

**THE MONASTERY OF ST. FRANCIS AND GORTON TRUST**

(A company limited by guarantee)

**Trustees' Report and Consolidated Financial Statements**

**For the year ended 3rd January 2020**

**Charity number 1061457**

**Company number 03251869**



**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
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**FOR THE YEAR ENDED JANUARY 3rd 2020**

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**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

**TRUSTEES:**

The trustees who served during the year to 3<sup>rd</sup> January were as follows;

Paul Griffiths DL (Chairman & Company Secretary)  
Jeremy Cole  
Ray Hanks  
Tim Isherwood  
David Oliver  
Piers Sturridge  
Janet Wallwork  
Clare Lewis

Resigned 20<sup>th</sup> July 2019.

The trustees are also the directors of the company for the purposes of company law.

**CHIEF EXECUTIVE AND SENIOR LEADERSHIP TEAM**

Elaine Griffiths OBE, DL. Chief Executive  
Jackie Ormiston, Finance & Operations Director

**REGISTERED OFFICE**

The Monastery  
89 Gorton Lane  
Manchester  
M12 5WF

**REGISTERED CHARITY NUMBER**

1061457

**COMPANY NUMBER**

03251869

**STATUTORY AUDITORS:**

Chittenden Horley Ltd  
Chartered Accountants & Registered Auditors  
456, Chester Road  
Old Trafford  
Manchester  
M16 9HD.

**BANKERS**

The Co-operative Bank  
Balloon Street  
Manchester  
M60 4EP

**SOLICITORS**

Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**CHAIR'S REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

Although the Trustees Annual Report reflects a challenging year to early 2020, it has taken on a different meaning throughout 2020 as the Coronavirus Pandemic created, through continued temporary closure, significant impact on the charity and its trading subsidiary.

Forced to lockdown initially in March 2020, and a modicum of income revenue since, has seen over 85% of the Charity group annual revenues evaporate. This impact led to a fundamental review of our activities as the Charity considered an appropriate response and looked to effect positive change and survival plans.

We are so grateful for the various strands of government employment support (furlough) and financial support through The Co-operative Bank CBILS loans (£500k) and overdrafts (£215k) and separately Heritage Emergency Funding (£234k) which enabled us to implement survival plans and subsequently Culture Recovery Fund for Heritage (£692k), both from Heritage Lottery Fund. However, none of this was able to prevent the loss of a number of valued colleagues through redundancy. A staff team of four remain on furlough. In the meantime, we have rescheduled weddings and other events hoping for happier times in 2021 and beyond.

As we look to the future and 2021 in particular, we will implement a new business model, which includes outsourcing aspects previously run in-house such as event catering. Weddings and Commercial events will feature strongly on Fridays and Saturdays, while other events will feature in the evenings after we have closed to the public each day. The operating models will also change, as we will open to visitors and support the local community more than ever before. We intend to do even more for the local community and provide more charitable activities and facilities for those in need post-COVID.

We believe that more health, wellbeing, mental health, spiritual and education projects and activities will be needed, which in turn has led us to collaborative discussions with like-minded organisations and other charities who deliver specialist work. This approach maximises the use of The Monastery space, with organisations based at The Monastery, working alongside us, supporting many more people through their community, charity and outreach work.

One shining example of such collaboration manifested during the summer months with a weeklong filming with Manchester Camerata Orchestra for the first in their "UNTOLD" series. This series covers powerful issues linked to the healing power of music. A long association with the Camerata, our shared vision, values and the challenges we together face in the heritage and cultural sector has helped bring us to a new place.

The Camerata decided to relocate their offices and move into the Monastery from November so that we can share spaces and deliver projects together. It is very exciting to have such an exceptional high quality resident orchestra working with us and to have such a young and dynamic team working from their new offices in the friary.

We are also exploring other collaborative opportunities with the following; Active Health Group, The School for Contemplative Studies, The Pattern Print Heritage Archive and The Soulful School of Business & Creativity.

These established groups are interested in working from other friary rooms and training spaces. Again, these potential new partnerships could bring exciting new resources, people and energy into the building as well as contributing to overheads, which will help the Monastery project to thrive.

Trustees are immensely grateful for the financial support provided to the Charity. The significant grants and loans awarded will ensure we are not only able to continue through to Spring 2021 and beyond, but will crucially be able to re-position The Monastery as we prepare for a new re-invented future in what will be the 25th year since the charity first set out to save and restore The Monastery.

Finally, as we work hard and diligently to prepare for the future, I would like to thank all supporters of the Monastery, its employees and volunteers past and present, for all they have contributed to ensure the beautiful Monastery can continue to be the beacon of light that it is.

Thank you to everyone who has supported our work in Manchester.

*Paul Griffiths*

Paul Griffiths DL

Chairman & Company Secretary -The Monastery of St. Francis & Gorton Trust.

December 2<sup>nd</sup> 2020

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

The trustees present the annual report and the audited financial statements of the charity and its wholly owned subsidiary for the year ended January 3rd 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Monastery of St. Francis & Gorton Trust constitution, the charities act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).

## **BACKGROUND**

The Monastery of St. Francis & Gorton Trust, situated in East Manchester was formed in 1996 as a building preservation trust. Its aim was to save the dilapidated former Franciscan Pugin designed church & friary of St. Francis of Assisi, and put it to purposeful use once more at the heart of the community, a catalyst for regeneration in a neglected, hard-pressed area of the City of Manchester.

## **DIRECTORS/TRUSTEES**

The directors for the purposes of company law, who are the trustees for the purpose of charity law, who served during the year are set out on page 1.

## **OBJECTIVES AND ACTIVITIES**

The Trustees have reviewed and revised the charity's governing instrument and amended the objects of the charity. The amended objects have been approved by the Charity Commission. A precise version as follows:

- 1) To restore, conserve and maintain the Monastery of St Francis, being of historical & architectural merit (SDG11)\*
- 2) To further or benefit the residents of the Gorton district of Manchester and its surrounding areas (SDG 8)
- 3) To advance the education of the public in general including the provision of facilities for education and the education of the public (SDG 4)
- 4) The relief of unemployment for the benefit of the public in such ways as may be thought fit (SDG 1 & 8)
- 5) To preserve and protect the health of residents of the Gorton district of Manchester and its surrounding areas (SDG 3)
- 6) The prevention or relief of poverty in the Gorton district of Manchester and its surrounding areas (SDG 1 & 2)
- 7) The promotion of equality and diversity for the public benefit by advancing education (SDG 5 & 10)
- 8) The promotion of religious harmony for the benefit of the public by educating the public in different religious beliefs (SDG 16)
- 9) Such other exclusively charitable purposes according to the law of England and Wales (SDG 17)

\*Please note, reference to SDG, refers to the United Nations Sustainable Development Goal, which is the one most closely aligned with The Monastery's objects. e.g. SDG 11 is 'Sustainable Cities and Communities'

## **Beneficiaries**

Beneficiaries of the Charity's work include:

- Children, Young People and Age Friendly groups.
- Volunteers (adults and young people)
- The People of Manchester and local communities
- Voluntary organisations.
- Community Charity & Community Groups.

In shaping our objectives and planning our activities for the year, the trustees confirm that they have given due regard to guidance published by the Charity Commission, including public benefit: running a charity (PB2) guidance.

The charity has historically relied on major grants to fund capital development work aimed at conserving and restoring the former church & friary and from funds and activities through charges made to its wholly owned subsidiary The Monastery Manchester (MML). It makes the buildings available for a wide range of uses including a majority use by visitors from the public who view the very special architecture, are educated by its stunning interiors and exteriors fascinated by exhibits charting the rich history of the Monastery and the once industrial Gorton district of Manchester. Donations from the public are encouraged.

The trust does not receive any revenue support or revenue supporting grants from any source. The Trust must rely on its own efforts and activities and public donations to maintain this incredible heritage asset.

## **ABOUT US**

**WHO WE ARE:** The Monastery of St. Francis & Gorton Trust is a Building Preservation Trust and registered charity set up over 24 years ago, to try to save, restore and find a viable new use for Pugin's derelict architectural masterpiece, known locally as Gorton Monastery.

**WHAT WE DO:** The Trust's charitable mission is to generate enough income to maintain this precious & sacred heritage asset as a local resource, back at the heart of the community once again.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED JANUARY 3rd 2020**

**HOW WE DO IT:** By law, the Trust has a wholly owned trading subsidiary. This is the Monastery Manchester Ltd-which operates the visitor café and delivers community, educational and outreach activities and events, as well as hiring out spaces for a wide range of uses. This includes charity dinners, community & family life events (weddings, funerals), conferences, meetings, concerts and arts, health & well-being events.

**WHY WE DO IT:** The Trust constantly strives to be self-sufficient and sustainable by generating all of its own income through the Charity and the Monastery Manchester. It does not receive any revenue grants or public funding from anyone. It relies heavily on its volunteers and pro-bono professional support in order to survive.

**YOUR EVENT HELPS US TO HELP OTHERS:** Any proceeds made by The Monastery Manchester, are donated to the Charitable Trust for on-going conservation and maintenance work and to support our charitable community projects in education, skills, arts & health.

**WHAT THE MONASTERY ACHIEVES:** The Monastery has won over 30 prestigious national & regional awards so far for its work in regeneration, community benefit, heritage and as a visitor attraction and unique events venue. The social & economic value brought to Manchester by the Monastery since 2007 exceeds £20 million Gross Value Added.

**Activities:** As a Building Preservation Trust, trustees are seeking to meet these objectives through the restoration and conservation of the former Friary and Church of St Francis and the development of the surrounding area, under the name of The Monastery, Manchester and through community events and activities. These events and activities ensure the buildings are well used. They subsidise the maintenance and upkeep of the historic buildings for current and future generations to enjoy. Widely regarded by Manchester City Council as a strategically significant site, trustees operate the buildings and make it available without revenue or subsidy support. Commercial events make possible the free to enter use of the building, while at the same time financially boosting the economy of Manchester and enhancing its reputation to all visitors...be they local Mancunians or from elsewhere.

The charity subsidiary The Monastery Manchester Limited's purpose is to develop a viable social enterprise, utilise the heritage asset and generate income for the charity. Proceeds support the maintenance of the historic buildings and the Trust's outreach work and objectives in the local community. Operationally, trustees consider both parent and subsidiary as one and the same, with an overarching charitable purpose.

There is no doubt the Monastery's restoration and landmark presence has played a pivotal role in the improving fortunes of Gorton. The Monastery's restoration is widely credited as the primary catalyst for the regeneration of the area. New Homes are being built in Gorton at an unprecedented rate/with 45 new homes to be built on a brown field site on Crossley Street adjacent to The Monastery and a £15.7million scheme of 102 apartments and 13 houses have been approved to be built close by on Gorton Lane.

## **ACHIEVEMENTS AND PERFORMANCE**

To fulfil the Charity's objects a number of activities were undertaken through the trust and its trading subsidiary which have delivered wide ranging public benefits.

As usual, a substantial number of projects have been undertaken by The Monastery of St Francis & Gorton Trust benefiting all sectors of the community. Satisfying the Charity's outcomes which include the regular free access to the buildings for all who need it to view exhibition and storyboard displays remains a priority.

### **Social & Economic Value**

**Investment in Gorton-**for many local people the saving of Gorton Monastery was the catalyst for the Regeneration of the area. Its restoration helped to rebuild confidence, improve people's lives. The £12million raised to bring the Monastery and Charity to this point has encouraged people to move to Gorton because they want to-not because they have to. Winning over 30 National Awards helped to build pride in the community once more.

**Supporting the local economy-**GVA in excess of £20million created by the Monastery's very existence since first phase restoration in 2007, is remarkable. The charity group tries where possible to source goods and services locally. We spend in Manchester, money remains in Manchester and strongly believe in giving back to the community through work, goods and services.

**World Monument site saved-**the saving of Gorton Monastery has proven over 24 years so far that important heritage sites can have a positive social impact. They can help people thrive and develop pride in their communities. Such places can also make people feel better. This National Heritage Exemplar remains a beacon of hope and inspiration to many that follow with ideas to save their own piece of UK heritage.

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**FOR THE YEAR ENDED JANUARY 3rd 2020**

**Community & Social Value-** In the year the charity group added to its Community and Social value locally by working with a myriad of Community-not for profit & charitable partnership groups. 20 local Gorton Community groups, 4 classroom on your doorstep Primary Schools, enjoyed 30 school visits, supported 25 national charities and undertook 200 Health & Therapy sessions. Gorton Altogether held its monthly meetings here, Hideout Youth Zone due to open in March (Covid-19 delayed this to August) held its launch event here and of course the announcement about the United Nations choice of the Monastery as one of its International Sustainability Hubs, was held in the Private Chapel.

**Regeneration & Homes-**The Monastery sits at the heart of one of Manchester's key regeneration areas and it continues to act as a catalyst to regenerate the area. The perception of the area has improved, property prices increased and Gorton described in one press article as the new Didsbury. Development has started on the adjacent Crossley Street to build 45 new homes on a brownfield site, while permission has been granted to JV North (one Manchester/Homes England) for a £15.7million development, which will see 102 Apartments and 13 houses built close by on Gorton Lane at its junction with Belle Vue Street.

**Employment & Jobs Created-**Local employment initiatives continue as planned, including work experience gained by students from Wright Robinson College in Gorton, Manchester College Hospitality Students and University of Manchester placements.

**Volunteers-**continue to be the heart of The Monastery's activity. In 2019, over 55 volunteers, including the Trustees and Chairman, donated 9,441 hours of time. Their contribution and pro bono professional time was worth £208k in the year. So exceptional are they that in 2013, the volunteers were awarded with a Queen's Award for Voluntary Service, the highest award available to voluntary groups in the UK.

**Education & Schools-** Our work in education and with local schools across Greater Manchester continues with the Neurofiles project being trialled locally, as well as the Trust's ongoing activities with regular school visits, music, local history, arts, crafts and work experience projects taking place throughout the year.

**Environment & Sustainability-**The trust is working towards ISO 20121 International Sustainable Event Management. The drive to become more sustainable began in 2012 when UNESCO granted The Monastery status as a Centre of Expertise in Sustainable Development. The new Welcome Wing is Carbon Neutral and is so energy efficient it almost has Passive House qualities, including triple glazing. We aim to support Manchester Council's - Our Manchester Strategy in a number of areas, which best fit with our charitable objectives.

**Operating Highlights:**

The Trust's Trading subsidiary The Monastery Manchester, achieved an operating profit in the period of £1.4k (2019 £78.2k profit) on revenues of £1.25million. Consolidated result for the year saw revenues of £1.3m (2019: £1.4m)

**Supportive Colleagues.** Trustees would like to pay tribute to all employees, volunteers and benefactors for their hard work, commitment and support for the work of the Trust.

**Funding for initiatives.** It remains a strategic objective to build up financial reserves to enable the community to apply for funds in support of local initiatives.

The Oglesby Charitable Trust, led by the founders of Bruntwood have converted a £100k loan into an advanced purchase agreement. This agreement will fund Manchester charities that the Oglesby Charitable Trust support to use The Monastery space in a variety of ways.

Trustees are very grateful for the support of the Oglesby Trustees, alongside others who care deeply about The Monastery. We are also pleased that an existing long-term loan with The Co-operative Bank continue to reduce and one in particular was fully repaid in June 2020. Repayments to Architectural Heritage Fund were put on hold with no payments in the current year.

**Awards & Honours:** The Monastery team were honoured to receive the following:

- The Monastery's Co-founder & Chief Executive Elaine Griffiths awarded an OBE in the New Year Honours List 2020.
- Finalist Manchester People's Culture Award 2019
- County Brides North-West Wedding Awards Winner 2019
- M&IT Awards-Finalist Best UK Unusual Venue 2019
- Host Queen's Award for Voluntary Service-GM Presentations to winning voluntary groups 2019.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

**FINANCIAL REVIEW**

The results of the Charity group's performance for the year are set out in the Statement of Financial Activities (SOFA) for the year to 3rd January 2020 on page 13. The trustees acknowledge that the group balance sheet position remains weak with significant net current liabilities and a deficiency of free reserves.

Notwithstanding the significant increase in the group's net current liabilities, the group's short-term liquidity challenges have been successfully managed in the post-balance sheet period

For the some years past the charity group has relied on continuing support from its principal loan creditor, Architectural Heritage Fund (AHF). The accounts classification of the loan repayments to AHF (as between current and longer-term liabilities) represents the position as at the balance sheet date. However, in 2020 the Group has secured government backed loan finance from its bankers to enable it to repay the AHF loan finance. This new loan finance and additional grant funding as detailed in Note 25 to the accounts has stabilised the group's cashflow position and provided essential capital for future development

**PRINCIPLE FUNDING SOURCES**

The charity relies on three principal funding sources

- Recurring rent, overhead contributions and profits from its trading subsidiary (Monastery Manchester Ltd)
- Capital grant funding from institutions and private charities – these are only received when major capital works are in prospect or in hand
- Gifts and donations from members of the public

These sources have been augmented in the post-balance sheet period by significant grants and loan finance to secure the charity's future, notwithstanding the disruption occasioned by the pandemic

**INVESTMENT POLICY**

At such time as the financial position of the trust improves, investments will be prudently made.

**RESERVES POLICY AND FINANCIAL RISK MANAGEMENT**

The Trustees acknowledge that the devastating short-term impact of the COVID 19 pandemic on the hospitality and events industry has created additional uncertainty in relation to financial risk oversight.

As in previous years the adverse balance of free reserves, augmented by the current year deficit, confirms the opinion of the directors that there is continuing material uncertainty as to whether the charity group will continue as a going concern. Nonetheless the directors are encouraged by the extraordinary level of support that has been offered to the company both in terms of government grants and in bank facilities which are underpinned by government guarantees. Details of the material non-adjusting post-balance sheet date events are provided in Note 25 to the accounts.

The Trustees continue to adopt a long-term strategic approach to reserves. This has necessitated the commitment at the earliest opportunity to capital investment in facilities that underpin the financial viability and sustainability of the charity's heritage assets.

Although such capital expenditure has been largely funded by restricted fund grant income, the short-term effect of this policy has been to deplete free reserves. The reasons for this are threefold:

- Some essential capital expenditure was not able to be funded by grants and has been funded by the charity's own unrestricted funds
- There has been a historical hang-over effect of unrestricted fund depreciation that reflects the capital commitments made in previous periods

Fortunately, none of these factors are expected to continue to apply in the next period of financial planning, to December 2022

- There are no plans to commit any further significant capital resources from the charity's own fund.
- The Trustees are intending to designate funds to match the value of the unrestricted fund fixed assets thus ensuring that any continuing depreciation charge does not impact on the charity's financial results affecting free reserves.

2020 aside, it is intended in the longer-term that any trading surpluses will be applied to reduce and eventually eliminate the adverse balance on unrestricted funds and then to fund a build-up of reserves. The Trustees intend to build unrestricted fund reserves to circa £200,000. The present charity's free reserves level is a £332k adverse balance and so it is acknowledged that it will be several years before the target reserves level is met.

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**TRUSTEES' AND DIRECTORS' ANNUAL REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

**FUTURE PLANS**

The unforeseen impact of Covid-19 on all activities at the Monastery are likely to be significant. As at 20<sup>th</sup> March and on the instructions of HM Government The Monastery temporarily closed as a precaution against the Covid-19 pandemic. This closure applied to all tourism and hospitality venues (and others) in the UK initially for 21 days. We now know this was extended for a further period of time. At the date of this report, December, 2020 the Monastery remains closed...more than nine months later.

In terms of impact on the charity group, Postponements/cancellations have been heavily felt since March 2020. At 2<sup>nd</sup> November 2020, the value of lost revenue in the year stood at £1,115k, or 85% of budget. The majority of clients and bookings are postponed with many rebooked for 2021 and some 2022. Navigation through this world-wide catastrophe will require the full support of our funders and stakeholders, such is the unprecedented nature of the crisis.

The trustees produce a business plan every year to guide its development in the future. The plan was developed in conjunction with the trustees, managers, volunteers, staff, stakeholders and local residents.

Notwithstanding the Covid-19 pandemic, we have been forced into a fundamental rethink and the development of a Survival Plan. Before this setback, we were encouraged In November 2019, when The Monastery was chosen as a United Nations Sustainable Development Hub, with a focus on delivering the UN's Sustainable Development Goals.

This has led to a number of projects being developed which when eventually implemented will have the potential to extend the profile and the reach of The Monastery and attract new audiences and income streams, using spaces and facilities that already exist within the Monastery. But we need to safely navigate C-19 first.

Forward planning and rolling forecasts, suggest that as a direct result of Covid-19, the group is likely to lose over £280k in the year to 2nd January 2021.

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity is a company limited by guarantee and is governed by its ~memorandum and articles of association dated September 19 1996 as amended by special resolutions dated March 7 1997, March 19 1997, February 3 2006 and May 2019. It was registered with the Charity Commission on March 20 1997.

The Directors acting as the Governing Body have the power to admit or refuse membership to any individuals or corporations. Membership may be terminated by resolution of an extraordinary general meeting called for that purpose by the Governing Body.

There are currently seven members of the company, each of whom has agreed to contribute a sum not exceeding £100 in the event of the charity being wound up.

**APPOINTMENT, INDUCTION AND TRAINING OF TRUSTEES**

The Directors, who are the Trustees, together form the Governing Body. The Trustees who served during the year, together with any changes up to the date of approving this report, are listed on page 1. It is recognised that the changing nature of the Trust's focus, from restoring an important historic building to ensuring that its multi-faceted role is sustainably established. In the year, no new trustees were appointed with one resignation.

Trustees are appointed for their specialist skills, knowledge and sound judgement. A relevant skill-set is sought that is appropriate for the successful delivery of the trust aims and objectives and its public benefit strategy. These skills inevitably vary as the trust progresses. Prior to appointment potential trustees are familiarised with the objectives and activities of the Trust. We set out to establish a complementary board with a broad mix of skills, which satisfy our charitable objectives.

**ORGANISATION**

The Governing Body, which must have not less than one and not more than 20 members, administers the charity and meets as necessary and usually not less than six times a year. Through appropriate discussion, the planning into our future community activities helps to ensure that the Trust's vision of its role and purpose is realised. The management skills

required and the abilities of colleagues employed in the business of the Trust and its subsidiary The Monastery Manchester are naturally different. The trading subsidiary board and its operating management meets very regularly to ensure the business remains on track to satisfy its support for its parent the trust.

Delegated authority rests with the Chief Executive & co-founder of the Trust Elaine Griffiths OBE, DL and Jackie Ormiston, Finance and Operations Director in the subsidiary company, The Monastery Manchester Limited. Trust Chairman Paul Griffiths is also Chairman of the subsidiary. He is actively involved, chairing MML board meetings, at least ten times a year. This approach ensures transparency between parent and wholly owned subsidiary. Comprehensive reports are provided to trustees on the performance by way of monthly P&L and comprehensive management information reports on a stand-alone and consolidated basis. Key Performance Indicators are reported against targets.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**TRUSTEES' AND DIRECTORS' ANNUAL REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

**PAY POLICY FOR SENIOR STAFF**

The trustees of The Monastery of St. Francis & Gorton Trust Limited and the senior leadership team are the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity. All trustees give their time freely and no trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the accounts.

The pay of the senior leadership team and all employees is reviewed annually and normally increased in line with inflation, subject to the availability of funds. Our aim is to be competitive in the market for key people.

The average salary in the year of The Monastery's five heads of department, which includes its Chief Executive, was £43k per annum (2019: £43k per annum). The average pension contributions to this group in the year was £1,677 (2019: £1,677) pension contributions started in August 2015.

At the end of December 2019, 15 employees were paid and on the books, 38 including our bank of casual staff. (2018: 48 including our bank of casual staff). Serving all events and activities in pursuit of charitable objectives.

**RELATED PARTIES**

The following transactions and balances are disclosed as related party transactions in accordance with the Charities SRP, FRS 102 and Companies Act 2006.

Throughout this year as in all preceding accounting periods, Mr Paul Griffiths has served as an unpaid Trustee of the Charity, and an unpaid director of The Monastery Manchester Limited (MML), the charity's trading subsidiary.

During the accounting period, Mr Griffiths donated in excess of 3,000 hours to the Trust and The Monastery Manchester and he continues to make no claims for travelling expenses.

Mr Griffiths also purchased goods for both The Monastery Manchester and the Trust totalling £15.8k. (2019: £13.4k). This was expenditure for exceptional items required by The Monastery Manchester and the Trust, where there was no trading account for either company available. The amount has been reclaimed in the proper manner for expenses.

Elaine Griffiths, co-founder and Paul Griffiths' wife, is employed by the charity as Chief Executive Officer and received gross pay of £59,950 (2019 £65,767). Expenses of £2.7k (2019: £2.6k).

**RISK MANAGEMENT**

The trustees have a risk management strategy which comprises of an annual review of the principle risks and uncertainties that the charity faces, coupled with ongoing measurement of risk factors by the senior leadership team.

**ENVIRONMENTAL POLICY**

The Monastery is committed to being environmentally responsible in the way it operates. The key components of this policy are addressing climate change, reducing waste and encouraging responsible business practice. This policy is enhanced by virtue of the Charity's drive to achieve the ISO 20121 International standard for sustainable event management. With the Monastery's role as a United Nations Sustainable Development Goal Hub the opportunity to gain this accreditation, will begin again during 2020.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED  
TRUSTEES' AND DIRECTORS' ANNUAL REPORT  
FOR THE YEAR ENDED JANUARY 3rd 2020**

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The trustees (who are also directors of The Monastery of St Francis and Gorton Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT OF DISCLOSURE TO AUDITORS**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

[The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.]

**SMALL COMPANY PROVISIONS AND APPROVAL**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board of Trustees and signed on its behalf by:

*P Griffiths*

P GRIFFITHS – Director

Date: 2nd December 2020.

**AUDITORS REPORT  
TO THE MEMBERS OF THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
FOR THE YEAR ENDED January 3rd 2020**

**Opinion**

We have audited the financial statements of The Monastery of St Francis and Gorton Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended January 3<sup>rd</sup> 2020 which comprise the Group and parent Charitable Company's Statements of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at January 3<sup>rd</sup> 2019, and of the group's and parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- 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 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to Note 1 in the financial statements and to the commentary on pages 8 and 9 of the Trustees Annual Report which highlights the weakness of the charity group's balance sheet. This weakness coupled with disruption of the group's trading activities due to the COVID 19 pandemic create a material uncertainty as to whether the group can continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' and directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**AUDITORS REPORT  
TO THE MEMBERS OF THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
FOR THE YEAR ENDED January 3rd 2020**

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and] from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, set out in the trustees' and directors' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Chittenden Horley Limited*

**Geoffrey Horley MBA FCA DChA – Senior statutory auditor**

For and on behalf of:  
Chittenden Horley Limited  
Chartered Accountants and Statutory Auditors  
456 Chester Road  
Old Trafford  
Manchester M16 9HD

Date: December 3<sup>rd</sup> 2020



**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)**  
**FOR THE YEAR ENDED January 3rd 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Incoming resources from generated funds:</b>					
Donations	2	23,655	-	<b>23,655</b>	37,011
Charitable activities	3	-	-	-	56,722
Other trading activities	4	1,248,415	-	<b>1,248,415</b>	1,328,355
Investment income - bank interest		-	-	-	-
<b>TOTAL INCOME</b>		<u>1,272,070</u>	<u>-</u>	<u><b>1,272,070</b></u>	<u>1,422,088</u>
<b>EXPENDITURE</b>					
Costs of raising funds	5	1,331,742	187,301	<b>1,519,043</b>	1,533,899
Expenditure on charitable activities	6	25,956	-	<b>25,956</b>	13,692
<b>TOTAL EXPENDITURE</b>		<u>1,357,698</u>	<u>187,301</u>	<u><b>1,544,999</b></u>	<u>1,547,591</u>
<b>NET INCOME/(EXPENDITURE)</b>	10	(85,628)	(187,301)	<b>(272,929)</b>	(125,503)
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>(85,628)</u>	<u>(187,301)</u>	<u><b>(272,929)</b></u>	<u>(125,503)</u>
<b>RECONCILIATION OF FUNDS:</b>					
<b>Balances brought forward</b>	17	<u>3,440,293</u>	<u>4,213,971</u>	<u><b>7,654,264</b></u>	<u>7,779,767</u>
<b>Balances carried forward</b>	17	<u><u>3,354,665</u></u>	<u><u>4,026,670</u></u>	<u><u><b>7,381,335</b></u></u>	<u><u>7,654,264</u></u>

The notes on pages 17 to 29 form part of these financial statements

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)**  
**FOR THE YEAR ENDED January 4th 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Incoming resources from generated funds:</b>					
Donations	2	23,655	-	<b>23,655</b>	37,011
Charitable activities	3	-	-	-	56,722
Other trading activities	4	120,253	-	<b>120,253</b>	117,039
<b>TOTAL INCOME</b>		<u>143,908</u>	<u>-</u>	<u><b>143,908</b></u>	<u>210,772</u>
<b>EXPENDITURE</b>					
Costs of raising funds	5	205,007	187,301	<b>392,308</b>	400,751
Expenditure on charitable activities	6	25,956	-	<b>25,956</b>	13,692
<b>TOTAL EXPENDITURE</b>		<u>230,963</u>	<u>187,301</u>	<u><b>418,264</b></u>	<u>414,443</u>
<b>NET INCOME/(EXPENDITURE)</b>		(87,055)	(187,301)	(274,356)	(203,671)
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	10	<u>(87,055)</u>	<u>(187,301)</u>	<u><b>(274,356)</b></u>	<u>(203,671)</u>
<b>RECONCILIATION OF FUNDS:</b>					
<b>Balances brought forward</b>	17	<u>3,628,214</u>	<u>4,213,971</u>	<u><b>7,842,185</b></u>	<u>8,045,856</u>
<b>Balances carried forward</b>	17	<u><u>3,541,159</u></u>	<u><u>4,026,670</u></u>	<u><u><b>7,567,829</b></u></u>	<u><u>7,842,185</u></u>

The notes on pages 17 to 29 form part of these financial statements

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP BALANCE SHEET**  
**AS AT JANUARY 3rd 2020**

		2020	2020	2019	2019
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	11		3,457,160		3,561,053
Heritage Assets	12		<u>4,804,114</u>		<u>4,922,512</u>
			8,261,274		8,483,565
<b>CURRENT ASSETS</b>					
Stock		64,975		68,106	
Debtors	14	28,032		32,925	
Cash at Bank and in Hand		<u>35,856</u>		<u>71,926</u>	
		128,863		172,957	
<b>CREDITORS</b>					
Amounts falling due in one year	15	<u>647,710</u>		<u>558,686</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(518,847)</u>		<u>(385,729)</u>
			7,742,427		8,097,836
<b>LONG TERM CREDITORS</b>	16				
Amount falling due beyond one year			361,092		443,572
<b>NET ASSETS</b>			<u>7,381,335</u>		<u>7,654,264</u>
<b>FUNDS</b>					
Unrestricted					
General fund	17	3,541,159		3,628,214	
Non charity trading funds		<u>(186,494)</u>		<u>(187,921)</u>	
			3,354,665		3,440,293
Restricted	17		<u>4,026,670</u>		<u>4,213,971</u>
<b>TOTAL FUNDS</b>			<u>7,381,335</u>		<u>7,654,264</u>

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

The notes on pages 17 to 29 form part of these financial statements

**Approved by the Board of Directors and authorised for issue on 2nd December 2020.**

*Paul Griffiths*

Paul Griffith  
DIRECTOR

Company registration number: 03251869

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**PARENT CHARITY BALANCE SHEET**  
**AS AT JANUARY 3<sup>rd</sup> 2020**

		<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible Assets	11		<b>3,457,160</b>		3,561,054
Heritage Assets	12		<b>4,804,114</b>		4,922,512
Investments	13		<b>100</b>		100
			<b>8,261,374</b>		8,483,666
<b>CURRENT ASSETS</b>					
Debtors	14	<b>7,108</b>		11,321	
Cash at Bank and in Hand		<b>2,600</b>		8,632	
		<b>9,708</b>		19,953	
<b>CREDITORS</b>					
Amounts falling due in one year	15	<b>342,160</b>		217,862	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>					
			<b>(332,452)</b>		(197,909)
			<b>7,928,922</b>		8,285,757
<b>LONG TERM CREDITORS</b>					
Amount falling due beyond one year	16		<b>361,093</b>		443,572
<b>NET ASSETS</b>					
			<b>7,567,829</b>		7,842,185
<b>FUNDS</b>					
Unrestricted					
General funds	17		<b>3,541,159</b>		3,628,214
Restricted	17		<b>4,026,670</b>		4,213,971
<b>TOTAL FUNDS</b>			<b>7,567,829</b>		7,842,185

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

The notes on pages 17 to 29 form part of these financial statements

**Approved by the Board of Directors and authorised for issue on 2nd December 2020**

*Paul Griffiths*

Paul Griffiths  
DIRECTOR

Company registration number: 03251869

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP AND PARENT CHARITY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JANUARY 3rd 2020**

		<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash used in operating activities</b>	<b>notes</b> 19	<b>34,222</b>	<b>4,567</b>	<b>64,258</b>	<b>61,761</b>
<b>Cashflows from investing activities</b>					
Interest and dividends		-	-	-	-
Purchase of tangible fixed assets		(12,812)	(21,415)	(12,812)	(21,415)
Proceeds of sale of investments		-	-	-	-
Payments to acquire investments		-	-	-	-
<b>Cash provided by/(used in) investing activities</b>		<b>(12,812)</b>	<b>(21,415)</b>	<b>(12,812)</b>	<b>(21,415)</b>
<b>Cashflows from financing activities</b>					
Proceeds from new borrowings		-	-	-	-
Repayment of borrowing		(57,479)	(72,017)	(57,479)	(72,017)
<b>Cash used in financing activities</b>		<b>(57,479)</b>	<b>(72,017)</b>	<b>(57,479)</b>	<b>(72,017)</b>
<b>Increase/(decrease) in cash &amp; cash equivalents in the year</b>		<b>(36,069)</b>	<b>(88,865)</b>	<b>(6,033)</b>	<b>(31,671)</b>
<b>Cash and cash equivalents brought forward</b>		<b>71,925</b>	<b>160,791</b>	<b>8,633</b>	<b>40,303</b>
<b>Cash and cash equivalents carried forward</b>		<b>35,856</b>	<b>71,926</b>	<b>2,600</b>	<b>8,632</b>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand		35,856	71,926	2,600	8,632
bank overdraft		-	-	-	-
		<b>35,856</b>	<b>71,926</b>	<b>2,600</b>	<b>8,632</b>

## 1 ACCOUNTING POLICIES

### Basis of preparation

The financial statements have been prepared: under the historic cost convention, as modified by the revaluation of investments (as set out below) through the statement of financial activities; in accordance with 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 (FRS102) effective January 1 2015; FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

### Going Concern

There is a continuing concern as to whether it is appropriate to prepare these accounts on a going concern basis. The group has reported a deficit on unrestricted funds in the year and the balance sheet records significant net current liabilities, and an adverse balance of free reserves. In the post-balance sheet period the COVID 19 pandemic has resulted in the temporary cessation of almost all trading activities.

The group has responded to these financial challenges by:

- Significantly reducing fixed costs by laying off staff and reducing establishment costs
- Seeking and obtaining significant additional government and other grant support
- Restructuring its long-term borrowings and safeguarding its liquidity

As reported in the Trustee's report and in Note 25 to the accounts, the combined effect of these measures has been to recapitalise the group and secure its cashflow. The accounts for the year ended January 3 2021 are expected to report a substantial surplus for the year.

While there remains uncertainty as to the timing of the ending of the pandemic, the directors are confident that

The group has the financial resources to enable it to meet its liabilities for the foreseeable future  
There is a credible strategic plan for financially viable operations in the medium and longer-term

Accordingly the directors consider that it is wholly appropriate to continue to prepare accounts on a going concern basis.

### Funds structure

Unrestricted funds are available at the discretion of the trustees in furtherance of the general objectives of the charity. From time to time, the trustees may designate some or all of these funds for specific purposes however, such designations may be varied or removed at the Trustees absolute discretion.

Restricted funds, donations or other charitable income, subject to specific conditions by the donor or grantor, or by the nature of the appeal, which restricted the funds to be used for specific areas of the charity's work. Details of restricted funds at the year-end are given in Note 18.

### Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

**Grants**, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

**Donations** from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

**Earned income** is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

### Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

## 1 ACCOUNTING POLICIES (continued)

### Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of the charity

The charity is registered for VAT and can recover all input tax charged. Costs are stated exclusive of VAT were charged.

### Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, staff costs and professional fees. The basis of allocations is set out in Note 8.

### Pension contributions

The charity operates a defined contribution pension scheme for its employees, agreeing the contribution rates with each individual. The contributions are paid to a third party who invests the contributions in a money purchase plan. Contributions are charged to the SoFA as they become payable.

### Tangible fixed assets and depreciation

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as set out below.

Depreciation rates are as follows:

Building	nil%	
Kitchen equipment	5%/10%	
Church fittings	nil	because the residual value is not expected to decline over the life of the asset.
Equipment & furniture	20%	

### Investments, gains and losses

Fixed asset investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and on disposals throughout the year.

Gains and losses on are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sale proceeds (net of transaction costs) and the opening carrying value or cost, if acquired during the year. Unrealised gains and losses are calculated on the difference between opening and closing fair values.

### Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short-term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

### Financial instruments

The charity has only basic financial instruments, which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

### Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, The Monastery Manchester Ltd, on a line-by-line basis.

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>2 DONATIONS</b>						
Other donations	23,655	-	23,655	37,011	-	37,011
	<u>23,655</u>	<u>-</u>	<u>23,655</u>	<u>37,011</u>	<u>-</u>	<u>37,011</u>
<b>3 INCOME FROM CHARITABLE ACTIVITIES</b>						
<i>Capital project</i>						
Heritage Lottery Fund	-	-	-	-	56,722	56,722
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,722</u>	<u>56,722</u>
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,722</u>	<u>56,722</u>
<b>4 OTHER TRADING ACTIVITIES</b>						
Rental income	120,000	-	120,000	115,500	-	115,500
Merchandise & cafe sales	253	-	253	1,539	-	1,539
<b>Total per charity</b>	<u>120,253</u>	<u>-</u>	<u>120,253</u>	<u>117,039</u>	<u>-</u>	<u>117,039</u>
<i>Less eliminated on consolidation:</i>						
Rent re Monastery Manchester Ltd	(120,000)	-	(120,000)	(115,500)	-	(115,500)
Add Subsidiary income	<u>1,248,162</u>	<u>-</u>	<u>1,248,162</u>	<u>1,326,816</u>	<u>-</u>	<u>1,326,816</u>
<b>Total per Group</b>	<u>1,248,415</u>	<u>-</u>	<u>1,248,415</u>	<u>1,328,355</u>	<u>-</u>	<u>1,328,355</u>
<b>5 COSTS OF RAISING FUNDS</b>						
	Support of	External	Total	Support of	External	Total
	MM Ltd	Fundraising	2020	MM Ltd	Fundraising	2019
	£	£	£	£	£	£
Direct staff costs	7,291	65,617	72,908	9,035	81,316	90,351
Merchandise for resale	-	20	20	-	458	458
Advertising & printing	-	3,008	3,008	-	11,547	11,547
Support costs	<u>300,928</u>	<u>15,444</u>	<u>316,372</u>	<u>281,581</u>	<u>16,814</u>	<u>298,395</u>
	<u>308,219</u>	<u>84,089</u>	<u>392,308</u>	<u>290,616</u>	<u>110,135</u>	<u>400,751</u>
<b>Charged to restricted funds:</b>						
Depreciation	<u>187,301</u>	<u>-</u>	<u>187,301</u>	<u>188,016</u>	<u>-</u>	<u>188,016</u>
	<u>187,301</u>	<u>-</u>	<u>187,301</u>	<u>188,016</u>	<u>-</u>	<u>188,016</u>
Charged to unrestricted funds	<u>120,918</u>	<u>84,089</u>	<u>205,007</u>	<u>102,600</u>	<u>110,135</u>	<u>212,735</u>
<b>Total per charity</b>	<u>308,219</u>	<u>84,089</u>	<u>392,308</u>	<u>290,616</u>	<u>110,135</u>	<u>400,751</u>
Charity costs as above			392,308			400,751
Monastery Manchester Ltd (net of rent charge)			<u>1,126,735</u>			<u>1,133,148</u>
<b>Per Group</b>			<u>1,519,043</u>			<u>1,533,899</u>

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>6 CHARITABLE EXPENDITURE</b>						
Community provision	10,844	-	<b>10,844</b>	2,651	-	<b>2,651</b>
Capital project	15,112	-	<b>15,112</b>	11,041	-	<b>11,041</b>
<i>Per charity</i>	25,956	-	<b>25,956</b>	13,692	-	<b>13,692</b>
<i>Less eliminated on consolidation:</i>						
Charges from MM Ltd						
<i>Per Group</i>	25,956	-	<b>25,956</b>	13,692	-	<b>13,692</b>

Expenditure in the charity is analysed as follows:

	Direct Costs £	Direct Salaries £	Support Costs £	Total £
<b>2019/20</b>				
Community and charity operations	-	-	10,844	<b>10,844</b>
Capital project	-	-	15,112	<b>15,112</b>
	-	-	25,956	<b>25,956</b>
<b>2018/19</b>				
Community and charity operations	-	-	2,651	<b>2,651</b>
Capital project	-	-	11,041	<b>11,041</b>
	-	-	13,692	<b>13,692</b>

**7 SUPPORT & GOVERNANCE COSTS**

	2020					2019
	Community	Capital Project	MM Ltd	External fundraising	Total	Total
	£	£	£	£	£	£
<i>Support costs</i>						
Support staff	-	-	-	-	-	-
Staff expenses, training & recruitment	-	514	257	1,798	<b>2,569</b>	2,795
Property costs	-	681	32,675	681	<b>34,037</b>	27,826
Depreciation	-	1,334	232,434	1,334	<b>235,102</b>	231,594
Finance & management services	-	-	-	-	-	-
Finance charges & interest	-	-	30,152	-	<b>30,152</b>	20,252
Office costs & other costs	-	5,960	2,980	5,960	<b>14,900</b>	14,278
	-	8,489	298,498	9,773	<b>316,760</b>	296,745
<i>Governance costs</i>						
Professional fees	10,844	6,623	-	-	<b>17,467</b>	5,301
Support staff	-	-	2,430	5,671	<b>8,101</b>	10,039
	10,844	6,623	2,430	5,671	<b>25,568</b>	15,340
<i>Total support costs</i>	10,844	15,112	300,928	15,444	<b>342,328</b>	312,085

## 7 SUPPORT & GOVERNANCE COSTS (CONTINUED)

	2019			
	Community	Capital Project	MM Ltd	External fundraising
	£	£	£	£
<b>Support costs</b>				
Staff expenses, training & recruitment	-	559	280	1,956
Property costs	-	557	26,713	557
Depreciation	-	1,562	228,469	1,563
Finance charges & interest	-	-	20,252	-
Office costs & other costs	-	5,712	2,855	5,711
	-	8,390	278,569	9,787
<b>Governance costs</b>				
Professional fees	2,651	2,651	-	-
Support staff	-	-	3,012	7,027
	2,651	2,651	3,012	7,027
<b>Total support costs</b>	2,651	11,041	281,581	16,814

Direct costs of the capital project are shown after capitalising costs written off in the prior year to revenue.

Support costs are allocated as follows:

Staff costs	Estimate of time spent
Other costs	Estimate of use of resources

## 8 TRADING SUBSIDIARY

The results and balance sheet for the trading subsidiary, The Monastery Manchester Limited, are set below.

	2020	2019
	£	£
Turnover	1,248,162	1,326,816
Cost of sales	635,929	684,472
Gross Profit	612,233	642,344
Administration expenses	610,806	564,176
	1,427	78,168
Net profit before tax	1,427	78,168
Taxation (note 20)	-	-
Net profit after tax	1,427	78,168
Rent of £120,000 payable to the charity (prior period - rent £115,000) and income from sale of services to the charity of £35,0 (prior period £nil) are eliminated on consolidation.		
Current assets	119,154	247,848
Creditors due within one year	(305,550)	(435,670)
Total net assets	(186,396)	(187,822)

The Trust has a second subsidiary company, The Angels (Manchester) Limited, which has not traded at any time.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020**

**9 PAYROLL COSTS**

**a** The group payroll costs are as follows:

Salaries	591,895	615,788
Employer pension contributions	14,911	11,973
Social security costs	35,425	38,466
	<u>642,231</u>	<u>666,227</u>

No employees earned more than £60,000 pa (2018/19 One in the band £60k - £70k..

**b** The key management personnel are the directors (who are all volunteers) and the key members of staff as listed on page one.

Remuneration benefits	<u>132,753</u>	<u>154,719</u>
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**c** The average number of employees was as follows:-

	<b>Number</b>	<b>Number</b>
Charitable		-
MM Ltd	44	47
Fundraising and events	1	1
	<u>45</u>	<u>48</u>

**10 GROUP NET INCOMING RESOURCES**

This is stated after charging:

Auditors remuneration:-

Audit fees - current year	5,000	5,000
Accountancy fees - current year	3,500	3,130
Accountancy fees - over accrual prior year	(1,443)	(6,552)
Depreciation other tangible fixed assets	235,102	231,595
Directors' remuneration (Trust directors)	-	-
Trustee's expenses	-	-
	<u>-</u>	<u>-</u>

**11 TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings £	Kitchen Equipment £	Church Fittings £	Equipment & Furniture £	Total £
<b>GROUP &amp; CHARITY</b>					
<b>Cost</b>					
As at January 4 2019	3,461,429	360,617	-	462,837	4,284,883
Additions		-	-	9,553	9,553
As at January 3 2020	<u>3,461,429</u>	<u>360,617</u>	<u>-</u>	<u>472,390</u>	<u>4,294,436</u>
<b>Depreciation</b>					
As at January 4 2019	88,518	236,167	-	399,145	723,830
Provided	66,667	28,496	-	18,283	113,446
As at January 3 2020	<u>155,185</u>	<u>264,663</u>	<u>-</u>	<u>417,428</u>	<u>837,276</u>
<b>Net Book Value</b>					
As at January 3 2020	<u>3,306,244</u>	<u>95,954</u>	<u>-</u>	<u>54,962</u>	<u>3,457,160</u>
As at January 4 2019	<u>3,372,911</u>	<u>124,450</u>	<u>-</u>	<u>63,692</u>	<u>3,561,053</u>

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020

12 HERITAGE ASSETS

GROUP & CHARITY Cost	Freehold Land & Buildings £	Church Fittings £	Total £
As at January 4 2019	6,031,715	86,750	6,118,465
Additions	3,259	-	3,259
As at January 3 2020	<u>6,034,974</u>	<u>86,750</u>	<u>6,121,724</u>
<b>Depreciation</b>			
As at January 4 2019	1,195,953	-	1,195,953
Provided	120,634	1,023	121,657
As at January 3 2020	<u>1,316,587</u>	<u>1,023</u>	<u>1,317,610</u>
<b>Net Book Value</b>			
As at January 3 2020	<u><b>4,718,387</b></u>	<u><b>85,727</b></u>	<u><b>4,804,114</b></u>
As at January 4 2019	<u>4,835,762</u>	<u>86,750</u>	<u>4,922,512</u>

13 INVESTMENTS

The Charity has two subsidiary companies as follows:

Name of Subsidiary	Trading activity	% Shares held	
The Monastery Manchester Ltd	Management services and event management	100	
The Angels (Manchester) Limited	Dormant	100	
2) The value of investments is summarised as follows:		2020	2019
		£	£
Access Intelligence Plc		0	0
Avacta plc		<u>0</u>	<u>0</u>
Quoted investments		<u>0</u>	<u>0</u>
The Monastery Manchester Ltd		100	100
The Angels Limited		-	-
Unquoted investments		<u>100</u>	<u>100</u>
Total		<u><u>100</u></u>	<u><u>100</u></u>

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020**

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>14 DEBTORS</b>				
Trade debtors	5,544	6,857	-	-
Prepayments	22,488	26,068	7,108	11,321
Other debtors	-	-	-	-
	<b>28,032</b>	<b>32,925</b>	<b>7,108</b>	<b>11,321</b>

**15 CREDITORS falling due within one year**

Bank overdraft and loan	50,000	50,000	50,000	50,000
Working Capital Loan from Architectural Heritage Fund	100,000	75,000	100,000	75,000
Trade creditors	170,661	151,180	13,149	13,357
Amount due to The Monastery Manchester Ltd	896	138	165,593	66,436
Social security and other taxes	36,197	26,078	9,281	7,004
Income received in advance	282,124	191,201	-	-
Accruals & other creditors	7,832	65,089	4,137	6,065
	<b>647,710</b>	<b>558,686</b>	<b>342,160</b>	<b>217,862</b>

**16 CREDITORS falling due after more than one year**

Bank loan due in 2 - 5 years	-	19,378	-	19,378
Other loans	150,675	155,000	127,318	155,000
Working Capital Loan from Architectural Heritage Fund	210,417	269,194	233,775	269,194
	<b>361,092</b>	<b>443,572</b>	<b>361,093</b>	<b>443,572</b>

The loan from the Architectural Heritage Fund is secured by a first charge over the charity's freehold land and buildings and is due to be repaid no later than the end of 2022.

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**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020**  
**17 STATEMENT OF FUNDS (continued)**

COMPANY	2018/19			gains/losses & transfers £	2019/20			
	04/01/2018 £	Income £	Expenditure £		Income £	Expenditure £	transfers £	03/01/2019 £
Unrestricted Funds:								
General fund	(237,068)	154,050	(226,427)	3,937,659	143,908	(230,963)	-	3,541,159
	(237,068)	154,050	(226,427)	3,937,659	143,908	(230,963)	-	3,541,159
Restricted Funds:								
Capital projects - Grants & donations	3,135,295	56,722	-	(3,192,017)	-	-	-	-
Capital grants expended on fixed assets	5,147,629		(188,016)	(745,642)	-	(187,301)	-	4,026,670
	8,282,924	56,722	(188,016)	(3,937,659)	-	(187,301)	-	4,026,670
Total Funds								
	8,045,856	210,772	(414,443)	-	143,908	(418,264)	-	7,567,829

## 17 STATEMENT OF FUNDS (continued)

Transfers and unrealised losses	2020 £	2019 £
Transfers from restricted funds - capital grants expended but no continuing restrictions	-	3,937,659
	-	3,937,659

A transfer to capital grants expended has been made in respect of restricted grants where the expenditure has been capitalised and there are continuing restrictions.

### Capital grants expended

This represents amounts received and expended on the purchase of fixed assets after charging depreciation on those assets to date, where there are continuing restrictions on the use and disposal of the assets.

## 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

### Company fund balances at January 3 2020

are represented by:-

	Unrestricted funds £	Restricted Funds £	Total £
Fixed assets	(2,735,557)	6,192,717	3,457,160
Investments	8,261,374	-	8,261,374
Net current assets/(liabilities)	1,833,595	(2,166,047)	(332,452)
Creditors due in more than one year	(361,093)	-	(361,093)
	<u>6,998,319</u>	<u>4,026,670</u>	<u>11,024,989</u>

### Company fund balances at January 3 2019

are represented by:-

Fixed assets	4,269,594	4,213,971	8,483,565
Investments	8,483,666	-	8,483,666
Net current assets/(liabilities)	(197,908)	-	(197,908)
Creditors due in more than one year	(443,572)	-	(443,572)
	<u>12,111,780</u>	<u>4,213,971</u>	<u>16,325,751</u>

## 19 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Net movement in funds	(272,929)	(125,504)	(274,356)	(203,672)
Add back depreciation	235,103	231,595	235,103	231,595
Decrease/(increase) in stocks	3,131	(6,704)	-	5,951
Decrease/(increase) in debtors	4,893	65,844	4,213	126,815
Increase/(decrease) in creditors	64,024	(160,664)	99,298	(98,928)
<b>Net cash generated from/(used in) operating activities</b>	<u>34,222</u>	<u>4,567</u>	<u>64,258</u>	<u>61,761</u>

## 20 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Financial assets</b>				
that are measured at fair value through the SoFA	-	104,849	-	19,953
that are debt instruments measured at amortised cost	<u>63,888</u>	<u>643,346</u>	<u>9,708</u>	<u>19,953</u>
<b>Financial liabilities</b>				
measured at amortised cost	<u>(1,002,257)</u>	<u>(1,002,257)</u>	<u>(703,253)</u>	<u>(661,434)</u>

Financial assets measured at fair value consist of investments traded on the AIM. The investment in the subsidiary is not included as there is no market for the shares, the value cannot be reliably ascertained and the charity has no plans to dispose of the investment.

Financial assets measured at amortised cost comprise: cash at bank and in hand; trade debtors; grants and income receivable; VAT refundable; other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: trade creditors; other taxes and social security; accruals; and income and grants in advance.

## 21 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of winding up the members are liable to contribute up to £100 each. The number of members at the year end was 10 (2015 -11).

## 22 CAPITAL COMMITMENTS

The company had no capital commitments at the year end.

## 23 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 493 of the CTA 2010.

## 24 CONTINGENT LIABILITY - CAPITAL GRANT

The grant from the Heritage Lottery Fund (HLF) is potentially repayable in full or part if the land and buildings are disposed of or the company is wound up. The land and buildings cannot be disposed of without the prior consent of HLF. There is a second charge over the company's assets in favour of HLF.

The company is required by the HLF to maintain the property in good repair following restoration.

The ERDF funding is repayable in the event of the project not being completed or it achieving its objectives, or there is a change in use of the Monastery within 20 years.

A term of the grant from NWDA is that the property cannot be disposed off during its useful economic life without their prior written consent and in the event of a disposal NWDA is entitled to some or all of the proceeds in proportion to their contribution. These liabilities are not expected to crystallise.

Total funding received for both capital and revenue costs from the major funders is as follows:

	£ '000
Heritage Lottery Fund	4,733
ERDF	3,647
NWDA	330
English Heritage	<u>476</u>

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2020**

**25 NON-ADJUSTING POST BALANCE SHEET DATE EVENTS**

In the eleven months between the date of these accounts and the date of approval (December 2<sup>nd</sup> 2020) there have been material events that have impacted on the charity group's financial position and prospects as set out below:

	£'000
Exceptional public sector grants	926
Exceptional private sector donations	100

This summary excludes the Coronavirus Job Retention Scheme monies and the government backed loans and overdrafts. Additional details of these items is provided in the Chair's Report and the Trustees' Annual Report.

**26 RELATED PARTIES**

The following transactions and balances are disclosed as related party transactions in accordance with the Charities SORP, FRS 102 and Companies Act 2006.

Throughout this year, as in all preceding accounting periods, Mr Paul Griffiths has served as an unpaid Trustee of the Charity, and an unpaid director of Monastery Manchester Limited (MML), the charity's trading subsidiary.

Mrs Elaine Griffiths, the spouse of Mr Paul Griffiths, is employed by the charity as Chief Executive Officer and in this accounting period received gross pay of £59,950 (2018/19 £65,767).