



The Parochial Church Council of the Ecclesiastical
Parish of St Matthew with St Sidwell, Exeter

Registered Charity Number 1169445

Annual Report and
Financial Statements
For the year ended 31st December 2022

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MATTHEW WITH ST SIDWELL, EXETER

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Aim and Purpose

The Parochial Church Council of the Ecclesiastical Parish of St Matthew with St Sidwell Exeter has the responsibility to co-operate with the incumbent to promote, within the ecclesiastical parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical.

The PCC confirms that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities.

Objectives and Activities

We believe this involves:

- Inviting those outside the church to encounter Jesus and explore faith;
- Creating community and developing a deep experience of belonging;
- Equipping our members to live effective Christian lives in every sphere of society; and
- Sending out our members to transform society and proclaim hope.

To fulfil this vision, our aims are:

- To build a worshipping, praying and spirit filled community;
- To strengthen community and deepen relationships throughout the church and community;
- To equip every member to live a distinctively Christian life which brings God's Kingdom into homes, schools, universities and workplaces;
- To evangelise and spread the gospel;
- To engage children and young people in the Christian faith; and
- To offer pastoral care and support to those living in Newtown and beyond.

2022 has been a period of sustained growth for St Matt's. With the impact of the Covid-19 related restrictions now behind us, we have been able to refocus our efforts upon growing the

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church community, increasing the impact of our current activities and developing strategic goals for the next few years. A primary task has been to consolidate our current activities with a view to multiplying them in readiness for church planting and further growth. Throughout much of the year, we have been developing plans to establish a new campus in another area of the city. This will enable new worshipping communities to be built, greater services provided to children and families and further opportunities to authentically evangelise.

As we approach the end of our Strategic Development Funding (SDF), we continue to carefully plan both financially and operationally for the sustainable future of the organisation. We intend for St Matt's to become fully self-sustaining in the longer term by building a growing community of active Christians who embody the Diocesan vision to grow in prayer, make new disciples and serve the people of Devon with joy.

In December 2022, Rev Matt Clayton was appointed leader of Unlimited Church. Unlimited is a youth focused church located in central Exeter which will provide an excellent opportunity for Matt to use his skills and talents to further the church in Exeter. We are immensely grateful to Matt for his hard work and contribution to St Matt's.

Achievements and performance

Worship and Prayer

The largest gathering of people at St Matt's continue to be our services of worship, encouragement and prayer. There have been 3 weekly services held throughout the year including:

- A midweek traditional Eucharist; and
- 2 contemporary and accessible Sunday services at 10am and 6pm.

Collectively these services attract up to 360 worshippers each week. Services are supported by a variety of volunteer teams including cafe, hosting, worship and production and overseen by employed members of staff. These teams offer opportunities to serve the wider work of the church and encourage hands-on engagement in our worship and mission.

Prayer and worship provide an important foundation for the wider activities of the church. In response to feedback from members of the community, our patterns of weekly prayer changed in Summer 2022. Rather than an 8am weekly prayer gathering, we intend to offer a lunchtime prayer meeting in 2023. We continued our pattern of half-termly 'Kingdom Come' events which include worship and prayer to pray for the needs of the church and city. St Matt's has a growing worship team, resourced by approximately 45 volunteers who lead worship at our services and events like Kingdom Come and Alpha.

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Creating and Strengthening Community

St Matt's exists to create and strengthen community through belonging. One of the ways this is achieved is through midweek Groups. In response to strategic analysis by our staff team, we restructured groups to make them more easily accessible, replicable and to improve the leadership. At present there are 16 groups meeting fortnightly across Exeter and beyond. These groups are led by trained volunteers who organise, teach and pastor their attendees. Groups are now more flexible with some forming for a term and others being more permanent. This reflects the changing needs and life stages of the group members and makes leadership more manageable for the volunteers involved.

Connect Groups provide the environment for deep, long-lasting relationships and support for pastoral needs. They create opportunities for spiritual growth and seek to find ways they can impact their local communities. We actively encourage groups to play their part in the transformation of their locality.

Equipping the Church

St Matt's seeks to be a church that equips every member to influence the sphere of society in which they find themselves. We encourage and pray for those working in business, healthcare, education, the home and the charitable and care sectors and this is often emphasised in our gatherings and services. Our intention is to deploy these equipped Christians into a variety of areas, supported by the church to reduce poverty and isolation and transform society in Exeter. We also continue to support and encourage members of our community to play an active role in outreach and social action through partner organisations. These have included organisations supporting those leaving the care system, adoption, fostering and homeless feeding programmes.

We also seek to invest in leaders and future leaders of the Church of England. St Matt's is responsible for the training and development of Revd. Vanessa Pestridge who will serve her Curacy in the parish until 2024. She is involved in a number of areas including leading volunteer teams, training small group leaders, midweek services and pastoral visiting. We continue to identify potential candidates for ministry within the Church of England and support their training and development. In 2022, we referred 8 people to the Diocese of Exeter for further exploration and discernment.

Evangelism

St Matt's continues to be a church which attracts and engages those outside the church. We are committed to running the Alpha course from Holy Trinity Brompton as an accessible and replicable model of evangelism. Each term, we promote the upcoming course and encourage our members to invite family, friends and colleagues to try Alpha and explore the big questions

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of life, faith and meaning. From September 2022, courses have been offered in person attracting a peak attendance of 35 guests. We also continue to offer other courses and events which provide easy opportunities for those attending to explore faith and find out about Christianity.

Children and Young People

St Matt's is an intentionally multigenerational church with an emphasis upon reaching those groups who are least likely to attend church. Namely, families with young children, students and young adults. St Matt's designation as a Diocesan Resource Church places special emphasis upon engaging children, families and university students and these continue to be top priorities for us. Our recently launched student group attracts over 60 people and these students are heavily involved in the volunteer teams of the church.

A crucial area of engagement with children and young people is at our Sunday services. Our Sunday Kid's groups regularly attracts over 45 children and their parents and are led and facilitated by a volunteer team in the church hall. In addition, there are Sunday groups for 11-14 year olds and midweek groups for young people aged 15-18.

To support families of younger children, we offer POLO, (Parents of Little Ones), a mid-week group for parents and toddlers with a particular emphasis on supporting parents in the early stages of their children's lives. The peak attendance in 2022 was 129 people – 68 children and 61 adults. This has been a great group to invite local families to who might otherwise not attend church as it has a wider appeal to those who value the support of other parents with young children. We also offered Alpha as a follow-on to POLO for the first time in 2022.

Other Activities (inc. Ecumenical Relationships)

As a Resource Church, St Matt's is committed to fruitful partnerships with other churches and faith-based organisations. This is partially achieved by the involvement of clergy and lay-leaders in ecumenical groups, and we are also members of Churches Together in Exeter. We continue to offer consultancy and training to local organisations and churches seeking to enhance their own services and activities using our models.

Additionally, a number of other faith based and community organisations make use of our premises. This has included hosting regional strategic events on behalf of the Diocese of Exeter, regional Alpha UK events, local school performances and charity fundraisers.

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Deanery Synod

Two members of the PCC sit on the Christianity Deanery Synod. This provides the PCC with a link to the churches around us and also with the Diocese as a whole. It also receives reports from the Diocesan and General Synod. Among the items discussed were:

- Three brief presentations on the Next Steps document:
 - Growth Values, how the culture of a church is expressed in behaviour, attitudes and relationships of the people that make it.
 - Mixed Ecology of Church and building up the Parish.
 - Healthy Mission Community Audit – it was noted that although some elements would be common to all Mission Communities, for example, having vision and strategy as well as the resources of people, money and buildings to deliver them, there would be differences in each particular place.
- Election result of four members of the House of Laity to represent the Diocese in General Synod including Georgia Willis from St Matt's Exeter.
- The meeting held on 26th March 2022 included an update on the situation regarding arrangements for refugee sponsorship for those coming to the UK from Ukraine. Further information on support and prayer for Ukraine is available on the Diocesan website.

Church Fabric

In 2021, St Matt's sought a faculty to carry out phase two of a major renovation. This was granted in October 2021 and work began in December. The work was completed in early 2022 although some rectification work was needed for the steps to meet building control regulations. This is now complete.

There is now step free access between the stage (chancel) and ground floor of the church, a levelled stage and a store room underneath the organ.

Towards the end of 2022, we received Council planning permission for phase 3 of our building works. This will comprise an extension to the side of church, allowing for six new toilets and a breakout space which will be used on Sundays for parents and young babies and during the week as a meeting space. The installation of new toilets will greatly improve the experience of visiting St Matt's.

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In 2022 we also replaced the fraying carpet with new carpet tiles. They are more resilient to wear and individual tiles are easily replaceable if needed.

Financial Review

The total unrestricted income for the year was £220,333 (2021: £152,852) of which £172,547 (2021: £118,380) was donations. The £210,509 (2021: £159,327) of restricted income includes £171,784 (2021: £150,357) of SDF income. £335,005 (2021: £286,129) was spent to provide Christian ministry at St Matt's and St Sidwell's Churches, including the contribution to the Diocesan Common Fund which largely provides stipends and housing for the clergy. This is the amount that the churches in the diocese are asked to contribute to cover these costs. It is calculated by a formula based mainly on the head count of the congregation. The amount also includes £54,669 (2021: £13,218) spent on major improvements to the church building.

The net result for the year was a surplus of £95,837 (2021: £26,050) before gains/losses on investments. After adjusting for losses on investments, the net income for the year was £88,466 (2021: £34,572).

The PCC receives rental income from renting the church hall, hall car park and some spaces in the church car park.

The PCC has designated approximately 10% of the year's generated income and investment dividends to charities of their choice. This designated fund is called "Charitable Giving" in the accounts. The PCC have agreed that the amount designated to be spent in 2023 is £8,000. The PCC have also allocated £2,000 to a "Local Neighbourhood Fund", a fund available for those in the immediate community to apply to for grants to help with everyday living costs.

Reserves Policy

The Finance Team has built on the established budget monitoring process to develop more detailed reporting and analysis to support the decision making of the PCC as it leads the church through a period of growth and recovery from the impact of Covid-19. The PCC aims to hold free reserves broadly equivalent to 3 months' expenditure (£83,000) for the following reasons:

1. To manage cash flow and contractual obligations;
2. In case of significant building maintenance being required; and
3. Against loss of income whilst buildings are not available for rental.

The PCC has approved a budget for 2023 with a deficit of £26,000. This deficit is predominantly due to the PCC approaching the end of our SDF funding and needing to partially fund some of

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the staff salaries. The PCC was willing to approve a deficit budget as expenditure will be reviewed throughout the year against projected and actual income and spending can be reduced if deemed necessary. The PCC have also been anticipating this need to bridge the gap between SDF funding and ongoing financial sustainability and as such, have reserves available to cover the deficit if necessary.

The total net assets as at the year end were £1,323,105, and of these, £196,478 are restricted reserves. Of the remaining £1,126,627 unrestricted general funds, £585,177 is held as tangible fixed assets, and £330,000 in investment property. The remaining free reserves held by the PCC are £211,450.

This is in excess of the reserves policy by £128,450. We are continuing to hold reserves in excess of the policy as we work towards establishing financial sustainability at the end of the external SDF funding period when a period with some deficits is anticipated.

Risk Management

The policies with Ecclesiastical Insurance Group provide adequate insurance cover for all the activities in which the PCC is involved, including employers' and public liability.

We have in place a resilient safeguarding procedure for the recruitment of staff and new volunteers particularly for the Kids and Youth team.

The PCC holds a Risk Register that is reviewed on a regular basis by the senior staff team and is presented to the PCC each year.

Coronavirus and world events Impact

We are primarily dependent on giving from the congregation to fund our activities and also receive a proportion of our income from venue hire. At the time of preparation of the 2022 accounts (February 2023), we have maintained our external bookings at a slightly lower level than before the coronavirus pandemic. The anticipated reduction in giving due to Covid-19 did not materialise.

Our investments have stabilised having dropped in value earlier in the year.

Income and expenditure is being actively monitored by the Finance Team. We currently have reserves that would be able to support activity should the need arise toward the end of 2023. The PCC will continue to monitor the situation.

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Structure, Governance and Management

The method of appointment of PCC members is set out in the Church Representation Rules 2020. The Council comprises the Incumbent, the Associate Vicar, the Church Wardens, those elected to the Deanery Synod, and other members who are elected at the Annual Parochial Church meeting, by those on the Electoral Roll. Members of the congregation are always encouraged to join the Electoral Roll and to consider standing for election to the PCC.

The PCC supports the incumbent in promoting the ministry and mission of the Church. The powers conferred on the Council by the Parochial Church Councils (Powers) Measure 1956 include the power to acquire, manage, and administer property for Ecclesiastical purposes, and the power to frame an annual budget of monies required for Church work.

The Council is also given power, jointly with the incumbent, to appoint and dismiss Church staff members and to determine the salaries and conditions of service of these officers.

The PCC meets at least five times a year. During these meetings, reports from various ministry areas are reviewed. Our Annual Parochial Church Meeting was held on 23rd May 2022.

The Standing Committee consists of the Incumbent, the Associate Vicar, Churchwardens, the PCC Secretary, the Treasurer and two other PCC members. This is the only committee required by law and has the power to transact business of the PCC between its meetings, subject to any direction of the Council.

A Finance Team has been established to work towards the PCC being self-sustainable at the end of the SDF income.

We are also developing a wider pool of volunteers and raising up volunteer team leads who support the Incumbent and staff team to deliver on Sundays and activities throughout the week that seek to meet our aims and objectives.

The staff team comprises an Operations Director, Worship Pastor, Kids & Families Pastor, Youth Pastor and Operations & Leadership Administrator. It has previously also included a cleaner but this role was made redundant in 2022. In 2021, we recruited a temporary Production Co-ordinator role, funded by the Allchurches Trust (now Benefact Trust). This temporary contract has now come to an end. The first four of the above roles are funded by the SDF income for the first five years of the Resource Church. Each staff member will have an annual Personal Development Review which will set out personal aims and objectives for the following year and identify which strategic priorities they are responsible for.

We also have a volunteer Parish & Teams Administrator in post who supports the staff team by completing various administrative tasks and a Facilities Co-ordinator who helps to oversee the

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maintenance and cleaning of the buildings. We have also more recently recruited a volunteer DBS Administrator who processes all our DBS checks and references.

Every staff team member meets regularly with their line manager and the staff members responsible for the various volunteer teams meet regularly with those team leads. We are committed to ongoing training and development for both staff and volunteers.

Safeguarding

Georgina Hutson is our Parish Safeguarding Representative. She is supported by Andrea Pethick and Janet Spencer.

The PCC has complied with its duty under section 5 of the Safeguarding and Clergy Discipline Measure 2016 (duty to have regard to House of Bishops' guidance on safeguarding children and vulnerable adults) which has been incorporated into the Church Safeguarding Policy and embedded through our safeguarding practices.

The PCC has adopted the Diocesan Dashboard for monitoring compliance with safeguarding best practice.

Reference and administrative Information

The Parochial Church Council of the Ecclesiastical Parish of St Matthew with St Sidwell, Exeter has pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2022.

Church Addresses

St Matthew's Parish Church, Lower Summerlands, Exeter EX1 2LJ

St Matthew's Church Office, St Matthew's Church Hall, Clifton Road, Exeter EX1 2BS

Charity Registration Number: 1169445

Tel: 01392 248322 Email: hello@stmattsexeter.org Web: www.stmattsexeter.org

St Sidwell's Chapel, Sidwell Street, Exeter, EX4 6NN

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Membership of the Parochial Church Council (PCC)

PCC members who have served from 1 January 2022 until the date this report was approved were:

Ex Officio members

Clergy

Rev Edward Hodges (Chair)	Incumbent
Rev Matt Clayton (until 11th December 2022)	Associate Vicar
Rev Vanessa Pestridge	Curate

Church Wardens

Mark Hobson	
Rebecca Barratt	(from May 2022)
Heidi Williams	(resigned May 2022)

Elected Members

Chloe Christine	(from May 2022)	
Jade Faulkner-Lloyd	(from May 2022)	
Lorraine Hayes		Electoral Roll Officer and Deanery Synod Representative
Georgina Hutson		Safeguarding Officer
Kate Jackson		Deanery Synod Representative
Alec Kemp	(died May 2022)	
John Kow		
Harry Mutton	(resigned May 2022)	
Kim Wilding		
Neil Williams		Treasurer
Adam Westaway		

Co-opted Members

Mike Cleveland	Retired Clergy (with PTO)
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Key management personnel include all members of the PCC as well as the Operations Director (Sophie Giles), the Kids & Families Pastor (Jessica Hodges) and the Worship Pastor (Josh Chesworth).

Investment Managers

CCLA Senator House, 85 Queen Victoria Street, LONDON EC4V 4ET

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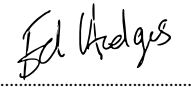
Bankers

Lloyds Bank, 234 High Street, EXETER EX4 3NL

Independent Examiner

Shane Cann ACA FCCA CTA
Bush & Co Chartered Accountants,
2 Barnfield Crescent, Exeter, Devon, EX1 1QT

This report was approved by the PCC on 24th April 2023 and signed on their behalf by:



Rev Edward Hodges

PCC Chair



Mark Hobson

PCC Church Warden

On behalf of the Parochial Church Council

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INDEPENDENT EXAMINER'S REPORT
Year Ending 31 December 2022

I report to the PCC on my examination of the accounts of The Ecclesiastical Parish of St Matthew with St Sidwell (the church) for the year ended 31 December 2022, which are set out on pages 13 to 28.

Responsibilities and basis of report

As the church's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, I confirm that I am qualified to act as Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S S Cann ACA FCCA CTA
Bush & Co Limited
Chartered Accountants
2 Barnfield Crescent
Exeter EX1 1QT
Dated:

THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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STATEMENT OF FINANCIAL ACTIVITIES
Year Ending 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted funds £	Restricted Funds £	Total 2021 £
INCOME FROM							
Donations and legacies	2a)	172,547	209,722	382,269	118,380	159,327	277,707
Charitable activities	2b)	6,281	787	7,068	1,238	-	1,238
Other trading activities	2c)	19,818	-	19,818	11,458	-	11,458
Investments	2d)	21,687	-	21,687	21,776	-	21,776
TOTAL INCOME		<u>220,333</u>	<u>210,509</u>	<u>430,842</u>	<u>152,852</u>	<u>159,327</u>	<u>312,179</u>
EXPENDITURE ON							
Charitable activities	3a)	164,951	170,054	335,005	161,516	124,613	286,129
Raising funds	3b)	-	-	-	-	-	-
TOTAL EXPENDITURE		<u>164,951</u>	<u>170,054</u>	<u>335,005</u>	<u>161,516</u>	<u>124,613</u>	<u>286,129</u>
Net income/(expenditure) before investment gains/(losses)	9	55,382	40,455	95,837	(8,664)	34,714	26,050
Net gains/(losses) on investments		(7,371)	-	(7,371)	8,522	-	8,522
NET INCOME/(EXPENDITURE)		<u>48,011</u>	<u>40,455</u>	<u>88,466</u>	<u>(142)</u>	<u>34,714</u>	<u>34,572</u>
Transfers	13	(492)	492	-	(232)	232	-
Reserves brought forward	13	1,079,108	155,531	1,234,639	1,079,482	120,585	1,200,067
Reserves carried forward	14	<u>1,126,627</u>	<u>196,478</u>	<u>1,323,105</u>	<u>1,079,108</u>	<u>155,531</u>	<u>1,234,639</u>

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BALANCE SHEET
As at 31 December 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible fixed assets	7		585,177		603,045
Investment property	8		330,000		330,000
Investments	9		55,243		62,614
			<u>970,420</u>		<u>995,659</u>
CURRENT ASSETS					
Stock		1,000		1,773	
Debtors and prepayments	10	94,716		103,989	
Cash at bank and in hand		272,437		159,613	
		<u>368,153</u>		<u>265,375</u>	
LIABILITIES					
Creditors – amounts falling due within one year	11	15,468		26,395	
		<u>15,468</u>		<u>26,395</u>	
Net current assets			352,685		238,980
Total assets less current liabilities			<u>1,323,105</u>		<u>1,234,639</u>
NET ASSETS			<u>1,323,105</u>		<u>1,234,639</u>
PARISH FUNDS					
Unrestricted reserves					
General			1,126,627		1,079,108
Designated			-		-
	13		<u>1,126,627</u>		<u>1,079,108</u>
Restricted reserves	13		196,478		155,531
			<u>1,323,105</u>		<u>1,234,639</u>

These financial statements were approved by the PCC on **24th April** 2023 and were signed on its behalf by:



Rev Edward Hodges
PCC Chair

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STATEMENT OF CASHFLOWS
Year Ending 31 December 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
<i>Net cash provided by/(used in) operating activities</i>	1	112,824	28,152
Cash flows from investing activities			
Dividends, interest and rents		-	-
Proceeds from the sale of investments		-	34,147
Purchase of tangible fixed assets		-	-
Purchase of investments		-	-
<i>Net cash provided by/(used in) investing activities</i>		-	34,147
<i>Change in cash and cash equivalents in the reporting period</i>		112,824	62,299
Cash and cash equivalents at the beginning of the reporting period		159,613	97,314
<i>Total cash and cash equivalents at the year end</i>	2	272,437	159,613

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NOTES TO THE STATEMENT OF CASHFLOWS
Year Ending 31 December 2022

	2022	2021
	£	£
1 Reconciliation of net income/(expenditure) to net cash flows from operating activities		
<i>Net income for the reporting period (as per the Statement of Financial Activities)</i>	88,466	34,572
Adjustments for:		
Depreciation	17,868	17,867
Dividends, interest and rents	-	-
Gain on investments	7,371	(8,522)
(Increase)/decrease in stocks	773	-
(Increase)/decrease in debtors	9,273	17,319
Increase/(decrease) in creditors	(10,927)	(33,084)
<i>Net cash provided by/(used in) operating activities</i>	<u>112,824</u>	<u>28,152</u>
2 Analysis of cash and cash equivalents		
Cash at bank and in hand	261,774	148,950
Notice deposits (less than 3 months)	10,663	10,663
	<u>272,437</u>	<u>159,613</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year Ending 31 December 2022

1. **Accounting policies**

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and in accordance with Church Accounting Regulations 2006 together with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have been prepared under the historic cost convention except for the valuation of investment assets, which are shown at fair value.

The PCC meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the PCC.

Going concern

The financial statements have been prepared on the going concern basis. There are no material uncertainties related to events or conditions that may cast significant doubts upon the PCC's ability to continue as a going concern.

Funds

General funds represent the funds of the PCC that are not subject to any restrictions regarding their use and are available for application on the general purposes of the PCC. Funds designated for a particular purpose by the PCC are also not restricted.

Restricted funds are income funds that must be spent on restricted purposes and details of the funds held and restrictions provided are shown in the notes to the accounts.

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

Income

Donations and legacies

Planned giving, collections and general donations are recognised only when received.

Gift aid recoverable on donations is recognised when the donation is received.

Grants and legacies to the PCC are recognised as soon as the PCC is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the PCC is probable.

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1. Accounting policies (continued)

Charitable activities

Income from church fee income is recognised when the fee is due. Income from activities is accounted for gross.

Other trading activities

Rental income is recognised when the rent is due. Where income is received in advance, it is recognised in the year in which the event takes place that it relates to.

Investments

Interest entitlements are accounted for as they accrue. Dividends are accounted for when due and payable.

Expenditure

Raising funds

Expenditure on raising funds is accounted for on the accruals basis. Raising funds includes the costs of the investment property.

Charitable activities

Expenditure on charitable activities is accounted for on the accruals basis. The diocesan common fund is accounted for when payable. Any unpaid amount at 31 December is provided for in these accounts as an operational (although not legal) liability and is shown as a creditor in the Balance Sheet.

Grants are accounted for when paid over, or when awarded, if that award creates a binding obligation on the PCC.

Taxation

The charity is exempt from tax on its charitable activities.

Tangible fixed assets

Consecrated land and buildings and moveable church furnishings

Consecrated and beneficed property is excluded from the accounts by s10(2)(a) of the Charities Act 2011.

No value is placed on moveable church furnishings held by the churchwardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property. All expenditure incurred during the year on consecrated or beneficed buildings and moveable church furnishings, whether maintenance or improvement, is written off as expenditure in the SOFA and separately disclosed.

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1. **Accounting policies (continued)**

Freehold property

Freehold property is valued at purchase price. In the opinion of the PCC members, depreciation of freehold properties would be immaterial and has not been charged. The members carry out an annual impairment review, and in their opinion no provision is necessary in respect of the value at which freehold properties are included in the financial statements.

Other fixed assets

Other fixed assets are recognised at cost. Individual assets with a purchase price less than £1,000 are written off when the asset is acquired.

Depreciation has been provided on other fixed assets on a straight line basis in order to write off the cost of the assets over the following estimated useful lives:

Fixtures and fittings – 10 years

Computers and equipment – 5 years

Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with FRS 102 and are not depreciated.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SOFA includes net gains and losses arising on revaluations and disposals throughout the year.

Debtors

Amounts owing to the PCC at 31 December in respect of fees, rents or other income are shown as debtors less provision for any amounts that may prove uncollectable. These are recognised initially at the settlement amount. Prepayments are valued at the amount prepaid, net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

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1. Accounting policies (continued)

Creditors

Creditors are recognised when the PCC has an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount that the PCC anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

Financial instruments

The church only has financial assets and liabilities of a kind that qualify as basic financial instruments. All (including debtors and creditors) are initially recognised at transaction value and subsequently measured at their settlement value.

2 Income from:

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
2a) Donations and legacies				
Planned giving	125,474	-	125,474	78,439
Gift aid recoverable	26,593	-	26,593	19,016
Collections	3,568	-	3,568	1,141
General donations and appeals	16,912	35,938	52,850	20,848
SDF grants	-	171,784	171,784	150,357
Coronavirus Job Retention Scheme	-	-	-	238
Other grants	-	2,000	2,000	7,668
	<u>172,547</u>	<u>209,722</u>	<u>382,269</u>	<u>277,707</u>
2b) Charitable activities				
Weddings and funerals	1,180	-	1,180	300
Student weekend away	4,976	787	5,763	938
Youth Spree	125	-	125	-
	<u>6,281</u>	<u>787</u>	<u>7,068</u>	<u>1,238</u>
2c) Other trading activities				
St Sidwell Hall rental	-	-	-	216
St Matthew's Church Hall rental	13,154	-	13,154	9,455
St Matthew's parking	6,664	-	6,664	1,787
	<u>19,818</u>	<u>-</u>	<u>19,818</u>	<u>11,458</u>

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	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
2d Investments				
Dividends and interest	1,687	-	1,687	1,776
Crown House rental	20,000	-	20,000	20,000
	<u>21,687</u>	<u>-</u>	<u>21,687</u>	<u>21,776</u>
Total income	<u>220,333</u>	<u>210,509</u>	<u>430,842</u>	<u>312,179</u>
3 Expenditure on:				
	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
3a) Charitable activities				
Missionary and charitable giving (Note 6)	8,050	3,228	11,278	6,437
LYN food bank (Note 13)	-	2,371	2,371	2,424
Diocesan common fund	51,821	-	51,821	48,888
Ministry costs	2,006	-	2,006	4,177
Cost of services	13,831	62	13,893	9,753
Worship & production costs	3,276	-	3,276	5,077
Youth, students & children's work	15,255	-	15,255	7,625
Staff costs (Note 4)	11,620	109,724	121,344	123,615
Maintenance and repairs	6,882	-	6,882	15,597
Major improvements	-	54,669	54,669	13,218
Church running costs	18,078	-	18,078	13,623
Church hall running costs	2,082	-	2,082	2,049
Administrative costs	11,491	-	11,491	13,904
Depreciation	17,868	-	17,868	17,867
<i>Support and governance costs</i>				
Legal and professional fees	576	-	576	-
Independent examiner's fee	2,115	-	2,115	1,875
	<u>164,951</u>	<u>170,054</u>	<u>335,005</u>	<u>286,129</u>

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3 Expenditure on (continued):

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
3b) Raising funds				
Crown house costs	-	-	-	-
Total expenditure	<u>164,951</u>	<u>170,054</u>	<u>335,005</u>	<u>286,129</u>

4 Staff costs

	2022 £	2021 £
Wages and salaries	114,265	116,045
Social security costs	4,748	5,266
Employer's pension contributions	2,331	2,304
	<u>121,344</u>	<u>123,615</u>
	2022	2021
Average number of employees	6	7
Average number of full-time equivalent employees	4	4

During the year the PCC did not employ anyone who earned £60,000 per annum or more (2021: none).

Total employee benefits (including pension and employer's national insurance contributions) to key management personnel was £93,170 (2021: £92,006).

5 Related party transactions

Jessica Hodges is married to Edward Hodges, who is the incumbent and chair of the PCC. Jessica Hodges is employed as the kids and families pastor and received gross salary of £19,584 (2021: £19,328) and employer's pension contributions of £400 (2021: £393).

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5 Related party transactions (continued)

During the year to 31 December 2022, the charity received £72,010 (2021: £46,374) in donations from the PCC members, key management personnel and persons closely connected to them. Included in this amount was a donation of £25,000 which has been restricted (see note 13) for kitchen and carpet refurbishment works. The remaining gifts did not have any conditions which required the charity to significantly alter the nature of its existing activities.

No other transactions or expenses were undertaken with any other PCC member, persons closely connected to them or related parties.

6 Missionary and charitable giving

	2022	2021
	£	£
Bridge The Gap	1,820	-
CAP	250	-
Christians Against Poverty (Exeter)	-	577
Children's Society	28	-
CoLab Exeter	165	-
CTaX	35	35
Foodbank	1,200	577
Home for Good	600	-
ICE Charitable Trust	150	577
Lifelines Exeter	-	25
Nayamba Trust	485	-
Newtown Community Association	-	300
Peninsula Initiative - SW Community Chaplaincy	600	577
Open Doors	250	500
RD&E Neonatal ICU	257	-
Southernhay Church	-	300
St Petrock's	500	-
St Sidwell's Centre	-	578
St Sidwell's School leaver's Bibles	450	325
Street Pastors	300	577
Tearfund	500	500
The Beehive Foundation	250	-
Ukraine Appeal	638	-
YMCA	2,800	577
Discretionary gifts	-	412
	<u>11,278</u>	<u>6,437</u>

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7 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Computers and equipment	Total
	£	£	£	£
Cost				
Brought forward	514,066	78,043	50,316	642,425
Additions	-	-	-	-
Carried forward	514,066	78,043	50,316	642,425
Depreciation				
Brought forward	-	17,274	22,106	39,380
Charge for year	-	7,805	10,063	17,868
Carried forward	-	25,079	32,169	57,248
Net book value				
Carried forward	514,066	52,964	18,147	585,177
Brought forward	514,066	60,769	28,210	603,045

Land and buildings only contains the St Matthew's Church Hall at deemed cost.

8 Investment property

	£
Brought forward and carried forward	330,000

The only investment property held by the PCC is Crown House. The PCC have valued the property based on the fact that market rent is being charged at a rate of £20,000 per annum. A 10 year lease was entered into in 2019 with the current tenant, so the PCC believe the value is unlikely to have changed materially given vacant possession would not be possible on a sale.

9 Investments

	£
Market value brought forward	62,614
Disposal proceeds	-
Net gains on revaluation	(7,371)
Market value carried forward	55,243

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10 Debtors and prepayments

	2022	2021
	£	£
Tax recoverable	3,724	6,353
Prepayments	2,222	2,979
Other debtors	5,018	6,403
SDF income	83,752	88,254
	<u>94,716</u>	<u>103,989</u>

11 Creditors and accruals

	2022	2021
	£	£
Trade creditors	3,750	6,520
Accruals	3,982	2,372
Deferred income	5,518	11,414
Other creditors	2,218	6,089
	<u>15,468</u>	<u>26,395</u>

12 Contingent assets

During 2019, St Matt's was awarded a Strategic Development Funding (SDF) grant of £1,333,068 by the Archbishops' Council towards the cost of growing mission in the city of Exeter over 5.5 years. This grant was applied for by the Exeter Diocesan Board of Finance (EDBF), who was acting as an agent on behalf of St Matt's. The grant is claimed by filing expense claims in arrears, with all moneys going through the EDBF and being passed on to St Matt's. Each claim requires approval by administrators of the SDF to ensure it is in line with the original budget submitted. The Archbishops' Council reserves the right to terminate the award if it becomes substantially unlikely that St Matt's will be able to deliver its outcomes as set out in the original grant application. These performance related conditions prevent the full recognition of the grant. So far St Matt's have managed to meet the conditions, so there does not appear to be a reason why the SDF income will not be available for 2023. Income has therefore been accrued to cover pre-approved salary expenditure for 2023 and is shown as a debtor in Note 10. Of the total grant, £959,382 has been recognised, leaving £373,686 as a contingent asset.

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13 Movement in funds
2022

	Brought forward	Income	Expenditure	Gains/ (losses)	Transfer s	Carried forward
	£	£	£	£	£	£
Unrestricted reserves						
General	1,079,108	213,768	(158,386)	(7,371)	(492)	1,126,627
Charitable Giving	-	6,565	(6,565)	-	-	-
	<u>1,079,108</u>	<u>220,333</u>	<u>(164,951)</u>	<u>(7,371)</u>	<u>(492)</u>	<u>1,126,627</u>
Restricted reserves						
Charity collections	28	631	(1,151)	-	492	-
SDF (see below)	134,292	171,784	(158,873)	-	-	147,203
LYN (see below)	12,211	2,050	(2,371)	-	(1,784)	10,106
Extension	9,000	-	-	-	-	9,000
Carpet/kitchen	-	25,000	(5,520)	-	-	19,480
NICU	-	257	(257)	-	-	-
BTG	-	787	(1,882)	-	1,784	689
Bequest	-	10,000	-	-	-	10,000
	<u>155,531</u>	<u>210,509</u>	<u>(170,054)</u>	<u>-</u>	<u>492</u>	<u>196,478</u>
	<u>1,234,639</u>	<u>430,842</u>	<u>(335,005)</u>	<u>(7,371)</u>	<u>-</u>	<u>1,323,105</u>

Unrestricted funds

Charitable Giving

This is made up of approximately 10% of the year's generated income and investment dividends. The PCC have agreed that the amount designated to be spent in 2022 is £6,000. It is to be paid to charities chosen by the PCC. The amount designated to be spent in 2023 is £8,000.

Restricted funds

Charity collections

This fund is where there have been collections for specific charities. The amounts would have been distributed shortly after their receipt.

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13 Movement in funds (continued)
2022

Restricted funds

Strategic Development Funding (SDF)

This fund contains the SDF income that has either been received or is receivable. The carried forward balance is largely made up of the salary costs for 2023 that is funded by SDF income as noted in Note 12.

Love Your Neighbour (LYN)

Love Your Neighbour is our social response to the Covid-19 crisis. A pop-up food bank was set up to help those in our local community.

Extension

This fund has a brought forward balance of £9,000 which will be spent in 2023 on the extension work to the church.

Carpet/kitchen

This fund contains a restricted gift from members of the congregation to be used on the kitchen refurbishment in the hall and replacement of church carpets.

NICU (Neonatal Intensive Care Unit)

This fund contains gifts given to support the work of our local NICU and the RD&E hospital.

BTG (Bridge the Gap)

This fund was used for an Exeter football tournament. Funds were received into the LYN fund in 2021 which have been transferred to the BTG fund in 2022.

Bequest

This fund contains a bequest to be used on the plant at Exwick which will take place in 2023. The fund will be spent on building and staff costs.

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13 Movement in funds (continued)
2021

	Brought forward	Income	Expenditure	Gains/ (losses)	Transfer s	Carried forward
	£	£	£	£	£	£
<i>Unrestricted reserves</i>						
General	1,073,482	152,852	(155,491)	8,522	(257)	1,079,108
Charitable Giving	6,000	-	(6,025)	-	25	-
	<u>1,079,482</u>	<u>152,852</u>	<u>(161,516)</u>	<u>8,522</u>	<u>(232)</u>	<u>1,079,108</u>
<i>Restricted reserves</i>						
Charity collections	-	28	-	-	-	28
SDF	105,854	150,357	(122,054)	-	135	134,292
LYN	5,731	8,942	(2,559)	-	97	12,211
Extension	9,000	-	-	-	-	9,000
	<u>120,585</u>	<u>159,327</u>	<u>(124,613)</u>	<u>-</u>	<u>232</u>	<u>155,531</u>
	<u><u>1,200,067</u></u>	<u><u>312,179</u></u>	<u><u>(286,129)</u></u>	<u><u>8,522</u></u>	<u><u>-</u></u>	<u><u>1,234,639</u></u>

14 Analysis of Assets and liabilities between
funds
2022

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets			
Tangible fixed assets	585,177	-	585,177
Investment property	330,000	-	330,000
Investments	55,243	-	55,243
Stock	1,000	-	1,000
Debtors and prepayments	10,964	83,752	94,716
Cash at bank and in hand	159,711	112,726	272,437
Current liabilities	(15,468)	-	(15,468)
Net assets	<u><u>1,126,627</u></u>	<u><u>196,478</u></u>	<u><u>1,323,105</u></u>

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14 Analysis of Assets and liabilities between funds (continued)

2021

Tangible fixed assets	603,045	-	603,045
Investment property	330,000	-	330,000
Investments	62,614	-	62,614
Stock	1,773	-	1,773
Debtors and prepayments	15,735	88,254	103,989
Cash at bank and in hand	92,336	67,277	159,613
Current liabilities	(26,395)	-	(26,395)
Net assets	<u>1,079,108</u>	<u>155,531</u>	<u>1,234,639</u>