

The accounts for the third year have been prepared on an accrual basis. ExpensePlus software has been in place for a full financial year and has been a great blessing with even the Vicar having the scales fall from his eyes and start using it for expenses management. The dashboard lets me know I have saved an estimated 105 hours by the various automated features, and I am confident in its standard operating condition that the management of church finances is a significantly easier task. I would like to thank Holly for her financial administration help during the year to make this job even easier.

Financial Report

While St Matthews clearly grows in strength through the fruits of our investments and initiatives, this has been a tougher year for St Matthews financially but still within our means. Money is there to be spent and not admired, and despite a deficit in our unrestricted (General) fund, we have further increased funding for Regenerate (including meeting our goal in the Pave the Nave campaign), restored the Chancel, secured the future of the Parish Nursing project, continued the Scriptorium into a new student year, and brought great health to the life of the parish with our Children's ministry. In the General fund we have navigated a changeover in Development Worker and carried out some important maintenance to the drainage to try and relieve some of the continual flooding experienced in the basement, but have been affected by a slight drop in the number of regular givers as well as some particularly high costs and issues with utilities relative to previous years.

Total receipts were £ 292,663 (£ 229,201) against a total expenditure of £ 255,593 (£ 204,002) (prior year in brackets) broken down across funds as follows.

Unrestricted Funds

These are represented by the church's General fund which took in £ 104,372 against expenditure of £ 127,414 leaving an operational deficit for the year of £ -23,041. With fund transfers included, this leading to an end of year balance of £ 7,807. This is a significant deficit and would represent a risk if maintained. I am satisfied that much expenditure in the deficit was incurred through one off events or restoration, and a significant part comes from the drainage works we have completed in the summer, to try and investigate the source of the basement flooding.

Total donations to the church (all categories) were budgeted at £68,070 whereas we took in £ 66,949 contributing to our deficit. This comprises £ 52,995 of regular donations with 60 named donors at year end. This compares to £ 56,567 with 66 standing orders last year. We are deeply grateful to all of our givers and considering the drop in regular givers do encourage all who give to the plate (giving to which has increased significantly to consider switching to a standing order instead). Please also when considering our operating deficit this year, and that costs are doubtless to rise, review where appropriate that which you may give each month.

Large expenditures include insurance for the church (£5,714 – a minor increase on 2024 although unfortunately set to rise significantly in 2026), altar and church supplies to keep us outfitted to the highest standard (£5,884 – which is actually similar to last year although I expected fewer one off items, I will review this for 2026), utilities (£6,273 – including some significant outlay on gas due to a broken boiler running all scheduled hours in November and parts of December), the drainage works and other non-routine work of (£ 12,165), printing (£2,418). Our biggest expenditures continue to be the Common Fund payment to the Diocese at £ 26,500 and the Mission Development worker salary at £ 31,662. The latter is quite a significant outlay and represents me missing a payment in my accrual from 2025 of a payment owed to the Diocese and an overlap period (including holiday pay) between our Development Workers. This should therefore stabilise next year at a predictable amount, and we have already seen the fruits of Tammy's hard work in identifying, applying for and securing grants.

For 2026, I have set a budget along similar lines to have a more stable year. It would be a good year to end with a surplus in the General account although you give to the church and we serve as a PCC to spend money on mission and upkeep rather than sit on it. We will look, coincident with Regeneration work, to ensure all aspects of the church are fit for the next 175 years.

Designated Funds

These include the **Regenerate** fund, for which we saw the completion of our fundraising efforts for the Pave the Nave campaign (£18,546 taken in year before gift aid) as well as numerous successful events and sponsorships. Already the PCC has begun to discuss the appropriate way to stage the Nave restoration and will be 'trailing' the first section in the Lady Chapel soon.

A grant for £30,000 from the Garfield Weston Foundation was drawn down to assist with the first tangible stage of Regenerate – the Sanctuary restoration. In total £42,586 was spent on this part of the work and the results I think are beautiful and really promising for the rest of the church.

Last year I notified the APCM that I resolved to move the funds we hold on to hand for Regenerate into higher earning accounts. Between notice accounts and fixed rate bonds, I have been earning market leading rates (Starting at 4.2% but declining in year inline with base rates) on the at least £270,000 we have awaiting expenditure. This has led to a nice 'Interest Received' line of £12,544 in year.

Total receipts for 2026 for Regenerate are an income of £83,965 against an expenditure of £56,092 with a closing balance of £296,334.

The designated **Mission** fund has been drawn down as in 2024 with various activities that would fall under the fund description as for Mission and Evangelism. The closing balance is £21 but I will not assign this elsewhere and close the fund just yet, in case we receive grants in 2026 or 2027 for Missional purposes, where this fund may still be useful.

The **Scriptorium** fund is used to finance the activities of our Thursday study and prayer group as ends the year with a strong closing balance of £6,485 from Diocesan grants received. This will allow us to continue the work for the short and medium term, and we can look to an expansion in activities that will help to grow and fortify the faith of the worshipping community that use this resource.

The **Children's Ministry** fund also ends the year with a good closing balance of £4,286 with a good grant income of £12,155 in year. This will taper off in 2026 to the point where we will be looking for sustainment from other grant sources or our own funds. Tammy is working closely with Minerva to secure short-term funding as this has clearly been an excellent investment by the Centenary Project and the Church Burgesses, to whom we are very grateful, in stimulating children's and families ministry in the city.

Specific Donations was used to purchase the statue of St Benedict for the monastery at Gweru and ends the year at £890, so a minor deficit on donations for this against what was received. We can clear this deficit with general funds later when we come to use this balance for a new altar frontal.

VDF (Vicars Discretionary Fund) had good utilisation as there was a £10 operating deficit – i.e. money taken in as donations was all used as grants for those in need. There is therefore a closing balance of £2,148.

Restricted Funds

These are funds that the PCC has an obligation to spend for their given purposes and comprise Parish Nursing, Pilgrimage, Student Ministry, Agency Collections, the Richard Buckley fund and Flowers.

Student Ministry did not see too much activity in year - £1,580 taken in including some very generous donations, and expenditure of £1,268 giving a closing balance of £2,949. Again, as most of the student engagement is currently coming through Scriptorium this has led to this fund growing. This is a useful balance to have on hand if student activities increase in 2026.

Agency Collections is used for Lenten giving to the ACS and for the portion of carol service collections for the Sea Cadets and will be paid out in 2026 (closing balance £180).

Pilgrimage ends the year in a slight deficit again, with slightly better tracking of income and expenditure now that the ExpensePlus software was in place (my thanks to Jean for her efforts in organising the Pilgrimage, communicating with the Holy House and coordinating payments etc). This seems to be from supporting places for students so I may clear this in 2026 with that fund once I've confirmed it.

Parish Nursing had a fantastic year in terms of grant income, with Louise and team successfully winning funding from the Cutlers, the Harry Bottom Trust and, a long-term target, the National Lottery. This led to £67,534 in grant income in year, forming a large part of the £72,234 in income. With a yearly expenditure of £41,922 this has led to a good closing balance of £38,209 for the team to look at expansion plans in 2026 alongside maintenance

of the existing Parish Nursing support to the city and the vital service from Louise and all volunteers.

Other Financial Reports

Once again, the CCLA fund in which the **Legacy** fund is invested continued to perform poorly, losing value over the year (-£1,000) ending the year at £84,639. As a PCC we have resolved to move this from CCLA, which is fine by me personally as I am not satisfied with the investment approach taken in the Church of England funds they operate. With some time after the preparation of annual accounts, I will move to complete this soon.

Regarding the above notice on putting Regenerate funds into higher interest bonds and notice accounts, the church holds money in the following (with year end balances listed):

Cambridge & Counties 1 Year Fixed Rate Bond (matures Feb 26): £82,100
United Trust Bank 200-day Notice account: £82,100
United Trust Bank Charity Easy Access: £81,921.43
Equals Money (payment cards for staff): £340.36
Redwood Bank 95-day Notice account: £85,232.51
Lloyds Commercial Instant Access: £161.36
Lloyds Treasures Account: £8,609.11

I have closed the Flowers fund this year having cleared an accrual of some old gift aid and this is now being recorded in General under the 'Flowers' category.

Kingfisher Accountants provided the independent examination accompanying these accounts for us again this year, giving governance costs of £300 + VAT.

Regarding in year fund transfers, these include two transfers from the Richard Buckley Fund to Pilgrimage – 1 to cover a deficit from 2024 in supporting places and another specifically for supporting a place in 2025. There is a transfer from General to Pilgrimage to cover the places of the Vicar and the driver. There is also a transfer from Parish Nursing to General of £ 1,387 which is due to the accounting software's payroll function assigning employer national insurance allowance reimbursements all to PN when the initial payment of employer NI is from General for workers paid through General funds.

Closing thoughts

I have very much enjoyed being the Treasurer for the last two years and am very pleased with the current state at which day to day operations take place. There is a strong workflow between expenses coming in, end of month reconciliations and reporting including this one, and this is complemented by the support from Holly F.

As Stuart steps down from his role as Churchwarden, I have been asked if I would be interested in succeeding him and being proud and willing to serve God's church, especially

St Matthew's, I hope to take up this post at the APCM on Low Sunday, though I will not be far from supporting the Treasurer responsibilities, if indeed not covering them.

Please pray for me, our church, good financial fortune and continued impact, growth and spiritual health through our missional activities and our witness to the faith.

Saint Matthew, pray for us. Our Lady of Sheffield, pray for us.

Richard Dawidek
Treasurer
February 2026