

ARCHANGEL MICHAEL

Annual Report and Accounts - 31 December 2021

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ARCHANGEL MICHAEL

Legal and Administration

CHARITY REGISTRATION NO: 1135277

COMPANY REGISTRATION NO: 07120857

REGISTERED OFFICE: 10 Broomwood Road
London
SW11 6HT

TRUSTEES: Michael Hanes
Kwok-Fai Ling
Father Vasilios Giouvris

BANKERS: HSBC Bank plc
95 Gloucester Road
London
SW7 4SX

INDEPENDENT EXAMINER: Jason Foxwell FCCA FCIE
39 Enfield Road
Poole
BH15 3LJ

ARCHANGEL MICHAEL

TRUSTEES' REPORT

The trustees, who are also the Directors of the company for Companies Act purposes, present their annual report and financial statements for the period ended 31 December 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required to prepare accounts for each financial year, which reflect the incoming resources and resources expended of the charity and of the net movement in funds for the year.

The trustees are responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity; and
- safeguarding the assets of the charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Archangel Michael is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association. The company was incorporated on 9 January 2010 and registered as a charity on 29 March 2010.

Appointment and retirement of trustees

New trustees are appointed in accordance with clause 9 of the Articles of Association. Induction of any new trustees is carried out by the trustees current for the time being. At each AGM, one third of the trustees shall retire by rotation, and may offer themselves for re-election in accordance with clause 9 of the Articles of Association.

Governance and decision making

The charitable company is run entirely by the trustees who meet on at least a semi-annual basis and also as required to attend to any matters that need urgent attention.

Risk assessment

The trustees have recognised that there are risks to which the charitable company is exposed. Systems have been established to mitigate known risks which currently relate solely to financial controls. All policies and procedures are subject to annual review to ensure they continue to meet the needs of the charitable company.

OBJECTIVES AND ACTIVITIES

The charitable company's main object is to give financial support to the Holy Dochiariou Monastery in Mount Athos (Agion Oros), Greece, and other monasteries or churches. By doing so, the charity is helping to preserve important architectural buildings, and the art works they contain, for the enjoyment of future generations. Other objects of the charitable company are to promote and support other monasteries in order that they may be financially secure enough to carry out a programme to enrich Christian learning.

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TRUSTEES' REPORT (CONTINUED)

The trustees have referred to the guidance in the Charity Commission's publication on public benefit when reviewing the aims and objectives of the charity and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

REVIEW OF ACTIVITIES AND PLANS FOR FUTURE PERIODS

This was another year with satisfactory yet concentrated income. The Trustees were not able to organise fund raising events due to Covid 19. Overheads and running costs have, again, been kept to a minimum. Fundraising efforts will continue in the coming year.

Plans for future periods are to continue to raise the profile of the charitable company and make its objectives known to as many interested individuals and corporations as possible. There is still a lot more pressure to find funding to support the Monastery, as the existing government in Greece has not released even the pre-authorised funds.

Archangel Michael has supported and will continue to support the Holy Dochiariou Monastery in Mount Athos, Greece, in 2022/23 giving aid to the major programme of rebuilding and reconstruction that is taking place there.


It is still the long term plan of the trustees to focus in the UK by creating a small Orthodox Christian Church or to fund a chapel in an existing church should future funding allow. Currently, a small plot of land has been identified in the UK for this purpose. The trustees will continue to raise funds during the coming years hoping to achieve that purpose by 2025.

RESERVES POLICY

The trustees have considered the policy for maintaining reserves in relation to the policy of remitting the majority of income to the beneficiaries of the charitable company. The current policy is to maintain reserves at a level to cover expected governance expenditure in the charitable company for a 12 month period and to supply a stream of income to the beneficiaries that is as even and consistent as possible.

Restricted fund reserves will be retained until there is sufficient funding, available to the charity, to commence the purchase of the property for which the fund was set up.

Approved by the trustees on 6 June 2022
and signed on their behalf by



Michael Hanes
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ARCHANGEL MICHAEL

I report to the charity trustees on my examination of the accounts of the Charitable Company for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Charitable Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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



Mr J P Foxwell FCCA FCIE
independent-examiner.net

39 Enfield Road, Poole, BH15 3LJ

Date: 6 June 2022

ARCHANGEL MICHAEL

Statement of Financial Activities for the year ended 31 December 2021 (including an Income and Expenditure Account)

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Income from:				
Donations	59,209	-	59,209	10,018
Investment income				
Bank interest	3	-	3	5
Total income	<u>£59,212</u>	<u>£-</u>	<u>£59,212</u>	<u>£10,023</u>
Expenditure on:				
Charitable activities				
Donation to Holy Dochiariou Monastery ^{and UK}	53,378	-	53,378	3,508
ICO registration fee	35	-	35	-
Bank charges	268	-	268	272
Independent examiner's fee	330	-	330	325
Total expenditure	<u>£54,011</u>	<u>£-</u>	<u>£54,011</u>	<u>£4,105</u>
Net gains/(losses) on investments	(13,315)	-	(13,315)	(67,785)
Net income/(expenditure)	(8,114)	-	(8,114)	(61,867)
Exchange rate gains and losses	(208)	-	(208)	(4)
Net movement in funds	(8,322)	-	(8,322)	(61,871)
Total fund brought forward	30,263	195,744	226,007	287,878
Total funds carried forward	<u>£21,941</u>	<u>£195,744</u>	<u>£217,685</u>	<u>£226,007</u>

The Statement of Financial Activities includes all gains and losses.

All income and expenditure derives from continuing activities.

The notes on pages 7-8 form part of these financial statements.

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Balance Sheet at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments		161,118	215,114
Current assets			
Cash at bank		56,567	10,893
Net current assets		<u>56,567</u>	<u>10,893</u>
Net assets		<u>£217,685</u>	<u>£226,007</u>
Represented by:			
Unrestricted funds		21,941	30,263
Restricted funds	3	<u>195,744</u>	<u>195,744</u>
		<u>£217,685</u>	<u>£226,007</u>

For the period ended 31 December 2021, the company was entitled to exemption from audit under Section 477(2) of the Companies Act 2006 relating to the small companies regime.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- Ensuring that the company keeps accounting records which comply with Section 386; and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the trustees on 6 June 2022
and signed on their behalf by



Michael Hanes
Trustee

ARCHANGEL MICHAEL

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. Accounting Policies

The principal accounting policies are summarised below. These accounting policies have been applied consistently throughout the year.

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Archangel Michael meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Foreign currencies

Income and expenditure are reported at the closing rate on the date of the transaction. Any assets and liabilities denominated in foreign currencies are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates from the previous year end is reported in the Statement of Financial Activities.

c) Income

All income is included in the Statement of Financial Activities when it is receivable and the amount can be quantified with reasonable accuracy. Donations are stated inclusive of any income tax that may be reclaimable.

d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include costs linked to the strategic management of the charitable company. Governance costs are now included with charitable expenditure.

2. Trustees' remuneration and related party transactions

Neither the trustees, or any person associated with them, received remuneration or expenses of any kind during the year under review.

Archangel Michael has appointed Macrocapital Limited, an FCA regulated company as investment advisors. Macrocapital Limited is managing the investment monies of Archangel Michael alongside those of Ready Listener in a segregated account called Diversified Investments Limited. For this investment management agreement, Macrocapital is remunerated through investment management fees of 1% and performance fees of 20%. The investments are made through an Interactive Brokers account (IB is a 25bn listed company, and the largest US broker). Michael Hanes is the managing director of Macrocapital as well as one of the trustees of Ready Listener.

The trustees of Archangel Michael convene on an annual basis to review whether to renew the contract with Macrocapital.

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NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2021 (continued)

2. Trustees' remuneration and related party transactions (continued)

The Holy Docheariou Monastery, who is effectively the beneficiary of the funds, through Father Gabriel and the Abbot have expressed a preference for the manager to implement a highly liquid strategy as well as a strategy that will benefit in major disasters/wars etc. There are actually hardly any strategies that have such a risk profile and none that would accept opening a segregated account for such a small investment that can liquidate within a few minutes.

All the transactions and invoices issued by Macrocapital are book-kept, accrued, monitored and reviewed by Sopher and Co, who acts as the independent auditor for Macrocapital, reporting also directly to the FCA. This direct reporting, monitoring, the liquidity, and risk profile have been assessed as adequate measures to avoid any issues of conflict of interest between Macrocapital and Archangel Michael.

3. Restricted fund

The funds of the charity include a restricted fund comprising the following unexpended balance of donations and grants held on trust for a specific purpose:

	Balance at 1 Jan 2021	Income	Expenditure	Other gains or losses	Balance at 31 Dec 2021
Property fund	<u>£195,744</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£195,744</u>

The above fund was set up to provide resources to purchase a property in the UK to be used by the charity as a religious centre and for meetings and functions.