

**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 2018**

**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 2018

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**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 2018

The Parochial Church Council (PCC) has pleasure in presenting its Report together with the Financial Statements for the year ended 31 December 2018.

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and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.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 Parochial Church Council (PCC) is responsible, with the Vicar (Matthew Porter) for good governance of the Church.

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

The major theme for 2018 was *Overflow*, with the church being urged to pray and work to see God's Spirit flow into and then out of them in order to impact beyond themselves. During 2015 the PCC agreed 4 strategic emphases to help prioritise and plan more effectively and these remained the focus for 2018. 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 of the church the PCC have referred to the guidance contained in the Charity Commission's general guidance on public benefit. This report will highlight some of the public benefit of St Michael le Belfrey Church.

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ACHIEVEMENTS AND PERFORMANCE

Church attendance

St Michael le Belfrey has a simple structure of congregations and groups. During 2018 we had 6 services (on Sundays meeting in St Michael le Belfrey Church at 9am, 11am and 6pm, and on Wednesdays at 12.30pm, and G2 meeting on Sundays at the Burnholme Centre at 3.45pm and at Central Methodist at 6pm). Throughout 2018 we had approximately 50 groups, known as Belfrey Groups, with other Groups meeting through G2.

At the Annual Meeting 2018 there were 678 people on the church electoral roll. The average weekly attendance in 2018 was 492 for congregations meeting in St Michael le Belfrey Church and 157 at G2, making a total of 649.

Baptism, and confirmation are important to us as public marks of following Jesus Christ. Over the course of the year we have baptised 4 children, 18 adults and confirmed 49 adults.

Public Benefit Review of the year

We recognise the Christian church is the only organisation that exists primarily for the benefit of non-members. So we take mission seriously, aiming to use all our resources to maximise public benefit.

Community

The clergy and staff team have continued to serve not just the people of The Belfrey but also the wider community. We have had St Michael le Belfrey church building open more during the week, welcoming visitors to come in and discover something of our heritage and hear stories of faith today. We have 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 2018 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. We have continued to serve the homeless and more vulnerable through *Never Give Up*, serving a weekly hot meal in the Belfrey Hall. We have a *Retail Chaplaincy team* who have continued to visit local businesses on a monthly basis to support staff. Monthly welcome lunches have also taken place in 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 assisting other churches. Some of our staff team were involved in helping at New Wine's *United* summer conferences in Somerset, and many helped run the New Wine *Inspire* conference for Yorkshire and the North East near Thirsk in the summer. We continued to invest considerable time and energy into the *Alpha* course. Many find faith in Jesus Christ through *Alpha* or through attending one of our services and subsequently they join our church, or other Christian communities. We believe that helping people find faith in Jesus Christ is the greatest public benefit that we can provide as a church.

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FOR THE YEAR ENDED 31 DECEMBER 2018

ACHIEVEMENTS AND PERFORMANCE – continued

Buildings

St Michael le Belfrey and St Cuthbert's Church (our prayer centre) are significant buildings which we value 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 gathered pace in 2018 as we prepare for significant 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 centre. 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 *Alpha*, *Fusion* and *The Bus Stop*, and *York Neighbours* and other churches use our photocopier to reproduce their newsletters.

Money

St Michael le Belfrey is a non-profitable, charitable organisation, receiving an income in 2018 of £1,413,517. We see all financial provision as money for mission. Not only was this money used to pay staff (responsible for various areas of church life) and fund various aspects of church life, but much was given away, especially to various long-term Mission Partners in York, UK and abroad and much was invested and allocated for future use. We also support the local Diocese, contributing £195,000 in 2018 which, after supporting our two full-time stipendiary clergy posts supports the Diocese 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 welcomed two new part-time members of paid staff in 2018: Sophie Dearden as leader of the House of Prayer and Izzy Pysanczyn as our Belfrey Doors co-ordinator. In the summer we welcomed Mike and Emma Perkins as Mike became our training curate. At the end of the year we said a sad farewell to Ben and Ellie Doolan as they moved to plant a new church in Newcastle. We have encouraged them to gather a good group of people from our church to help start a brand-new church in the North East. The aim is for that church to plant churches. We believe that will be of great public benefit to the area and, if that new church itself plants churches as is hoped, then we will have played a significant part in realising our vision of serving God's transformation of the North. In December we welcomed Andy Baker as our new Associate Minister.

**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 2018

PLANS FOR THE FUTURE

In order to further our vision in the year ahead, our theme for 2019 is *cultivate*. This agricultural image not only ties in well with the Newcastle church plant but also nicely summarises the tending and growing that we expect to see in our church in 2019.

St Michael le Belfrey Church 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 2019 and beyond. We are encouraged that we've recently been designated a 'resource church' by the Diocese of York and the Church of England. We're pleased to be part of the Diocese's strategic planning for the coming years as they seek to grow and especially impact the 20s-40s. 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.

During 2018 the PCC approved a proposal from the leadership of G2 that, in the 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 is in preparation, and it is expected to be completed in 2019. The Belfrey will provide whatever support G2 needs during the process of transition.

LEADERSHIP

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

The PCC has designated 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 made 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 has only had to meet once during the year and has also discussed a couple of matters by email.

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.

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CHARITY GOVERNANCE CODE - continued

2. Leadership:

The church is led by the Vicar with the assistance of a Leadership Team and is governed by the PCC. Responsibility for much day-to-day church life is delegated to our staff.

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. At PCC 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.

5. Board (PCC) Effectiveness:

The Vicar's Leadership Team meet most weeks and our PCC meet monthly. The PCC Chair and Vice-Chair meet 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, as well as more younger PCC members, and more female senior staff members. Most of our recent staff appointments (House of Prayer Leader, Temporary Administrator, Impact Project Leader) have been female.

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, by joining a small group and by giving regularly. Most choose to receive a weekly email from the Vicar, giving a weekly message, as well as sharing news, providing links to the latest talks and 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. We have started to produce a termly magazine (called *Cultivate*) which we hope to produce three times during 2019, 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. We 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.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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FINANCIAL REVIEW

We finished 2018 with a surplus of £436,994. This is built up from our general funds, designated funds, and restricted funds (including G2). This was achieved despite some unexpected building costs to prepare 12 Muncastergate for our new Associate Vicar Andy Baker and his family and also to ensure our three New Wine Discipleship Year residences were in an appropriate condition for the new interns to move into in September.

The above stated surplus was realised through several very generous one-off donations amounting to £650,000 including gift aid. £200,000 of this was specifically for the Impact project. Of the remaining £450,000 10% was immediately given away; £25,000 as an extra payment towards our Freewill Offering to the Diocese and £4,000 to each of our five overseas mission partners. The balance of these gifts has been earmarked for the 2019 and 2020 budgets mostly funding our local missions and our young people's ministry. We are thankful for how God continues to provide for us financially through donations like these and also through all of our regular givers.

The generous gift received in 2015 was still being utilised with £34,411 used for financing the Storehouse, paying the Prayer Leader and half the cost of the Student Worker. The balance of each is shown in the accounts as designated funds.

G2

G2's income was £92,700 and expenditure was £89,790 which finished the year with a small surplus of £2,910. Throughout the year they received a few one-off donations and had a gift day which helped this position.

The table below shows regular giving. In previous years this just covered standing orders in the bank. Over the past two years more people are donating online using platforms like CAF, Stewardship, BT MyDonate and ChurchSuite. So the standing order figure has reduced and does not show the whole picture. These other giving platforms have been included for 2017 and 2018.

Year	Belfrey regular giving				G2 regular giving				
	Donors	Total	Avg per annum	Avg per month	Donors	Total	Avg per annum	Avg per month	Total
2014	227	£355,448	£1,566	£130	28	£37,517	£1,340	£112	£392,965
2015	199	£322,411	£1,620	£135	47	£41,983	£893	£74	£364,394
2016	202	£348,410	£1,725	£144	45	£46,343	£1,030	£86	£394,753
2017	191	£337,054	£1,765	£147	44	£59,720	£1,357	£113	£396,774
2017*	65	£43,545	£670	£56	36	£4,119	£114	£10	£47,664
	256	£380,599	£1,487	£124	80	£63,839	£798	£66	£444,438
2018	172	£290,454	£1,689	£141	18	£24,684	£1,371	£114	£315,138
2018*	91	£104,337	£1,147	£96	67	£43,113	£643	£54	£147,450
	263	£394,791	£1,501	£125	85	£67,797	£798	£66	£462,588

* This is non-standing order regular giving which includes CAF, BT MyDonate, Stewardship and ChurchSuite

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FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL REVIEW - continued

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 welcomed Ben Burns as Treasurer in May 2018, an answer to prayer! He is a great asset to the Finance Team, and we are thankful for all the time he puts in alongside a full-time job and a family.

INVESTMENT POLICY

Receipt of the gift for the Impact Project in 2017 prompted the PCC to seek external professional advice on the investment of this money. The advice was that, in view of the likely timescale for the Project and the uncertainty over market conditions in the meantime, it would be appropriate for the PCC to avoid any significant risk and keep the funds in cash deposits. The PCC accepted this advice and authorised the opening of additional bank deposit accounts, seeking to maximise the rate of interest consistent with tying up the funds for no longer than two years. With the additional one-off gifts received in 2018 totaling £650,000, we are seeking advice about opening additional deposit accounts in 2019 to maximise interest and the funds will not be tied up longer than two years in line with the other accounts. This policy, along with the similar approach taken to the funds already held by the church, will be kept under review.

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 £62,000. 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 cash reserve for 31 December 2018 after taking into account our restricted funds of £1,576,963, designated funds of £194,089, due to be expended in 2019 except for the designated post not yet appointed and planned expenditure of £284,245, due to be expended by the end of 2020 is £95,137.

There are also unrestricted general funds reflecting the value of property and equipment held on behalf of the PCC (£807,065) and restricted funds relating equipment held (£9,637).

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.

**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

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

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 normally meets monthly. It is managed by a team of staff and volunteers.

ADMINISTRATIVE INFORMATION

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 during the year were as follows:

Clergy	Matthew Porter Mike Perkins (from July 2018) Jim Roberts Ben Doolan (until November 2018) Christian Selvaratnam Liz Ransford Andy Baker (from December 2018)
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Churchwardens	Julie Caddell (Lay Chair of PCC) Alison Dawson (from April 2018) Barrie Stephenson Christopher Dobson Beth Hume (until April 2018)
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Deanery Synod	Daniel Brookes John Lindley (from April 2018) Tony Scott Dudley Clark Martine Somerville Samuel Hutchinson (until April 2018)
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**THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF
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ANNUAL REPORT OF THE PAROCHIAL CHURCH COUNCIL

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ADMINISTRATIVE INFORMATION – continued

Elected representatives

Beth Goodwin (until April 2018)
Jenny Hough (from April 2018)
Sophie Nabhan
James Webster
Douglas Greenfield
Bethany Kelsall, nee Richardson
Roger Holmes

Officers

Secretary: Roger Holmes
Treasurer: Ben Burns
Wardens
Electoral Roll Officer: Ruth Somerville

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.

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

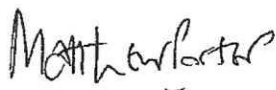
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Signed on behalf of the Parochial Church Council



Revd Matthew Porter
Chair

18 March 2019

**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 2018 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 2018 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
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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 9, 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

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

21 May 2019

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 2018

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2018 £	2017 £
Income and endowments from:						
Donations and legacies	2	998,813	-	311,412	1,310,225	2,117,426
Income from charitable church activities	3	59,085	-	779	59,864	31,734
Other trading activities	4	14,654	-	-	14,654	15,118
Investments	5	634	-	12,817	13,451	7,371
Other income	6	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	7	-	-	3,684.00	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	12	(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	18/19	£1,187,104	£194,089	£ 1,586,600	£ 2,967,793	£ 2,530,799

The notes on pages 17 to 27 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 2018

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
					2018 £	2017 £
Fixed Assets						
Tangible fixed assets	11	807,065	-	9,637	816,702	799,440
Investments	12	657	-	-	657	817
		<u>807,722</u>	<u>-</u>	<u>9,637</u>	<u>817,359</u>	<u>800,257</u>
Current Assets						
Stock	13	698	-	-	698	1,036
Debtors	14	20,579	-	1,529	22,108	18,934
Cash at bank and in hand	15	384,736	194,089	1,579,998	2,158,823	1,744,443
Total Current Assets		<u>406,013</u>	<u>194,089</u>	<u>1,581,527</u>	<u>2,181,629</u>	<u>1,764,413</u>
Current Liabilities						
Creditors: amounts falling due within one year	16	26,631	-	4,564	31,195	33,871
Total current liabilities		<u>26,631</u>	<u>-</u>	<u>4,564</u>	<u>31,195</u>	<u>33,871</u>
Net Current Assets		<u>379,382</u>	<u>194,089</u>	<u>1,576,963</u>	<u>2,150,434</u>	<u>1,730,542</u>
Total assets less current liabilities		<u>1,187,104</u>	<u>194,089</u>	<u>1,586,600</u>	<u>2,967,793</u>	<u>2,530,799</u>
Net Assets		<u>£ 1,187,104</u>	<u>£ 194,089</u>	<u>£ 1,586,600</u>	<u>£2,967,793</u>	<u>£2,530,799</u>
The funds of the charity						
Unrestricted general fund	18	1,031,104	-	-	1,031,104	715,054
Unrestricted revaluation reserve fund	18	156,000	-	-	156,000	156,000
Unrestricted designated funds	18	-	194,089	-	194,089	228,600
Restricted funds	19	-	-	1,586,600	1,586,600	1,431,245
Total Charity Funds		<u>£ 1,187,104</u>	<u>£ 194,089</u>	<u>£ 1,586,600</u>	<u>£ 2,967,793</u>	<u>£ 2,530,799</u>

Approved by the Parochial Church Council on 18 March 2019 and signed on its behalf by:



 Revd Matthew Porter (Chair)

The notes on pages 17 to 27 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 2018

	2018 £	2017 £
Cash flows from operating activities:		
Net income for the reporting period	436,994	1,366,493
<i>Adjusted for:</i>		
Depreciation charges	6,768	1,314
Losses/(Gains) on investments	160	36
Dividends and interest from investments	(13,451)	(7,371)
Decrease/(increase) in stocks	338	(194)
Decrease/(increase) in debtors	(3,174)	(8,546)
Increase/(decrease) in creditors	(2,676)	9,103
Net cash provided by/(used in) operating activities	424,959	1,360,835
Cash flows from investing activities:		
Dividends and interest from investments	13,451	7,371
Purchase of tangible fixed assets	(24,030)	(3,894)
Net cash provided by/(used in) investing activities	(10,579)	3,477
Change in cash and cash equivalents in the reporting period	414,380	1,364,312
Cash and cash equivalents at the beginning of the reporting period	1,744,443	380,131
Cash and cash equivalents at the end of the reporting period	£ 2,158,823	£ 1,744,443
Analysis of cash and cash equivalents		
Cash in hand	449	265
No notice and notice deposits (less than 3 months)	880,422	474,401
Notice deposits (more than 3 months)	1,277,952	1,269,777
	£ 2,158,823	£ 1,744,443

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 27 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 2018

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. These include funds designated for a particular purpose by the PCC.

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. The PCC does not usually invest separately for each fund. Where there is no separate investment, interest is apportioned to individual funds on an average balance basis.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018 (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 offer 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 2018 (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 work place 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 2018 (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 have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. They 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 2018 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds	
				2018 £	2017 £
2. Donations and legacies					
Planned giving: Standing Orders	289,581	-	-	289,581	396,774
Tax recoverable	124,265	-	1,300	125,565	328,895
CAF	72,024	-	-	72,024	45,829
Collections (open plate)	41,250	-	-	41,250	49,379
Gift days	-	-	-	-	73,317
Legacies	-	-	-	-	177,825
Donations	471,693	-	310,112	781,805	1,045,407
	<u>£ 998,813</u>	<u>£ -</u>	<u>£ 311,412</u>	<u>£ 1,310,225</u>	<u>£ 2,117,426</u>

In 2017, income from donations and legacies amounting to £578,624 related to unrestricted funds, £34,375 related to designated funds and £1,504,427 related to restricted funds.

3. Income from charitable church activities					
Events	44,733	-	779	45,512	18,667
Other income from church activities	14,352	-	-	14,352	13,067
	<u>£ 59,085</u>	<u>£ -</u>	<u>£ 779</u>	<u>£ 59,864</u>	<u>£ 31,734</u>

In 2017, income from charitable church activities amounting to £31,583 related to unrestricted funds, £Nil related to designated funds and £151 related to restricted funds.

4. Other trading activities					
Sales	1,550	-	-	1,550	2,183
Hire of facilities	13,037	-	-	13,037	12,918
Music	67	-	-	67	17
	<u>£ 14,654</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 14,654</u>	<u>£ 15,118</u>

In 2017, all income from other trading activities related to unrestricted funds.

5. Investment income					
Dividends received	-	-	1,082	1,082	1,114
Deposit interest	634	-	11,735	12,369	6,257
	<u>£ 634</u>	<u>£ -</u>	<u>£ 12,817</u>	<u>£ 13,451</u>	<u>£ 7,371</u>

In 2017, investment income amounting to £6,311 related to unrestricted funds, £Nil related to designated funds and £1,060 related to restricted funds.

6. Other income					
Other income	13,823	-	1,500	15,323	11,006
Profit on disposal of fixed assets	-	-	-	-	-
	<u>£ 13,823</u>	<u>£ -</u>	<u>£ 1,500</u>	<u>£ 15,323</u>	<u>£ 11,006</u>

In 2017, other income amounting to £10,006 related to unrestricted funds, £Nil related to designated funds and £1,000 related to restricted funds.

Total Income	<u><u>£ 1,087,009</u></u>	<u><u>£ -</u></u>	<u><u>£ 326,508</u></u>	<u><u>£ 1,413,517</u></u>	<u><u>£ 2,182,655</u></u>
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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 2018 (CONTINUED)

7. Analysis of expenditure

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Raising funds	£	- £	- £	3,684 £	1,276 £
Charitable church activities					
Missionary and charitable giving (note 8)					
Overseas:					
Overseas mission	42,881	-	500	43,381	23,371
Home:					
Home mission and grants	22,390	-	57,323	79,713	59,783
Ministry: Diocesan free will offering	65,271	-	57,823	123,094	83,154
Church - general upkeep and services	193,000	-	2,000	195,000	166,000
Church - premises	89,948	-	45,422	135,370	86,125
Music	88,427	19,912	-	108,339	107,911
Events	3,638	-	-	3,638	3,181
Staff salaries, pensions and other staffing costs	25,724	-	205	25,929	20,950
Office and administration costs	262,599	14,499	59,179	336,277	310,419
Finance costs	31,126	-	3,251	34,377	20,744
Audit fee	2,135	-	-	2,135	4,116
Outsourced accountancy and payroll	2,400	-	-	2,400	2,590
	6,120	-	-	6,120	9,660
Total	£ 770,388	£ 34,411	£ 167,880	£ 972,679	£ 814,850
Total	£ 770,388	£ 34,411	£ 171,564	£ 976,363	£ 816,126

In 2017, expenditure of £645,135 related to unrestricted funds, £34,248 related to designated funds and £136,743 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 2018 (CONTINUED)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	2017 £
8. Mission and charitable grants					
<i>Overseas mission</i>					
FHI (Marsden)	-	-	-	-	3,720
International Students	391	-	-	391	294
Brazil (Roberts)	13,780	-	-	13,780	8,400
Wycliffe (Eves)	11,650	-	500	12,150	7,500
Fletcher Support	11,020	-	-	11,020	-
Other (less than £1,000)	-	-	-	-	310
Wilson	6,040	-	-	6,040	1,980
Shoe Boxes	-	-	-	-	1,167
	42,881	-	500	43,381	23,371
<i>Home mission and grants</i>					
YOYO	-	-	3,000	3,000	3,000
Homer	10,120	-	-	10,120	6,000
Eastfield	2,000	-	-	2,000	-
Friends International	-	-	2,000	2,000	2,200
Global Connections	210	-	-	210	210
Short Term & Church Missions	1,577	-	-	1,577	2,685
Special, Wedding & Funeral Collections	2,987	-	9,662	12,649	6,187
Acts 435	-	-	1,760	1,760	2,340
Never Give Up Group	-	-	-	-	3,000
RLTC	-	-	3,000	3,000	3,000
Basement/Storehouse	(1,814)	-	1,814	-	-
Belfrey Neighbours	-	-	-	-	28
Alpha	38	-	-	38	405
New Wine	2,881	-	-	2,881	82
Roger Simpson	-	-	1,000	1,000	2,000
Youth Bibles	-	-	-	-	518
Evangelism Cafes	849	-	-	849	1,338
Women of Worth	1,459	-	-	1,459	899
Student Mission	574	-	-	574	1,211
Restore	-	-	1,000	1,000	1,000
Youth Legacy	-	-	1,487	1,487	-
Individual Training	-	-	6,383	6,383	-
Seed Fund	500	-	-	500	-
Tear Fund	1,000	-	9,000	10,000	-
Youth Evangelism	9	-	-	9	-
Giving Away Day	-	-	17,217	17,217	23,680
	22,390	-	57,323	79,713	59,783
	£ 65,271	£ -	£ 57,823	£ 123,094	£ 83,154

In 2017, Overseas Mission was made up of £22,204 relating to unrestricted funds, £Nil relating to designated funds and £1,167 relating to restricted funds. Home Mission and Grants was made up of £14,373 relating to unrestricted funds, £Nil relating to designated funds and £45,410 relating to restricted funds.

9. Net income for the year

This is stated after charging:

Staff pension contribution	11,770	7,481
Depreciation	6,768	1,314
Auditors' remuneration - audit of financial statements	2,400	2,590

10. Staff costs and emoluments

Total staff costs were as follows:

Wages and salaries	287,597	268,524
Social security costs	16,212	16,786
Other pension costs	11,770	7,481
	£ 315,579	£ 292,791

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 24 (2017 - 22). The average number of employees calculated on the basis of full-time equivalents was 12 (2017 - 11)

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018 (CONTINUED)

11. Tangible fixed assets

	Freehold Land & Buildings £	Motor Vehicles £	Church Equipment £	Total £
Cost or valuation				
At 1 January 2018	795,000	-	72,711	867,711
Addition in year	-	12,850	11,180	24,030
At 31 December 2018	795,000	12,850	83,891	891,741
Depreciation				
At 1 January 2018	-	-	68,271	68,271
Charge for year	-	3,213	3,555	6,768
At 31 December 2018	-	3,213	71,826	75,039
At 31 December 2018	£ 795,000	£ 9,637	£ 12,065	£ 816,702
At 31 December 2017	£ 795,000	£ -	£ 4,440	£ 799,440

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;

	2018	2017
Historical cost at 31 December 2018	£ 639,000	£ 639,000

At 31 December 2018 tangible fixed assets with a net book value of £807,065 (2017 - £799,440) related to the unrestricted funds and tangible fixed assets with a net book value of £9,637 related to restricted funds (2017 - £Nil).

	2018 £	2017 £
12. Investments		
Market value at 1 January 2018	817	853
Net (loss) on revaluation for the year	(160)	(36)
Market value at 31 December 2018	£ 657	£ 817
Historical cost at 31 December 2018	£ 1,053	£ 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 2017 and 31 December 2018 all investments related to the unrestricted funds.

13. Stock

Bookstall stock and other	£ 698	£ 1,036
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At both 31 December 2017 and 31 December 2018 stock related to the unrestricted funds.

14. Debtors

Trade debtors	523	1,019
Income tax recoverable	8,048	6,720
Prepayments and accrued income	13,537	11,195
	£ 22,108	£ 18,934

At 31 December 2018 £1,529 of income tax recoverable relates to the restricted G2 funds, the balance of debtors relate to the unrestricted funds. In 2017 all debtors related to the unrestricted funds.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018 (CONTINUED)

	2018 £	2017 £
15. Cash at bank and in hand		
Bank balances	2,158,374	1,744,178
Cash balances	449	265
	<u>£ 2,158,823</u>	<u>£ 1,744,443</u>

At 31 December 2018 £384,736 (2017 - £84,698) of cash and bank balances related to unrestricted funds, £194,089 (2017 - £228,500) related to designated funds and £1,579,998 (2017 - £1,431,245) related to restricted funds.

16. Creditors: amounts falling due within one year

Accruals	21,113	24,918
Tax and social security creditor	4,508	5,146
Pension creditors	5,574	3,807
	<u>£ 31,195</u>	<u>£ 33,871</u>

At 31 December 2018 £4,230 of the pension creditor and £334 of accruals related to the restricted G2 fund, the balance of creditors relate to the unrestricted funds. In 2017 all creditors related to the unrestricted funds.

17. Commitments under operating leases

At 31 December 2018 the PCC had annual commitments under non-cancellable operating leases as set out below:

	2018		2017	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Under 1 year	-	-	-	-
Within 2 to 5 years	-	2,947	-	2,947
After more than 5 years	25,440	-	25,440	-
	<u>£ 25,440</u>	<u>£ 2,947</u>	<u>£ 25,440</u>	<u>£ 2,947</u>

18. Unrestricted and Designated Funds

<i>Current Year</i>	Brought forward 01/01/2018 £	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>

<i>Comparative Year</i>	Brought forward 01/01/2017 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Other recognised gains and (losses) £	Carried forward 31/12/2017 £
Unrestricted fund - General	726,707	641,642	(645,135)	(8,124)	(36)	715,054
Unrestricted fund - Revaluation Reserve	156,000	-	-	-	-	156,000
	<u>882,707</u>	<u>641,642</u>	<u>(645,135)</u>	<u>(8,124)</u>	<u>(36)</u>	<u>871,054</u>
Designated fund - Church Planting	50,000	-	-	-	-	50,000
Designated fund - Pastoral Development	100,000	22,000	-	-	-	122,000
Designated fund - Prayer Leadership	23,800	-	(9,461)	(4,659)	-	9,680
Designated fund - Student Mission	33,000	-	(3,931)	(3,159)	-	25,910
Designated fund - Youth Mission	14,000	12,375	(20,856)	15,391	-	20,910
	<u>220,800</u>	<u>34,375</u>	<u>(34,248)</u>	<u>7,573</u>	<u>-</u>	<u>228,500</u>
Total Unrestricted and Designated Funds	<u>£ 1,103,507</u>	<u>£ 676,017</u>	<u>£ (679,383)</u>	<u>£ (551)</u>	<u>£ (36)</u>	<u>£ 1,099,554</u>

The Designated Funds are from prior year gifts. The notes show the 2017 and 2018 spend on each fund. The PCC agreed that £50,000 Church Planting will be given to Ben Doolan's church plant in Newcastle Upon Tyne; this will be paid in 2019.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018 (CONTINUED)

19. Restricted Funds

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018 (CONTINUED)

19. Restricted Funds - continued

<i>Comparative Year</i>	Brought forward 01/01/2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward 31/12/2017 £
Legacy (silver)	311	-	-	-	311
St Wilfred Ecclesiastical Charity (COIF)	3,326	1,060	(2,600)	-	1,786
Music (royalties)	382	-	-	-	382
Impact Project	2,350	1,115,625	(2,674)	-	1,115,301
Kidz Club	1	-	-	-	1
Specific Collections	480	2,729	(2,958)	-	251
Unspecified but Restricted	573	-	-	-	573
G2 Surplus Fund	21,162	76,566	(72,932)	-	24,796
Evangelism of the North	161	-	-	-	161
Acts 435	319	2,045	(2,340)	(70)	(46)
Never Give Up	2,938	788	(846)	3,000	5,880
Basement/Storehouse	485	1,435	-	(96)	1,824
Belfrey Neighbours	28	-	(28)	-	-
House Of Prayer	747	565	-	(330)	982
Revive (Roberts)	50	-	-	-	50
Shoeboxes	1	1,167	(1,167)	-	1
Funeral Collections	(603)	1,886	(1,886)	672	69
Restore	674	-	-	(674)	-
Individual Training Fund	4,105	1,000	(722)	-	4,383
Giving Away Day (supporting local mission organisations)	14,716	73,317	(37,680)	(2,902)	47,451
Bible Fund	30	520	(518)	-	32
IT Fund	60	-	(60)	-	-
St Cuthbert's Garden	230	-	-	-	230
Women of Worth	273	-	-	708	981
Production Manager Fund	8,000	-	(6,400)	-	1,600
Outreach Work	-	9,000	-	-	9,000
Premises Legacy	-	154,825	-	-	154,825
Youth Fund Legacy	-	23,000	-	-	23,000
Sozo Fund	-	-	-	253	253
Stained Glass Maintenance St Cuthbert's	-	1,000	-	-	1,000
Stained Glass Maintenance St Michael's	-	2,000	-	-	2,000
Disabled Toilet Storehouse	-	10	-	(10)	-
Student Worker Fund	-	38,100	(3,932)	-	34,168
	£ 60,799	£ 1,506,638	£ (136,743)	£ 551	£ 1,431,245

20. Analysis of net assets by fund

<i>Current Year</i>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
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
<i>Comparative Year</i>				
Tangible fixed assets	799,440	-	-	799,440
Investment fixed assets	817	-	-	817
Current assets	104,668	228,500	1,431,245	1,764,413
Creditors:				
Amounts falling due within one year	(33,871)	-	-	(33,871)
	£ 871,054	£ 228,500	£ 1,431,245	£ 2,530,799

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 Selvarathnam and Samuel Hutchinson (to April 2018) were employed under contracts of employment to carry out their roles within the church but are not paid for their services as PCC members.

During the year a total of £315,645 (including gift aid) (2017 - £69,790) was donated to the PCC by PCC Members (trustees), including close

