



DIOCESAN TRUSTEES (OXFORD) LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2016

Company Registration Number 867729
Charity Registration Number 253575

REGISTERED & PRINCIPAL OFFICE:

CHURCH HOUSE OXFORD
LANGFORD LOCKS
KIDLINGTON
OXFORD
OX5 1GF

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GLOSSARY

CBF	Central Board of Finance of the Church of England
CCLA	CCLA Investment Managers Ltd
COIF	Charities Official Investment Fund
CSUST	Church Schools Uniform Statutory Trust
DT(O)L	Diocesan Trustees (Oxford) Limited
LA	Local Authority
ODBE	Oxford Diocesan Board of Education
ODBF	Oxford Diocesan Board of Finance
PCC	Parochial Church Council
SOFA	Statement of Financial Activities
SORP	Statement of Recommended Practice

DEFINITIONS

Diocesan Authority	Under the Parochial Church Council (Powers) Measure 1956 and the Incumbent and Churchwardens (Trusts) Measure 1964, this is a body appointed to act as trustee of diocesan trust property. When acting as Diocesan Authority, DT(O)L must give prior consent to the charity trustees' resolved transaction.
Managing Trustee	A managing trustee is a charity trustee responsible for controlling the management and administration of a charity.
Custodian Trustee	A custodian trustee is a body that holds the legal title to a charity's property or investments. A custodian trustee has no management role but must act on the instruction of the charity's trustees.
Sole Trustee	A sole trustee is one which undertakes alone the role of a charity trustee as well as that of custodian trustee.

DIRECTORS' ANNUAL REPORT 2016

The Trustees, who are also Directors for the purposes of company law, present their annual report together with the audited financial statements for the year ended 31 December 2016.

OBJECTIVES AND ACTIVITIES

The Charity exists to promote the work of the Church of England in the Diocese of Oxford for the advancement of the Christian religion and to that end to accept and administer property of any kind to be held in trust as appropriate. The Charity holds no funds of its own.

The Charity aims to provide the following services in support of the Church of England in the Diocese of Oxford by fulfilling the roles of:

- Diocesan Authority and Custodian Trustee
- Sole Trustee of certain charitable trust funds.

Diocesan Authority and Custodian Trustee

As Diocesan Authority, the Charity administers trusts set up after the date of incorporation and administers trusts on behalf of ODBF, in accordance with the Parochial Church Councils (Powers) Measure 1956 or the Incumbents and Churchwardens (Trusts) Measure 1964. As Custodian Trustee, the Charity holds the investment of permanent or expendable endowments. In acting as Diocesan Authority or Custodian Trustee, the Charity assists the managing trustees in the administration of trusts, including the implementation of investment instructions, production of the annual statement of funds, provision of advice in conjunction with the Diocesan Registrar and the safe keeping of legal documents and title deeds. A financial summary of each trust fund, prepared on a receipts and payments basis, is issued to the Managing Trustees by the Trusts Administrator at Church House Oxford. The Charity is also the Diocesan Authority or Custodian Trustee for parish and ecclesiastical/educational trusts within the Diocese whose assets are land and buildings.

As Diocesan Authority or Custodian Trustee, the Charity oversaw the investments of 694 financial trusts (2015: 712) with a total value of £51,390,253 at the end of 2016 (2015: £46,661,171). A total of £0.4 million of additional capital was accepted during 2016 (2015: £1.6 million). Neither the capital nor the income relating to these trusts are included in the Charity's financial statements. It is the responsibility of managing trustees to include their financial and property assets and income in the annual accounts of their Parochial Church Council (PCC) or other charitable trusts.

Sole Trustee

The Charity is the Sole Trustee of all the trusts that are included in the financial statements. The principal trust is the Church Schools Uniform Statutory Trust (CSUST). This fund arises from the sale proceeds or rent of closed schools and school houses in the Diocese and is administered by the Charity in consultation with ODBE under the terms of trust set out in note 11 of the financial statements.

OBJECTIVES AND ACTIVITIES (continued)

CSUST supports the work of ODBE, which exists to fulfil the statutory duties of the Diocese of Oxford for the education of children in the Diocese in accordance with the Diocesan Boards of Education Measure 1991 (as amended), by:

making a contribution towards ODBE's running costs incurred in offering pastoral and professional support to Church of England school staff and their pupils and

making grants and loans to support Church of England Schools in the Diocese to help governing bodies fund their portion of repairs and improvements to school buildings.

ACHIEVEMENTS AND PERFORMANCE

Diocesan Authority and Custodian Trustee

The Charity has successfully performed its role as Diocesan Authority or Custodian Trustee during 2016 and has contributed to the public benefit delivered through the ecclesiastical parishes within the Diocese by assisting PCCs and other local church trustees, who act as the managing trustees, in the administration of trusts, including the implementation of investment instructions, production of the annual statement of funds, provision of advice in conjunction with the Diocesan Registrar and the safe keeping of legal documents and title deeds. Parishes generally contribute to the public benefit by:

- Providing places of worship, including services for worship which are open to all, weddings and funerals, and assisting with the upkeep of churchyards;
- Raising awareness of the Christian faith, including the provision of Christian teaching, the promotion of prayer and the provision of support for schools;
- Mission and outreach work, including hospital visiting, the encouragement of and support for pastoral work; and
- Providing Christian communication including sermons, talks and public meetings.

Sole Trustee and Managing Trustee

The Charity has successfully performed its role as the sole trustee of CSUST during 2016 and has contributed to the public benefit delivered through the Church of England schools, with some 58,000 pupils across the Diocese by contributing to the cost of providing educational services and support to schools in accordance with the Diocesan Boards of Education Measure 1991 and has therefore helped to promote:

- Education in the Diocese consistent with the faith and practice of the Church of England;
- Religious education and worship in schools; and
- The open admissions policy of the Diocese of Oxford.

PLANS FOR THE FUTURE

The directors intend to continue to perform the core roles of Diocesan Authority and Sole Trustee as explained above.

FINANCIAL REVIEW

Overall result

The net expenditure for the year was £174,158 (2015 net income £257,806) with an overall net increase in funds for which the Charity acts as trustee of £478,210 (2015: increase of £331,948), after taking account of £652,368 unrealised gains on investments (2015: £74,142 gain).

During the year the charity has made a commitment to award a grant of £170K to support the set-up of the new diocesan multi academy trust in Buckinghamshire."

Investment performance

The total value of funds, based on balance sheet totals, for which the Charity acts as managing trustee increased to £8,199,337 at 31 December 2016 from £7,721,127 at 31 December 2015. Of these funds £7,985,427 (2015: £7,526,118) were funds of CSUST consisting of Capital Funds of £6,565,613 (2015: £6,026,766) and Accumulated Income Funds of £1,419,814 (2015: £1,499,352). (See note 14 to the financial statements).

During the year the CBF Investment Funds increased in value, by 11.10% (2015: 1.36%) and Charifund units increased by 7.08% (2015: decreased by 0.3%). These two funds form 86.2% of the total investments (2015: 87.3%)

The capital values of investments increased during 2016, when the FTSE 100 index increased by 14.4% (2015: decreased by 4.9%) The directors continue to take advice on how best to balance capital risk against maintaining income in the medium to long term.

Investment policy

The Charity has the power to make any investments, which the directors deem fit, and which further the charity's aims.

The principles governing investment are generally driven by a need to be cautious to risk, balanced by a requirement to maximise long-term total returns. Risk is reduced by investment in shares and bond funds through investment vehicles such as investment companies and unit trusts. The investment policy aims to maintain a total return of both income and capital that meets both current needs and longer-term capital needs over a 5 to 10 year timescale.

The Charity takes strategic investment advice from a consultant.

FINANCIAL REVIEW (continued)

Investment Policy (continued)

Investments are in funds that, in the majority, have a policy of acting in a socially responsible manner and which have ethical policies that are, as far as possible, in line with the Charity's policies and objectives.

Reserves policy

Due to the nature of the Charity's activities, all reserves are either endowment or restricted funds. As the Charity acts principally as a trustee with no funds of its own and as ODBF bears the cost of administration, as detailed in note 16 to the financial statements, no general reserves need to be maintained to sustain the Charity.

Grant making policy

The Charity makes grant payments as managing trustee in accordance with the terms of each trust, as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Diocesan Trustees (Oxford) Limited (the Charity) is a Trust Corporation incorporated on 30 December 1965 as a charitable company limited by guarantee (company number 867729), which is governed by its Memorandum and Articles of Association and as a registered charity (No. 253575) is subject to the provisions of the Charities Acts. The value of the guarantee is one pound per member. Due to the nature of its activities, the Charity is not liable to Corporation Tax on the profits and income in these financial statements.

Board and Committee structure

The Governing Body usually meets four times a year. During 2016 three meetings were held. In addition, the Trustees' Investment Committee (TIC) is responsible for considering matters relating to the Church Schools Uniform Statutory Trust (CSUST) and for making recommendations to the governing body. The committee comprises the chairman and up to five other members of the governing body, including one representative of ODBE. The committee meets as necessary. The committee met twice during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of directors

The Directors comprise:

- 6 Ex Officio Members
- 11 Members nominated by Diocesan Synod (3 from each Archdeaconry to represent the Archdeaconries of Dorchester, Berkshire and Buckinghamshire, of whom at least 2 shall be lay and 2 to represent the Archdeaconry of Oxford, of whom at least 1 shall be lay)
- 1 Member nominated by the Oxford Diocesan Board of Education (ODBE)

Up to 3 additional members may be co-opted. Two further persons may be co-opted from time to time by the directors.

Directors receive induction training when first appointed and ongoing training as appropriate.

Directors normally serve for a three year term linked to Synodical elections.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net incoming or outgoing resources of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors' responsibilities (continued)

Where the Charity acts as the Sole Trustee, the directors are responsible for keeping proper accounting records of monies that disclose fairly and reasonably the financial position of those funds. Where the Charity acts as Diocesan Authority or Custodian Trustee, the accounting records are under the control of the managing trustees of each trust.

Related parties

The directors consider the following to be related parties:

- Oxford Diocesan Board of Finance (ODBF), a company with charitable status. The Charity administers trusts on behalf of ODBF.
- Oxford Diocesan Board of Education (ODBE), a company with charitable status.

Transactions with related parties are disclosed in note 16 to the financial statements.

Risk management

As part of the overall review of risk carried out by ODBF, the directors confirm that the major risks to which the Charity is exposed, as identified by the directors, have been reviewed and systems have been established to manage those risks. The risk management strategy that has been set up comprises an annual review of risks which the Charity may face, the establishment of systems and procedures to manage identified risks and the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

The principal risks are that investment income may fall and that investments may lose their value and thereby render the various trusts unable to meet their charitable objectives. Whilst the risks inherent in investment markets remain, the directors mitigate the risk by the regular review of investment performance by the Trustees Investment Committee (TIC).

Public Benefit

The directors have complied with section 4 of the 2011 Charities Act having due regard to guidance published by the Charity Commission. The directors are aware of the Charity Commission's guidance on public benefit and, in particular, the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity. This is more fully explained in the achievements section of this report.

Funds held as the Diocesan Authority or as Custodian Trustee

The directors recommend that the managing trustees of trust funds should review periodically the investments held for trusts taking professional investment advice, as appropriate. Cash and investments are held separately for each trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Charitable and political donations

The Charity itself has made no charitable donations or political contributions during the year.

REFERENCE AND ADMINISTRATIVE DETAILS**DIRECTORS**

The following were the directors at the date of this report. All have served throughout the year except where indicated otherwise:

Director	Basis of appointment
Mr T W P Bridges* (Chairman)	Archdeaconry of Oxford
Mr G S Anderson*	ODBE nominated
Mrs J A Babb	Archdeaconry of Buckingham
The Revd P H Boughton (from 18.07 2016)	Archdeaconry of Dorchester
The Right Revd Dr S J Croft (from 06.07.2016)	Ex Officio, The Bishop of Oxford
His Honour R C Elly	Archdeaconry of Berkshire
The Ven G C Elsmore (from 18.07.2016)	Ex Officio, The Archdeacon of Buckingham
The Ven J K French	Ex Officio, The Archdeacon of Dorchester
The Ven M C Gorick	Ex Officio, The Archdeacon of Oxford
The Ven O J Graham	Ex Officio, The Archdeacon of Berkshire
Mr M R Hardman*	Archdeaconry of Buckingham
The Revd Dr Canon S M Jones (from 08.02.2016)	Archdeaconry of Oxford
Mr M Powell	Archdeaconry of Dorchester
The Revd J H Tattersall	Ex Officio – ODBF Chairman
Mr E L S Weiss	Archdeaconry of Buckingham

Directors whose term of office came to an end during the year or by the date of this report:

The Ven K M Gorham (resigned 29.02.2016)	Ex Officio, The Archdeacon of Buckingham
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Secretary: Mrs R.A Pearce, who is responsible for the day-to-day management of the Charity.

*Member of the Trustees' Investment Committee (TIC).

Registered Office: Church House Oxford, Langford Locks, Kidlington, Oxford, OX5 1GF

Bankers: National Westminster Bank plc, 32 Cornmarket Street, Oxford OX1 3EZ

Auditors: Critchleys LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

Solicitors: Winckworth Sherwood LLP, 16 Beaumont Street, Oxford OX1 2LZ

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Investment advisers CCLA Investment Management Ltd
80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Insurers: Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

Investment Consultant: Mr P Saunders, Heron Cottage, The Street, North Stoke, Wallingford, Oxon OX10 6BL

BASIS OF PREPARATION

This report has been prepared in accordance with applicable accounting standards, the Companies Act 2006, and the Charities SORP 2015 (FRS102).

STATEMENT OF DISCLOSURE TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the Charity's auditors are unaware.

The directors have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant information and to establish that the Charity's auditors are aware of that information.

By Order of the Board

T W P Bridges
Chairman

8 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIOCESAN TRUSTEES (OXFORD) LIMITED

We have audited the financial statements of Diocesan Trustees (Oxford) Limited for the year ended 31 December 2016 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow statement 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 charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 5-6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK 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 charitable company'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 Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit
- have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

Robert Kirtland
Senior Statutory Auditor
For and on behalf of Critchleys LLP

Date:

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

**Statement of Financial Activities (including consolidated income and expenditure account)
for the year ended 31 December 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Income and Endowments from:						
Donations	2	95,831	-	-	95,831	98,078
Investments	3	-	336,517	-	336,517	342,779
Other income	4	-	214,630	-	214,630	505,354
Total		<u>95,831</u>	<u>551,147</u>	<u>-</u>	<u>646,978</u>	<u>946,211</u>
Expenditure on charitable activities:						
Grants	5a	-	(666,598)	-	(666,598)	(557,504)
Other	5b	(95,831)	(58,707)	-	(154,538)	(130,901)
Total		<u>(95,831)</u>	<u>(725,305)</u>	<u>-</u>	<u>(821,136)</u>	<u>(688,405)</u>
Net income / (expenditure) before investment gains						
		-	(174,158)	-	(174,158)	257,806
Gains on investments	6	-	640,133	12,235	652,368	74,142
Net movement in funds		<u>-</u>	<u>465,975</u>	<u>12,235</u>	<u>478,210</u>	<u>331,948</u>
Reconciliation of funds:						
Total funds brought forward		-	7,609,838	111,289	7,721,127	7,389,179
Total funds carried forward		<u>-</u>	<u>8,075,813</u>	<u>123,524</u>	<u>8,199,337</u>	<u>7,721,127</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15–25 form part of these financial statements.

**Statement of Financial Activities (including consolidated income and expenditure account)
for the year ended 31 December 2015 – Prior Year**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Income and Endowments from:						
Donations	2	98,078	-	-	98,078	91,282
Investments	3	-	342,779	-	342,779	389,793
Sale of former school site	4	-	505,354	-	505,354	-
Total		<u>98,078</u>	<u>848,133</u>	<u>-</u>	<u>946,211</u>	<u>481,075</u>
Expenditure on charitable activities:						
Grants	5a	-	(557,504)	-	(557,504)	(629,736)
Other	5b	(98,078)	(32,823)	-	(130,901)	(139,582)
Total		<u>(98,078)</u>	<u>(590,327)</u>	<u>-</u>	<u>(688,405)</u>	<u>(769,318)</u>
Net income/ (expenditure) before investment gains/ (losses)		-	257,806	-	257,806	(288,243)
Gains on investments	6	-	72,697	1,445	74,142	259,459
Net movement in funds		<u>-</u>	<u>330,503</u>	<u>1,445</u>	<u>331,948</u>	<u>(28,784)</u>
Reconciliation of funds:						
Total funds brought forward		<u>-</u>	<u>7,279,335</u>	<u>109,844</u>	<u>7,389,179</u>	<u>7,417,963</u>
Total funds carried forward		<u>-</u>	<u>7,609,838</u>	<u>111,289</u>	<u>7,721,127</u>	<u>7,389,179</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Balance Sheet as at 31 December 2016

Company number 867729

		2016	2015
	Note	£	£
<u>Fixed assets</u>			
Investments	6	<u>7,255,572</u>	<u>5,895,204</u>
<u>Current assets</u>			
Debtors due after more than one year	7	192,201	174,997
Debtors due within one year	8	192,361	186,785
Cash on deposit		<u>1,077,653</u>	<u>1,931,819</u>
		<u>1,462,215</u>	<u>2,293,601</u>
Creditors: amounts falling due within one year	9	(219,434)	(46,422)
Net current assets		<u>1,242,781</u>	<u>2,247,179</u>
Total assets less current liabilities		8,498,353	8,142,383
Creditors: amounts falling due after more than one year	10	<u>(299,016)</u>	<u>(421,256)</u>
		<u>8,199,337</u>	<u>7,721,127</u>
<u>Funds</u>			
<u>Capital funds</u>			
Endowment funds	13	123,524	111,289
Restricted funds	14	<u>6,565,613</u>	<u>6,026,766</u>
		6,689,137	6,138,055
<u>Income funds</u>			
Restricted funds	14	<u>1,510,200</u>	<u>1,583,072</u>
		<u>8,199,337</u>	<u>7,721,127</u>

The Cashflow Statement and the notes on pages 15-25 form part of these financial statements.

Included in the above are unrealised valuation gains amounting to £3,359,529 (2015: gains £2,707,162). See notes 13 to 14 to the financial statements.

The Financial statements were approved and authorised for issue by the Board of Directors on 8 May 2017 and signed on behalf of the Board by

T W P Bridges
Chairman

M R Hardman
Director

CASH FLOW STATEMENT**For the year ended 31 December 2016**

	2016		2015
	£	£	£
Net cash inflow/(outflow) from operating activities		(457,460)	(230,505)
<i>Cash flows from investing activities:</i>			
Dividends and interest from investments	336,517		342,779
Purchase of:			
Fixed asset investments	(708,000)		(200,000)
	-----		-----
Net cash provided by/(used in) investing activities		(371,483)	142,779
<i>Cash flows from financing activities:</i>			
Loan repaid to DT(O)L from ODBE	-		400,000
Other loans repaid to DT(O)L	-		26,494
Loans made by DT(O)L	(25,223)		-
	-----		-----
Net cash provided by/(used in) financing activities		(25,223)	426,494
		-----	-----
Change in cash and cash equivalents in the reporting period		(854,166)	338,767
Cash and cash equivalents at 1 January	1,931,819		1,593,052
	-----		-----
Cash and cash equivalents at 31 December	1,077,653		1,931,819
	=====		=====
Reconciliation of net movements in funds to net cash flow from operating activities			
Net movement in funds for the year ended 31 December before gains/losses		(174,158)	257,806
Adjustments for:			
Dividends and interest from investments	(336,517)		(342,779)
Decrease/(increase) in debtors (ex. loans)	2,443		5,709
Increase/(decrease) in creditors (ex. loans)	50,772		(151,241)
	-----		-----
Net cash provided by/(used in) operating activities		(457,460)	(230,505)
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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Diocesan Trustees (Oxford) Ltd (DT(O)L) is a company limited by guarantee (No.867729) and a registered charity (No. 253575) governed by its Memorandum and Articles of Association, incorporated in England. Its registered office is Church House Oxford, Langford Locks, Kidlington, Oxon OX5 1GF.

Basis of accounting and assessment of going concern

The financial statements have been prepared in accordance with the Companies Act 2016 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) issued on 16 July 2014. They are prepared under the historical cost convention except that investments are included at market values using published mid-price figures.

The trustees consider that there are no material uncertainties about the company's ability to continue as a going concern.

Funds accounting

Details of the nature and purpose of each fund are set out in note 11. The Charity holds funds of the following types:

- Endowment Funds – Restricted funds that must be held permanently and the capital maintained.
- Restricted Funds – Funds that are subject to specific conditions imposed by the donor or the terms of the trust, which are legally binding on the Board.

Resources expended

All expenditure on administration, properties and professional fees are accounted for on an accruals basis with liabilities recognised when there is a legal or constructive obligation to do so.

Income recognition

Income is accounted for on an accruals basis with the exception of dividends, which are taken to the income account when received.

Voluntary income is intangible income which represents the actual cost of administering the Charity incurred by ODBF.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Accounting policies (continued)

Rental income is derived from closed school premises. Under our accounting policy the capital value of these premises is not included on the balance sheet until they are sold.

Charitable activities

Charitable expenditure consists mostly of grants made on the instructions of trustees but also includes the cost of administering the funds and grants.

Fixed asset investments

Investments are included at closing mid-market price at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Debtors

The amounts recoverable from the sale proceeds of closed schools (see note 8) represent professional fees and other costs incurred in respect of those school land and buildings and are recoverable upon sale. The land and buildings that will be sold are not valued in the balance sheet.

It should be noted that there is no certainty about when these sums will be received, but it is deemed appropriate to include the full amounts as debtors in order to preserve the right to recovery should the opportunity arise. If and when any such items become clearly irrecoverable, they are written off as expenditure.

Creditors

All grants payable are charged in the year when trustees have agreed to make the grant.

Creditors are recognised at their anticipated settlement amount.

2. Donations

	2016	2015
	£	£
Administrative services donated by ODBF	<u>95,831</u>	<u>98,078</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Investment income

	2016	2015
	£	£
Dividends	233,040	238,079
Interest receivable	2,859	14,591
Rents receivable	100,618	89,939
Other income	-	170
	<u>336,517</u>	<u>342,779</u>

4. Other income

	2016	2015
	£	£
Sale of Great Haseley closed school site	14,630	505,354
Reimbursement of property maintenance costs re Cowley St John closed school site	200,000	-
	<u>214,630</u>	<u>505,354</u>

5. Expenditure on Charitable activities

5a. Grants

	2016	2015
	£	£
Grants to ODBE	496,084	557,000
Grant to ODST Bucks	170,000	-
Grants of £1,000 or less	514	504
Total grants payable	<u>666,598</u>	<u>557,504</u>

5b. Other

Administration provided by the ODBF	82,530	84,285
Governance	<u>13,301</u>	<u>13,793</u>
Services provided by ODBF	95,831	98,078
Property maintenance	(4,536)	12,417
Administration of funds and grants	<u>63,243</u>	<u>20,406</u>
Total other charitable expenditure	<u>154,538</u>	<u>130,901</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Expenditure on Charitable activities (continued)

Governance costs are borne by ODBF and form a part of the costs recognised in the financial statements. Governance costs represent staff costs in relation to governance (including Directors' Expenses), committee costs, audit fees and legal costs.

The audit fees were £6,977 (2015: £6,840). Directors receive no remuneration but received reimbursement of expenses of £397 during the year (2015: £458).

6. Investments

	2016			% of holding	2015	
	Restricted Funds £	Endowment Funds £	Total £		Total £	% of holding
Market value at 1 January	5,783,915	111,289	5,895,204		5,621,062	
Additions	708,000	-	708,000		200,000	
Sale proceeds	-	-	-		-	
Net (losses)/gains in market value in year	640,133	12,235	652,368		74,142	
Market value at 31 December	7,132,048	123,524	7,255,572		5,895,204	
Analysis of investments at 31 December:						
CBF – Investment Fund shares	5,236,302	120,354	5,356,656	73.8	4,312,007	73.2
CBF – Global Equity Fund Income shares	544,485	-	544,485	7.5	285,294	4.8
CBF –Property Fund shares	199,270	-	199,270	2.8	205,522	3.5
M&G Charifund units	895,678	3,170	898,848	12.4	839,399	14.2
Charities Property Fund	256,313	-	256,313	3.5	252,982	4.3
	7,132,048	123,524	7,255,572	100.0	5,895,204	100.0
Historical cost of investments	3,870,354	25,688	3,896,042		3,188,042	

All of the invested funds are held within the UK and are held to provide an investment return. The unrealised gains and losses are included in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Debtors due after more than one year

	2016	2015
	£	£
Loans receivable from ODBE	100,000	100,000
Recoverable from proceeds of closed schools	21,744	25,854
Loans receivable – Other	64,123	38,900
Interest receivable	6,334	10,243
	<u>192,201</u>	<u>174,997</u>

The loan to ODBE is interest-free for cashflow purposes with no fixed repayment date.

8. Debtors due within one year

	2016	2015
	£	£
Interest receivable	23,734	23,144
Recoverable from proceeds of closed schools	137,942	137,941
Other	30,685	25,700
	<u>192,361</u>	<u>186,785</u>

9. Creditors due within one year

	2016	2015
	£	£
Rent received in advance	40,964	40,926
Other	8,470	5,496
Grant to ODST Bucks	170,000	-
	<u>219,434</u>	<u>46,422</u>

10. Creditors due after more than one year

	2016	2015
	£	£
Due to Local Authorities	109,124	231,364
Remedial works due	189,892	189,892
	<u>299,016</u>	<u>421,256</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

In note 10 above the creditors for remedial works due refers to the former Cowley St John school where the tenant is responsible for ensuring that work is complete, at which point funds held by CSUST received from Oxfordshire County Council will be released to them.

11. Managed funds

Church Schools Uniform Statutory Trust (CSUST)

This fund's capital arises from the sale proceeds of closed schools and school houses within the Diocese. In addition to these funds, the land and buildings of seven closed church school buildings are vested in CSUST. The future of these sites is uncertain. Even where these are to be eventually sold, the proceeds are usually apportioned between CSUST and the LA and/or other parties. It is therefore inappropriate to place any particular value on these sites for Balance Sheet purposes and they are not included in the financial statements.

The funds shown do not include sale proceeds of schools and school houses where these are held by solicitors pending an order and/or determination.

Both the capital and income may be used for defraying costs incurred in connection with sales of closed schools and for the purchase of a site, building, improving or maintaining Church of England schools and school houses in the Diocese. The income may also be used for advice, guidance and resources regarding the management and education provided, carrying out inspections in connection with such a school and the employment of staff in connection with the administration of the Trusts.

This fund is administered by DT(O)L in consultation with ODBE.

The Bartlett Memorial Fund

This fund was raised in 1929 as a memorial to the late Revd W.J.G. Bartlett, formerly Diocesan Missioner. Both the capital and income may be used for the provision of a Diocesan Retreat House. Income may also be used to help parishes in any special evangelistic effort or to assist individuals with the cost of going on retreat.

Bishop of Oxford's Discretionary Fund

This fund was raised by the Bishop of Oxford by a deed dated 4 December 1924. With the permission of the Charity Commissioners, the Charity became trustee of the fund in 1973. This trust has perpetual capital, which is invested in the Central Board of Finance Investment Fund. The income is to be applied by the Bishop of Oxford for the relief of poorer members of the clergy of the Diocese of Oxford in cases of emergency arising from illness or other misfortune.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Caversfield - F.Sharpe Bequest

This fund arose from a bequest of £200 in 1976 from the estate of the late F. Sharpe. This trust has perpetual capital, which is invested in the Central Board of Finance Investment Fund. The income is to be used for the upkeep and maintenance of the bells of Caversfield Parish Church.

Streatley – Judd Bequest

This fund arose from a bequest of £3,500 in 2007 from the estate of G.W. Judd. This trust has perpetual capital, which is invested in M & G Charifund units. The income is to be applied by Streatley PCC towards maintenance of the fabric of the building of St Mary's Church Streatley.

Tackley C.E. School

This fund comprises rent received from Tackley pre-school and interest thereon. The income is to be used for the benefit of the school.

Woolhampton – James Blyth Charity Trust

This fund started with a donation of £1,000 in 1973 from Ethel Laurretta Blyth-Currie and Mabel Joyce Blyth-Currie. There was a further donation of £500 in 1976 and subsequently £2,400 of income was capitalised. This trust has perpetual capital, which is invested in the Central Board of Finance Investment Fund. The income is for the maintenance of the fabric of Woolhampton CE School. If the fabric of the said school ceases to be the responsibility of the trustees or governors thereof, the income shall be used for the advancement of religious education in the parish of Woolhampton.

Woolhampton - Misses Blyth-Currie Trust

This fund started with a donation of £2,000 in 1983 from Ethel Laurretta Blyth-Currie and Mabel Joyce Blyth-Currie. This trust has perpetual capital, which is invested in the Central Board of Finance Investment Fund. The income is paid to the Governors of Woolhampton Primary School. If the school closes, the money shall be used for the advancement of religious education in the parish of Woolhampton.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Custodian funds

In addition to the Trusts detailed above, the Charity acts as Diocesan Authority or Custodian Trustee on behalf of trusts. These trusts each have their individual objects and are related to the Charity in that they are all connected with the Church of England. These trusts are administered separately from those for which the charity acts as Managing Trustee and are not included in these accounts.

13. Endowment funds

	Balance at 1 January 2016	Movement in Funds			Balance at 31 December 2016
		Income	Expend- iture	Recognised gains/ (losses)	
	£	£	£	£	£
Bartlett Memorial Fund	44,893	-	-	4,982	49,875
Bishop of Oxford's Discretionary Fund	16,309	-	-	1,810	18,119
Caversfield – F. Sharpe Bequest	2,395	-	-	267	2,662
Streatley – Judd Bequest	2,960	-	-	210	3,170
Woolhampton- James Blyth Charity Trust	34,825	-	-	3,866	38,691
Woolhampton–Misses Blyth–Currie Trust	9,907	-	-	1,100	11,007
	<u>111,289</u>	<u>-</u>	<u>-</u>	<u>12,235</u>	<u>123,524</u>

Included in the balance at 31 December 2016 is £97,836 (2015: £85,601) of unrealised gains. A brief description of these trusts is shown in note 11.

14. Restricted funds

CSUST

	Balance at 1 January 2016	Income	Expend- iture	Recognised Gains	Balance at 31 December 2016
	£	£	£	£	£
CSUST	<u>6,026,766</u>	<u>14,630</u>	<u>(85,000)</u>	<u>609,217</u>	<u>6,565,613</u>

Included in the balance at 31 December 2016 is £3,143,365 (2015: £2,529,911) of unrealised gains. A brief description of this trust is shown in note 11.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Income funds

	Balance at 1 January 2016	Income	Expend -iture	Recognised Gains/ (losses)	Balance at 31 December 2016
	£	£	£	£	£
CSUST	1,499,352	531,391	(639,791)	28,862	1,419,814
Bartlett Memorial Fund	49,724	2,129	-	1,759	53,612
Bishop of Oxford's Discretionary Fund	10,890	579		(69)	11,400
Caversfield – F. Sharpe Bequest	4,319	97		-	4,416
Tackley CE School	1,286	612		-	1,898
Woolhampton – James Blyth Charity Trust	14,226	1,195		-	15,421
Woolhampton – Misses Blyth–Currie Trust	3,275	514	(514)	364	3,639
	<u>1,583,072</u>	<u>536,517</u>	<u>(640,305)</u>	<u>30,916</u>	<u>1,510,200</u>
Total Restricted Funds	<u>7,609,838</u>	<u>551,147</u>	<u>(725,305)</u>	<u>640,133</u>	<u>8,075,813</u>

Included in the balance for income funds at 31 December 2016 is £118,328 (2015: £91,650) of unrealised gains. A brief description of these trusts is shown in note 11.

CSUST funds summary

	Balance at 1 January 2016	Income	Expend -iture	Recognised Gains/ (losses)	Balance at 31 December 2016
	£	£	£	£	£
Capital	6,026,766	14,630	(85,000)	609,217	6,565,613
Income	1,499,352	531,391	(639,791)	28,862	1,419,814
Total	<u>7,526,118</u>	<u>546,021</u>	<u>(724,791)</u>	<u>638,079</u>	<u>7,985,427</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Analysis of net assets between funds

	Investments	Cash	Debtors	Creditors	Total 2016	Total 2015
	£	£	£	£	£	£
Endowment funds:						
Bartlett Memorial Fund	49,875	-	-	-	49,875	44,893
Bishop of Oxford's Discretionary Fund	18,119	-	-	-	18,119	16,309
Caversfield – F. Sharpe Bequest	2,662	-	-	-	2,662	2,395
Streatley – Judd Bequest	3,170	-	-	-	3,170	2,960
Woolhampton – James Blyth Trust	38,691	-	-	-	38,691	34,825
Woolhampton – Misses Blyth–Currie Trust	11,007	-	-	-	11,007	9,907
	<u>123,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,524</u>	<u>111,289</u>
Restricted funds:						
Capital:						
CSUST	<u>6,456,527</u>	<u>21,879</u>	<u>137,942</u>	<u>(50,735)</u>	<u>6,565,613</u>	<u>6,026,766</u>
Income:						
CSUST	646,341	994,568	246,620	(467,715)	1,419,814	1,499,352
Bartlett Memorial Fund	17,610	36,002	-	-	53,612	49,724
Bishop of Oxford's Discretionary Fund	7,931	3,469	-	-	11,400	10,890
Caversfield – F. Sharpe Bequest	-	4,416	-	-	4,416	4,319
Tackley CE School	-	1,898	-	-	1,898	1,286
Woolhampton – James Blyth Trust	-	15,421	-	-	15,421	14,226
Woolhampton – Misses Blyth–Currie Trust	3,639	-	-	-	3,639	3,275
	<u>675,521</u>	<u>1,055,774</u>	<u>246,621</u>	<u>(467,715)</u>	<u>1,510,200</u>	<u>1,583,072</u>
Total	<u>7,255,572</u>	<u>1,077,653</u>	<u>384,562</u>	<u>(518,450)</u>	<u>8,199,337</u>	<u>7,721,127</u>

16. Related party transactions

Administration is carried out by ODBF free of charge. The receipt of this service is classified by the SORP as intangible income valued at £95,831 (2015: £98,078), see note 2. The cost is included in charitable activities (Note 5b). Included in these administrative costs are staff costs of £57,417(2015: £55,539). There are some investment management costs that are incurred by ODBF but they are not material and have not been shown separately in the SOFA.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Related Party transactions (continued)

At the year-end there was a balance of £8,470 due to the ODBF (2015: £7,808) for land registry costs.

Grants totalling £496,084 were made to ODBE in the year (2015: £557,000) to support their work, see note 5a. A balance of £nil (2015: £nil) was due at the year end.

The relationship between the Charity, ODBF and ODBE is as set out within the Directors' Report.

The amount receivable from ODBE is a loan as set out in note 7. The loan is interest-free and provides funds to ODBE to finance its cash flow for premises work.

17. Staff

The Charity has no employees and therefore has no employment, national insurance or pension obligations.

18. Transition to FRS102

This is the first year DT(O)L has presented its results under FRS102 and SORP2015. The last financial statements were prepared under the FRSE SORP for the year ending 31 December 2015. The date of transition to FRS102 was 1 January 2015. The change in accounting policies has not required restatement of opening balances or prior year comparatives.