

**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 2022**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS
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The Parochial Church Council (PCC) has pleasure in presenting its Report and Financial Statements for the year ended 31 December 2022.

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) for good governance of the Church.

Over the last 12 months the church – often known as the Belfrey – has continued in its vision to be *serving God's Transformation of the North*. Our five aims of serving York, proclaiming Christ, nurturing disciples, developing leaders and planting churches were 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 the year 2022. The Leadership Team and PCC believe that if we prayerfully do these things, with the help of God, then the 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. Encouraging progress was made in 2022 on design and final consultation with stakeholders, resulting in us submitting applications for planning approval to the Diocese of York and City of York Council for the project. We also launched our fundraising campaign so we could raise 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, as in previous years, 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 gathering structure of congregations and groups. During 2022 we had 4 weekly services (on Sundays, meeting in St Michael le Belfrey Church and online at 9am, 11am and 6pm; and on Wednesdays at 12.30pm). Throughout 2022 we had approximately 40 midweek small groups, known as Belfrey Groups.

At the Annual Meeting 2022 there were 472 people on the church electoral roll, plus a further 66 at G2, a church we began in 2004, still legally under our governance, making the total 538.

The average weekly attendance during October 2022 was 498 for congregations meeting in St Michael le Belfrey Church, and 483 for online/telephone linkups, making a weekly total of 981. (This does not include G2.)

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Professions of faith, baptism, and confirmation are important to us as public marks of following Jesus Christ. We know of at least 23 initial professions of faith in Christ during 2022. We also conducted 7 re-affirmations of baptismal faith and baptised 4 infants and 21 adults.

Public Benefit Review of the year

Community

In 2022 the clergy, staff and volunteer team served the church family of the Belfrey through services, groups and pastoral support, but the clergy, staff and church have also sought to serve the wider community of York and beyond in a number of ways. Having established in 2021 a *Love York Post-Pandemic Fund* (PPF) to support social action initiatives, our social action programme made exciting progress over the last year, supporting our priority of "Serving York". Alison Dawson, our Social Action Programme Manager, along with the Social Action Programme Board, a subcommittee of PCC, has been working on various projects which allocate money from the PPF. These focus on initiatives that align with one or more of the three programme pillars – Poverty, Mental Health, and Young People and Families – and have included:

- **Small Grant Fund** in partnership with Two Ridings Community Foundation. This £50,000 fund was set up as a resource to support social action work being done by charities in York, especially those working at grassroots and local community level. Grant awards were made in July and December. Awards of up to £2,000 were made to 25 local charities and community groups, including St Thomas' Church in the Groves, which received £1,815 to run a weekly creative café for 10 weeks and Tang Hall Community Centre, which aimed to tackle financial issues for families over the school holidays by providing weekly food parcels for families in need with their £1,800 grant. The Social Action Programme Board acts as the Panel for the grant decisions.
- **Debt Centre** in partnership with Christians Against Poverty (CAP). £56,860 was committed from the PPF towards funding the running costs of our York Central Debt Centre for the next three years. Ania Druzic joined us as CAP Debt Centre Manager in October and we launched our Debt Centre in November. Ania has begun recruiting a team of volunteer befrienders to work with her, including from other churches in York as well as the Belfrey, and started seeing debt help clients in January 2023. We have also begun running the CAP Money course, teaching budgeting and money management skills.
- **Funding for a Youth Outreach Worker:** £79,140 has been committed to fund a Youth Outreach Worker at the Belfrey for three years. This outward-facing role will focus on reaching vulnerable and disengaged young people with services that will help them thrive and engage, prioritising areas such as healthy lifestyles, accessibility of education and mental health support. Nathan Hook has moved into this social action role from his previous Youth & Children's Outreach Worker post. Nathan will also be working strategically to support other churches in this type of outreach work.
- **Match-funding for Belfrey Group social action projects:** This was launched in July to support Belfrey Groups in working together on small social action projects as part of our *Love Your Neighbour* initiative. Groups are able to apply for up to £200 funding to match

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monies they raise. Eight groups used this to support the Christmas hamper scheme run by The Besom in York charity, with the result that the church contributed £831 towards making hampers for vulnerable families and individuals. One group used its funding to support the residents of Restore York, a local housing charity, with their Christmas meal.

- **Other grant funding:** We also gave a grant of £9,000 to The Besom in York as part funding to purchase a van that they can use to pick up donated furniture and white goods and transport these to recipients in need.

St Michael le Belfrey Church has been open daily most weeks during 2022, welcoming 40,000 visitors to come in and discover something of our heritage and to hear stories of faith today. Our youth and children's team provided groups and support for a wide range of young people and children inside and outside the church. We also served homeless and vulnerable members of our city through *Let's Cook*, teaching cookery and life skills in the Belfrey Hall. Welcome Lunches took place at the vicarage once a month, to welcome newcomers to the Belfrey. 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, led by Vicky Earll, which provided space for those exploring faith to find answers to their questions. We also began a new Discipleship course, based on Matthew Porter's book *A-Z of Discipleship*, to help new believers grow stronger in faith. We continue to 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 greatly value, not just as part of our built heritage but as centres of worship and mission. Applications for planning permission for the renovation and redevelopment of the St Michael le Belfrey church building were submitted during in 2022. The church also owns the Belfrey Hall, and houses at 28 Langdale Avenue and 13 Hempland Drive (used along with other rented properties to house interns). We rented the Parish Centre (11/12 Minster Yard) from York Minster as church offices. St Michael le Belfrey Church, St Cuthbert's Church and the Belfrey Hall were used most days, not just for worship and prayer, but also for meetings, concerts and theatre productions. We provided office space in the Parish Centre for G2 and *Fusion* and other churches use our photocopier to produce their newsletters.

Money

St Michael le Belfrey is a non-profit, charitable organisation and we see all financial provision as money for mission and ministry. Our income in 2022 was £894,550, of which £213,568 was restricted. 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. Being part of the Diocese of York, we contributed £179,544 in 2022 by way of freewill offering which, after supporting our full-time stipendiary clergy, supported the diocese in its wider mission in other churches, 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 clergy, staff and volunteers who have contributed so much

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over the year. In 2022 we said goodbye to Rob Hill and Charles Walters, as well as Jim Roberts and Paul and Bernadette Burbridge. We welcomed three new members of clergy/staff: James Congreve-Horn, Ania Druzic and Heidi Folland. Also, G2 said goodbye to Holly Bissett and Rosie Hayman, and welcomed Hannah Betteridge, Kat Bevington, David Casswell and Adoniel Martinez.

Impact Project

Impact, St Michael le Belfrey's repair and reordering project, will transform our grade 1 listed building, providing a beautiful, welcoming, flexible and accessible space to support the Belfrey's mission to serve God's Transformation of the North. Alongside technical design progress, 2022 has been a year of consultation, preparation and prayer.

At the end of May, applications for planning and listed building consent were submitted on behalf of the Belfrey by our planning consultants, O'Neill Associates, and LDN Architects. During the remainder of 2022, comments received from City of York Council's Planning team and other specialists have been carefully considered and responded to, with the hope that a successful outcome might be reached in early 2023.

In June we held an Open Event for a group of Contractors who expressed an interest in Impact and would have the skills and expertise to deliver the construction work.

In the autumn a faculty application was submitted to the Diocese of York and Impact was recommended by the Diocesan Advisory Committee. In December the formal consultation with amenity societies was opened and this process will continue well into 2023.

2022 saw the arrival of Heidi Folland, our Fundraising Administrator, who has been a great asset to the Impact team and instrumental in helping the Impact Board launch a fundraising campaign in October with the aid of a 3D walkthrough video. By the end of the year, £400k including gift aid had been realised through pledges and gifts from the Belfrey congregations, a generous and valuable start to the campaign.

Throughout the year, the Design team have continued to serve the Belfrey creatively and effectively as they have moved Impact through technical design (RIBA stage 4). Investigative works in May 2022 helped us understand the structural implications of the proposed design on the fabric and an assessment of the archaeology issues we could be faced with during construction. A lighting demonstration in November 2022 allowed us to test the effectiveness of the proposed locations and revise the scheme accordingly.

Prayer has been an invaluable part of Impact's journey in 2022 and we are grateful for many people's faithfulness. Prayer has brought answers, provided wisdom and most of all God's grace to remain persistent and patient throughout the year!

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. In January 2022 we were delighted to send Mike and Emma Perkins and a team to revitalise the parish of Holy Trinity in Heworth, York, supported by our Northern Church Planting Fund, which was established in 2020 to support church planting and revitalisation across the North. Conversations began about the location of the

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plant that Vicky Earll will lead (probably in 2024), and James Congreve-Horn joined us a planting curate in June 2022, with the expectation that he will lead a plant from us in 2026. We continue to support the work of St Hild College and also gave a grant to revitalise the Mount Church in St Helens in the Diocese of Liverpool.

During 2022 the Belfrey continued to provide support to its offshoot G2 in its mission and ministry. G2 has a Bishop's Mission Order (BMO) enabling it to explore innovative mission in York.

PLANS FOR THE FUTURE

In order to further our vision, we continued in 2022 to work on fulfilling our 5 Year Roadmap, launched in 2021. This turned our previous strategic emphases into *Aims*, to which a new initial aim was added – *Serving York*. The roadmap informed much of our preaching in 2021 and so in 2022 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.

LEADERSHIP

Our church, St Michael le Belfrey, is led by the Vicar (with the assistance of a Vicar's Leadership Team, which meets weekly), and is governed by the PCC.

Our church is managed by a team of dedicated staff and volunteers, for whom we are grateful.

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 and 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.

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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 2022 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. The Vicar has freehold of the church. 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.

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

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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 will take place again in 2023. 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

We continue to thank God for his financial provision even in a very difficult economic climate. Planned giving for the general running of the church in 2022 was £456,681, with a further £82,603 recovered under the Gift Aid scheme. The return of the offering during Sunday services in the summer was successful, bringing in nearly £6,000.

Unrestricted income for 2022 was £680,982 and expenditure was £860,433. This led to a deficit on the year of £176,470 after transfers between funds. This deficit was considerably less than originally budgeted and has been met fully from reserves.

Restricted donations amounted to £200,867. £61,800 plus £15,536 Gift Aid was G2's planned giving and £80,793 plus £18,802 was donated in response to the fundraising launch for Impact.

Restricted expenditure amounted to £834,368. £475,127 related to Impact, church planting grants amounted to £135,000, £117,132 was spent from the Post-Pandemic Fund and £96,329 related to G2. The remaining £10,780 related to several other restricted funds, as listed in note 18 to the accounts.

INVESTMENT POLICY

The PCC took external financial advice in 2021 from CCLA Investment Management Limited 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 2022. 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' 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 31 December 2022 amounted to £105,549, and after allocating £34,549 to be spent in 2023 the cash reserves are £71,000. The PCC reviews 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 in October 2021 at £954,565 included in the unrestricted reserves which could be converted into cash if needed.

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 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. Terms of reference for the HR Group were last updated in 2022, for the Impact Project Board in 2020, for the World Mission Team in 2022, for the NCPG in 2022, for the SAPB in 2022, and for G2 Council in 2021.

All major governance matters are decided by the Vicar 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 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
Independent auditors:	Waltons Business Advisers Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX
Financial Institutions:	Royal Bank of Scotland, 27 Park Row, Leeds, LS1 5QB Nationwide Building Society, Kings Park Road, Moulton Park, Northampton, NN3 6NW Yorkshire Bank/Virgin Money, Berling House, Mariner Court, Clydebank, G81 2NR Cambridge & Counties Bank, Charnwood Court, 5B New Walk, Leicester, LE1 6TE CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

PCC Trustees / Members

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

Clergy	Matthew Porter Andy Baker James Congreve-Horn (from June 2022) Vicky Earl Michael Perkins (until January 2022) Jim Roberts (until May 2022)
Churchwardens	Daniel Brookes Karen Dixon (from April 2022) Christopher Dobson (until April 2022) Remi Oduyemi Andrew Oldroyd (from April 2022)

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Deanery Synod

Daniel Brookes
James Hayden
John Lindley
Tony Scott
Martine Somerville

Elected representatives

Lydia Baldwin (from April 2022)
Katherine Bridge (from April 2022)
Dani Cook (until April 2022)
Ali Hale (until April 2022)
Ross Kenyon
Joe McKeogh
Andrew Oldroyd (until April 2022)
Liv Portway (from September 2022)
Paddy Wordsworth (from April 2022)

Officers

Secretary: Martine Somerville
Treasurer Team: Joe McKeogh (Treasurer) &
Martine Somerville (from April 2022)
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

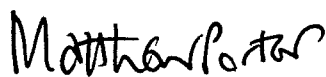
In so far as the PCC members are aware:

- 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.

AUDITORS

The church's firm of auditors changed its name from Waltons Clark Whitehill Limited to Waltons Business Advisors Limited on 1 March 2022.

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



Revd Matthew Porter
Chair

30/03/2023

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 2022, 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 2022 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 Trustees' 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 is 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 is 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 determines 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 is 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 intends to liquidate or to cease operations, or has 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 as follows:

- to test the timing and existence of revenue,
- to review journals posted to key control accounts or 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 Business Advisers Limited

Waltons Business Advisers Limited

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

10 May 2023

Waltons Business Advisers 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 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	2021 £
Income and endowments from:					
Donations and legacies	2	569,734	200,867	770,601	814,374
Income from charitable church activities	3	80,083	2,131	82,214	56,531
Other trading activities	4	19,038	-	19,038	10,474
Investments	5	4,645	10,570	15,215	7,751
Other income	6	7,482	-	7,482	13,926
Total income		680,982	213,568	894,550	903,056
Expenditure on:	7				
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	11	-	-	-	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	17/18	£1,057,114	£ 8,586,533	£ 9,643,647	£10,443,898

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 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	2021 £
Fixed Assets					
Tangible fixed assets	11	951,565	-	951,565	954,190
		951,565	-	951,565	954,190
Current Assets					
Stock	12	613	-	613	533
Debtors	13	25,104	6,194,867	6,219,971	7,217,426
Cash at bank and in hand	14	117,340	2,405,016	2,522,356	2,351,442
Total Current Assets		143,057	8,599,883	8,742,940	9,569,401
Current Liabilities					
Creditors: amounts falling due within one year	15	37,508	13,350	50,858	79,693
Total current liabilities		37,508	13,350	50,858	79,693
Net Current Assets		105,549	8,586,533	8,692,082	9,489,708
Total assets less current liabilities		1,057,114	8,586,533	9,643,647	10,443,898
Net Assets		£ 1,057,114	£ 8,586,533	£ 9,643,647	£10,443,898
The funds of the charity					
Unrestricted general fund	17	746,114	-	746,114	922,584
Unrestricted revaluation reserve fund	17	311,000	-	311,000	311,000
Restricted funds	18	-	8,586,533	8,586,533	9,210,314
Total Charity Funds		£ 1,057,114	£ 8,586,533	£ 9,643,647	£10,443,898

Approved by the Parochial Church Council on 30/03/2023 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 2022**

	2022 £	2021 £
Cash flows from operating activities:		
Net income for the reporting period	(800,251)	(96,423)
Adjusted for:		
Depreciation charges	2,625	5,838
Dividends and interest from investments	(15,215)	(7,751)
Revaluation of fixed assets	-	(155,000)
Decrease in stocks	(80)	105
Decrease/(increase) in debtors	997,455	448,926
Increase/(decrease) in creditors	(28,835)	40,438
Net cash provided by operating activities	155,699	236,133
Cash flows from investing activities:		
Dividends and interest from investments	15,215	7,751
Net cash provided by investing activities	15,215	7,751
Change in cash and cash equivalents in the reporting period	170,914	243,884
Cash and cash equivalents at the beginning of the reporting period	2,351,442	2,107,558
Cash and cash equivalents at the end of the reporting period	£ 2,522,356	£ 2,351,442
Analysis of cash and cash equivalents		
Cash in hand	351	384
No notice and notice deposits (less than 3 months)	640,243	1,072,450
Notice deposits (more than 3 months)	1,881,762	1,278,608
	£ 2,522,356	£ 2,351,442

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 2022

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)

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the statement of financial activities 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 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.

**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)

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 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 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.

**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)

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. 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 pensions costs charged to the SoFA in the year are the contributions payable (2022: £22,896, 2021: £19,623).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019. The next valuation due as at 31 December 2022 is expected to be complete in early 2024.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m 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 2022 (CONTINUED)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	2021 £
2. Donations and legacies				
Planned giving	456,681	61,800	518,481	524,070
Tax recoverable	82,603	34,338	116,941	99,559
Collections (open plate)	5,797	-	5,797	-
Legacies	500	-	500	23,474
Pledges received for Impact	-	80,793	80,793	-
Donations	24,153	23,936	48,089	167,271
	£ 569,734	£ 200,867	£ 770,601	£ 814,374

In 2021, income from donations and legacies amounting to £650,573 related to unrestricted funds and £163,801 related to restricted funds.

3. Income from charitable church activities				
Events	66,928	931	67,859	53,289
Other income from church activities	13,155	1,200	14,355	3,242
	£ 80,083	£ 2,131	£ 82,214	£ 56,531

In 2021, income from charitable church activities amounting to £55,049 related to unrestricted funds and £1,482 related to restricted funds.

4. Other trading activities				
Sales	7,450	-	7,450	6,316
Hire of facilities	11,558	-	11,558	4,128
Music	30	-	30	30
	£ 19,038	£ -	£ 19,038	£ 10,474

In 2021, income from other trading activities amounting to £10,332 related to unrestricted funds and £142 related to restricted funds.

5. Investment income				
Dividends received	-	1,179	1,179	1,148
Deposit interest	4,645	9,391	14,036	6,603
	£ 4,645	£ 10,570	£ 15,215	£ 7,751

In 2021, investment income amounting to £1,719 related to unrestricted funds and £6,032 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	4,982	-	4,982	9,880
Grants	2,500	-	2,500	
Government grants	-	-	-	4,046
	£ 7,482	£ -	£ 7,482	£ 13,926

In 2021, other income amounting to £10,850 related to unrestricted funds and £3,076 related to restricted funds.

Total Income	£ 680,982	£ 213,568	£ 894,550	£ 903,056
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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 2022 (CONTINUED)

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	2021 £
7. Analysis of expenditure				
Raising funds	£ 253	£ 13,590	£ 13,843	£ 764
Charitable church activities				
Missionary and charitable giving (note 8)				
Grants	-	200,761	200,761	23,917
Overseas mission	48,341	-	48,341	49,843
Home mission	16,498	8,076	24,574	20,354
	64,839	208,837	273,676	94,114
Ministry: Diocesan free will offering	176,544	3,000	179,544	182,636
Church - general upkeep and services	84,476	12,557	97,033	59,800
Church - premises	114,103	390,018	504,121	293,026
Music	2,611	-	2,611	2,816
Events	21,901	652	22,553	5,365
Staff salaries, pensions and other staffing costs	360,500	173,511	534,011	443,807
Office and administration costs	25,547	31,836	57,383	61,505
Finance costs	2,675	367	3,042	2,274
Audit fee	4,200	-	4,200	3,860
Outsourced accountancy, taxation and payroll	2,784	-	2,784	4,512
	£ 860,180	£ 820,778	£ 1,680,958	£ 1,153,715
Total	£ 860,433	£ 834,368	£ 1,694,801	£ 1,154,479

In 2021, expenditure of £761,745 related to unrestricted funds and £392,734 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 2022 (CONTINUED)

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	2021 £
8. Mission and charitable grants				
<i>Grants</i>				
Acts 435	-	1,550	1,550	895
Ukrainian refugees	-	1,017	1,017	-
Church Planting Grant	-	135,000	135,000	-
Hardship fund	-	100	100	-
Small grants fund PPF	-	59,000	59,000	-
PPF Belfrey Group Match Funding	-	831	831	-
One-Off Restricted Donations	-	3,263	3,263	20,667
Giving from Gift Day	-	-	-	2,355
	-	200,761	200,761	23,917
<i>Overseas mission</i>				
Blacker Support	11,388	-	11,388	13,248
Wycliffe (Eves)	9,000	-	9,000	8,610
Fletcher Support	7,371	-	7,371	7,020
Homer Support	6,120	-	6,120	6,120
Roberts Support	9,408	-	9,408	11,424
Bayfords	2,400	-	2,400	504
Wilson	2,040	-	2,040	2,544
International Students	120	-	120	93
Missionary Discretionary	229	-	229	16
Global Connections	265	-	265	265
	48,341	-	48,341	49,843
<i>Home mission</i>				
Church Missions	236	-	236	-
Friends International	2,000	-	2,000	2,000
Warren Furman Mission	1,500	-	1,500	2,000
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	3,000	-	3,000	3,000
Evangelism Cafes	91	-	91	361
Women of Worth	-	582	582	131
Evangelist Tracts	-	-	-	16
Student Mission	216	-	216	310
Children and Family Outreach	285	-	285	-
Youth Outreach	379	57	436	-
Students International Mission	50	-	50	-
Students Social Action	41	-	41	-
Evangelism Ministry	250	-	250	192
Community/Families Outreach	491	-	491	-
Youth Outreach Miscellaneous	17	-	17	-
Alpha	1,942	24	1,966	-
G2 Giving	-	2,845	2,845	2,430
G2 Giving to Fusion	-	2,963	2,963	2,963
G2 Outreach Events	-	-	-	106
CAP contribution	-	1,200	1,200	-
Funeral Collection	-	405	405	-
Peter Gibson youth legacy Expenditure	-	-	-	844
	16,498	8,076	24,574	20,354
	£ 64,839	£ 208,837	£ 273,676	£ 94,114

In 2021, all Grants were related to restricted funds, all Overseas Mission were related to unrestricted funds. Home Mission was made up of £13,879 relating to unrestricted funds and £6,475 relating to restricted funds.

9. Net income for the year

This is stated after charging:		
Staff pension contribution	22,896	19,623
Depreciation	2,625	5,838
Auditors' remuneration - audit of financial statements	4,200	3,860

10. Staff costs and emoluments

Total staff costs were as follows:		
Wages and salaries	465,628	390,008
Social security costs	30,679	22,266
Other pension costs	22,896	19,623
	£ 519,203	£ 431,896

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 (2021- 28). The average number of employees calculated on the basis of full-time equivalents was 19 (2021 - 17)

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 £5,580 (2021 - £12,052).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

11. Tangible fixed assets

	Freehold Land & Buildings £	Motor Vehicles £	Church Equipment £	Total £
Cost or valuation				
At 1 January 2022	950,000	12,850	83,891	1,046,741
Revaluation	-	-	-	-
At 31 December 2022	950,000	12,850	83,891	1,046,741
Depreciation				
At 1 January 2022	-	12,850	79,701	92,551
Charge for year	-	-	2,625	2,625
At 31 December 2022	-	12,850	82,326	95,176
Net book value				
At 31 December 2022	£ 950,000	£ -	£ 1,565	£ 951,565
At 31 December 2021	£ 950,000	£ -	£ 4,190	£ 954,190

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:

	2022	2021
Historical cost at 31 December 2022	£ 639,000	£ 639,000

12. Stock

Bookstock and other	£ 613	£ 533
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At both 31 December 2022 and 31 December 2021 stock related to the unrestricted funds.

13. Debtors

Trade debtors	55	30
Income tax recoverable	15,511	8,441
Prepayments and accrued income	24,405	15,430
Accrued income - Church Planting, Post Pandemic and Impact grants within one year	2,348,000	303,525
Accrued income - Church Planting, Post Pandemic & Impact grants more than one year	3,832,000	6,890,000
	£ 6,219,971	£ 7,217,426

At 31 December 2022 £6,194,867 (2021 - £7,196,377) of debtors related to restricted funds, the balance of debtors related to the unrestricted funds.

	2022	2021
	£	£
14. Cash at bank and in hand		
Bank balances	2,522,005	2,351,058
Cash balances	351	384
	£ 2,522,356	£ 2,351,442

At 31 December 2022 £117,340 (2021 - £304,459) of cash and bank balances related to unrestricted funds and £2,405,016 (2021 - £2,046,983) related to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15. Creditors: amounts falling due within one year	2022	2021
Trade creditors	14,181	30,548
Accruals and deferred income	28,846	40,732
Tax and social security creditor	7,554	7,982
Pension creditors	277	431
	<u>£ 50,858</u>	<u>£ 79,693</u>

At 31 December 2022 £13,350 (2021 - £33,046) of creditors related to restricted funds, the balance of creditors related to unrestricted funds.

	2022	2021
Deferred income at 1 January 2022	6,491	8,081
Resources deferred during the year	5,822	6,491
Amounts released from previous periods	(6,491)	(8,081)
	<u>£ 5,822</u>	<u>£ 6,491</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 2021 and 2022 was income in advance for church events where an early bird discount was offered and also rent income paid for future periods.

16. Commitments under operating leases

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

	2022		2021	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Under 1 year	-	-	-	-
Within 2 to 5 years	7,644	1,315	7,644	1,504
After more than 5 years	32,800	-	32,800	-
	<u>£ 40,444</u>	<u>£ 1,315</u>	<u>£ 40,444</u>	<u>£ 1,504</u>

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

	2022	2021
Operating lease rentals	<u>£ 41,759</u>	<u>£ 41,948</u>

17. Unrestricted and Designated Funds

<i>Current 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>
<i>Comparative Year</i>	Brought forward 01/01/2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2021 £
Unrestricted fund - General	953,841	728,522	(761,745)	1,965	-	922,584
Unrestricted fund - Revaluation Reserve	156,000		-	-	155,000	311,000
	<u>1,109,841</u>	<u>728,522</u>	<u>(761,745)</u>	<u>1,965</u>	<u>155,000</u>	<u>1,233,584</u>
Total Unrestricted and Designated Funds	<u>£ 1,109,841</u>	<u>£ 728,522</u>	<u>(761,745)</u>	<u>£ 1,965</u>	<u>£ 155,000</u>	<u>£ 1,233,584</u>

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. Restricted Funds

Current 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
Shoeboxes	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

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 2022 (CONTINUED)

18. Restricted Funds - continued

<i>Comparative Year</i>	Brought forward 01/01/2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2021 £
G2 fund	30,651	93,600	(81,719)	-	42,532
Acts 435	-	895	(895)	-	-
Storehouse	1,120	-	-	-	1,120
Bible Fund	32	-	-	-	32
Church Planting fund	2,550,000	-	(20,000)	(1,000,000)	1,530,000
St Wilfred Ecclesiastical Charity (COIF)	5,098	1,149	(1,126)	(1,785)	3,336
Evangelism of the North	161	-	-	-	161
Funeral Collections	69	-	-	-	69
Giving Away Day	14,785	-	(4,869)	(3,164)	6,752
Hardship Fund	581	-	-	-	581
Holy Communion	-	23,474	-	-	23,474
House of Prayer	1,534	32	-	-	1,566
House of Prayer People	17,320	-	(7,320)	-	10,000
Impact Project	6,637,992	50,341	(254,184)	-	6,434,149
Internship Bursary	-	1,120	-	-	1,120
Legacy for Church Silver	311	-	-	-	311
Never Give Up	4,321	1,656	(1,740)	-	4,237
One-Off Collections	238	1,075	(667)	-	646
Post Pandemic Fund	-	830	(15,804)	1,002,983	988,009
Premises Legacy	154,825	-	-	-	154,825
Youth Fund Legacy	4,085	-	(4,085)	-	0
Music (royalties)	382	-	-	-	382
Shoebboxes	14	-	-	-	14
Sozo Fund	908	175	(32)	-	1,051
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	500	-	(162)	-	338
Unspecified but Restricted	573	-	-	-	573
Women's Ministry	1,981	186	(131)	-	2,036
	9,430,480	174,533	(392,734)	(1,965)	9,210,314

19. Analysis of net assets by fund

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<i>Current 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
	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<i>Comparative Year</i>			
Tangible fixed assets	954,190	-	954,190
Current assets	326,041	9,243,360	9,569,401
Creditors:			
Amounts falling due within one year	(46,647)	(33,046)	(79,693)
	£ 1,233,584	£ 9,210,314	£ 10,443,898

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 Earl 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 £61,943 (including gift aid) (2021 - £54,782) 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 £3,787.41 were incurred by PCC members and close family towards running of the church and the 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 2021**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	2020 £
Income and endowments from:				
Donations and legacies	650,573	163,801	814,374	9,136,653
Income from charitable church activities	55,049	1,482	56,531	61,350
Other trading activities	10,332	142	10,474	8,198
Investments	1,719	6,032	7,751	12,007
Other income	10,850	3,076	13,926	29,640
Total income	728,523	174,533	903,056	9,247,848
Expenditure on:				
Raising funds	277	487	764	550
Charitable church activities	761,468	392,247	1,153,715	1,225,146
Total expenditure	761,745	392,734	1,154,479	1,225,695
Net income/(expenditure) before gains and losses	(33,222)	(218,201)	(251,423)	8,022,153
Net gains revaluation of fixed assets	155,000	-	155,000	-
Net income/(expenditure)	121,778	(218,201)	(96,423)	8,022,153
Transfers between funds	1,965	(1,965)	-	-
Net movement in Funds	123,743	(220,166)	(96,423)	8,022,153
Total funds brought forward at 1 January 2021	1,109,841	9,430,480	10,540,321	2,518,169
Total funds carried forward at 31 December 2021	£1,233,584	£ 9,210,314	£ 10,443,898	£ 10,540,321