding Gift Aid. This includes all regular giving from Standing Orders direct into our bank account as well as all online giving platforms (CAF, Churchsuite and Stewardship). Overall giving is up for the Belfrey from the last two years, even though the number of donors has reduced.

Our approach to fundraising – We don't use an external fundraiser and have no complaints about our fundraising activities.

We are very thankful for the continued support of our finance volunteers Gill McIntosh, Val Patrick and Ian Fergie especially as we had to work differently from the end of March. We are also grateful for the work of HPH, Chartered Accountants, to whom we outsource our payroll processing. Thank you also to Ben Burns, who left us as Treasurer in November 2020 to spend more time with his growing family. He was such a blessing to us over the last few years as he helped to guide our finances.

The Church Wardens are acting Treasurers with the support of the Finance Manager while we are looking for a new Treasurer.

INVESTMENT POLICY

The PCC has taken external financial advice on the investment of funds restricted for expenditure on the Impact Project, taking account also of its reserves and funds held for other projects. In view of the likely timescale for expenditure of the bulk of these funds and uncertainty over market conditions in the meantime, the PCC has accepted advice that it would be appropriate to avoid significant risk and keep its funds in cash deposits. The PCC will authorise the opening of additional bank deposit accounts as necessary, seeking to maximise

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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. It maintains a register of major risks and continues to enhance plans to ensure that systems and processes are in place to mitigate exposure to these risks. 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 reviews the risk register on at least an annual basis and monitors implementation of the necessary mitigating actions.

RESERVES POLICY

Our policy is to keep a cash reserve equating to three months' essential running costs. At the moment that is around £71,000. This allows us to provide for unforeseen short-term expenditure (on such items as building repairs) or shortfalls in income; and to respond promptly to future opportunities in support of the church's mission.

Our total unrestricted net current assets at 31st December 2020 amounted to £308,026, and after allocating £144,400 to be spent in 2021 and £15,414 on fabric repairs in the next 12-18 months the cash reserve are £148,212. The PCC review this figure regularly so that any reserves held above the £71,000 in our policy can be used for projects as needed.

The PCC holds property and equipment valued at £801,815 included in the unrestricted reserves and £3,213 related to restricted funds which could be converted into cash.

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. Charitable status was received on 30 July 2009.

Members of the PCC are either ex officio or elected by the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules.

The Church is led by the Vicar with the assistance of a Leadership Team and is governed by the PCC, which meets monthly. It is managed by a team of staff and volunteers.

ADMINISTRATIVE INFORMATION

Parish Name:	St Michael le Belfrey
Church Address:	St Michael le Belfrey, High Petergate, York, YO1 7EN
Office Address:	The Parish Centre, 11/12 Minster Yard, York YO1 7HH
Charity Name (working name):	St. Michael Le Belfrey PCC
Registered Number:	1130866
Principal Address:	The Parish Centre, 11/12 Minster Yard, York, YO1 7HH

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

PCC Trustees / Members

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

Clergy	Matthew Porter Andy Baker Michael Perkins Vicky Earll (from July 2020 as a lay minister, and from Sept 2020 as an ordained minister) Liz Ransford (until Oct 2020) Jim Roberts Christian Selvaratnam
Churchwardens	Alison Dawson (Lay Chair of the PCC) Barrie Stephenson (until Nov 2020) Christopher Dobson Daniel Brookes Remi Oduyemi (from Nov 2020)
Deanery Synod	Daniel Brookes Dudley Clark (until Nov 2020) John Lindley Martine Somerville Tony Scott
Elected representatives	Ali Hale Alys Tarr James Webster (until Nov 2020) Jenny Hough Roger Holmes (until Nov 2020) Ben Burns (until Nov 2020) Dani Cook (from Nov 2020)
Officers	Secretary: Roger Holmes (until Nov 2020) Treasurer: Ben Burns (until Nov 2020) Electoral Roll Officer: Ruth Somerville (until Feb 2020); Izzy Pysanczyn (from Feb 2020)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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.

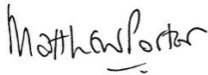
The members of the Parochial Church Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parochial Church Council and enable them to ensure that the financial statements comply with the Church Accounting Regulations 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 PCC members are aware:

- There is no relevant information of which the PCC's auditors are unaware; and
- The PCC members 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.

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



Revd Matthew Porter
Chair

31/03/2021

INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK

Unqualified opinion

We have audited the financial statements of The Parochial Church Council of the Ecclesiastical Parish of St Michael Le Belfrey with St Cuthbert, York for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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).

This report is made solely to the Parochial Church Council (the PCC) as the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the PCC those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the PCC as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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 and the Church Accounting Regulations 2006.

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 Auditors' 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 Trustee's 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.

INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK

Other information

The PCC are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 PCCs' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the Parochial Church Council

As explained more fully in the statement of responsibilities of the Parochial Church Council set out on page 11, 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 the PCC 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: existence and timing of recognition of income and the posting of unusual journals. We discussed these risks with management and designed audit procedures to test the timing and existence of revenue. We reviewed journals posted to key control accounts and posted around the year end, to look for potential "window dressing" as well as looking at a sample throughout the year.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Waltons Clark Whitehill Limited

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

13 April 2021

Waltons Clark Whitehill Limited is eligible to act as auditors in terms of 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 2020**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2020 £	2019 £
Income and endowments from:						
Donations and legacies	2	573,954	-	8,562,699	9,136,653	693,651
Income from charitable church activities	3	60,800	-	550	61,350	76,695
Other trading activities	4	8,198	-	-	8,198	23,372
Investments	5	3,164	-	8,843	12,007	15,144
Other income	6	28,932	-	708	29,640	5,835
Total income		675,048	-	8,572,800	9,247,848	814,697
Expenditure on:						
Raising funds	7	550	-	-	550	3,793
Charitable church activities		739,022	-	486,124	1,225,146	1,260,528
Total expenditure		739,572	-	486,124	1,225,695	1,264,321
Net income/(expenditure) before gains and losses on investments						
		(64,524)	-	8,086,676	8,022,153	(449,624)
Net (losses) on investments	12	-	-	-	-	-
Net income/(expenditure)		(64,524)	-	8,086,676	8,022,153	(449,624)
Transfers between funds		122,000	(122,000)	-	-	-
Net movement in Funds		57,476	(122,000)	8,086,676	8,022,153	(449,624)
Total funds brought forward at 1 January 2020		1,052,365	122,000	1,343,804	2,518,169	2,967,793
Total funds carried forward at 31 December 2020	18/19	£1,109,841	-	£ 9,430,480	£ 10,540,321	£ 2,518,169

The notes on pages 18 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.

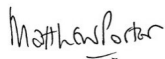
**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £ 2019 £	
Fixed Assets						
Tangible fixed assets	11	801,815	-	3,213	805,028	810,865
Investments	12	-	-	-	-	-
		801,815	-	3,213	805,028	810,865
Current Assets						
Stock	13	638	-	-	638	749
Debtors	14	10,331	-	7,656,021	7,666,352	27,594
Cash at bank and in hand	15	331,695	-	1,775,863	2,107,558	1,754,397
Total Current Assets		342,664	-	9,431,884	9,774,548	1,782,740
Current Liabilities						
Creditors: amounts falling due within one year	16	34,638	-	4,617	39,255	75,436
Total current liabilities		34,638	-	4,617	39,255	75,436
Net Current Assets		308,026	-	9,427,267	9,735,293	1,707,304
Total assets less current liabilities		1,109,841	-	9,430,480	10,540,321	2,518,169
Net Assets		£ 1,109,841	£ -	£ 9,430,480	£ 10,540,321	£ 2,518,169
The funds of the charity						
Unrestricted general fund	18	953,841	-	-	953,841	896,365
Unrestricted revaluation reserve fund	18	156,000	-	-	156,000	156,000
Unrestricted designated funds	18	-	-	-	-	122,000
Restricted funds	19	-	-	9,430,480	9,430,480	1,343,804
Total Charity Funds		£ 1,109,841	£ -	£ 9,430,480	£ 10,540,321	£ 2,518,169

Approved by the Parochial Church Council on 31/03/2021 and signed on its behalf by:



Revd Matthew Porter (Chair)

The notes on pages 18 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 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net income for the reporting period	8,022,153	(449,624)
Adjusted for:		
Depreciation charges and profit/loss on disposals of fixed assets	5,838	5,837
Dividends and interest from investments	(12,007)	(15,144)
Profit on disposal of fixed assets	-	(426)
Decrease/(increase) in stocks	111	(51)
Decrease/(increase) in debtors	(7,638,758)	(5,486)
Increase/(decrease) in creditors	(36,181)	44,241
Net cash provided by/(used in) operating activities	341,155	(420,653)
Cash flows from investing activities:		
Dividends and interest from investments	12,007	15,144
Proceeds from disposal of investments	-	1,083
Net cash provided by/(used in) investing activities	12,007	16,227
Change in cash and cash equivalents in the reporting period	353,161	(404,426)
Cash and cash equivalents at the beginning of the reporting period	1,754,397	2,158,823
Cash and cash equivalents at the end of the reporting period	£ 2,107,558	£ 1,754,397
Analysis of cash and cash equivalents		
Cash in hand	383	374
No notice and notice deposits (less than 3 months)	479,376	469,821
Notice deposits (more than 3 months)	1,627,799	1,284,202
	£ 2,107,558	£ 1,754,397

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 18 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 2020

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, the Church Accounting Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 accounts 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. A large proportion of restricted funds are held in separate bank accounts and interest arising is allocated to 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 2020

1. ACCOUNTING POLICIES (continued)

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognized in the state of income and retained earnings in the same period as the related expenditure.

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 is depreciated on a straight-line basis over its 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 the asset is 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.

**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 2020

1. ACCOUNTING POLICIES (continued)

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 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 and has no requirement for external funding. The PCC has a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future.

The Covid-19 pandemic and lockdowns have meant there has been a decrease in offerings & events income but these have not been significant.

Expenditure has reduced due to less spending on the running of the church & small cutbacks to other budget areas. The church has also made use of the Job Retention Grant Scheme.

Whilst the situation remains uncertain, it does appear that the church is dealing well with the current situation and from the most recent Government information there is an indication that the church may be able to reopen and charitable church activities return to normal by late June 2021, at the earliest.

Plans for the future are being considered but with the possibility that church services may resume as normal by July 2021, no major changes are planned. Further cut backs on spending are possible if required.

The PCC continue to believe the going concern basis of accounting is appropriate in preparing the 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 2020

1. ACCOUNTING POLICIES (continued)

Heritage Assets

The Vicar 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, 22 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).

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. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which 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. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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 pensions costs charged to the SoFA in the year are the contributions payable (2020: £18,304, 2019: £16,297).

**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 2020

1. ACCOUNTING POLICIES (continued)

Pension Builder Scheme (continued)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m 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.

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 directors believe that the following judgement is 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 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 have therefore been recognised in full and included in income as shown in note 2. The debtor will be released as funds are received from Stewardship over the life of the projects.

Had the income not been recognised in full this year then donations and reserves would reduce by £7,650,000.

**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 2020 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £	2019 £
2. Donations and legacies					
Planned giving	435,258	-	58,630	493,888	469,626
Tax recoverable	73,283	-	18,457	91,740	93,343
Collections (open plate)	10,056	-	-	10,056	41,569
Legacies	25,000	-	-	25,000	-
Donations	30,357	-	35,612	65,970	89,113
Donations - Impact Grant	-	-	5,900,000	5,900,000	-
Donations - Church Planting Grant	-	-	2,550,000	2,550,000	-
	£ 573,954	£ -	£ 8,562,699	£ 9,136,653	£ 693,651

In 2019, income from donations and legacies amounting to £540,555 related to unrestricted funds, £Nil related to designated funds and £153,096 related to restricted funds.

3. Income from charitable church activities					
Events	57,071	-	550	57,621	64,446
Other income from church activities	3,729	-	-	3,729	12,249
	£ 60,800	£ -	£ 550	£ 61,350	£ 76,695

In 2019, income from charitable church activities amounting to £70,386 related to unrestricted funds, £Nil related to designated funds and £6,309 related to restricted funds.

4. Other trading activities					
Sales	5,135	-	-	5,135	8,963
Hire of facilities	3,022	-	-	3,022	14,317
Music	41	-	-	41	92
	£ 8,198	£ -	£ -	£ 8,198	£ 23,372

In 2019, all income from other trading activities related to unrestricted funds.

5. Investment income					
Dividends received	-	-	1,126	1,126	1,167
Deposit interest	3,164	-	7,717	10,881	13,977
	£ 3,164	£ -	£ 8,843	£ 12,007	£ 15,144

In 2019, investment income amounting to £4,767 related to unrestricted funds, £Nil related to designated funds and £10,377 related to restricted funds.

6. Other income					
Other income	20,106	-	708	20,814	5,409
Government grants	8,826	-	-	8,826	-
Profit on disposal of fixed assets	-	-	-	-	426
	£ 28,932	£ -	£ 708	£ 29,640	£ 5,835

In 2019, other income amounting to £5,795 related to unrestricted funds, £Nil related to designated funds and £40 related to restricted funds.

Total Income	£ 675,048	£ -	£ 8,572,800	£ 9,247,848	£ 814,697
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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 2020 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	2019 £
7. Analysis of expenditure					
Raising funds	£ 550	£ -	£ -	£ 550	£ 3,793
Charitable church activities					
Missionary and charitable giving (note 8)					
Grants	10	-	10,926	10,936	79,657
Overseas mission	57,092	-	-	57,092	47,129
Home mission	15,406	-	8,447	23,853	31,489
Ministry: Diocesan free will offering	72,508	-	19,373	91,881	158,275
Church - general upkeep and services	174,792	-	2,600	177,392	173,860
Church - premises	47,436	-	6,199	53,634	104,460
Music	124,696	-	293,970	418,666	346,081
Events	5,980	-	101	6,081	2,493
Staff salaries, pensions and other staffing costs	13,075	-	136	13,211	23,251
Office and administration costs	262,107	-	150,839	412,946	391,938
Finance costs	26,125	-	12,615	38,740	48,367
Audit fee	2,721	-	291	3,012	2,714
Outsourced accountancy, taxation and payroll	2,592	-	-	2,592	2,496
	6,990	-	-	6,990	6,593
Total	£ 739,022	£ -	£ 486,124	£ 1,225,146	£ 1,260,528
Total	£ 739,572	£ -	£ 486,124	£ 1,225,695	£ 1,264,321

In 2019, expenditure of £779,614 related to unrestricted funds, £72,089 related to designated funds and £412,618 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 2020 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	2019 £
8. Mission and charitable grants					
<i>Grants</i>					
Acts 435	-	-	1,659	1,659	215
Storehouse Restricted Expenditure	-	-	120	120	232
House of Prayer Restricted Donations	-	-	1	1	650
Donations for IJM Rachel Sterling	-	-	-	-	9
One-Off Restricted Donations	10	-	9,008	9,018	77,375
Giving from Gift Day	-	-	138	138	1,176
	10	-	10,926	10,936	79,657
<i>Overseas mission</i>					
Blacker Support	10,318	-	-	10,318	1,000
Wycliffe (Eves)	8,610	-	-	8,610	7,850
Fletcher Support	8,020	-	-	8,020	7,220
Homer Support	6,120	-	-	6,120	6,320
Philippines Outreach Centre	-	-	-	-	1,000
Roberts Support	11,064	-	-	11,064	10,160
Tear Fund	10,000	-	-	10,000	10,000
Wilson	2,040	-	-	2,040	2,240
International Students	-	-	-	-	106
Missionary Discretionary	190	-	-	190	18
Global Connections	230	-	-	230	215
Seed Fund	-	-	-	-	500
Short Term Mission	500	-	-	500	500
	57,092	-	-	57,092	47,129
<i>Home mission</i>					
Church Missions	-	-	-	-	494
Eastfield	2,000	-	-	2,000	2,000
Friends International	2,000	-	-	2,000	2,000
Ace Active Ministry	2,000	-	-	2,000	2,000
Paul Myers Mission	2,000	-	-	2,000	2,000
Poor Fund	-	-	-	-	49
Restore	1,000	-	-	1,000	1,000
Riding Lights	3,000	-	-	3,000	3,000
YoYo Mission Giving	3,000	-	-	3,000	3,000
Evangelism Cafes	16	-	-	16	791
Women's Ministry	-	-	265	265	813
Student Mission	186	-	-	186	752
Children and Family Outreach	-	-	-	-	576
Youth Outreach	-	-	-	-	115
Evangelism Ministry	85	-	-	85	903
G2 Giving to mission	-	-	3,023	3,023	2,923
Youth Outreach Legacy	-	-	5,142	5,142	9,073
Social Justice & Action	-	-	17	17	-
Student Alpha	119	-	-	119	-
	15,406	-	8,447	23,853	31,489
	£ 72,508	£ -	£ 19,373	£ 91,881	£ 158,275

In 2019, Grants was made up of £Nil relating to unrestricted funds, £50,000 relating to designated funds and £29,657 relating to restricted funds. Overseas Mission was made up of £47,129 relating to unrestricted funds, £Nil relating to designated funds and £Nil relating to restricted funds. Home Mission was made up of £18,680 relating to unrestricted funds, £Nil relating to designated funds and £12,809 relating to restricted funds.

9. Net income for the year

This is stated after charging:		
Staff pension contribution	18,304	16,297
Depreciation	5,838	5,837
Auditors' remuneration - audit of financial statements	2,592	2,496

10. Staff costs and emoluments

Total staff costs were as follows:		
Wages and salaries	366,754	339,055
Social security costs	19,205	19,665
Other pension costs	18,304	16,297
	£ 404,263	£ 375,017

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

The average head count (number of staff employed - all administrative staff) during the year was 28 (2019 - 29). The average number of employees calculated on the basis of full-time equivalents was 16 (2019 - 15)

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 under a contract of employment to carry out their roles within the church. The total of remuneration received by 2 trustees and key management personnel for their services to the church amounted to £19,088 (2019 - £18,894).

**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 2020 (CONTINUED)

11. Tangible fixed assets

	Freehold Land & Buildings £	Motor Vehicles £	Church Equipment £	Total £
Cost or valuation				
At 1 January 2020	795,000	12,850	83,891	891,741
At 31 December 2020	795,000	12,850	83,891	891,741
Depreciation				
At 1 January 2020	-	6,425	74,451	80,876
Charge for year	-	3,213	2,625	5,838
At 31 December 2020	-	9,638	77,076	86,714
Net book value				
At 31 December 2020	£ 795,000	£ 3,213	£ 6,815	£ 805,028
At 31 December 2019	£ 795,000	£ 6,425	£ 9,440	£ 810,865

The freehold land and buildings, comprising 13 Hempland Drive, 28 Langdale Avenue and the Church Hall were revalued at 1 December 2016 by Stephenson's Estate Agents, and are included at their revised market values of £375,000, £155,000 and £265,000 respectively.

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

	2020 £	2019 £
Historical cost at 31 December 2020	639,000	639,000

At 31 December 2020 tangible fixed assets with a net book value of £801,815 (2019 - £804,440) related to the unrestricted funds and tangible fixed assets with a net book value of £3,213 (2018 - £6,425) related to restricted funds.

	2020 £	2019 £
12. Investments		
Market value at 1 January 2020	-	657
Disposal	-	(657)
Market value at 31 December 2020	£ -	£ -
Historical cost at 31 December 2020	£ -	£ -

The investments are UK listed quoted shares. At 31 December 2019 all investments related to the unrestricted 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.

13. Stock

Bookstall stock and other	£ 638	£ 749
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At both 31 December 2019 and 31 December 2020 stock related to the unrestricted funds.

14. Debtors

Trade debtors	15	2,087
Income tax recoverable	7,524	6,351
Prepayments and accrued income	8,813	19,156
Accrued income - Church Planting and Impact grants within one year	400,000	-
Accrued income - Church Planting and Impact grants more than one year	7,250,000	-
	£ 7,666,352	£ 27,594

At 31 December 2020 £7,656,021 (2019 - £6,505) of debtors related to restricted funds, the balance of debtors related to the unrestricted 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 2020 (CONTINUED)

	2020 £	2019 £
15. Cash at bank and in hand		
Bank balances	2,107,175	1,754,023
Cash balances	383	374
	<u>£ 2,107,558</u>	<u>£ 1,754,397</u>

At 31 December 2020 £331,705 (2019 - £271,793) of cash and bank balances related to unrestricted funds, £NIL (2019 - £122,000) related to designated funds and £1,775,853 (2019 - £1,360,604) related to restricted funds.

16. Creditors: amounts falling due within one year		
Trade creditors	4,634	16,360
Accruals	28,725	48,847
Tax and social security creditor	5,474	5,586
Pension creditors	422	4,643
	<u>£ 39,255</u>	<u>£ 75,436</u>

At 31 December 2020 £4,617 (2019 - £29,730) of creditors related to restricted funds, the balance of creditors related to unrestricted funds.

17. Commitments under operating leases

At 31 December 2020 the PCC had annual commitments under non-cancellable operating leases as set out below:

	2020		2019	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Under 1 year	-	2,210	32,800	2,947
Within 2 to 5 years	7,644	-	20,844	-
After more than 5 years	32,800	-	-	-
	<u>£ 40,444</u>	<u>£ 2,210</u>	<u>£ 53,644</u>	<u>£ 2,947</u>

18. Unrestricted and Designated Funds

<i>Current Year</i>	Brought forward 01/01/2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2020 £
Unrestricted fund - General	896,365	675,048	(739,572)	122,000	-	953,841
Unrestricted fund - Revaluation Reserve	156,000	-	-	-	-	156,000
	<u>1,052,365</u>	<u>675,048</u>	<u>(739,572)</u>	<u>122,000</u>	<u>-</u>	<u>1,109,841</u>
Designated fund - Pastoral Development	122,000	-	-	(122,000)	-	-
	<u>122,000</u>	<u>-</u>	<u>-</u>	<u>(122,000)</u>	<u>-</u>	<u>-</u>
Total Unrestricted and Designated Funds	<u>£ 1,174,365</u>	<u>£ 675,048</u>	<u>£ (739,572)</u>	<u>-</u>	<u>-</u>	<u>£ 1,109,841</u>
<i>Comparative Year</i>	Brought forward 01/01/2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2019 £
Unrestricted fund - General	1,031,104	644,875	(779,614)	-	-	896,365
Unrestricted fund - Revaluation Reserve	156,000	-	-	-	-	156,000
	<u>1,187,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052,365</u>
Designated fund - Church Planting	50,000	-	(50,000)	-	-	-
Designated fund - Pastoral Development	122,000	-	-	-	-	122,000
Designated fund - Prayer Leadership	5,165	-	(5,165)	-	-	-
Designated fund - Student Mission	15,926	-	(15,926)	-	-	-
Designated fund - Youth Mission	998	-	(998)	-	-	-
	<u>194,089</u>	<u>-</u>	<u>(72,089)</u>	<u>-</u>	<u>-</u>	<u>122,000</u>
Total Unrestricted and Designated Funds	<u>£ 1,381,193</u>	<u>£ 644,875</u>	<u>£ 851,703</u>	<u>-</u>	<u>-</u>	<u>£ 1,174,365</u>

The Designated Funds are from prior year gifts. The notes above show the 2019 and 2020 spend on each 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 2020 (CONTINUED)

19. Restricted Funds

Current Year

	Brought forward 01/01/2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2020 £
G2 Surplus Fund	31,495	87,876	(88,720)	-	30,651
Acts 435	29	1,630	(1,659)	-	-
Storehouse	3,808	890	(3,578)	-	1,120
Belfrey Youth Besom Christmas Hamper Fund	-	134	(134)	-	-
Bible Fund	32	-	-	-	32
Church Planting fund	-	2,550,000	-	-	2,550,000
St Wilfred Ecclesiastical Charity (COIF)	3,972	1,126	-	-	5,098
Evangelism of the North	161	-	-	-	161
Funeral Collections	69	-	-	-	69
Giving Away Day	15,058	-	(273)	-	14,785
Hardship Fund	-	96	(15)	500	581
Holding Crosses	-	840	(340)	500	0
House Of Prayer	1,387	148	(1)	-	1,534
House of Prayer People	25,000	-	(7,680)	-	17,320
Impact Project	1,068,350	5,920,427	(350,785)	-	6,637,992
Jim Fox Donation	39	-	(39)	-	-
Kidz Club	1	-	(1)	-	-
Legacy for Church Silver	311	-	-	-	311
Never Give Up	4,806	10	(496)	-	4,321
One-Off Collections	186	8,571	(8,519)	-	238
Premises Legacy	154,825	-	-	-	154,825
Youth Fund Legacy	9,227	-	(5,142)	-	4,085
Music (royalties)	382	-	-	-	382
Shoeboxes	14	-	-	-	14
Sozo Fund	744	300	(136)	-	908
St Cuthbert's Garden	70	-	(70)	-	-
Stained Glass Maintenance St Michael's Warwick Burton	2,000	-	-	-	2,000
Stained Glass Maintenance St Cuthbert's Warwick Burton	1,000	-	-	-	1,000
Student Worker Fund	18,272	-	(18,272)	-	-
The Corner Youth Outreach	-	500	-	-	500
Unspecified but Restricted	573	-	-	-	573
Women's Ministry (previously Women of Worth)	1,993	253	(265)	-	1,981
	1,343,804	8,572,800	(486,124)	-	9,430,480

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. The Church Planting Fund is a new fund and has nothing to do with the previous Designated Fund for Church Planting in Note 18.

**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 2020 (CONTINUED)

19. Restricted Funds - continued

<i>Comparative Year</i>	Brought forward 01/01/2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2019 £
G2 Surplus Fund	27,706	104,389	(100,600)	-	31,495
Acts 435	29	215	(215)	-	29
Storehouse	2,600	1,440	(232)	-	3,808
Ben Doolan Church Plant	150	-	(150)	-	-
Bible Fund	32	-	-	-	32
Burundi	-	10,000	(10,000)	-	-
St Wilfred Ecclesiastical Charity (COIF)	2,868	1,104	-	-	3,972
Evangelism of the North	161	-	-	-	161
Funeral Collections	69	814	(814)	-	69
Giving Away Day (supporting local mission organisations)	16,234	-	(1,176)	-	15,058
House Of Prayer	1,626	411	(650)	-	1,387
House of Prayer People	-	25,000	-	-	25,000
Impact Project	1,323,414	9,434	(264,498)	-	1,068,350
Jim Fox Donation	1,500	-	(1,461)	-	39
Kidz Club	1	-	-	-	1
Legacy for Church Silver	311	-	-	-	311
Never Give Up	5,655	466	(1,315)	-	4,806
One-Off Collections	1,151	14,486	(15,451)	-	186
Premises Legacy	154,825	-	-	-	154,825
Youth Fund Legacy	18,300	-	(9,073)	-	9,227
Rachel Sterling IJM	-	9	(9)	-	-
Revive (Roberts)	50	-	(50)	-	-
Music (royalties)	382	-	-	-	382
Shoeboxes	36	18	(40)	-	14
Sozo Fund	444	300	-	-	744
St Cuthbert's Garden	230	-	(160)	-	70
Stained Glass Maintenance St Michael's Warwick Burton	2,000	-	-	-	2,000
Stained Glass Maintenance St Cuthbert's Warwick Burton	1,000	-	-	-	1,000
Student Worker Fund	24,184	-	(5,912)	-	18,272
Unspecified but Restricted	573	-	-	-	573
Women of Worth	1,069	1,736	(812)	-	1,993
	£ 1,586,600	£ 169,822	£ (412,618)	-	£ 1,343,804

20. Analysis of net assets by fund

<i>Current Year</i>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets	801,815	-	3,213	805,028
Investment fixed assets	-	-	-	-
Current assets	342,664	-	9,431,884	9,774,548
Creditors:				
Amounts falling due within one year	(34,638)	-	(4,617)	(39,255)
	£ 1,109,841	£ -	£ 9,430,480	£10,540,321
<i>Comparative Year</i>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	804,440	-	6,425	810,865
Investment fixed assets	-	-	-	-
Current assets	293,631	122,000	1,367,109	1,782,740
Creditors:				
Amounts falling due within one year	(45,706)	-	(29,730)	(75,436)
	£ 1,052,365	£ 122,000	£ 1,343,804	£ 2,518,169

21. 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 Michael Perkins and Rev'd Victoria Earll 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 Rev'd Porter receives set statutory parochial fees for officiating at weddings and funerals, these are accounted for to the local Diocese. Rev'd Christian Selvaratnam was employed under a contract of employment to carry out his role within the church but is not paid for his services as a PCC member. A son of a trustee was paid £850 for design work relating to the Impact project and it is included under office and administration costs. There is no outstanding balance as at 31st December 2020.

During the year a total of £66,445 (including gift aid) (2019 - £71,511) was donated to the PCC by PCC Members (trustees), including close family members.

**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 2020 (CONTINUED)

22. Comparative Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES					
FOR THE YEAR ENDED 31 DECEMBER 2019					
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2019 £	2018 £
Income and endowments from:					
Donations and legacies	540,555	-	153,096	693,651	1,310,225
Income from charitable church activities	70,386	-	6,309	76,695	59,956
Other trading activities	23,372	-	-	23,372	18,854
Investments	4,767	-	10,377	15,144	13,451
Other income	5,795	-	40	5,835	11,031
Total income	644,875	-	169,822	814,697	1,413,517
Expenditure on:					
Raising funds	2,354	-	1,439	3,793	3,684
Charitable church activities	777,260	72,089	411,179	1,260,528	972,679
Total expenditure	779,614	72,089	412,618	1,264,321	976,363
Net income/(expenditure) before gains and losses on investments	(134,739)	(72,089)	(242,796)	(449,624)	437,154
Net (losses) on investments	-	-	-	-	(160)
Net income/(expenditure)	(134,739)	(72,089)	(242,796) -	449,624	436,994
Transfers between funds	-	-	-	-	-
Net movement in Funds	(134,739)	(72,089) -	242,796	(449,624)	436,994
Total funds brought forward at 1 January 2019	1,187,104	194,089	1,586,600	2,967,793	2,530,799
Total funds carried forward at 31 December 2019	£1,052,365	£122,000	£ 1,343,804	£ 2,518,169	£ 2,967,793