

THE MICKLEGATE ECCLESIASTICAL TRUST
A CHARITABLE INCORPORATED ORGANISATION (CIO)

REGISTERED CHARITY NUMBER 1197460

TRUSTEES' REPORT AND ACCOUNTS

31 DECEMBER 2022

LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Apart from the initial trustees appointed at the formation of the CIO, every trustee is appointed by a resolution passed at a properly convened meeting of the trustees.

The Trustees are:

Mrs P R Fleetwood (from registration to 31 May 2023)
Mr A J S E Kingaby-Daly
Mr M N J Kingaby-Daly (from registration to 31 May 2023)
Mr T J C Selmán (from 9 March 2023)
Mr M O Wharfedale (Chair)

CORRESPONDENCE ADDRESS

Vicarage Chambers, 9 Park Square East, Leeds, LS1 2LH

GOVERNING INSTRUMENT

CIO Foundation Constitution was registered on 12 January 2022 and amended on 2 June 2023.

CHARITY REGISTRATION NUMBER

1197460

BANKERS

NatWest
27 Yorkersgate, Malton, YO17 7AZ

LEGAL ADVISORS

Lee Bolton Monier-Williams LLP
1 The Sanctuary, Westminster, London, SW1P 3JT

Ware & Kay Solicitors (incorporating Pearsons & Ward)
2 Market Street, Malton, YO17 7AS

Knights
Victoria, Hudson Quarter, Toft Green, York, YO1 6AB

INDEPENDENT EXAMINER

Laura Masheder FCA DChA
BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

INVESTMENT ADVISOR

E L Watson Financial Planning Ltd
Victoria House, Bradford Road, White Cross, Guiseley, Leeds, LS20 8NH

LAND AGENT

Savills (UK) Limited
River House, 17 Museum Street, York, YO1 7DJ

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

The trustees have adopted the provision of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the charity's annual report and financial statements.

This is the first annual report for The Micklegate Ecclesiastical Trust. The charity was formerly the unincorporated charity known as The Holy Trinity and St Martin's Ecclesiastical Trust, an amalgamation of the separate Holy Trinity Micklegate Church Close Trust and St Martin with St Gregory Church Estate Trust.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Charities Act 2011 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 published in October 2019".

OBJECT

The object of the CIO is to further the religious and other charitable work of the Church of England in the Area of Benefit, including the repair and maintenance of the Churches.

To achieve the above object, the charity holds several assets, split between commercial and residential property, alongside an investment portfolio. The property is leased accordingly, producing rental income.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

ACHIEVEMENTS AND PERFORMANCE

- The formation of the CIO followed a governance and situational review carried out by Lee Bolton Monier-Williams (LBMW) in August 2021. Part of this review identified areas where the former charity (The Holy Trinity and St Martin's Ecclesiastical Trust) was using assets and income beyond its Scheme. The Trustees agreed to address this by forming a CIO.
 - During 2022, the Trustees agreed on a grant policy that outlines how they will review funding requests, what will and will not be funded, and how organisations can apply for funding. This will be reviewed every two years and will come into operation during 2023.
 - The Trustees accepted all funding commitments agreed by The Holy Trinity and St Martin's Ecclesiastical Trust for the year 2022 only. This was to allow areas of funding to be reviewed alongside the CIO Constitution and grant policy.
 - To allow beneficiaries time to adjust to the new grant policy, interim grants were awarded in November 2022, covering 2023.
- After the transfer of assets, the Trustees, their surveyors, and legal advisers reviewed all assets to ensure legal compliance with the Charities Act and any landlord requirements. This review identified:
 - One property had a missed rent review in 2018.
 - One property was used for a beneficiary and was not compliant with landlord EPC and EICR regulations.
 - One property had been identified in 2017 for use by a beneficiary, and the use did not match the object.

- One property had been let on a gentleman's agreement since 2014, and no records could be found relating to the agreed rent.
 - Of the above, the first issues were resolved appropriately. The fourth issue remains ongoing at the writing of the report.
- During the year, the Trustees continued to review the balance of investment funds and investment property.
- Due to the continuity of Trustees from the former charity, we continue to maintain a good relationship with our tenants and at the year-end, all buildings available for use are let either on a commercial or residential basis. During the year, several rent review processes started that are due to conclude in January 2023.
- The level of income, liquidity and reserves is considered sufficient by the Trustees to fund the Charity's object.

FINANCIAL REVIEW

During the year, the charity had a surplus of £85,609, which included a net loss on investment funds of £228,984 and a property revaluation of £352,350. Total income was £199,351 (2021: £193,009), and total expenditure was £372,108 (2021: £215,494).

At 31 December 2022, the charity had total funds of £5,647,777 (2021: £5,697,168 as restated). Of this sum, £1,790,508 relates to investment funds (2021: £3,129,368), £3,210,160 relates to investment property (2021: £2,110,000 as restated), £250,000 to tangible fixed assets (2021: £250,000), £397,109 relates to net current assets (2021: £232,150) and £nil relates to non-current liabilities (2021: £24,350). The income generated from the investments was £199,160 (2021: £193,009). Free reserves are £824,693 (2021: £997,450) including listed investments as these could easily be liquidated if required.

RESERVES POLICY

Based on current and reasonably predictable future requirements for funding, and current and reasonably anticipated income generated from the Charity's properties and investments, the Charity will keep a minimum of £50,000 in immediately accessible cash balances to act as a general reserve. An additional £50,000 will also be similarly set aside to fund any unexpected requirement, including cover for any significant shortfall, interference in the Charity's income stream, or financial demand or liability such as emergency repair work to the Charity's properties. This policy will be reviewed every two years, and the trustees have plans to review this again in 2023.

FUND RAISING

As the charity obtains funding from its property and investment portfolio income, there have been no specific fundraising activities.

GOING CONCERN

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether any uncertainties may cast doubt over the Charity's ability to continue as a going concern.

Reference to the economic environment and COVID-19 pandemic is included here to demonstrate the impact on the Charity. Despite the impact of the COVID-19 pandemic and the current economic environment (interest rates and high cost of living), the Charity continues as a going concern. Despite wider economic issues, both dividend and rental income remain within levels where the Trustees are not presently concerned.

RISK MANAGEMENT

The trustees are aware of the financial risks associated with fund and property investment in relation to capital and income valuations.

FUTURE PLANS

There are no plans to change the way in which the charity operates or the work that it undertakes at this point in time. The Trustees highlight the following aims and activities that are planned to take place in future periods.

- During 2023 the Trustees will review the level of cash reserves held against planned commitments and any lease/tenancy requirements over the next three years.
- The Trustees will continue to address the issue of an asset leased through a gentleman's agreement by the former charity.
- The Trustees will continue to review the overall portfolio and explore rebalancing of property vs investment funds as required.
- As outlined in achievements, the Charity will implement its new grant policy during 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is regulated by a CIO Constitution dated 12 January 2022.

SAFEGUARDING POLICY

The Trustees are of the view that the Charity has no direct involvement with children or vulnerable adults. This policy will be reviewed every three years. Where considered appropriate, the Charity will ask all recipients of grants whether those organisations have a safeguarding policy in place. Where there are cases of safeguarding issues, the Charity will review any grant policy about that organisation.

INVESTMENT POLICY

The Trustees' investment powers are determined by current legislation, and in consideration of the content of the Charity Commission guidance (CC14 as amended), the trust believes it has no financial investments in conflict with those guidelines or the aims and purposes of the Charity.

The Charity receives all of its income from a portfolio of property and investments predominantly traded on the London Stock Exchange together with open-ended investment funds and unit trusts, which are regulated by the Financial Conduct Authority. It will aim to generate from its investments natural income of at least the equivalent of the Bank of England's base rate plus inflation. However, it is acknowledged that this may not be achievable during particular economic climates. All investment performances are compared with their benchmarks where applicable. Where appropriate, the Charity will also consider ethical investments within financial investments, programme-related and mixed motive investments and social investments outside financial investments.

To act in the trust's best interests and comply with its charitable responsibilities, the trust will employ professional advisers to manage its commercial and other property interests. Similarly, the Charity will employ a professional adviser to manage its non-property investment portfolio, which will be reviewed at least annually. The trust has adopted an investment strategy to balance potential growth with income through diversification, capital preservation and an appropriate appetite for risk. The trust acknowledges that investments can fluctuate in value, react to market volatility, and cannot guarantee a fixed or increasing level

of income and that regulation and worldwide political and financial climates can significantly impact investments, values and income. It is considered that the trust investments are appropriate, sufficient and suitable for the Trust's requirements.

This policy will be reviewed every three years.

Ethical Investment: describes a way of making financial investments which consider the charity's values and ethos. Trustees must exercise their investment power in the best interests of the Charity.

Programme-Related Investment (PRI): otherwise known as Social Investment, PRI is an investment made by the Charity wholly to further its aims with the potential of receiving a financial return.

Mixed Motive Investment (MMI): one which Trustees can justify making on the basis that it combines a financial return as well as a contribution to furthering their Charity's aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

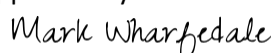
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 (Accounting 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.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Signer ID: WRKPGJKBMT...

Mr M O Wharfedale, Chair of Trustees

Date: 25/10/2024 GMT

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF THE MICKLEGATE ECCLESIASTICAL TRUST

I report to the trustees on my examination of the financial statements of The Micklegate Ecclesiastical Trust (the trust) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable 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 that in any material respect:

1. accounting records were not kept in respect of the trust as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.



Signer ID: CRZCVPKXXZ...

Laura Masheder FCA DChA

BHP LLP
Chartered Accountants
2 Rutland Park
Sheffield
S10 2PD

Dated: 25/10/2024 GMT

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds	Endowment funds	Total	Unrestricted funds as restated	Endowment funds	Total as restated
		2022	2022	2022	2021	2021	2021
	Notes	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM							
Investments	2	199,351	-	199,351	193,009	-	193,009
Total		199,351	-	199,351	193,009	-	193,009
EXPENDITURE ON							
Charitable Activities	3	227,525	-	227,525	153,411	-	153,411
Raising Funds	4	92,083	-	92,083	62,083	-	62,083
Total		319,608		319,608	215,494	-	215,494
Net expenditure for the year before investment losses		(120,257)	-	(120,257)	(22,485)	-	(22,485)
Net (losses)/gains on investments	7, 8	-	70,866	70,866	63,408	273,760	337,168
Net Movement in Funds		(120,257)	70,866	(49,391)	40,923	273,760	314,683
Total Funds brought forward		1,247,450	4,449,718	5,697,168	1,206,527	4,175,958	5,382,485
Total Funds carried forward		1,127,193	4,520,584	5,647,777	1,247,450	4,449,718	5,697,168

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021 as restated
	Notes	£	£
Fixed assets			
Tangible assets	6	250,000	250,000
Investment properties	7	3,210,160	2,110,000
Investments	8	1,790,508	3,129,368
		<u>5,250,668</u>	<u>5,489,368</u>
Current assets			
Debtors	9	270	15,368
Cash at bank and in hand		400,542	225,755
		<u>400,812</u>	<u>241,123</u>
Creditors: amounts falling due within one year	10	<u>(3,703)</u>	<u>(8,973)</u>
Net current assets		397,109	232,150
Total assets less current liabilities		<u>5,647,777</u>	<u>5,721,518</u>
Creditors: amounts falling due after more than one year	11	<u>-</u>	<u>(24,350)</u>
Net assets		<u><u>5,647,777</u></u>	<u><u>5,697,168</u></u>
Capital funds			
Endowment funds - general	13	<u>4,520,584</u>	<u>4,449,718</u>
Income funds			
Unrestricted funds - general	14	<u>1,127,193</u>	<u>1,247,450</u>
		<u><u>5,647,777</u></u>	<u><u>5,697,168</u></u>

The Trustees approved the financial statements on 23 October 2024.

Adam Kingaby-Daly

Signer ID: OVYN0ZGRTE

MR A J S E Kingaby-Daly (Treasurer)

Trustee

Date: 24/10/2024 GMT

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Charity information

The Micklegate Ecclesiastical Trust is a charity registered with the Charity Commission for England and Wales.

1.1. Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Charities Act 2011, "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) (issued in October 2019)" and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Charity is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity and rounded to the nearest £1.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The principal accounting policies adopted are set out below.

1.2. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future although the assets and liabilities will be transferring to the Micklegate Ecclesiastical Trust CIO, the activities will continue through the new entity. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Endowment funds are funds which are held for the permanent benefit of the trust. There is no power to convert capital into income. All income generated can be used in accordance with its objects of the charity and is included as unrestricted income. Any capital gains or losses arising from the investments form part of the fund.

1.4. Income

All income is included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1. Accounting policies continued

1.5. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprise the costs associated with managing investment funds and investment properties.

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

1.6. Tangible fixed assets

Expenditure on fixed assets costing more than £2,000 is capitalised.

Freehold property

Freehold land is not depreciated

Land

Freehold land is not depreciated

1.7. Investment properties

Investment properties (including land) for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on revaluation of investments' in the statement of financial activities. Fair value is deemed to be the market value as valued by property consultants in accordance with guidelines issued by The Royal Institute of Chartered Surveyors.

1.8. Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9. Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.11. Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies continued

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

2. Investments

	2022	2021
	£	£
Rental income	102,518	99,609
Dividends	96,642	93,388
Interest receivable	191	12
	<u>199,351</u>	<u>193,009</u>

All investment properties are let on either a residential or commercial tenancy with an appropriate rent linked to the market rate for the property. All investment properties have an insurance premium appropriate to the building.

3. Charitable activities

	2022	2021
	£	£
Grants	178,535	133,432
Other expenditure and support costs	48,990	19,979
	<u>227,525</u>	<u>153,411</u>

4. Raising funds

	2022	2021
	£	£
Investment funds charges	19,273	21,366
Investment property fees	29,393	7,894
Investment property repairs and maintenance	43,417	32,823
	<u>92,083</u>	<u>62,083</u>

5. Support costs

	2022	2021
	£	£
Bank charges	177	-
Professional fees	40,185	14,959
Independent examiner's fee	2,598	5,020
Administration	6,030	-
	48,990	19,979

6. Tangible fixed assets

	Freehold property £	Total £
Valuation		
Brought forward at 1 January	250,000	250,000
Revaluations	-	-
Carrying amount		
At 31 December 2021	250,000	250,000
At 31 December 2022	250,000	250,000

1 Crambeck Court has been included as a tangible fixed asset as it is currently not generating rental income and will not for the short term. At the date of transfer, the value of the property was £250,000. This valuation was provided by Lawrence Hannah Ltd under guidelines issued by The Royal Institute of Chartered Surveyors. The historical use of 1 Crambeck Court by the predecessor charity will be addressed by the trustees in due course following legal advice.

Historical cost

The CIO was formed in January 2022, and the property was transferred over from a predecessor charity (The Holy Trinity and St Martins Ecclesiastical Trust). The historical costs of most properties are unknown, and the CIO and trustees do not hold records relating to their donation, gift or purchase. Most of the property was donated or purchased before 1950. According to the records available to the trustees, the historical cost of some of the property is £195,000.

7. Investment property

	2022	2021 as restated
	£	£
Market value		
At 1 January	2,110,000	1,960,000
Revaluations	299,850	-
Reclassification of freehold property	-	(225,000)
Additions	800,310	375,000
	3,210,160	2,110,000
At 31 December		

7. Investment property continued

Valuation

All freehold investment properties were revalued in 2019 by Lawrence Hannah Ltd and some were revalued by Savills (UK) Limited, on the market value basis in accordance with guidelines issued by The Royal Institute of Chartered Surveyors. The revaluation above reflects the increase in the fair value estimate. All investment properties will be revalued by an RICS surveyor during 2024.

Historical cost

The CIO was formed in January 2022, and the property was transferred over from a predecessor charity (The Holy Trinity and St Martins Ecclesiastical Trust). The historical costs of most properties are unknown, and the CIO and trustees do not hold records relating to their donation, gift or purchase. Most of the property was donated or purchased before 1950. According to the records available to the trustees, the historical cost of some of the property is £377,125.

8. Fixed asset investments

	2022 £	2021 £
Market value		
At 1 January	3,121,139	3,184,458
Additions	-	744,588
Gain/(loss) on investment funds	(228,984)	337,168
Disposals	(1,110,197)	(1,145,075)
At 31 December	1,781,958	3,121,139
Cash held	8,550	8,229
Total investments	1,790,508	3,129,368

	2022 £	2021 £
Investments at fair value comprise:		
UK Equity	293,547	555,636
Global Equity	655,213	935,315
Private Equity	61,700	67,859
European Equity	109,124	115,581
Fixed Interest	94,918	211,470
Cautious Managed	216,541	570,978
Absolute Return	-	157,706
Gold & Resources	49,412	51,409
Life Settlement	6,888	7,292
Infrastructure & Property	245,102	405,734
Specialist	49,513	50,388
Cash	8,550	-
	1,790,508	3,129,368

Historical cost

The CIO was formed in January 2022, and the investments were transferred over from a predecessor charity (The Holy Trinity and St Martins Ecclesiastical Trust). The historical costs of investments are unknown, and the CIO and trustees do not hold records relating to their donation, gift or purchase.

9. Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	-	8,977
Prepayments and accrued income	270	1,933
	<u>270</u>	<u>10,910</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	-	4,458
	<u>-</u>	<u>4,458</u>
Total debtors	<u>270</u>	<u>15,368</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	3,378	5,550
Deferred income	325	3,423
	<u>3,703</u>	<u>8,973</u>

11. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Deferred income	-	24,350

12. Deferred income

	2022	2021
	£	£
Arising from rental income	<u>325</u>	<u>27,773</u>
Movements in the year:		
Deferred income at 1 January	27,773	-
Income released in the year	(27,448)	-
Resources deferred in the year	-	27,773
Deferred income at 31 December	<u>325</u>	<u>27,773</u>

Deferred income relates to rental and lease premium income received in advance.

13. Endowment funds

Endowment funds represent assets which must be held permanently by the trust. Income arising on the endowment funds can be used in accordance with the objects of the trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 01/01/2022 as restated	Investment gains/(losses)	Transfers	Revaluations & reclassification	Balance at 31/12/2022 as restated
	£	£	£	£	£
Permanent endowments					
Freehold property	-	-	-	-	-
Investment property	2,110,000	-	800,310	299,850	3,210,160
Investment funds	2,339,718	(228,984)	(800,310)	-	1,310,424
	<u>4,449,718</u>	<u>(228,984)</u>	<u>-</u>	<u>299,850</u>	<u>4,520,584</u>
	-	-			
	Balance 01/01/2021 as restated	Investment gains/(losses)	Transfers	Revaluations & reclassification	Balance at 31/12/2021 as restated
	£	£	£	£	£
Permanent endowments					
Freehold property	25,000	-	-	(25,000)	-
Investment property	2,085,000	-	-	25,000	2,110,000
Investment funds	2,065,958	273,760	-	-	2,339,718
	<u>4,175,958</u>	<u>273,760</u>	<u>-</u>	<u>-</u>	<u>4,449,718</u>

14. Prior year adjustment

There has been a prior year adjustment to include land and garages at Trinity Lane totalling £135,000 in the value of investment properties which had been omitted from the balance sheet. The effect of this was to increase total funds at 31 December 2020 and 31 December 2021 by £135,000 and increase investment property value by £135,000 at 31 December 2021. There was no impact to the statement of financial activities for the year to 31 December 2021.

15. Analysis of net assets between funds

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	250,000	-	250,000
Investment properties	-	3,210,160	3,210,160
Investments	480,084	1,310,424	1,790,508
Current assets/ (liabilities)	397,109	-	397,109
	<u>1,127,193</u>	<u>4,520,584</u>	<u>5,647,777</u>

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:			
Tangible assets	250,000	-	250,000
Investment properties	-	1,600,000	1,975,000
Investments	789,650	2,849,718	3,129,368
Current assets/ (liabilities)	232,150	-	232,150
Long term liabilities	(24,350)	-	(24,350)
	<u>1,247,450</u>	<u>4,449,718</u>	<u>5,697,168</u>

16. Grant commitments

Grant expenditure committed at 31 December 2022 was £56,390 within 1 year, (2021: £31,250 within 1 year and £20,000 within 3 years).

17. Related party transactions

No trustees were reimbursed for expenses in the year (2021: £nil). No trustee nor any persons connected with them received any remuneration or benefits during the year (2021: £nil).

During the year, grants were made to Holy Trinity Micklegate PCC (three trustees are also trustees of this charity) of £87,804 (2021: £124,000). No grants were made to Isabel Ward (one trustee is also a trustee of the charity) during the year (2021: £1,000).

The Charity Commission is aware of the following related party transactions following correspondence from the trustees. £57,545 were made to Hardwicke Estates (2021: £10,161) and TCS Enterprises (2021: £600) during the year, of which a director is a trustee of the charity. Service charge costs amounting to £1,080 paid to Crambeck Court Management Ltd (2021: £1,470) and £1,238 to Trinity Court (York) Management Co Ltd (2021: £0) of which one trustee is also a director of both Management Companies on behalf of the CIO.

18. Merger accounting

The Micklegate Ecclesiastical Trust was registered as a charitable incorporated organisation ('CIO') with registration number 1197460 on 12 January 2022.

The Holy Trinity and St Martin's Ecclesiastical Trust unincorporated charity with registration number 1094335 merged with the new CIO on 12 January 2022 and as such merger accounting has been used in these financial statements. The assets, liabilities and funds of the combining charities are presented as though they had always been part of the same reporting charity.

The results of the combining charities pre and post merger have been disclosed in the notes below in line with SORP (FRS 102) requirements.

Analysis of principal SOFA components for current year

	Unincorporated charity (pre-merger)	CIO (pre-merger)	CIO (post-merger)	Combined total
Total income	126,148	-	73,203	199,351
Total expenditure	218,365	-	153,743	372,108
Net income/(expenditure)	(92,217)	-	54,460	(37,757)
Other gains/(losses)	-	-	123,366	123,366
Net movement in funds	(92,217)	-	42,826	(49,391)

Analysis of principal SOFA components for the previous reporting period

	Unincorporated charity as restated	CIO	Combined total
Total income	193,009	-	193,009
Total expenditure	215,494	-	215,494
Net income/(expenditure)	(22,485)	-	(22,485)
Other gains/(losses)	337,168	-	337,168
Net movement in funds	314,683	-	314,683
Total funds brought forward	5,382,485	-	5,382,485
Total funds carried forward	5,697,168	-	5,697,168

Analysis of net assets at the date of merger

	Unincorporated charity	CIO	Combined total
Net assets	5,604,951	-	5,604,951
Represented by:			
Unrestricted funds	1,428,993	-	1,428,993
Restricted income funds	-	-	-
Endowment funds	4,449,718	-	4,449,718
Total funds	5,604,951	-	5,604,951