

Charity Registration No. 1083419 (England and Wales)

Charity Registration No. SC038552 (Scotland)

Company Registration No. 04010393 (England and Wales)

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Johnston Smillie Ltd
Chartered Accountants
6 Redheughs Rigg
Edinburgh
EH12 9DQ

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Directors	Fra Julian Chadwick Fra Duncan Gallie Rev John Emerson Mr Richard Cameron
Secretary	Mr Richard Cameron
Charity number (England and Wales)	1083419
Charity number (Scotland)	SC038552
Company number	04010393
Registered office	St. John Fisher House 17 Eastern Avenue Reading England RG1 5RY
Independent examiner	Ross McKay CA Johnston Smillie Ltd 6 Redheughs Rigg Edinburgh EH12 9DQ

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
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THE PRIESTLY FRATERNITY OF SAINT PETER

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The Directors (who are also trustees of the charity for the purposes of charity law) present their report and financial statements for the year ended 30 June 2019.

Objectives and activities

The charity's object is the advancement of the Roman Catholic Faith. Currently, the charity supports the Roman Catholic Society called the Priestly Fraternity of St Peter ("the Fraternity") in its work in the United Kingdom, although there is no direct obligation to do so. The core work of the charity is the support of the mission of Father John Emerson in the Archdiocese of St Andrews and Edinburgh and the maintenance of the Fraternity's house in the city of Edinburgh. Since the English and Scottish districts of the Fraternity were separated, the charity has concentrated its efforts entirely on supporting the work of Fr Emerson in Edinburgh, and the Fraternity does not expect any support or subventions from the charity for its work in Reading.

Achievements and performance

When planning our activities for the year, the directors have continued to consider the Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. All of our charitable activities described below are undertaken to further our charitable purposes for the public benefit.

The charity provides for the upkeep of 6 and 6B Belford Park (6B being the rental property), which is its principal asset. This property is both a residence for the priest of the Fraternity working in Scotland, and a public chapel. The priests of the Fraternity (in this case Fr John Emerson) provide Mass and the other sacraments of the Roman Catholic Church according to the so-called Extraordinary Rite, the rite of 1962, and in the Latin language. Catholics who wish to attend Mass and to receive the sacraments in this rite must, practically speaking, seek out a priest trained in these rites. Fr Emerson is the only priest in the Archdiocese of St Andrews and Edinburgh who is authorised to use these rites exclusively.

The number of places outside of Edinburgh where Mass is celebrated has been reduced to two: Stirling, on the first Sunday of each month at 5pm, and Dundee, where Mass is celebrated on the second and fourth Sundays of the month at 4pm.

These services are always open to all. In general, the faithful who attend number between 25 and 40 at Stirling, and 30 to 60 in Dundee. Numbers in Edinburgh are normally between 60 and 90, which goes up to between 100 and 140 for the major feasts of Christmas and Easter.

The chapel at 6 Belford Park is open, not only for daily Mass, but for all of the other rites and ceremonies of the Roman Catholic Church, as occasion demands. These services too are open to the interested public.

The chapel at 6 Belford Park has been the venue for an adult baptism with Confirmation, and one reception of an adult into the Catholic Church with Confirmation in the period covered (2018-2019).

The chapel and its sacristy are on the ground floor. There is a large drawing room on the first floor which has been used for concerts and lectures for at least the last two years. These meetings take place regularly and are open to all, as well as free of charge. Numbers present have varied over the past year between ten and thirty (which is about the limit of what the room can comfortably seat).

The attic flat (6B Belford Park) continues to be let, providing essential income for both the work of the charity and the upkeep of the house. In general, the income from the Fraternity's work, when added to the income from the flat, is sufficient to meet the Fraternity's immediate needs.

Financial review

The year to the 30 June 2019 has proved relatively satisfactory. Efforts to increase the charity's range by improving the circulation of the Fraternity's quarterly newsletter proved unsuccessful. The decision was then made to cease publication of the newsletter for the time being. This decision remains under regular review. Although Fr Emerson's apostolate is confined to Scotland, the charity is free to raise funds wherever it wishes.

THE PRIESTLY FRATERNITY OF SAINT PETER

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Reserves Policy

The charity's principal asset is 6 Belford Park, Edinburgh. The charity runs on modest incoming resources and strives to conduct its activities within the constraint of limited incoming resources whilst exploring other fundraising opportunities as they arise. Temporary surpluses of funds are held in a suitable interest bearing bank account.

Total funds held at 30 June 2019 amounted to £1,058,522 (2018: £613,960) with £559,442 (2018: £566,067) being held in a restricted fund. The restricted fund can only be realised if the property held in this fund is disposed but this is subject to a condition that it may not be disposed for at least 50 years from September 2002.

The total unrestricted reserves held at 30 June 2019 amount to £499,080 (2018: £47,893).

Plans for Future Periods

A Mr Stanislaw Stephen who died in October 2017, left the Charity 1/3 of his net estate. The total we received from the estate was £453,903. The final tranche of £103,903 was received after 30 June 2019. The sale of the house and lands in Sussex raised £790,000 instead of the valuation figure of £1 million. We waited until we had received the entire sum before considering what use to make of it. Our decision was to buy further properties and to use the income from those to pay for the necessary improvements to 6 and 6b Belford park. So far (but again, after 30 June 2019) we have bought one flat (44/10 Orwell Terrace, Edinburgh EH11 2DT) for £184,000 and are currently looking for a second property, also to be used as a source of rental income.

The first big job at 6 Belford Park, which is planned to commence in the middle part of 2020, is a complete rewiring of the house. Once that is completed, the interior will need work to put the walls and floors back in order. The total cost is estimated to be in the region of £25,000.

Structure, governance and management

The charity is a company limited by guarantee and governed by its memorandum and articles of association.

The management is carried out entirely by the Directors, with the assistance of the Company Secretaries.

The Directors have reviewed the major risks to which the charity is exposed and are satisfied that they have taken the appropriate steps to minimise these risks.

The company has been granted charitable status and is exempt from taxation on its charitable income. The company is not registered for VAT.

The Directors who served during the year and up to the date of signature of the financial statements were:

Fra Julian Chadwick

Fra Duncan Gallie

Rev John Emerson

Mr Richard Cameron

There have been no other Directors.

New Directors may only be appointed on the recommendation of existing Directors.

THE PRIESTLY FRATERNITY OF SAINT PETER (A COMPANY LIMITED BY GUARANTEE) DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Statement of Directors responsibilities

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, and the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS 102). 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.

This report has been prepared in accordance with the provisions available to small companies under the Companies Act 2006.

The Directors report was approved by the Board of Directors.



Rev John Emerson

Director

Dated: 20 March 2020

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT**

TO THE DIRECTORS OF THE PRIESTLY FRATERNITY OF SAINT PETER

I report to the Directors on my examination of the financial statements of The Priestly Fraternity of Saint Peter (the charity) for the year ended 30 June 2019.

Responsibilities and basis of report

As the Directors of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Scotland) Regulations 2006 and the Charities Act 2011. The trustees consider that the audit requirements of Regulation 10(1) (a) to (c) of the Charities Accounts (Scotland) Regulations 2006 and section 144 of the Charities Act 2011 do not apply. The charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants of Scotland.

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of Scotland, which is one of the listed bodies.

In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- 1 to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations and section 130 of the 2011 Act; and
- 2 to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations and the requirements of the 2011 Act;

have not been met; or

to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Ross McKay CA

Relevant professional body: Institute of Chartered Accountants of Scotland
Johnston Smillie Ltd

6 Redheughs Rigg
Edinburgh
EH12 9DQ

Dated: 23 March 2020

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	3	475,066	-	475,066	14,663
Other trading activities	4	10,817	-	10,817	12,002
Investments	5	187	-	187	21
Total income		486,070	-	486,070	26,686
Expenditure on:					
Charitable activities	6	34,883	6,625	41,508	33,876
Other	10	-	-	-	(300)
Total resources expended		34,883	6,625	41,508	33,576
Net income/(expenditure) for the year/ Net movement in funds		451,187	(6,625)	444,562	(6,890)
Fund balances at 1 July 2018		47,893	566,067	613,960	620,850
Fund balances at 30 June 2019		499,080	559,442	1,058,522	613,960

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		571,440		580,102
Current assets					
Debtors	12	105,427		593	
Cash at bank and in hand		382,765		34,435	
		488,192		35,028	
Creditors: amounts falling due within one year	13	(1,110)		(1,170)	
Net current assets			487,082		33,858
Total assets less current liabilities			1,058,522		613,960
Income funds					
Restricted funds	14	559,442		566,067	
Unrestricted funds		499,080		47,893	
		1,058,522		613,960	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2019.

The Directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 20 March 2020



Rev John Emerson
Director

Company Registration No. 04010393

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Charity information

The Priestly Fraternity of Saint Peter is a private company limited by guarantee incorporated in England and Wales. The registered office is St. John Fisher House, 17 Eastern Avenue, Reading, RG1 5RY, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity 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 are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors 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 Directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

All incoming resources are recognised in the Statement of Financial Position when the charity is entitled to the income, receipt is probable and the amount can be measured with sufficient reliability.

1.5 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. All expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to that category.

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	over 100 years
Fixtures and fittings	over 10 years
Computers	over 4 years
Motor vehicles	over 5 years
Vestments etc	over 50 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Assets costing more than £250 are capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charity 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. 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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2019 £	2018 £
Donations	20,232	14,069
Legacies receivable	453,903	-
Gift aid recoverable	931	594
	<u>475,066</u>	<u>14,663</u>

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

4 Other trading activities

	Unrestricted funds	Total
	2019	2018
	£	£
Rental income	10,817	12,002

5 Investments

	Unrestricted funds	Total
	2019	2018
	£	£
Bank interest	187	21

6 Charitable activities

	2019	2018
	£	£
Depreciation and impairment	8,662	7,819
Edinburgh Mission grants	17,541	9,795
House running costs	13,570	14,350
Bank charges	285	206
	<u>40,058</u>	<u>32,170</u>
Share of governance costs (see note 7)	1,450	1,706
	<u>41,508</u>	<u>33,876</u>
Analysis by fund		
Unrestricted funds	34,883	
Restricted funds	6,625	
	<u>41,508</u>	
For the year ended 30 June 2018		
Unrestricted funds		27,251
Restricted funds		6,625
		<u>33,876</u>

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

7 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Independent Examiner's fees	-	1,450	1,450	1,706
	-	1,450	1,450	1,706
Analysed between Charitable activities	-	1,450	1,450	1,706

Governance costs includes payments for independent examiners fees of £1,170 (2018- £1,110). No other services were provided by the independent examiner.

8 Directors

The charity covers various domestic, travel and subsistence expenses incurred by Father John Emerson in the course of his duties. With effect from November 2018, Fr Emerson has been receiving a stipend of £300 per month. No other trustee claimed or received any remuneration or expenses in the period (2018: none).

9 Employees

There were no employees during the year.

10 Other

	Unrestricted funds	Total
	2019	2018
	£	£
Net gain on disposal of tangible fixed assets	-	(300)

**THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2019

11 Tangible fixed assets		Freehold land and buildings £	Fixtures and fittings £	Computers		Motor vehicles		Vestments etc		Total £
				£	£	£	£	£	£	
Cost	At 1 July 2018	662,494	12,118	3,546	8,838	6,340	693,336			
	At 30 June 2019	662,494	12,118	3,546	8,838	6,340	693,336			
Depreciation and impairment	At 1 July 2018	96,427	11,577	3,546	552	1,132	113,234			
	Depreciation charged in the year	6,625	143	-	1,767	127	8,662			
	At 30 June 2019	103,052	11,720	3,546	2,319	1,259	121,896			
Carrying amount	At 30 June 2019	559,442	398	-	6,519	5,081	571,440			
	At 30 June 2018	566,067	541	-	8,286	5,208	580,102			

THE PRIESTLY FRATERNITY OF SAINT PETER
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Other debtors	105,427	593

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals	1,110	1,170

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2018	Resources expended	Balance at 30 June 2019
	£	£	£
Property fund	566,067	(6,625)	559,442

15 Analysis of net assets between funds

	Unrestricted 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£
Fund balances at 30 June 2019 are represented by:				
Tangible assets	11,998	559,442	571,440	580,102
Current assets/(liabilities)	487,082	-	487,082	33,858
	499,080	559,442	1,058,522	613,960