

**St Michael's and All Saints' Charities**  
**Church Branch**  
**(The St Michael's and All Saints' Charity)**

**Accounts**  
**for the year ended**  
**31st December 2012**

**Wenn Townsend**  
**Chartered Accountants**  
**Oxford**

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

<b>Charity Number</b>	261304
<b>Ex-officio Trustees</b>	
Priest in charge of St Michael at the North Gate	Very Rev R Wilkes
The Wardens of St Michael at the North Gate	P Dailey R Earl
The Rector of Lincoln College	Prof Woudhuysen (appointed 01/09/12) Prof P Langford (retired 31/08/12)
The Principal of Jesus College	Lord rebs
<b>Nominative Trustees</b>	P Beavis R Loseby M Lear The Ven J ubbard (retired 31/12/12) S Shibli S Stubbings (appointed 01/01/13)
<b>Clerk to the Trustees</b>	R J S awes (retired 31/12/12) R Sheppard (appointed 01/01/13)
<b>Assistant Clerk and Grants Officer</b>	S Martin (retired 31/08/12)
<b>Address</b>	St Michael's Church Centre Commarket Oxford
<b>Auditors</b>	Wenn Townsend 30 St Giles' Oxford
<b>Solicitors</b>	Darbys Solicitors LLP 52 New Inn all Street Oxford
<b>Bankers</b>	Barclays Bank plc PO Box 858 Wytham Court 11 West Way Botley Oxford
<b>Investment Managers</b>	Williams de Broe (until 14/08/12) 100 Wood Street London EC2V 7AN  Seymour Pierce (from 15/08/12 to 06/03/13) 20 Old Bailey London EC4M 7EN  W Ireland Group plc (from 07/03/13) 24 Martin Lane London EC4R 0DR
<b>Chartered Surveyors</b>	Cluttons, Styles and Whitlock Seacourt Tower West Way Oxford OX2 0JJ

**St Michael's and All Saints' Charities  
Church Branch  
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**Trustees' Report  
for the year ended 31st December 2012**

**Reference and administrative information**  
Please refer to page 1.

**Structure, Governance and Management**

The St Michael's and All Saints' Charity is regulated by the Scheme sealed 18th February 1991. The body of Trustees consists of five ex-officio trustees and six trustees nominated by the Parochial Church Council of St Michael at the North Gate with St Martin and All Saints, Oxford. The Scheme provides that the person appointed may be but need not be a member of the appointing body. A salaried clerk and an assistant clerk who also acts as grants officer are employed. The trustees are referred to as the Feoffees.

Mr. Robert Lawes retired as Clerk on the 31st December 2012. He was replaced by Mr. Rupert Sheppard. To ensure a smooth handover, Mr Sheppard worked alongside Mr. Lawes as Clerk Designate from 1st July. The Grants Officer, Mrs. Sarah Martin, retired on the 31st August 2012. She was not replaced immediately. From 1st January 2013, Mr. Sheppard has been assisted by Ms Dorothy Smyth on a provisional basis pending a permanent appointment and a recruitment process is under way.

On appointment a new Feoffee meets the Chairman of the Feoffees, the Incumbent of the Parish of St. Michael at the North Gate and the Clerk to the Feoffees and is sent the following documents:

Feoffees' handbook  
Scheme sealed 18th February 1991  
Scheme sealed 7th May 1980  
Minutes of the previous four meetings  
The last audited accounts of the charities  
A statement of the experience and expertise of other Feoffees

A new Feoffee is required to complete the following:

A Register of skills  
A Register of Feoffees' interests  
A Declaration

The Clerk shows the new Feoffees the properties owned by the Feoffees in central Oxford and they are briefed on the accounts. These procedures were followed following the appointments of Professor Woudhuysen and Mr. S. Stubbings.

Joint meetings of the Trustees of The St Michael's and All Saints' Charity and of The Church Houses Relief in Need Charity are held.

Full meetings of the Feoffees are held quarterly and additional meetings are called as and when required. Major decisions are taken at these meetings which ensures that the Feoffees exercise full and effective control of the decision making process. Four such meetings were held in 2012.

The Trustees have examined the principal areas of the Charity's operation and considered the major risks in these areas. The Trustees consider the Charity's systems to be such that these risks are mitigated to an acceptable level.

The present trustees are shown on page 1.

During the course of the year Peter Mirfield deputised for Lord Leveson and Tim Howles deputised for Professor Langford at the quarterly meetings.

**Objectives and Activities**

Income of the Charity is applied first to the expenses of management of the Charity. It is then applied to defray the cost of repairs to the fabric, furniture, fittings and organ of the Parish Church and of insurance of the Parish Church, to the maintenance of music and the provision of music therein, in aid of the stipends of clergy officiating at the Parish Church, to the maintenance of property owned by the Charity and in making grants for such religious and other charitable purposes as the Feoffees decide after consultation with the Parochial Church Council. The charity has a wide discretion in respect of making grants, however the Feoffees tend to concentrate primarily on assisting local charities.

**St Michael's and All Saints' Charities  
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**Trustees' Report (continued)  
for the year ended 31st December 2012**

**Public benefit statement**

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Each of the aims of the charity can be shown to be exercised in the public benefit in the following ways:

**A. To defray the cost of repairs to the fabric, furniture, fittings and organ of the Parish Church and of insurance of the Parish Church**

The Parish Church of St Michael at the North Gate is situated right in the city centre of Oxford and its tower is the oldest surviving church building, being built shortly before the Norman Conquest. By covering the costs of repair and maintenance of this historic church the charity ensures that the church is in a fit state to allow public access (including tourists, worshippers and those seeking a quiet space) and for the church to continue to host an active community in the heart of Oxford. In 2010, it was deemed necessary to improve the lighting and at the same time take into account health and safety considerations and the church launched an appeal to fund a new lighting system and redecoration of the interior of the Church, to both of which the Feoffees contributed. As a result there was a significant increase in the Charity's contribution to the cost of Church repairs, this amounting to 86,423 in the financial year. The continued maintenance and improvement of the church has served the public benefit by enabling the church to open every day for personal quiet and prayer, for the enjoyment of the historical heritage, for providing open and accessible services of worship and teaching on Sundays and during the week, for the holding of regular cultural activities and making the buildings available for hire or free use to groups serving the needs of the community at large. More information on these activities can be found in the report of the accounts of the Parochial Church Council of St Michael at the North Gate with St Martin and All Saints.

**B. To the maintenance of music and the provision of music at the Parish Church**

The Charity supports the music at St Michael's by covering the costs of the Director of Music, Organist and the professional Choir. This is shown in the Appendix (iv) and was 17,000 in 2012 (2011: 20,400). The choir serves the worshipping community at St Michael's by leading the congregation in sung services and providing full choral services which are fully open and accessible. A number of special services are offered for the many visitors to Oxford both at the important church festival times of Easter and Christmas, and during the Summer with a series of Choral Evensongs. In addition the church has developed a regular series of free lunchtime concerts Music on Mondays where musicians give their services for free and there is a retiring collection for a charity. A number of musical groups hire the church for concerts and rehearsals. The Trustees have also supported the production of a CD recorded by the choir which was published in 2012.

**C. In aid of the stipends of clergy officiating at the Parish Church**

The charity provides an honorarium for the Priest-in-Charge at St Michael at the North Gate covering a substantial proportion of the stipend and expenses, and part of the salary of the Assistant Minister (shown in Appendix (v) totalling 42,519 in 2012). The honorarium for the Priest-in-Charge is paid to the Diocese which is then responsible for paying the Priest-in-Charge at St Michael at the North Gate a regular stipend. This is significant in allowing St Michael's to continue to serve the congregation and public in the city centre as without this contribution there would be no clergy allocated to the church by the Diocese in Oxford. During the year, following the Bishop's decision to lift the suspension of the living, the Charity agreed to bear the full cost of the Priest-in-Charge's stipend and oncosts starting from the beginning of 2013. Although there are very few permanent residents within the Parish boundaries, the Bishop of Oxford recognises the significant role the clergy at St Michael's can play in supporting the public benefit both in the Priest-in-Charge's role as City Rector with the Oxford City Council and his pastoral relations with city centre businesses and visitors. Since the end of the financial year there has been clear evidence of this recognition from the recent decision by the Bishop to lift the suspension of the living so that the Priest-in-Charge will become the Vicar. The charity covers the salaries of the church secretary and the vergier as well as the cost of the contracts of experts in communications and cultural events, who support the clergy in their role working with the city authorities and city centre workers and visitors, shown in Appendix (iv).

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**Trustees' Report (continued)  
for the year ended 31st December 2012**

**Public benefit statement (continued)**

**D. To the maintenance of property owned by the Charity**

The rental income from the property owned by the Charity is significant in allowing the Charity to undertake its other objectives and activities in the public benefit and so as and when necessary these must be maintained properly to enable the properties to continue to yield the rents required for the purposes of the Charity. The cost of management and repairs to the Charity's investment properties increased from 40,964 in 2011 to 117,612 in 2012. This increase was largely due to essential repairs to 30 Cornmarket and refurbishment of 2 Frewin Court, a property purchased vacant in 2011 and requiring some upgrading prior to letting: these works together cost 67,236.

**E. In making grants for such religious and other charitable purposes as the Feoffees decide (in consultation with the Parochial Church Council)**

The Charity is fortunate to have significant income in excess of the expenditure needed to cover A-D above to make grants for religious and other charitable purposes in the public interest. The full grants are shown in Note 5 to the accounts despite the substantial increase in the Charity's expenditure on the lighting and decorating of the Church and the increase in the cost of repairs to the investment properties, grants totalled 367,726 in 2012 (2011: 394,263). The grant proposals are considered at each trustee meeting without any pre-selection to enable the full and diverse experience of the Feoffees to be available to decide on which grants should be made. The Feoffees look for a clearly stated purpose and outcome and evidence of good management for achieving the aims. The Feoffees do not make grants where the purpose should be fulfilled from public expenditure (from either local or central government) and remain committed to applications within the county. The original endowments were made by citizens of Oxford and the rental income is all from properties close to the city centre. This allows the Feoffees to serve the public benefit by helping smaller local charities that cannot afford large fundraising activity and may have few options for raising the sums needed to achieve their purposes. National charities are also considered especially if they can ring-fence the grant to help those in Oxford or Oxfordshire. Otherwise only a nominal amount will be granted. The grants made cover many charitable purposes in the interest of the local public such as:

- The prevention or relief of poverty (e.g. Oxford Homeless Pathways, Elizabeth Fry, Emmaus Oxford)
- The advancement of education (e.g. Listening Books, Newinksey Primary School, Carterton Educational Trust, Mulberry Bush School, Reading Trust, Pegasus Reading Room)
- The advancement of religion (e.g. St Luke's Big Project, Love Oxford, St Peter's Summertown URC, Oxfordshire Historic Churches Trust)
- The advancement of health or the saving of life (e.g. Lawrence Home Nursing Team, Oxford Mencap, Thomley Activity Centre, Vitalise)
- The advancement of citizenship or community development (e.g. Open Door Society for Refugees, Barton Community Association, Blackbird Leys Credit Union)
- The relief of those in need (Asylum Welcome, Atharine House Hospice, Prison Phoenix Trust, Refugee Resource).

**Achievements and Performance**

The major source of the income of the charity is rent from freehold and leasehold properties in the centre of Oxford. There is also an investment portfolio managed until 14th August by Williams de Broe Limited and from then by Seymour Pierce. On 18th February 2013 the management of the portfolio passed to W Ireland at its offices in 24 Martin Lane, London.

In June 2011, the charity completed the strategic purchase of 2 Frewin Court at a cost of 430,000. In addition, the charity paid 2,500 towards the vendor's costs and incurred professional fees totalling 10,230. Subsequently, 2 Frewin Court was refurbished at a cost of 21,146 as it had been purchased vacant and required some upgrading prior to letting. From March 2012 it was let at a rate of 28,500 per annum, slightly in excess of the agent's best estimate on the rent obtainable.

Each of the Charity's other properties were fully occupied throughout the year.

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**Trustees' Report (continued)  
for the year ended 31st December 2012**

**Achievements and Performance (continued)**

In 2008 the Charities' chartered surveyor negotiated a sale of 36A Church Street, Oxford at a price of 250,000 following the exercise of compulsory purchase powers by Oxford City Council. However, the sale was dependent on the extension of the Westgate Centre, Oxford and this continues to be in abeyance and it remains unlikely that there will be any progress in the foreseeable future.

In 2012 the Charity sold its freehold of 48 Oatlands Road, a residential property, for 325,000.

Following consultation with the Parochial Church Council, grants totalling 355,726 (2011: 381,263) were made to charitable organisations, and a further grant of 12,000 (2011: 13,000) was made to The Churches Relief in Need Charity.

Letters of thanks from recipients of grants emphasised that in many cases awards made a substantial difference to their organisation.

Recipients are required to confirm that the grants are used for a specific purpose which is set out in the covering letter and the Clerk and Assistant Clerk visits charities and ensures that grants are correctly applied and reports back to the Feoffees at their quarterly meetings.

**Financial Review**

The Charity retains a minimum of 400,000 in unrestricted funds as free reserves to ensure that, in the event of significant loss of income, it can make provision for the running costs of the Charity, and commitments to the Church of St. Michael at the North Gate for a period of two years. At the end of December, the balance held as unrestricted reserves was 3,614,064 (2011: 3,460,942) of which 770,890 (2011: 403,371) are regarded as free reserves. Free reserves are those unrestricted funds not invested in tangible fixed assets or investments used by the charity or shared with restricted funds, designated for specific purposes or otherwise committed. The main reason for this increase was the sale of 48 Oatlands Road during the year, with all the proceeds becoming free reserves. The Feoffees are looking at alternative investment opportunities to reduce the level of free reserves while securing a further income stream to safeguard the future of the Charity. As a result, it is anticipated that the level of free reserves will reduce in the next financial year.

The unrestricted fund expended 710,654 (2011: 599,820) whilst incoming resources were 760,792 (2011: 739,675) and there were net revaluation gains of 69,988 (2011: losses of 7,175). The gain on disposal of the 48 Oatlands Road property was 32,996.

The Permanent Endowment fund which is shown in the accounts at market value, increased in value by 73,322 (2011: decrease of 68,957) due to net revaluation gains of 77,282 (2011: losses of 63,832) during the year combined with investment management expenses of 3,960 (2011: 5,125).

The investment portfolio, comprising holdings in internationally diversified equities and fixed interest UK Government Securities is professionally managed.

The primary aim of the Investment Manager is to achieve long term capital appreciation in excess of inflation combined with security of investments, and the best possible income commensurate with the overriding aim of capital appreciation. Following the formation of a sub-committee in 2011, an investment policy has been formulated setting out the objects, parameters and exclusions as well as an ethical framework to form the basis of investment decisions. This policy was approved by the Feoffees during the course of the year and has since been reviewed.

The investments excluding property held by the charity increased in value by 143,791, an increase of 14%. This compares with a loss of 76,132 during the previous year. Within these figures, in 2012 the unrestricted investments lodged with CCLA increased by 69,988, as compared to a decrease in 2011 of 7,175 whereas the permanent endowment fund now managed by W Ireland, increased by 73,803 in 2012 as compared to a decrease of 68,957 in 2011.

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**Trustees' Report (continued)  
for the year ended 31st December 2012**

**Plans for the future**

During 2012 the Feoffees continued to take a proactive approach to seeking out potential recipients having extended the area of eligibility in 2010 whilst remaining committed to applications made from within and mainly close to the City and support for larger projects but only after very careful prior investigation. As a result grants to charitable organisations excluding relief branch totalled 355,726 (2011: 381,263) thus maintaining awards at levels similar to preceding years despite the substantial increase in the Charity's expenditure on the lighting and decorating of the Church and the increase in the cost of repairs to the investment properties. When considered in conjunction with grants awarded by the Relief Branch, total charitable grants were of a similar order to the previous year at 462,665 (2011: 463,923).

The Feoffees will also continue to ensure, as far as possible, that grants made are used for the stated purpose and recipients are requested to confirm this in writing when acknowledging receipt of the grant payment. Many of the recipients provide progress reports. The Assistant Clerk/Grants officer will continue to make visits to as many recipients as possible and report back to the Feoffees.

With the assistance of its professional advisers the Feoffees are intent on obtaining the maximum returns on its properties and investments and will continue to meet with its advisers on an annual basis.

**Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England Wales/Northern Ireland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

12th August 2013

**Rupert Sheppard  
Clerk to the Trustees**

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Independent Auditors' Report  
to the Trustees of St Michael's and All Saints' Charities  
Church Branch**

We have audited the financial statements of St Michael's and All Saints' Charities Church Branch for the year ended 31st December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

give a true and fair view of the state of the charity's affairs as at 31st December 2012, 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 applicable to Smaller Entities

have been prepared in accordance with the requirements of the Charities Act 2011.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements 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.

.....  
Deborah Pluck BA FCA (Senior Statutory Auditor)  
For and on behalf of Wenn Townsend  
Chartered Accountants and Statutory Auditors  
30 St Giles  
Oxford OX1 3LE

12th August 2013

**St Michael's and All Saints' Charities  
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**Statement of Financial Activities  
for the year ended 31st December 2012**

	General Unrestricted Fund	Permanent Endowment Fund	Total 2012	Total 2011
<b>Incoming resources</b>				
<b>Incoming resources from generated funds</b>				
<b>Investment income</b>				
Rents	736,197	-	736,197	723,086
Interest/dividends	24,595	-	24,595	16,589
<b>Total incoming resources</b>	<u>760,792</u>	<u>-</u>	<u>760,792</u>	<u>739,675</u>
<b>Resources expended</b>				
<b>Costs of generating funds</b>				
Property repairs and expenses	117,612	-	117,612	40,964
Investment management expenses	-	3,960	3,960	5,125
	<u>117,612</u>	<u>3,960</u>	<u>121,572</u>	<u>46,089</u>
<b>Charitable activities</b>				
Church repairs and expenses	163,851	-	163,851	103,699
Clergy	42,519	-	42,519	42,141
Charitable grants (note 5)	367,726	-	367,726	394,263
	<u>574,096</u>	<u>-</u>	<u>574,096</u>	<u>540,103</u>
<b>Governance costs (note 10)</b>	<u>18,946</u>	<u>-</u>	<u>18,946</u>	<u>18,753</u>
<b>Total resources expended</b>	<u>710,654</u>	<u>3,960</u>	<u>714,614</u>	<u>604,945</u>
<b>Net incoming/(outgoing) resources</b>	50,138	(3,960)	46,178	134,730
<b>Other recognised gains and losses</b>				
Gain on disposal of properties	32,996	-	32,996	-
Realised gains on disposal of investments	-	15,669	15,669	2,156
Unrealised gains/(losses) on investments	69,988	61,613	131,601	(73,163)
<b>Net movement of resources in year</b>	<u>153,122</u>	<u>73,322</u>	<u>226,444</u>	<u>63,723</u>
<b>Funds at 1st January 2012</b>	<u>3,460,942</u>	<u>9,700,344</u>	<u>13,161,286</u>	<u>13,097,563</u>
<b>Funds at 31st December 2012</b>	<u>3,614,064</u>	<u>9,773,666</u>	<u>13,387,730</u>	<u>13,161,286</u>

**St Michael's and All Saints' Charities  
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**Balance Sheet  
31st December 2012**

	Note	2012	2011
<b>Fixed assets</b>			
Freehold and leasehold properties	2	11,449,730	11,734,730
Fixtures, fittings and equipment	3	212	425
Investments	4	1,167,432	1,023,641
		12,617,374	12,758,796
<b>Current assets</b>			
Cash at bank		66,024	31,841
Debtors and prepayments	6	99,916	73,556
Charities deposit fund		710,225	403,065
held by investment manager		218	1,347
		876,383	509,809
<b>Current liabilities</b>			
Sundry creditors	7	(106,027)	(107,319)
<b>Net current assets</b>		<b>770,356</b>	<b>402,490</b>
<b>Net assets</b>		<b>13,387,730</b>	<b>13,161,286</b>
<b>Financed by:</b>			
Unrestricted funds	8	3,614,064	3,460,942
Permanent endowment funds	8	9,773,666	9,700,344
<b>Total funds</b>		<b>13,387,730</b>	<b>13,161,286</b>

P Beavis )  
 ) Trustees  
 Very Rev R Wilkes )

12th August 2013

**St Michael's and All Saints' Charities  
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**Notes to the Accounts  
for the year ended 31st December 2012**

**1 Accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts of St Michael's and All Saints' Charities.

**Accounting basis**

The accounts have been prepared in accordance with:

The Statement of Recommended Practice (Accounting by Charities) and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Charities Act 2011

The historical cost convention as modified by the revaluation of fixed assets

**Fixed assets**

The freehold and leasehold properties are held as investments. These properties are included at the 2008 valuation by James Styles Whitlock, Chartered Surveyors with improvements added at cost.

**Depreciation**

Investment properties are not depreciated in accordance with Statement of Standard Accounting Practice 19.

Depreciation of other fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Fixtures, fittings and equipment	25	Straight line
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**Investments**

Investments are included in the accounts at market value. Realised gains/(losses) are those arising between the sale of an investment and its value at beginning of the year. Unrealised gains/(losses) are those arising where the investment is still held but the value has changed.

**Fund accounting**

**i) Unrestricted funds**

Unrestricted funds include designated funds which were funds set aside out of general funds and designated for specific purposes by the Trustees.

**ii) Restricted funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions. No such funds are identified.

**iii) Permanent endowment funds**

A permanent endowment fund must be held permanently. The income from it is unrestricted.

**Investment income**

Investment income is accounted for on an accruals basis.

**Rental income**

Rental income is recognised by the period the rent covers.

**Grants payable**

Grants are accounted for when approved by the Trustees.

**St Michael's and All Saints' Charities  
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**Notes to the Accounts (Continued)  
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**2 Freehold and leasehold properties**

	2012	2011
32-36 St Ebbes Street	285,000	285,000
48-50 Cornmarket Street	5,480,000	5,480,000
136 High Street	1,571,000	1,571,000
30 Cornmarket Street	1,900,000	1,900,000
30-31 St Ebbes Street	164,000	164,000
Land in Penny Farthing Place	70,000	70,000
48 Oatlands Road	-	285,000
51 Cornmarket Street	2,320,000	2,320,000
2 Frewin Court	445,230	445,230
	<b>12,235,230</b>	<b>12,520,230</b>
Divisible between:		
Church Branch	11,449,730	11,734,730
Relief Branch	785,500	785,500
	<b>12,235,230</b>	<b>12,520,230</b>

The Feoffees arrange for an independent valuation of the properties on a quinquennial basis. Interim reviews are carried out on an annual basis to ensure that the valuations are not materially inconsistent with the estimated current market value in the opinion of the Feoffees. The next full valuation of the properties by an independent surveyor will take place on 31st December 2013.

**3 Fixtures, fittings and equipment**

<b>Cost</b>	
At 1st January 2012	11,408
Additions	-
	<b>11,408</b>
At 31st December 2012	<b>11,408</b>
<b>Depreciation</b>	
At 1st January 2012	10,983
Charge for year	213
	<b>11,196</b>
At 31st December 2012	<b>11,196</b>
<b>Net book value</b>	
At 31st December 2012	<b>212</b>
At 1st January 2012	<b>425</b>

St Michael's and All Saints' Charities  
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Notes to the Accounts (Continued)  
for the year ended 31st December 2012

4 Investments

	Unrestricted Investments	Permanent Endowment Fund	Total
Market value at 1st January 2012	496,123	527,518	1,023,641
Proceeds from sales	-	(124,768)	(124,768)
Acquisitions at cost	-	100,366	100,366
Increase/(decrease) in cash pending investment	-	24,402	24,402
Net gains/(losses) on revaluation:			
- realised	-	15,669	15,669
- unrealised	69,988	61,613	131,601
Investment management expenses paid	-	(4,308)	(4,308)
Dividends received payable to unrestricted fund	-	829	829
	<u>566,111</u>	<u>601,321</u>	<u>1,167,432</u>
Historical cost at 31st December 2012	<u>15,335</u>	<u>455,912</u>	<u>471,247</u>

Investments held

	Unrestricted	Endowment	Total
1,099 COIF Income Shares	11,419	-	11,419
21 COIF Accumulation Shares	1,918	-	1,918
6,183 COIF Accumulation Shares	552,774	-	552,774
4,000 Aviva ord GBP 0.25	-	14,920	14,920
1,500 BG Group Ord GBP0.10	-	15,187	15,187
550 B P Billiton plc USD0.50	-	11,712	11,712
2,500 Black Rock World MI Ord GBP0.05	-	14,663	14,663
8,000 British Airways Ord GBP 0.25	-	14,784	14,784
7,250 BP Ord USD.25	-	30,798	30,798
700 Carnival plc Ord USD 1.66	-	16,506	16,506
3,650 Compass Group Ord GBP 0.10	-	26,463	26,463
1,841 Easyjet Ord GBP 0.25	-	14,093	14,093
1,200 Edinburgh US Track Ord GBP 0.25	-	8,190	8,190
2,500 Fidelity Eur Value Ord GBP 0.25	-	32,175	32,175
4,000 F C Eurotrust Ord GBP 0.25	-	21,960	21,960
2,750 SBC oldings Ord USD 0.50	-	17,790	17,790
33,000 Invesco Managers per corporate bond inc Nav	-	28,710	28,710
3,000 JP Morgan US Sml Ord GBP0.25	-	30,975	30,975
15,000 JP Morgan Euro IT Growth shares GBP 0.05	-	25,856	25,856
9,200 JP Morgan Japanese IT Ord GBP 0.25	-	15,203	15,203
5,250 JP Morgan Emer mks Ord GBP 0.25	-	31,159	31,159
10,300 Martin Currie Pac ord GBP 0.5	-	28,093	28,093
10,000 New India Investment Ord GBP.25	-	21,938	21,938
450 Rio Tinto Ord GBP0.10	-	15,802	15,802
5,500 Rolls Royce Group Ord GBP 0.20	-	48,042	48,042
1,000 Royal Dutch Shell B' Ord EUR0.07	-	21,750	21,750
25,400 RSA Insurance Group Ord GBP 0.275	-	31,928	31,928
1,406 Standard Chartered Ord USD 0.50	-	22,123	22,123
9,200 Witan Pac Inv Tst Ord GBP 0.25	-	19,182	19,182
Cash	-	21,319	21,319
	<u>566,111</u>	<u>601,321</u>	<u>1,167,432</u>

**Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

5 Charitable grants	2012	2011
Abbeyfield Oxenford House	-	3,000
ACE	-	3,000
ACT	2,000	-
Adventure Plus	3,000	-
Age Concern Oxfordshire	-	4,000
ARC	-	5,000
AR T Centre	-	6,000
Arts at the Old Fire Station	2,500	-
Arts Project	300	-
Aspire	2,738	-
Asthma Relief in Oxford	-	2,000
Asylum Welcome	7,500	5,000
Auditory Verbal	-	3,000
B Luwo	6,000	6,000
Barton Community Association	3,000	-
BIBIC	-	3,000
Bipolar U	500	-
Blackbird Leys Adventure Playground	3,000	-
Blackbird Leys Credit Union	5,000	-
Bookfeast	-	2,000
British Red Cross	3,315	-
Carterton Educational Trust	-	1,000
Christian Education and Mission Programme	500	-
City of Oxford Rowing Club	2,500	-
Clic Sargent	-	500
Create	2,500	-
Daybreak	1,350	-
Deafblind U	500	-
DIPEX	-	2,954
Dorchester Abbey Education Officer	-	2,500
Eli abeth Fry	3,000	-
Emmaus Oxford	5,000	25,000
Exeter College Vacation Project	4,000	-
Faith Walks	1,500	-
Family Links	3,000	5,000
Florencc Park Community Centre	1,000	-
Full Circle	5,000	5,000
Guideposts	4,500	-
Heart Centre Campaign	3,600	-
Helen and Douglas House	5,000	5,000
Henley Skulling School	1,000	-
Junior Children's Trust	2,000	-
Marjorie House Hospice	850	750
Meen	2,196	-
Lake Street Community Playgroup	2,000	-
Lawrence Home Nursing Team	5,000	5,000
Leys CDI	-	2,728
Life Education Centres Thames Valley	3,000	3,000
	<hr/>	<hr/>
Carried forward	97,849	100,432

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

5 Charitable grants (continued)	2012	2011
Brought forward	97,849	100,432
Lincoln College Vacation Project	6,000	6,000
Listening Books	4,000	3,000
Love Oxford	-	3,000
Mabel Pritchard Special Needs	3,588	-
Marie Curie Cancer Care	-	3,000
Mencap	8,500	
Meningitis Trust	500	500
Meningitis U	500	-
MIND	5,200	-
Motability	-	2,000
Motor Neurone Disease Association	3,000	3,000
Mulberry Bush School	7,500	7,500
Myasthenia Gravis Association	3,000	-
My Life Choice	-	1,000
New Inksey Primary School	350	300
OCIC	-	6,000
OFVM	2,800	2,775
One Foot Forward	-	1,500
OOSO	2,817	-
Open Door Society for Refugees	4,000	3,500
Oxford and District Mencap	-	8,500
Oxford Association for the Blind	7,000	7,000
Oxford Bonn Churches Link	600	600
Oxford CAB	10,000	15,500
Oxford Community Work Agency	-	2,305
Oxford Credit Union	-	5,000
Oxford homeless Pathways	4,400	-
Oxford PAB Club	5,000	-
Oxford Playhouse Access Programme	-	3,000
Oxford Street Pastors	6,000	6,000
Oxfordshire Advocacy Development Group	3,963	-
Oxfordshire Family Mediation	10,000	10,000
Oxfordshire Gang Show	-	3,000
Oxfordshire Historic Churches Trust	30,000	30,000
Oxfordshire Play Association	500	-
Oxfordshire Play Bus	3,000	-
Oxon Victoria County History	-	1,000
PACT	1,000	5,000
PDSA	-	500
Pegasus Reading Room	10,000	-
Pegasus School	2,200	-
Prison Phoenix Trust	4,526	4,000
PSP	1,500	1,533
Reading Trust	4,812	4,800
Refugee Resource	4,932	5,000
RELATE	-	8,000
Relief Branch	12,000	13,000
Restore	12,000	10,000
	<hr/>	<hr/>
Carried forward	283,037	287,245

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

<b>5</b>	<b>Charitable grants (continued)</b>	<b>2012</b>	<b>2011</b>
	<b>Brought forward</b>	<b>283,037</b>	<b>287,245</b>
	<b>RNIB</b>	<b>3,000</b>	<b>3,000</b>
	<b>ROS</b>	<b>5,000</b>	<b>-</b>
	<b>SAFE</b>	<b>2,100</b>	<b>-</b>
	<b>Scope</b>	<b>500</b>	<b>-</b>
	<b>Seesaw</b>	<b>3,000</b>	<b>-</b>
	<b>Shine</b>	<b>500</b>	<b>-</b>
	<b>Skill Force</b>	<b>3,700</b>	<b>-</b>
	<b>South Oxfordshire Adventure Playground</b>	<b>3,000</b>	<b>-</b>
	<b>Special Effect</b>	<b>5,000</b>	<b>5,000</b>
	<b>Spinal Injuries Association</b>	<b>500</b>	<b>500</b>
	<b>Sportability</b>	<b>1,000</b>	<b>-</b>
	<b>St Barnabus Children's Worker</b>	<b>-</b>	<b>4,000</b>
	<b>St Ebbes CE Primary School</b>	<b>500</b>	<b>-</b>
	<b>St John Ambulance</b>	<b>4,767</b>	<b>-</b>
	<b>St Luke's Church, Grandpont</b>	<b>-</b>	<b>5,000</b>
	<b>St Luke's Big Project</b>	<b>5,000</b>	<b>-</b>
	<b>St Michael at the North Gate Welfare Fund</b>	<b>-</b>	<b>2,500</b>
	<b>St Peter's Wolvercote Development Fund</b>	<b>-</b>	<b>5,000</b>
	<b>St Peter's Wolvercote Playgroup</b>	<b>2,000</b>	<b>-</b>
	<b>Stadhampton Community Building Project</b>	<b>1,000</b>	<b>-</b>
	<b>Tandem</b>	<b>-</b>	<b>4,800</b>
	<b>The Gatehouse</b>	<b>-</b>	<b>50,000</b>
	<b>Thomley Activity Centre</b>	<b>5,000</b>	<b>5,000</b>
	<b>TRAX</b>	<b>4,000</b>	<b>3,500</b>
	<b>UCARE</b>	<b>500</b>	<b>3,000</b>
	<b>Uffington Baulking and Woolstone Minibus</b>	<b>3,000</b>	<b>-</b>
	<b>University Church of St Mary the Virgin</b>	<b>-</b>	<b>2,040</b>
	<b>Veritas Forums</b>	<b>-</b>	<b>330</b>
	<b>VIP Vulnerable Interventions Partnership</b>	<b>992</b>	<b>-</b>
	<b>Vitalise</b>	<b>3,630</b>	<b>3,348</b>
	<b>Welfare Fund at St Michael's</b>	<b>3,000</b>	<b>-</b>
	<b>Wesley Memorial Church</b>	<b>5,000</b>	<b>5,000</b>
	<b>West Oxford After School Club</b>	<b>3,000</b>	<b>-</b>
	<b>Whitfield</b>	<b>3,000</b>	<b>-</b>
	<b>Wolvercote Young People's Club</b>	<b>-</b>	<b>5,000</b>
	<b>Wolvercote Young Dementia</b>	<b>3,000</b>	<b>-</b>
	<b>Vale House</b>	<b>10,000</b>	<b>-</b>
		<b>367,726</b>	<b>394,263</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>6</b>	<b>Debtors and prepayments</b>		
	<b>Under one year:</b>		
	<b>Trade debtors</b>	<b>93,286</b>	<b>69,127</b>
	<b>Other debtors</b>	<b>1,461</b>	<b>572</b>
	<b>Prepayments</b>	<b>5,169</b>	<b>3,857</b>
		<hr/> <hr/>	<hr/> <hr/>
		<b>99,916</b>	<b>73,556</b>

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

	2012	2011
<b>7 Sundry creditors</b>		
Amounts owed to connected charity	6,439	27,219
Amounts due in respect of taxation and social security	10,648	7,668
Grants payable	8,903	3,916
Trade creditors	3,892	3,823
Accruals and deferred income	76,145	64,693
	<u>106,027</u>	<u>107,319</u>
Deferred income consists of rent in advance:-		
Released from previous year	58,835	55,151
Deferred in current year	66,460	58,835
	<u>66,460</u>	<u>58,835</u>
<b>8 Net asset analysis</b>		
	<b>Unrestricted Funds</b>	<b>Permanent Endowment Funds</b>
Freehold and leasehold properties	2,276,022	9,173,708
Fixtures, fittings and equipment	212	-
Investments	566,111	601,321
Dividends to be transferred (A)	829	(829)
Current assets	876,383	-
Current liabilities	(105,493)	(534)
	<u>3,614,064</u>	<u>9,773,666</u>

(A) Unrestricted funds includes 829 received as dividends in the permanent endowment fund which has not yet been transferred to general funds.

	2012	2011
<b>9 Staff Costs</b>		
Gross wages	38,960	29,317
Employers National Insurance	3,164	2,146
	<u>42,124</u>	<u>31,463</u>

There were 2 part time employees.

No employee was paid more than 60,000 in the year.

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

**10 Governance Costs**

	2012	2011
Legal fees	851	2,976
Audit fee	5,000	4,980
Support costs	13,095	10,797
	<u>18,946</u>	<u>18,753</u>

**11 Allocation of support costs**

The charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Property expenses	Church expenses	Governance	2012 Total	2011 Total
<b>Support costs</b>					
Staff costs	16,850	16,850	8,424	42,124	31,463
Advertising	-	-	-	-	3,874
Professional indemnity insurance	-	-	776	776	750
Insurance	266	266	134	666	568
Depreciation	53	53	107	213	213
General office expenses and repairs	1,828	1,828	3,654	7,310	7,065
<b>Total</b>	<u>18,997</u>	<u>18,997</u>	<u>13,095</u>	<u>50,089</u>	<u>43,933</u>

**12 Trustees' remuneration**

No remuneration was paid to any Trustee in their capacity as Trustee (2011: Nil).

None of the Trustees was reimbursed for expenses during the year (2011: Nil).

The cost of the Trustees' Indemnity Insurance to the charity during the year was 776 (2011: 750)

**13 Connected charity**

St Michael's and All Saints' Charities Relief Branch (The Church Houses Relief in Need Charity), a connected charity, received grant income of 12,000 (2011: 13,000) from St Michael's and All Saints' Charities Church Branch. In addition, an amount of 6,439 (2011: 27,219) was owed to the Relief Branch in respect of rents collected for 136 High Street not yet transferred.

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)**

**Notes to the Accounts (Continued)  
for the year ended 31st December 2012**

**14 Related parties**

During the year ended 31st December 2012, transactions with related parties were as follows:

Very Rev R Wilkes, as Priest in charge, is a Trustee by virtue of his office and also a beneficiary as an object of the Trust via the support given to the Diocese to help fund his honorarium and to the PCC to support clergy expenses.

The Ven J Hubbard, a Trustee, is connected to:

- i) Emmaus which received an approved grant of 5,000 (2011: 25,000).
- ii) Oxfordshire Historic Churches Trust which received an approved grant of 30,000 (2011: 30,000).

Professor P Langford Ex-Officio Trustee is connected to:

Lincoln College Vacation Project which received an approved grant of 6,000 (2011: 6,000).

Very Rev R Wilkes, Professor P Langford, Lord Krebs, M Lear, P Beavis, R Earl and P Dailey, are also Trustees of St Michael's Oxford Educational Trust.

Very Rev R Wilkes was connected to:

St Peter's Wolvercote Playgroup which received an approved grant of 2,000 (2011: nil)

Very Rev R Wilkes, P Beavis, R Earl and P Dailey are also Trustees of St Michael at the North Gate with St Martin and All Saints. During the year, the following amounts were paid to the church:-

	2012	2011
Church expenses	9,579	12,000
Church repairs	86,423	-
Church administration salaries	23,680	46,600
Computer services (see note A below)	4,000	2,000
Music	17,000	20,400
Church insurance	6,172	6,131
Assistant Minister (see note B below)	15,431	15,339
	162,285	102,470

**A** 2012 includes computer services for 2 years which are now included on an accruals basis.

**B** The actual Assistant Minister's fees recorded in the accounts for the year can be shown as follows:-

	2012	2011
Creditor brought forward at 1st January 2012	(3,823)	(3,866)
Amount paid in year (as above)	15,431	15,339
Creditor carried forward at 31st December 2012	3,892	3,823
	15,500	15,296

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)  
Appendix**

(i)	<b>Rents receivable</b>	<b>2012</b>	<b>2011</b>
	136 High Street, Oxford (one half)	55,000	55,000
	32-36 St Ebbes Street, Oxford	26,500	26,500
	30-31 St Ebbes Street, Oxford	13,000	13,000
	48-50 Cornmarket Street, Oxford	371,000	371,000
	51 Cornmarket Street	146,000	146,000
	30 Cornmarket Street, Oxford P S Tsopelas Flat 2	95,000 6,400	95,000 6,000
	Pennyfarthing Place Land	670	670
	48 Oatlands Road	-	9,916
	Frewin Court	22,627	-
		<u>736,197</u>	<u>723,086</u>
(ii)	<b>Investment income</b>		
	Deposit fund interest	5,655	3,153
	Dividends	18,940	13,436
		<u>24,595</u>	<u>16,589</u>

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)  
Appendix (Continued)**

(iii) Property repairs and expenses		
	2012	2011
30 Cornmarket Street		
Repairs	37,298	2,986
Insurance	925	925
Legal and professional fees	8,792	-
	<u>47,015</u>	<u>3,911</u>
48 Oatlands Road		
Repairs	1,275	755
Insurance	-	310
Legal and professional fees	1,200	-
	<u>2,475</u>	<u>1,065</u>
51 Cornmarket Street		
Input VAT reclaimed	(682)	(2,127)
Legal and professional fees	6,802	-
	<u>6,120</u>	<u>(2,127)</u>
2 Frewin Court		
Repairs	16,801	648
Legal and professional fees	4,345	-
	<u>21,146</u>	<u>648</u>
Property management commission	21,859	17,675
Legal and professional fees	-	3,224
Support costs	18,997	16,568
Total	<u>117,612</u>	<u>40,964</u>
(iv) Church repairs and expenses		
Church expenses	9,579	12,000
Church repairs	86,423	-
Church administration salaries	23,680	46,600
Computer services	4,000	2,000
Music	17,000	20,400
Church insurance	6,172	6,131
Support costs	18,997	16,568
	<u>163,851</u>	<u>103,699</u>

**St Michael's and All Saints' Charities  
Church Branch  
(The St Michael's and All Saints' Charity)  
Appendix (Continued)**

	2012	2011
(v) Clergy		
onorum	27,019	26,645
Clergy expenses	-	200
Assistant Minister	15,500	15,296
	<u>42,519</u>	<u>42,141</u>