

**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 2019**

**HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ**

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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

ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2019

The Parochial Church Council (PCC) has pleasure in presenting its Report together with the Financial Statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Church Accounting Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The PCC is a Public Benefit Entity.

OBJECTIVES AND ACTIVITIES

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

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

The general theme of our activities and prayers in 2019 was *Cultivate*. We successfully sent a team to Newcastle to begin a major new resource church in the city centre. That was one primary example of us co-labouring with God in his work of cultivation in the North. Back in 2015 the PCC agreed four strategic emphases to help prioritise and plan more effectively, and these remained central to our strategy and our work of cultivation during 2019. These are: *making disciples* (evangelism); *nurturing disciples* (discipleship); *developing leaders* (leadership) and *planting churches* (church planting). The values of *generosity, simplicity, festivity and humility* have continued to be highlighted and we have taught that a community living a Christ-centred life adds enormous value to society.

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

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ACHIEVEMENTS AND PERFORMANCE

St Michael le Belfrey has a simple structure of congregations and groups. During 2019 we had 6 weekly services (on Sundays, meeting in St Michael le Belfrey Church at 9am, 11am and 6pm; on Wednesdays, at 12.30pm; and through the Fresh Expression G2, meeting on Sundays at the Burnholme Centre at 3.45pm and at Central Methodist at 6pm). Throughout 2019 we had approximately 36 midweek groups, known as Belfrey Groups, with other Groups meeting through G2.

At the Annual Meeting 2019 there were 388 people on the church electoral roll (not including G2). The average weekly attendance in 2019 was 512 for congregations meeting in St Michael le Belfrey Church and 129 at G2, making a total of 641.

Professions of faith, baptism, and confirmation are important to us as public marks of following Jesus Christ. Over the course of the year we have seen at least 68 professions of faith, 10 re-affirmations, have baptised 3 children, 3 young people and 29 adults, and confirmed 6 adults.

Public Benefit Review of the year

Community

The clergy and staff team have continued to serve not just the people of The Belfrey but also the wider community. As we have invested more in the leadership of *Belfrey Doors*, we have had St Michael le Belfrey church open almost every day during an average week, welcoming visitors to come in and discover something of our heritage and to hear stories of faith today. We held outreach cafes at Easter and Christmas, and provided a city-centre hub of refreshments and fun for supporters of the Yorkshire Marathon in October. Our youth and children's centre, The Storehouse provided youth groups and support throughout 2019 for a wide range of young people inside and outside the church. Parenting courses, a group for those with pre-school children, and a special group for Dads & Little 'Uns all proved very popular throughout the year. We have continued to serve the homeless and vulnerable members of our city through *Never Give Up*, serving a weekly hot meal in the Belfrey Hall. Monthly welcome lunches have taken place at The Vicarage in Jubilee Terrace, to welcome newcomers to The Belfrey. The senior staff are able to give up to 10% of their time to the Diocese of York or to assisting other churches.

Many of our staff team and members of our church family were involved in leadership or teams at New Wine's *United* summer conferences in Peterborough. We continued to invest in running *Alpha* courses, to provide space for those exploring faith to find answers to their questions. We believe that helping people find faith in Jesus Christ is the greatest public benefit that we can provide.

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ACHIEVEMENTS AND PERFORMANCE – continued

Public Benefit Review of the year – continued

Buildings

St Michael le Belfrey and St Cuthbert's Church (our House of Prayer) are significant buildings which we value very much and have continued to maintain and upgrade under the guidance of our Facilities Manager, Rob Hill, for the glory of God and as part of our heritage. Plans for the renovation and redevelopment of St Michael le Belfrey Church sped up significantly in 2019 as we held a competition to find an architect for the restoration and reordering of our church building in the near future.

The church also owns The Belfrey Hall, 13 Hempland Drive and 28 Langdale Avenue, and rents The Storehouse for our youth and children's work and various buildings to house interns, as well as renting the Parish Centre (11/12 Minster Yard) from York Minster as a church office.

St Michael le Belfrey Church, St Cuthbert's Church and the Belfrey Hall are used most days, not just for worship and prayer, but also for meetings, concerts, theatre productions and as a home to the Yorkshire Bach Choir. We provide office space in the Parish Centre for G2, Fusion, and Ace Active, and other churches use our photocopier to produce their newsletters.

Money

St Michael le Belfrey is a non-profit making, charitable organisation, receiving an income in 2019 of £814,697. We see all financial provision as money for mission. Not only was this money used to pay our staff and to fund various aspects of church life, but much was given away, especially to various long-term Mission Partners in York, the UK and abroad.

We support the local Diocese, contributing £173,860 in 2019 which, after supporting our three full-time stipendiary clergy posts, supports the Diocese of York in its wider mission in schools, and a breadth of communities, rural and urban.

People

People are the key resource of the church, because church is first and foremost people. The PCC would like to thank all the paid and voluntary staff who have contributed so much over the year. We said goodbye to Lee Kirkby, Brogan Hume, Maxine Waller and Ruth Somerville. We welcomed 4 full-time members of staff in 2019 - Chris Rousell, Beth Hayden, Amber Boydell and Gillian Shepherd - and 4 new part-time members of paid staff in 2019 - Nathan Hook, Jack Chipperfield, Luke Porter and Madeleine Stables. Izzy Pysanczyn's hours were increased as the Belfrey Doors ministry grew under her leadership, and Melissa Bryan's hours were increased in order to accommodate the Impact Project and G2 financial management.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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ACHIEVEMENTS AND PERFORMANCE – continued

Impact

2019 started with a design competition run by RIBA to select a Design team to work on the Impact project and included a public exhibition in May, displaying designs from 5 shortlisted architects. The winning team, LDN Architects, joined the project in June 2019.

Two consultation phases took place with the Belfrey which were critical in ensuring the designs remained true to the key priorities highlighted by the church family and met the Church's vision as well as the potential to encourage more visitors.

The organ was dismantled in August 2019 and is currently being restored by Nicholson & Co based in Malvern before its anticipated installation into St Lawrence's, York in 2020.

Throughout the year a number of surveys were conducted including surveys for the 18th century staircase, assessments of the stained glass, memorials and ledger stones. Also, a measured survey accurately measuring the whole church building.

Conservation issues regarding the impact of the designs on the fabric of the building were highlighted in late 2019 following input from the DAC and amenity societies. LDN Architects and the Impact board are reviewing the designs and strengthening the statement of need to manage these issues before moving into developed design stage.

2019 also proved phenomenal as a Donor approached the Vicar to discuss a very generous gift for the project, which was confirmed at the start of 2020, and will make a huge difference to managing the costs involved. (see note 23)

Looking ahead into 2020 the Impact team will develop the detail of the design, look to submit faculty and planning applications and establish the following working groups: 'Decant & Mission Opportunities' and 'Future Operations & Ministries'. The first group will be planning the decant process in locations we could inhabit and the mission opportunities which could arise during this time. The second group will consider how we use the building well following its reordering.

PLANS FOR THE FUTURE

In order to further our vision in the year ahead, our theme for 2020 is *Build*. This image not only ties in well with the plans to re-order our building but also guides us to be working and praying to co-labour with Christ in all he is building in us and through us in 2020.

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 2020 and beyond. We are encouraged to have been designated a 'resource church' by the Diocese of York and the Church of England. We are pleased to be part of the Diocese's strategic planning for the coming years as they seek to grow and to particularly impact the 20s-40s age group.

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

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

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LEADERSHIP

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

The PCC has delegated some decision-making powers to the Human Resources Group (for HR matters), the Impact Project Board (for the reordering of St Michael le Belfrey Church) and the World Mission Steering Group (for overseeing mission partners) with terms of reference for the HR Group and Impact Group agreed and/or updated in 2018. All major governance matters are decided by the Vicar and PCC together.

The only committee required by law is the Standing Committee. This is made up of the Vicar, Associate Minister, Church Wardens, Secretary and Treasurer. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. Given that the PCC meets monthly, the standing committee did not meet in 2019.

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 are: making disciples, nurturing disciples, developing leaders and planting churches.

2. Leadership:

The church is led by the Vicar with the assistance of a Leadership Team and is governed by the PCC. The Vicar has freehold of the church. Both the Vicar and Associate Minister are of incumbent status. Responsibility for much day-to-day church life is delegated to our staff. We 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 by biblical standards whilst recognising our imperfections and weaknesses and our need of God's grace. We seek to tell the truth and to abide 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 especially appreciate the values of generosity, humility, simplicity and festivity.

4. Decision-Making, Risk and Control:

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

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CHARITY GOVERNANCE CODE - continued

5. Board Effectiveness:

The Vicar's Leadership Team meets most weeks and our PCC meets monthly. The Vicar meets with the Wardens every other month. We regularly take advice from experts outside our church, especially in specialist HR or finance matters. We believe the PCC has a good mix of skills, experience, common sense and prayerfulness. New PCC members are given trustee induction, and all undergo basic online safeguarding training.

6. Diversity:

Our PCC is made up of men and women of varying ages, backgrounds and experience. We recognise the need for more female PCC members and more younger PCC members, and were pleased that two new female members joined the PCC in 2019. We said in this report in 2018 that we needed more female senior staff members, and so were pleased to appoint Amber Boydell in 2019 to the senior position of Operations Manager.

7. Openness & Accountability:

Our key stakeholders are our church family. Those who belong to The Belfrey normally show this by joining our electoral roll, worshipping regularly at one of our services, joining a small group and giving regularly. Most choose to receive a weekly email from the Vicar, which contains a weekly message, as well as news items, a calendar of services and Belfrey events, links to useful resources for church members, and the latest PCC Minutes. Every two weeks the main news for all church members is produced on video and shown in services and included in the weekly email. As well as verbal notices in our services our church provides regular information on various social media platforms, including Facebook, Instagram and Twitter, and there is a Belfrey Prayer page on Facebook. At the start of 2019 we produced a new magazine (called *Cultivate*). We plan to produce this at least once a year (possibly more), providing information and stories about church life that we hope will be of interest both inside and outside our church. We take seriously negative feedback and suggestions on how to improve our church life.

A Church Survey was conducted in March 2020 to encourage greater and more specific feedback. We also encourage questions to be asked throughout the year, with written questions being especially encouraged on our annual report and time given for a few verbal questions at our Annual Meeting. We are GDPR (data protection) compliant and keep clear, accurate and up-to-date membership records using the safe and secure ChurchSuite church management system.

FINANCIAL REVIEW

In 2019 The Belfrey made a deficit of £134,739 on unrestricted funds (£206,828 including designated funds). This was in line with the 2019 budget where it was planned to use £141,375 from previous big gifts to support a number of years including 2019.

£264,498 was spent on the Impact project which involved costs associated with the following areas: Staff costs, (Project Manager 0.8wte, Infrastructure Officer 0.5wte, Finance Manager 0.1wte) the RIBA competition, Surveys of the building around stonework, stained glass and memorials and architect costs for the design work to date.

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FINANCIAL REVIEW - continued

We received several one-off restricted gifts including £25,000 towards the House of Prayer and £20,000 which was given towards the work of Jean Claude & Israel in Burundi as well as towards some of our existing Mission Partners.

The generous gift received in 2015 was still being utilised with £50,000 going to our Church Plant in Newcastle, £5,165 towards the House of Prayer Leadership, £15,926 towards Student Leadership and £998 towards the youth costs at the Storehouse. This leaves a balance of £122,000 towards the Pastoral Post which is shown in the Designated Funds Section of the accounts.

G2's income was £104,389 and expenditure was £100,600 which ended the year with a small surplus of £3,789. A "90 Day Giving Challenge" ran between January and Easter with 32 people or families participating giving over £9,000 in addition to regular giving.

Year	Belfrey regular giving				G2 regular giving				
	Donors	Total	Avg per person per annum	Avg per person per month	Donors	Total	Avg per person per annum	Avg per person per month	Total
2017	256	£380,599	£1,487	£124	80	£63,839	£798	£66	£444,438
2018	263	£394,791	£1,501	£125	85	£67,797	£798	£66	£462,588
2019	274	£404,782	£1,477	£123	84	£64,843	£772	£64	£469,625

The table above shows the regular giving for the Belfrey and G2 from 2017 to 2019. This includes all regular giving from Standing Orders direct into our bank account as well as all online giving platforms (CAF, Churchsuite, Stewardship and BT My Donate until June 2019). Overall giving is up for the Belfrey from the last two years as well as number of donors. However, the average per person per month has decreased in 2019. 2019 had some fluctuation in giving as people left to plant the church in Newcastle and we had new people whose gifts started part way through the year.

We are very thankful for the continued support of our finance volunteers – Gill McIntosh, Val Patrick and Ian Fergie – and for the work of HPH, Chartered Accountants, to whom we outsource some of our accounting services and our payroll processing. We are grateful to Ben Burns, our Treasurer who has worked faithfully alongside our excellent Finance Manager, Melissa Bryan during 2019.

INVESTMENT POLICY

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

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RISK MANAGEMENT

The PCC acknowledges its responsibility to identify, assess and manage the major risks to which it is exposed. It maintains a register of major risks and continues to enhance plans to ensure that systems and processes are in place to mitigate exposure to these risks. Major risks arise from a variety of aspects of the church's internal operations and external environment, including security, health and safety and finance. The PCC is further developing the risk register and monitoring implementation of the necessary mitigating actions.

RESERVES POLICY

Our policy is to keep a cash reserve equating to three months' essential running costs. At the moment that is around £60,000. 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 fund net current assets at 31 December 2019 amounted to £247,925, and after allocating funds of £143,967 towards the 2020 budget, the cash reserves amounted to £103,958.

The PCC holds property and equipment valued at £804,440 included in the unrestricted reserves and £6,425 related to restricted funds which could be converted into cash.

Post Balance Sheet Event

Since early March 2020, due to the worldwide coronavirus pandemic, the Church has had to operate very differently and as the church buildings have been closed, we have lost several months' income from our donation box, contactless machine, service offerings, and building hire. However, these are only 9.3% of our entire income for the year. It is hard at present to assess the full impact of this worldwide crisis, but at this stage we recognise that we have adequate reserves.

As mentioned above and in Note 23 to the financial statements, the PCC received confirmation of a large donation of £5.9m towards the Impact Project on 24 January 2020. This is a restricted donation for use only towards the reordering of St Michael le Belfrey Church. £750,000 has been received so far since the year end.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2019

ADMINISTRATIVE INFORMATION

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

PCC Trustees / Members

The members of the PCC who served at any time during the year and those in post at the date of this report, were as follows:

Clergy:	Matthew Porter Andy Baker Michael Perkins Liz Ransford Jim Roberts Christian Selvaratnam
Churchwardens:	Alison Dawson (Lay Chair of the PCC) Barrie Stephenson Christopher Dobson Julie Caddell (until April 2019)
Deanery Synod:	Daniel Brookes Dudley Clark John Lindley Tony Scott Martine Somerville
Elected representatives:	Ali Hale (from April 2019) Alys Tarr (from April 2019) James Webster Jenny Hough Roger Holmes Sophie Nabhan (until June 2019) Douglas Greenfield (until April 2019) Bethany Kelsall (until January 2019)
Officers:	Secretary: Roger Holmes Treasurer: Ben Burns Churchwardens Electoral Roll Officer: Ruth Somerville (until Dec 2019)

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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.

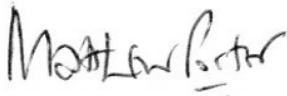
The members of the Parochial Church Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parochial Church Council and enable them to ensure that the financial statements comply with the Church Accounting Regulations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

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



Revd Matthew Porter
Chair

4 August 2020

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 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The PCC's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The PCC have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the PCC's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Parochial Church Council

As explained more fully in the statement of responsibilities of the Parochial Church Council set out on page 8, the PCC are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the PCC determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the PCC are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PCC either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Waltons Clark Whitehill Limited

Waltons Clark Whitehill Limited

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

12 August 2020

Waltons Clark Whitehill Limited is eligible to act as auditors in terms of section 1212 of the Companies Act 2006

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2019 £	2018 £
Income and endowments from:						
Donations and legacies	2	540,555	-	153,096	693,651	1,310,225
Income from charitable church activities	3	70,386	-	6,309	76,695	59,956
Other trading activities	4	23,372	-	-	23,372	18,854
Investments	5	4,767	-	10,377	15,144	13,451
Other income	6	5,795	-	40	5,835	11,031
Total income		644,875	-	169,822	814,697	1,413,517
Expenditure on:						
Raising funds	7	2,354	-	1,439	3,793	3,684
Charitable church activities		777,260	72,089	411,179	1,260,528	972,679
Total expenditure		779,614	72,089	412,618	1,264,321	976,363
Net income/(expenditure) before gains and losses on investments						
		(134,739)	(72,089)	(242,796)	(449,624)	437,154
Net (losses) on investments	12	-	-	-	-	(160)
Net income/(expenditure)		(134,739)	(72,089)	(242,796)	(449,624)	436,994
Transfers between funds		-	-	-	-	-
Net movement in Funds		(134,739)	(72,089)	(242,796)	(449,624)	436,994
Total funds brought forward at 1 January 2019		1,187,104	194,089	1,586,600	2,967,793	2,530,799
Total funds carried forward at 31 December 2019	18/19	£1,052,365	£122,000	£ 1,343,804	£ 2,518,169	£ 2,967,793

The notes on pages 17 to 28 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.

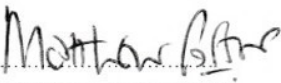
**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
ST MICHAEL LE BELFREY WITH ST CUTHBERT, YORK**

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2019 £	2018 £
Fixed Assets						
Tangible fixed assets	11	804,440	-	6,425	810,865	816,702
Investments	12	-	-	-	-	657
		804,440	-	6,425	810,865	817,359
Current Assets						
Stock	13	749	-	-	749	698
Debtors	14	21,089	-	6,505	27,594	22,108
Cash at bank and in hand	15	271,793	122,000	1,360,604	1,754,397	2,158,823
Total Current Assets		293,631	122,000	1,367,109	1,782,740	2,181,629
Current Liabilities						
Creditors: amounts falling due within one year	16	45,706	-	29,730	75,436	31,195
Total current liabilities		45,706	-	29,730	75,436	31,195
Net Current Assets		247,925	122,000	1,337,379	1,707,304	2,150,434
Total assets less current liabilities		1,052,365	122,000	1,343,804	2,518,169	2,967,793
Net Assets		£ 1,052,365	£ 122,000	£ 1,343,804	£ 2,518,169	£ 2,967,793
The funds of the charity						
Unrestricted general fund	18	896,365	-	-	896,365	1,031,104
Unrestricted revaluation reserve fund	18	156,000	-	-	156,000	156,000
Unrestricted designated funds	18	-	122,000	-	122,000	194,089
Restricted funds	19	-	-	1,343,804	1,343,804	1,586,600
Total Charity Funds		£ 1,052,365	£ 122,000	£ 1,343,804	£ 2,518,169	£ 2,967,793

Approved by the Parochial Church Council on 4 August 2020 and signed on its behalf by:


Revd Matthew Porter (Chair)

The notes on pages 17 to 28 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 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net income for the reporting period	(449,624)	436,994
Adjusted for:		
Depreciation charges and profit/loss on disposals of fixed assets	5,837	6,768
Losses/(Gains) on investments	-	160
Dividends and interest from investments	(15,144)	(13,451)
Profit on disposal of fixed assets	(426)	-
Decrease/(increase) in stocks	(51)	338
Decrease/(increase) in debtors	(5,486)	(3,174)
Increase/(decrease) in creditors	44,241	(2,676)
Net cash provided by/(used in) operating activities	(420,653)	424,959
Cash flows from investing activities:		
Dividends and interest from investments	15,144	13,451
Proceeds from disposal of investments	1,083	-
Purchase of tangible fixed assets	-	(24,030)
Net cash provided by/(used in) investing activities	16,227	(10,579)
Change in cash and cash equivalents in the reporting period	(404,426)	414,380
Cash and cash equivalents at the beginning of the reporting period	2,158,823	1,744,443
Cash and cash equivalents at the end of the reporting period	£ 1,754,397	£ 2,158,823
Analysis of cash and cash equivalents		
Cash in hand	374	449
No notice and notice deposits (less than 3 months)	469,821	880,422
Notice deposits (more than 3 months)	1,284,202	1,277,952
	£ 1,754,397	£ 2,158,823

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

The notes on pages 17 to 28 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- 31 DECEMBER 2019

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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Church Accounting Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

Statutory information

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

Funds

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

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

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. A large proportion of restricted funds are held in separate bank accounts and interest arising is allocated to restricted funds. The remaining interest largely represents monies accrued from unrestricted funds.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

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.

Expenditure recognition

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

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

Fixed assets

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

Movable church furnishings held by the vicar and churchwardens on special trust for the PCC and which require a faculty for disposal are inalienable property, listed in the church's inventory, which can be inspected at any reasonable time. All expenditure incurred during the year on consecrated or benefice buildings and movable church furnishings, whether maintenance or improvement, is written off.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation at the year end and disposals throughout the year.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the PCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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.

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. The PCC's contribution is disclosed in note 9.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Irrecoverable Value Added Tax

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

Going Concern

The PCC has cash resources and has no requirement for external funding. The PCC has a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. As noted in the Annual Report of the PCC, the full impact of the coronavirus pandemic is yet to be determined. The PCC feel, however, that there are adequate reserves to continue operational existence in the event of a reduction in income.

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 - 31 DECEMBER 2019 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
				2019 £	2018 £
2. Donations and legacies					
Planned giving	404,782	-	64,844	469,626	454,304
Tax recoverable	75,766	-	17,577	93,343	125,565
Collections (open plate)	41,569	-	-	41,569	41,250
Gift days	-	-	-	-	-
Legacies	-	-	-	-	-
Donations	18,438	-	70,675	89,113	689,106
	£ 540,555	£ -	£ 153,096	£ 693,651	£ 1,310,225

In 2018, income from donations and legacies amounting to £998,813 related to unrestricted funds, £Nil related to designated funds and £311,412 related to restricted funds.

3. Income from charitable church activities

Events	58,137	-	6,309	64,446	45,512
Other income from church activities	12,249	-	-	12,249	14,444
	£ 70,386	£ -	£ 6,309	£ 76,695	£ 59,956

In 2018, income from charitable church activities amounting to £59,177 related to unrestricted funds, £Nil related to designated funds and £779 related to restricted funds.

4. Other trading activities

Sales	8,963	-	-	8,963	5,750
Hire of facilities	14,317	-	-	14,317	13,037
Music	92	-	-	92	67
	£ 23,372	£ -	£ -	£ 23,372	£ 18,854

In 2018, all income from other trading activities related to unrestricted funds.

5. Investment income

Dividends received	63	-	1,104	1,167	1,082
Deposit interest	4,704	-	9,273	13,977	12,369
	£ 4,767	£ -	£ 10,377	£ 15,144	£ 13,451

In 2018, investment income amounting to £634 related to unrestricted funds, £Nil related to designated funds and £12,817 related to restricted funds.

6. Other income

Other income	5,369	-	40	5,409	11,031
Profit on disposal of fixed assets	426	-	-	426	-
	£ 5,795	£ -	£ 40	£ 5,835	£ 11,031

In 2018, other income amounting to £9,531 related to unrestricted funds, £Nil related to designated funds and £1,500 related to restricted funds.

Total Income	£ 644,875	£ -	£ 169,822	£ 814,697	£ 1,413,517
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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 - 31 DECEMBER 2019 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 £	Total 2018 £
7. Analysis of expenditure					
Raising funds	£ 2,354	£ -	£ 1,439	£ 3,793	£ 3,684
Charitable church activities					
Missionary and charitable giving (note 8)					
Grants	-	50,000	29,657	79,657	28,147
Overseas mission	47,129	-	-	47,129	64,594
Home mission	18,680	-	3,736	22,416	30,353
	65,809	50,000	33,393	149,202	123,094
Ministry: Diocesan free will offering	171,360	-	2,500	173,860	195,000
Church - general upkeep and services	85,936	-	18,524	104,460	135,370
Church - premises	127,742	998	217,341	346,081	108,339
Music	2,493	-	-	2,493	3,638
Events	22,806	-	9,518	32,324	25,929
Staff salaries, pensions and other staffing costs	259,356	21,091	111,491	391,938	336,277
Office and administration costs	30,068	-	18,299	48,367	34,377
Finance costs	2,684	-	30	2,714	2,135
Audit fee	2,496	-	-	2,496	2,400
Outsourced accountancy, taxation and payroll	6,510	-	83	6,593	6,120
	£ 777,260	£ 72,089	£ 411,179	£ 1,260,528	£ 972,679
Total	£ 779,614	£ 72,089	£ 412,618	£ 1,264,321	£ 976,363

In 2018, expenditure of £770,388 related to unrestricted funds, £34,411 related to designated funds and £171,564 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 - 31 DECEMBER 2019 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £	2018 £
8. Mission and charitable grants					
<i>Grants</i>					
Acts 435	-	-	215	215	1,760
Storehouse Restricted Expenditure	-	-	232	232	-
House of Prayer Restricted Donations	-	-	650	650	-
Donations for IJM Rachel Sterling	-	-	9	9	-
One-Off Restricted Donations	-	50,000	27,375	77,375	9,170
Giving from Gift Day	-	-	1,176	1,176	17,217
	-	50,000	29,657	79,657	28,147
<i>Overseas mission</i>					
Blacker Support	1,000	-	-	1,000	-
Wycliffe (Eves)	7,850	-	-	7,850	12,150
Fletcher Support	7,220	-	-	7,220	11,020
Homer Support	6,320	-	-	6,320	10,120
Philippines Outreach Centre	1,000	-	-	1,000	-
Roberts Support	10,160	-	-	10,160	13,780
Tear Fund	10,000	-	-	10,000	10,000
Wilson	2,240	-	-	2,240	6,040
International Students	106	-	-	106	391
Missionary Discretionary	18	-	-	18	83
Global Connections	215	-	-	215	210
Seed Fund	500	-	-	500	500
Short Term Mission	500	-	-	500	300
	47,129	-	-	47,129	64,594
<i>Home mission</i>					
Church Missions	494	-	-	494	1,194
Eastfield	2,000	-	-	2,000	2,000
Friends International	2,000	-	-	2,000	2,000
Ace Active Ministry	2,000	-	-	2,000	-
Paul Myers Mission	2,000	-	-	2,000	-
Poor Fund	49	-	-	49	-
Restore	1,000	-	-	1,000	1,000
Riding Lights	3,000	-	-	3,000	3,000
YoYo Mission Giving	3,000	-	-	3,000	3,000
Evangelism Cafes	791	-	-	791	849
Women's Ministry	-	-	813	813	1,459
Student Mission	752	-	-	752	419
Children and Family Outreach	576	-	-	576	-
Youth Outreach	115	-	-	115	-
Evangelism Ministry	903	-	-	903	-
G2 Giving to mission	-	-	2,923	2,923	-
Funeral Collection	-	-	-	-	492
Peter Gibson Youth Legacy	-	-	-	-	1,487
Wedding & Funeral Fees Distribution	-	-	-	-	2,987
Individual Training	-	-	-	-	6,383
New Wine Lunches	-	-	-	-	57
New Wine Discipleship Year Mission Trip	-	-	-	-	2,824
Roger Simpson	-	-	-	-	1,000
Student Missional Communities	-	-	-	-	155
Youth Alpha Course	-	-	-	-	38
Youth Evangelism	-	-	-	-	9
	18,680	-	3,736	22,416	30,353
	£ 65,809	£ 50,000	£ 33,393	£ 149,202	£ 123,094

In 2018, Grants was made up of £Nil relating to unrestricted funds, £Nil relating to designated funds and £28,147 relating to restricted funds. Overseas Mission was made up of £55,094 relating to unrestricted funds, £Nil relating to designated funds and £9,500 relating to restricted funds. Home Mission was made up of £21,390 relating to unrestricted funds, £Nil relating to designated funds and £8,963 relating to restricted funds.

9. Net income for the year

This is stated after charging:		
Staff pension contribution	16,297	11,770
Depreciation	5,837	6,768
Auditors' remuneration - audit of financial statements	2,496	2,400

10. Staff costs and emoluments

Total staff costs were as follows:		
Wages and salaries	339,055	287,597
Social security costs	19,665	16,212
Other pension costs	16,297	11,770
	£ 375,017	£ 315,579

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

The average head count (number of staff employed - all administrative staff) during the year was 29 (2018 - 24). The average number of employees calculated on the basis of full-time equivalents was 15 (2018 - 12)

The PCC considers its key management personnel to comprise only of the PCC Members (Trustees). They receive no remuneration in their capacity as trustees but may be employed under a contract of employment to carry out their roles within the church. The total of employee benefits received by trustees and key management personnel for their services to the church amounted to £18,894 (2018 - £18,850).

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

11. Tangible fixed assets

	Freehold Land & Buildings £	Motor Vehicles £	Church Equipment £	Total £
Cost or valuation				
At 1 January 2019	795,000	12,850	83,891	891,741
Addition in year	-	-	-	-
At 31 December 2019	795,000	12,850	83,891	891,741
Depreciation				
At 1 January 2019	-	3,213	71,826	75,039
Charge for year	-	3,212	2,625	5,837
At 31 December 2019	-	6,425	74,451	80,876
Net book value				
At 31 December 2019	£ 795,000	£ 6,425	£ 9,440	£ 810,865
At 31 December 2018	£ 795,000	£ 9,637	£ 12,065	£ 816,702

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

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

	2019 £	2018 £
Historical cost at 31 December 2019	639,000	639,000

At 31 December 2019 tangible fixed assets with a net book value of £804,440 (2018 - £807,065) related to the unrestricted funds and tangible fixed assets with a net book value of £6,425 (2018 - £9,637) related to restricted funds.

	2019 £	2018 £
12. Investments		
Market value at 1 January 2019	657	817
Disposal	(657)	-
Net (loss) on revaluation for the year	-	(160)
Market value at 31 December 2019	£ -	£ 657
Historical cost at 31 December 2019	£ -	£ 1,053

The investments are UK listed quoted shares.

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.

At both 31 December 2018 and 31 December 2019 all investments related to the unrestricted funds.

13. Stock

Bookstall stock and other	£ 749	£ 698
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At both 31 December 2018 and 31 December 2019 stock related to the unrestricted funds.

14. Debtors

Trade debtors	2,087	523
Income tax recoverable	6,351	8,048
Prepayments and accrued income	19,156	13,537
	£ 27,594	£ 22,108

At 31 December 2019 £6,505 (2018 - £1,529) of debtors related to restricted funds, the balance of debtors related to the unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

	2019 £	2018 £
15. Cash at bank and in hand		
Bank balances	1,754,023	2,158,374
Cash balances	374	449
	<u>£ 1,754,397</u>	<u>£ 2,158,823</u>

At 31 December 2019 £271,793 (2018 - £384,736) of cash and bank balances related to unrestricted funds, £122,000 (2018 - £194,089) related to designated funds and £1,360,604 (2018 - £1,579,998) related to restricted funds.

16. Creditors: amounts falling due within one year

Trade creditors	16,360	-
Accruals	48,847	21,113
Tax and social security creditor	5,586	4,508
Pension creditors	4,643	5,574
	<u>£ 75,436</u>	<u>£ 31,195</u>

At 31 December 2019 £29,730 (2018 - £4,564) of creditors related to restricted funds, the balance of creditors related to unrestricted funds.

17. Commitments under operating leases

At 31 December 2019 the PCC had annual commitments under non-cancellable operating leases as set out below:

	2019		2018	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Under 1 year	32,800	2,947	-	-
Within 2 to 5 years	20,844	-	-	2,947
After more than 5 years	-	-	25,440	-
	<u>£ 53,644</u>	<u>£ 2,947</u>	<u>£ 25,440</u>	<u>£ 2,947</u>

18. Unrestricted and Designated Funds

<i>Current Year</i>	Brought forward 01/01/2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2019 £
Unrestricted fund - General	1,031,104	644,875	(779,614)	-	-	896,365
Unrestricted fund - Revaluation Reserve	156,000	-	-	-	-	156,000
	<u>1,187,104</u>	<u>644,875</u>	<u>(779,614)</u>	<u>-</u>	<u>-</u>	<u>1,052,365</u>
Designated fund - Church Planting	50,000	-	(50,000)	-	-	-
Designated fund - Pastoral Development	122,000	-	-	-	-	122,000
Designated fund - Prayer Leadership	5,165	-	(5,165)	-	-	-
Designated fund - Student Mission	15,926	-	(15,926)	-	-	-
Designated fund - Youth Mission	998	-	(998)	-	-	-
	<u>194,089</u>	<u>-</u>	<u>(72,089)</u>	<u>-</u>	<u>-</u>	<u>122,000</u>
Total Unrestricted and Designated Funds	<u>£ 1,381,193</u>	<u>£ 644,875</u>	<u>£ (851,703)</u>	<u>-</u>	<u>-</u>	<u>£ 1,174,365</u>
<i>Comparative Year</i>	Brought forward 01/01/2018 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2018 £
Unrestricted fund - General	715,054	1,087,009	(770,388)	(411)	(160)	1,031,104
Unrestricted fund - Revaluation Reserve	156,000	-	-	-	-	156,000
	<u>871,054</u>	<u>1,087,009</u>	<u>(770,388)</u>	<u>(411)</u>	<u>(160)</u>	<u>1,187,104</u>
Designated fund - Church Planting	50,000	-	-	-	-	50,000
Designated fund - Pastoral Development	122,000	-	-	-	-	122,000
Designated fund - Prayer Leadership	9,680	-	(4,515)	-	-	5,165
Designated fund - Student Mission	25,910	-	(9,984)	-	-	15,926
Designated fund - Youth Mission	20,910	-	(19,912)	-	-	998
	<u>228,500</u>	<u>-</u>	<u>(34,411)</u>	<u>-</u>	<u>-</u>	<u>194,089</u>
Total Unrestricted and Designated Funds	<u>£ 1,099,554</u>	<u>£ 1,087,009</u>	<u>£ (804,799)</u>	<u>£ (411)</u>	<u>£ (160)</u>	<u>£ 1,381,193</u>

The Designated Funds are from prior year gifts. The notes above show the 2018 and 2019 spend on each fund.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

19. Restricted Funds

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

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 - 31 DECEMBER 2019 (CONTINUED)

19. Restricted Funds - continued

<i>Comparative Year</i>	Brought forward 01/01/2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2018 £
G2 Surplus Fund	24,796	92,700	(89,790)	-	27,706
Acts 435	(46)	1,835	(1,760)	-	29
Storehouse	1,824	2,159	(1,814)	431	2,600
Ben Doolan Church Plant	-	150	-	-	150
Bible Fund	32	-	-	-	32
St Wilfred Ecclesiastical Charity (COIF)	1,786	1,082	-	-	2,868
Evangelism of the North	161	-	-	-	161
Funeral Collections	69	492	(492)	-	69
Giving Away Day (supporting local mission organisations)	47,451	-	(31,217)	-	16,234
House Of Prayer	982	644	-	-	1,626
Impact Project	1,115,301	211,797	(3,684)	-	1,323,414
Jim Fox Donation	-	1,500	-	-	1,500
Outreach Work	9,000	-	(9,000)	-	-
Kidz Club	1	-	-	-	1
Legacy for Church Silver	311	-	-	-	311
Never Give Up	5,880	1,245	(1,470)	-	5,655
One-Off Collections	251	10,090	(9,170)	(20)	1,151
Premises Legacy	154,825	-	-	-	154,825
Youth Fund Legacy	23,000	-	(4,700)	-	18,300
Production Manager Fund	1,600	-	(1,600)	-	-
Individual Training Fund	4,383	2,000	(6,383)	-	-
Revive (Roberts)	50	-	-	-	50
Music (royalties)	382	-	-	-	382
Shoeboxes	1	35	-	-	36
Sozo Fund	253	191	-	-	444
St Cuthbert's Garden	230	-	-	-	230
Stained Glass Maintenance St Michael's Warwick Burton	2,000	-	-	-	2,000
Stained Glass Maintenance St Cuthbert's Warwick Burton	1,000	-	-	-	1,000
Student Worker Fund	34,168	-	(9,984)	-	24,184
Unspecified but Restricted	573	-	-	-	573
Women of Worth	981	588	(500)	-	1,069
	£ 1,431,245	£ 326,508	£ (171,564)	£ 411	£ 1,586,600

20. Analysis of net assets by fund

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
<i>Current Year</i>				
Tangible fixed assets	804,440	-	6,425	810,865
Investment fixed assets	-	-	-	-
Current assets	293,631	122,000	1,367,109	1,782,740
Creditors:				
Amounts falling due within one year	(45,706)	-	(29,730)	(75,436)
	£ 1,052,365	£ 122,000	£ 1,343,804	£ 2,518,169
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
<i>Comparative Year</i>				
Tangible fixed assets	807,065	-	9,637	816,702
Investment fixed assets	657	-	-	657
Current assets	406,013	194,089	1,581,527	2,181,629
Creditors:				
Amounts falling due within one year	(26,631)	-	(4,564)	(31,195)
	£ 1,187,104	£ 194,089	£ 1,586,600	£ 2,967,793

21. Related party transactions

No member of the PCC received any remuneration or expenses for their services to the PCC. Rev'd Matthew Porter is reimbursed for parochial expenses which are necessarily incurred by him to fulfil the duties of his post in accordance with the guidelines set down by the Central Stipends Authority of the Church of England. In addition Rev'd Porter receives set statutory parochial fees for officiating at weddings and funerals, these are accounted for to the local Diocese. No payments are made to him for his services as a PCC member. Rev'd Christian Selvaratnam was employed under a contract of employment to carry out his role within the church but is not paid for his services as a PCC member.

During the year a total of £71,511 (including gift aid) (2018 - £315,645) was donated to the PCC by PCC Members (trustees), including close family members.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019 (CONTINUED)

22. Comparative Statement of Financial Activities

STATEMENT OF FINANCIAL ACTIVITIES					
FOR THE YEAR ENDED 31 DECEMBER 2018					
	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	998,813	-	311,412	1,310,225	2,117,426
Income from charitable church activities	59,085	-	779	59,864	31,734
Other trading activities	14,654	-	-	14,654	15,118
Investments	634	-	12,817	13,451	7,371
Other income	13,823	-	1,500	15,323	11,006
Total income	1,087,009	-	326,508	1,413,517	2,182,655
Expenditure on:					
Raising funds	-	-	3,684	3,684	1,276
Charitable church activities	770,388	34,411	167,880	972,679	814,850
Total expenditure	770,388	34,411	171,564	976,363	816,126
Net income/(expenditure) before gains and losses on investments	316,621	(34,411)	154,944	437,154	1,366,529
Net (losses) on investments	(160)	-	-	(160)	(36)
Net income/(expenditure)	316,461	(34,411)	154,944	436,994	1,366,493
Transfers between funds	(411)	-	411	-	-
Net movement in Funds	316,050	(34,411)	155,355	436,994	1,366,493
Total funds brought forward at 1 January 2018	871,054	228,500	1,431,245	2,530,799	1,164,306
Total funds carried forward at 31 December 2018	£1,187,104	£194,089	£ 1,586,600	£ 2,967,793	£ 2,530,799

23. Post Balance Sheet Events

The PCC received confirmation of a large donation of £5.9m towards the Impact Project on 24 January 2020. This is a restricted donation for use only towards the reordering of St Michael le Belfrey Church. £750,000 has been received so far since the year end.