

**THE TRUSTEES OF THE SERVITE FRIARS,
PROVINCE OF THE ISLES
(A Registered Charity)**

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Registered Charity Number: 249148

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Trust property held in connection with the Brothers Servants of the Blessed Virgin, Servite Fathers

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Father Christopher O'Brien OSM Father Patrick Ryall OSM Father Colm McGlynn Father Vincent Coyne Father Peter Conniffe Father Paul Addison
Prior Provincial (Chair)	Father Paul Addison OSM Father Colm McGlynn OSM (elected March 2020)
Provincial Treasurer	Father Christopher O'Brien OSM
Principal Address	St Mary's Priory 264 Fulham Road London SW10 9EL
Telephone	020 7352 6965
Fax	020 7351 9749
Website	www.servitefriars.org
Charity Registration Number	249148
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	The Royal Bank of Scotland Relationship Management Team 6 th Floor 1 Princes Street London EC2R 8BP
Investment Managers	Epworth Investment Management Limited 9 Bonhill Street London EC2A 4PE
Solicitors	Carter Lemon Camerons LLP 10 Aldersgate Street London EC1A 4HJ
Property Advisers	Gerald Eve LLP 72 Welbeck Street London W1G 0AY

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trust deed of the Servite Order was first registered with the Commissioners in 1878 under the number 249138. Then on 4 April 1935 another deed was drawn up under the title *The Brothers Servants of the Blessed Virgin*, with our present no 249148. Carrying forward this tradition of service the Trustees now present their report for the financial year ending the 31 December 2019.

INTRODUCTION

The Brothers Servants of the Blessed Virgin more often known as the Servite Friars live in two communities, one in London and the other in Salford. In both locations they are responsible for the pastoral care of a Church and the surrounding Catholic community. Another friar, living alone, has similar responsibilities for a parish, church and chaplaincies in Bath.

The Servite Friars have offered pastoral care and support in London since 1864 although the origins of the Order date from the thirteenth century.

During 2019 this long-standing ministry and pastoral care continued in accord with our well established friar tradition derived from the Servite Constitutions and Province of the Isles Servite Directory together with our Trust Deed dating back to 1933.

The friars in both the London and Salford parishes are Trustees and responsible for a Voluntary Aided School. The Servite Primary School in London has 210 pupils while St Philips in Salford has 320 pupils and the Friars are Foundation Governors to both.

In accordance with a well-founded tradition support was given to our General Council in Rome and support of the Pontifical University, the Marianum. This international service is reviewed every six years and a new General Council elected. This assembly happened during October 2019 with two friars from the Province were present at the meeting.

Across the course of any weekend the three parishes in London, Salford and Bath would have a footfall in excess of 2,000. Each Mass would have an attendance of between 100 and 400. On certain days during the year this figure would be even greater marking the highlights of the Christian calendar such as Christmas and Easter or other special celebrations such as First Communions and Confirmations.

Also, during the year there would be a variety of other celebrations such as Baptisms, Marriages and Funerals. These would all draw a congregation from far and wide and in the case of marriages and funerals have to be arranged in conjunction with state registrars.

The London Church welcomes the civil dignities from Gibraltar, and their bishop and friends when those dignities are in London to celebrate Gibraltar week during October.

The Charity gives space and hospitality to four self-help groups in the Parish hall at a massively discounted rate for this part of central London.

Mission

The Servite Order in the UK is aiming to use their resources for religious, educational and other charitable purposes in connection with the Roman Catholic Church (Trust Deed 1935).

- ❖ For the purposes of this report, the principal service, at present, would be the pastoral care of three parish churches and their congregations and the use of the parish centres and facilities for the people in the surrounding area. These are located in London, Salford, and Bath. (cf Trust Deed clause 5 section i)
- ❖ The friars in the London and Salford parishes have responsibility for the local Voluntary Aided schools both as Trustees and Governors.

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REPORT OF THE TRUSTEES (continued)

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- ❖ Some of the friars have a specialisation in spiritual direction, hospital chaplaincy and teaching.
- ❖ It would be seen as an integral part of our service to support the Order in its central administration and Servite Friars and the Church in the developing world. There is also a long tradition of helping other related charities both at home and abroad.
- ❖ The Care of the sick and elderly friars who have spent a life-time in service of the Church, the Order and Society at large. (cf Trust Deed clause 5 sections vi & vii)

GOVERNANCE, STRUCTURE AND MANAGEMENT

Since its inception the Servite Order have operated according to a rule of Life, the Constitutions, and these have the approval of the Catholic Church and are in conformity with canon Law. It goes without saying these have been upgraded and amended periodically and the last occasion was in September 2015. The local friars also have a Directory which adjusts the rules to local circumstance and in our case in line with UK charity law. The Directory was approved and updated in 2017.

The Province of the Isles has a leadership team consisting of the Prior Provincial and four Provincial Councillors. Each year there is a Provincial Chapter when all the friars (members of the Charity) meet to discuss policy and procedures. This can mandate the Provincial and his Council to implement proposals and directives. It can also take the form of in-service training. The Provincial Chapter approves of local by-laws known as the Directory. Every fourth year a Provincial Chapter of Elections takes place, when elections and appointment to the various offices are effected. It is during this gathering that the AGM of the charity is held.

Between Provincial Chapters, the responsibility for the direction of the Province (the Charity) rests with the Provincial and his Council (cf Deed of Variation 21 Sep 1971). Where possible the Trustees are drawn from the Provincial Council. All trustees are members of the Order and they have a detailed knowledge of the work of the Charity and its structure; even so when appointed new trustees are reminded of the Charity Commission Guidance and are given a refresher course on the principal responsibilities of the charity its resources and aims and the relationship with our professional advisors; solicitors, auditors, stockbrokers and property advisers. After the election of the Present Provincial Council/ Trustees in June 2016 the members were given a copy of the *'Trustees Duties at a glance.'*

Risk Management

In line with the requirement of trustees the Charity has made an assessment of risk and identified the following areas:

Governance

Operational

Financial

Reputational

Laws, regulations, external and environment

Governance The Province of the Isles has twenty one friars and their presence in England and Ireland is reported through to the three relevant civil authorities and registrations. Each year all the friars gather for a Provincial Chapter and this is when the AGM of the English Charity is held. That was on 4 July 2019.

Before this the Provincial Council, who are the charity's trustees had met, usually over two days in February, April and June and then on four occasions after the AGM in July, August, September and November.

Through these regular Trustee/Council meetings the activities of the Charity are checked out regularly. Reports are made, operational difficulties are faced and discussed and direction is offered. All members receive copies of the minutes.

Operational The responsibility for buildings such as the Priors is the direct responsibility of the Prior Provincial and the Provincial Council and their delegates; the local Priors. The well-being of the Parish churches and Parish properties are with the appointed parish team, together with their lay committees under the direction of the Parish Priest who is appointed by the Provincial Council. The London Church had an extensive refurbishment between 2010 and 2015.

The worst possible interruption would be severe damage to one of the Churches. The safety net would be to use the nearby school halls on a temporary basis.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial The overall management of financial policy lies with the Provincial Finance Board who regulate the local centres of operation, the reserves policy is under review with professional advisers and records are kept of these meetings and conveyed to the Trustees at each of their meetings.

The Trustees are kept up to date every quarter at their meetings by the Provincial Treasurer, or more often if necessary. A high priority is our *Pension and Welfare Cover*.

In the early 1980s there was an increasing anxiety about due provision for sick and retired friars, despite Clause 5 of our Trust deed making specific references to these '*objects and purposes*' of the charity. Subsection (vi) reads *The maintenance and support of and the provision of medical and surgical aid for infirm invalid and aged priests and clerics*. ' Accordingly in 1986 using the offices of the broker S B J Stephenson (now known as Jelf) the province entered a scheme designed for Religious Communities under the direction of the Eagle Star Insurance Co, (now absorbed into Zurich Assurance Ltd).

The events recorded below under Property Management all had a financial impact although in the main a positive one. As the age of the friars continues to climb so the resources of the Pension fund become more important and during 2019 this fund was able to increase the contribution to the Communities by 18% over the previous year. The London Parish continued to use the Diocesan online accounting system known as OPAS, which is much more suited to our sort of charity.

The Provincial Finance Board met regularly and is actively exploring the offer to change from RBS to another high street bank.

The charity has been affected post year-end by the Coronavirus pandemic which struck in Spring 2020 which has affected the charity's income in relation to donations, rent and investments. The trustees continue to monitor the effects of the pandemic on the charity's resources.

Laws, regulations, external and environment. Looks at the effects of government policies, the consequences of non-compliance with laws and regulations. The Provincial Treasurer as a member of the committee of the Association of Provincial Bursars, which organises the annual conference, is able to keep abreast of the developments in civil and charity law.

Methods of holding personal information have been looked at afresh in the light of the GDPR legislation. Volunteers are being asked to sign a new form of acceptance.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operations and business risks faced by the charity, they have established effective systems to mitigate those risks.

Protection of Children and vulnerable Adults. Every trustee meeting would have a check on the procedures being followed in the friar's communities and among the parishioners.

The lead trustee had attended several meetings throughout 2019 and has reported back to the full board of trustees.

THE PROVINCIAL AND COUNCIL (TRUSTEES)

Besides the regular Council meetings, the Prior Provincial is also responsible for communications both within the Province and with our Generalate in Rome as well as other Priors Provincial. On a day to day basis this is by way of emails and online newsletters.

In October the Provincial Treasurer and another friar attended the General Chapter in Ariccia, outside Rome, a gathering of 56 friars from all five continents.

English continues to be a much-used language through-out the Order and a variety of tasks involving translation work come to the Province. In August 2019 the Province sponsored a Ugandan student at an English summer school in London. This student is studying Theology in Rome.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees

Fr Paul Addison Prior Provincial and Chair of the Trustees.

Fr Paul joined the Servite Order in August 1958. After studies he had two terms serving on the central administration in Rome. Fr Paul has been responsible for the education and formation of student friars. As part of this ministry he has given courses and lectures in Italy, the USA, France, India and Uganda. He had a first period as Prior Provincial (chair of the charity) in 1991-1997. During that time he also served on the Board of the Servite Houses (housing association) now known as Optivo. Since 2009, when he was re-elected to the Provincial Council, he has served as Provincial Secretary and Clerk to the Trustees until being re-elected as Prior Provincial in May 2017.

Fr Christopher O'Brien, Provincial Treasurer

Fr Christopher joined the Servite Order in 1965. In his early years he was engaged in teaching in both ordinary and special schools. From 1982-1996 he was engaged in educating Servites in Dublin, Oxford, Lesotho and Normandy in France. He has been a member of the Provincial Finance Council since 1980 but only assumed the Office of Provincial Treasurer at the creation of the New Province in the year 2000.

Since 2007 he has been a member of the General Council of Administration which sets the budget for the General Council. Besides financing the Generalate the Council oversees the administration of the Servite University in Rome; the Marianum.

Fr Patrick Ryall

Fr Patrick joined the Order in 1963. He spent 12 years in the London Parish 9 of them as Parish Priest. He has also served as a student master; 9 years in Oxford and 3 in Rome. In 1997 he again served as Parish Priest in London before serving as the first Prior Provincial of the newly formed Province of the Isles from 2000-2009. He also served on the board of Servite Houses now known as Optivo. In 2010 he was once more elected Prior and Parish Priest of the London Community.

Fr Vincent Coyne

Fr Vincent joined the Servite Order in September 1959. After upgrading his degree with a Certificate of Education, he taught at St Peter's High School, Manchester from 1973-1979. From 1985 -1991 he served as Prior Provincial and chair of the Trust. Since 1997 he has again be involved in Parish ministry and is at present Prior and Parish priest in the Salford Parish.

Fr Peter Conniffe

Fr Peter joined the Order in September 1957. He studied in Oxford and Rome before his ordination in 1962. In 1976 he was elected Prior Provincial (Chair of the Trust) and served in post for six years. He was also invited onto the Board of Servite Houses (now renamed Optivo) and served for 10 years as Chair of the Board. For his work in this regard he was awarded the O.B.E. in the New Year's Honours List of 1998. Since 1976 he s continued his involvement in parish ministry until his retirement in 2016. He has also played an important role as Chair of the Finance Board of the Province since 2001.

Fr Colm McGlynn (Elected chair in March 2020)

Fr Colm joined the Order in 1980. Colm has served in all parts of the Province, Dublin, the North of Ireland, Scotland and England and he has served as Parish Priest in Dublin and Dundee. He has also had experience working with the Order in the Philippines. Colm served for several terms on the Provincial Council. He was awarded a B A in Humanities from Dublin City University in 2005. He served as Assistant Provincial and then full Provincial after the elected Provincial made a slow recovery from heart surgery. He is at present Provincial-elect with his assumption of office delayed by the coronavirus pandemic.

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REPORT OF THE TRUSTEES (continued)

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Public benefit

In setting the charity's objectives, the Trustees have given due consideration to the Charity Commission's guidance on public benefit. These requirements are addressed in this report.

Statement of Trustees Responsibilities

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees of the charity 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 of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe and the principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and reports) Regulations 2008 and with the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activities, Specific Objectivities and Relevant Policies

In accordance with a long-standing tradition the Province has continued to contribute and support the international Servite Generalate based in Rome. During 2019 over £45,000 was sent through to Rome of which £25,000 was earmarked to support the Marianum, the Servite University in Rome. These sums are agreed and budgeted for at the General Council of Administration during the spring of each year, and then a full detailed report is given at the Council of Administration the following spring. The Treasurer of Province is member of this General Council.

The Benburb Library, Museum and Provincial Archive

This facility while existing within the Northern Ireland Trust (Order off Mary Servite Trust) caters for all three charitable trusts and so Provincial funds continue to offer support. In particular the London based trust sponsors the part-time librarian and archivist (£11,100) and helps pay down the outstanding capital costs (£38,000 in 2019) on the refurbished building. On 9 May 2019 a day of celebration was held to commemorate the Servite Priory's official opening in 1949. It included a commemorative lecture by the former Prior Michael Farrell and the inauguration of a Photographic exhibition recalling 70 years of service.

Servite Missions

Our Servite Communities in England along with the support of the Parishes have continued to support other Servite friars working in more challenging parts of the world.

2019 saw our continued support for the student programme in the Philippines £25,036. At the end of the year the Filipino Provincial bursar gave a full report saying how the money was split three ways supporting the tuition fees of the Philosophy students, payment of the fees of the students studying at the Marianum in Rome and the last part towards the upkeep of the students in the student community.

We were able to send £4,950 to help the Servite friars in Uganda, where our eldest retired priest has spent many years. Then we were able to give further help the Friars in Mozambique (£8,480) who are helping to bring relief and training to the street children of Matola.

Another £2,000 was invested in Oikocredit (a micro-finance company operating in the developing world) and a further £1,000 was given to help with housing situations at home.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Volunteers

Area	No of Volunteers	Hours Volunteered
Preparing and celebrating Services	5	2,900
Pastoral Planning, teaching/meetings study	5	2450
Home visits of the sick	6	1300
Administration	6	4,600
One to one direction, guidance etc	5	700
Hospital visits	4	400
Care of the elderly	6	1050
School, Governors, teaching etc	3	450

Throughout the year the friars give their time and energy pursuing the goals of the Charity. They either receive no financial reward or else pay their earnings or stipends into the common fund.

Most of the friars are past retiring age but continue to help out and serve according to their ability and fitness. The friars have served the Charity for the whole of their adult life.

Some of the members are heavily involved in the work of administering the Charity and without their service the charity would not be able to function effectively or according to the norms of the Charity Commission.

If this service was valued at the rate of £150 a day this would amount £260,000 of service to the local community. Together with the generous service in the two parishes the charity annually can reckon on volunteering worth £0.4m or equivalent to over a third of the charity's actual income.

Our Lady of Dolours London Parish and St Marys Priory

The Church is open 365 days a year. Usually for 8 hours a day but longer on certain days.

Over a weekend 1,000 worshippers would frequent the Church.

The attached parish School, Servite Primary (Voluntary Aided) had another very good year, involving both the academic results and the wider curriculum. The Servite Friars are foundation governors.

The staff continued to cooperate closely with St Francis of Assisi (Notting Hill) and Holy Cross (Fulham) which was mutually beneficial to all three in experience and variety of expertise.

The priests offer emergency cover at the local Chelsea and Westminster hospital.

The parish offers a weekly safe and welcoming space to four self-help groups at a very reduced rate.

The parish offers a special service to those suffering long term illness, especially victims of cancer.

During 2019 the parish was able to call upon the generosity and help of 163 different volunteers. The types of service were quite different, namely:

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Eucharistic ministers, singers, musicians, altar servers, collectors and greeters. Others again helped clean and maintain the church, help in the refreshment bar and shop selling religious articles and publications. Others again helped with teaching and instruction as in baptism classes, first communion, confirmation and classes for converts. Then again there was a small team who counted the collections and took them to the bank, others again kept records for gift aid claims or helped in the office processing invoices.

In reviewing this dedicated group of helpers we identified 163 out of 800 worshipers who shared their time and talents. Some gave regular time week by week other again once or twice a month. Some were helping with simple tasks of a manual type while others were offering more sophisticated expertise.

Over the course of the year the 163 volunteers offered a collective total of 9,914 hours. Even at a minimum wage value that was a donation of kind worth £81,000.

The parish has shown a special concern for the homeless and poorer families raising £5,000 for the Glass Door, £3,500 for the Cardinal Hume Centre and £2,000 in Lenten Alms (focussing on London families in special need).

It has also raised £4,100 for CAFOD and £7,200 for a variety of smaller charities.

The oldest member of the friars community duly reached his centenary and was honoured by a card from the Queen and a letter from the President of Ireland, along with visits from his family.

Our Lady of Dolours, Salford and Servite Priory

The Church is open for prayer and worship 365 days of the year.

Over each weekend 600 worshippers would frequent the church.

The Parish Hall is used during term time for SKIPPS, a pre-school care service and for socials and parish activities during the weekends.

The parish regularly collects and delivers food aid to the Loaves and Fishes programme at the diocesan centre.

The Parish has a well-coordinated programme of caring for the more vulnerable members of the parish who live alone but need material and medical care and support.

The Parish School, St Philips, is a voluntary Aided, school of which the Servites are Foundation governors.

The Parish raised £2,912 in overseas Aid which was channelled through CAFOD. The parish also raised £1,822 in support of Servite friars working in developing countries. A further £3,175 was raised for a variety of good causes (both local and International).

The volunteers helping out in the parish amount to 137 during the course of the year. Many helping with the church celebrations other assisting with cleaning and maintenance and others again helping in the office with administrative duties. Given a minimum wage this would mean £80,000 worth of service.

Our ninety-year old friar continued to receive support and care from the community, the Priory staff, and volunteers from the parish who helped with transport for medical attention.

The Management of Property

The intensity of planning and negotiating associated with 2018 was much reduced and most of the work was internal to the Priors both in Salford and London; repair, updating and decorating in toilet and shower areas. The Servite International Council of Administration chose to meet in the Servite Priory in Benburb in Northern Ireland and inspect the new Library, Archive and Museum facility at the same time. This meeting in May coincided with a celebration of 70 years of Servite Presence in Benburb.

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FINANCIAL REVIEW

Income in the year amounted to £984,036 (2018: £960,755). The main sources of income continue to be funds generated from communities and parishes from collections, pensions, rents and investment income. Expenditure also decreased to £880,288 (2018: £912,346) due mainly to the continuing support to the New Library and Archive in our Northern Ireland trust. The charity made a surplus of £598,464 (2018: deficit of £196,581), leaving funds at the year-end at £7,657,616 (2018- £7,058,976). Funds post year-end have been affected by the Covid 19 pandemic as described below.

Reserves Policy

In the 12 years that we have been investing with Epworth Investment Management we have developed a strategy appropriate to each fund; restricted or designated appropriate to the aims and needs of that fund i.e. some stronger on growth others on dividends. Each of our funds would have a mix of the four different investment tools that Epworths offer: an Affirmative Equity fund (80-90% FTSE companies) Affirmative Fixed Interest Fund (mixture of UK Government securities and Corporate debt) Affirmative Corporate Bond Fund and Deposit Fund. During the year Epworth reorganised and split the equity fund between UK stocks and Global equities while maintaining careful ethical oversight. They also staged a meeting to consider a further development; a carbon free fund. (This was inaugurated in May 2020 into which the Servites placed 50% of their equities.)

The *Servite Student Trust Fund* is a restricted Fund invested through the generosity of two donors. The Principal donor stipulated that the interest should be used for the education of Servite Students. It was a condition of the bequest that 40% should be in government stocks and 60% in equities and the dividends and income used exclusively to fund the education of Servite students. Since the fund's inception in 1998 it has distributed in excess of £230,000 for the education of Servite Students in the UK and around the world.

The *General Fund* is a contingency fund to underpin the central administration of the Charity and ensure continuity in the event of income variation. It is largely the result of some benefactors and fund raising in the early part of the 20th century. It comprises 12.6% of total reserves and is seen as an important reserve as some of the friars grow older and income decreases. These funds amount to £722,610 which represents 87% of annual expenditure. This is within the charity's target level of reserves.

The *Retirement and Welfare Fund* This becomes increasingly important as some of the friars grow older and are in need of extra care or medical attention. Over 15 years our necessary support of the elderly and sick has risen by 74%.

The *Building and Development Fund* was realised at the sale of one of the Charity's properties and the fund is used to maintain the other properties in good repair. In 2012 this fund stood at £442k and was run right back to £9k when buying back the 264 frontage. It is now being built up ready for the next realignment. At end of 2019 it had reached £206k and the interest is being used for the Library Project and to make good the roof of the Servite Hall in London.

The *St Mary's Priory Fund* is a contingency for the oldest and most complex of the Charity's properties at Fulham Road in London.

The *Church Restoration Fund* was set up as a separate charity to raise funds for the repair and maintenance of the fabric of Our Lady of Dolours Church, a grade II listed building. At beginning of 2016 it was set up as a Restricted fund with the main charity. By the end of 2019 it had reached £105k.

The *Special Projects Fund* This fund was accumulated from a percentage of recent gifts and bequests. The fund is used to respond to appeals for aid from Servites in other parts of the world or other related charities and good causes and so safeguards ordinary income streams.

Investment Strategy

The Trustees continue to work with Epworth I M and the Church Investment Group to monitor that their investments are in line with Christian teaching. The awareness and danger of climate change becomes evermore critical as we follow our stated policy:

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The Finance Council are requested to look into the moral status and operating methods of the different companies to ascertain that they are broadly in line with our Servite and Christian ethos. Any dealing with armaments is seen as unacceptable as is trade in tobacco. Also unacceptable is any company or organisation that publishes or promotes pornography in any form. We are totally committed to the protection of human life from conception to death therefore, special care needs to be taken to protect human life, even in the womb. This should be borne in mind when investing in pharmaceuticals or medical research. It is also requested that a company's international record is monitored, especially where it has dealings with countries where UN recognised human rights are severely restricted. A failure in this area would be tantamount to condoning and cooperating in the oppression of the ordinary citizens and the common good. Note should also be taken of how a particular company is exploiting or depleting the resources of the planet. To do so recklessly would endanger the lives of present or future generations.

As the Covid pandemic took hold during 2020 and our churches were shut the consequence was that parish income fell drastically and one of our major renters defaulted with their rent. Four of our staff were on furlough and two part-time workers were placed on indefinite unpaid leave. It was necessary to draw on our reserves to the tune of £20,000. The worst appears to have passed and the furloughed employees are back to work but we are far from back to normal.

FUTURE PLANS

Order of Mary Servite Trust

This is a sister Trust, charity number; XN55092, which governs and reports on the activities of the Servite Friars in Northern Ireland. They are responsible for and house the Province's main library and archives. Between 2014 and 2018 it was refurbished with a National Lottery grant. The London based charity is committed to supporting the project but is encouraging the search for a more stable financial structure for the Northern Ireland charity.

Fulham Road

In August 2019 the diocesan safeguarding officials asked two of the friars to step back from pastoral duties. The specific reason was never made clear. This procedure severely curtailed the work and service of the charity. As this report is being completed the police have determined that the letters which came to light were in fact forgeries and malicious.

As we are now in the midst of the Covid pandemic it would not be right to say that normal duties are being resumed but certainly our friars are exonerated. This malicious approach from an unknown source has involved the charity in several thousand pounds of unnecessary expense.

Kersal

For the coming year, care for the poor is continuing to be developed. The Parish, through its groups is intensely involved in a Food for the People in Difficulties in the city of Salford.

The parish social team also collects foodstuffs to the well-organised welfare groups called *Loaves and Fishes* and *Cornerstone and Revive*. Also sponsored and supported by the Parish is a new housing for the homeless initiative in Salford called Emmaus. These initiatives are in continual development.

The Parish is developing its strategy for promoting and integrating immigrants and newcomers, many being Roman Catholic, through the Parish School, activity groups, worship involvement and so forth.

Coping with Covid 19

With the lock-down that began on the 17 March 2020 and the closure of churches the way forward for the charity became uncertain.

From March till August 2020 one full time and three part-time employees were put on furlough and two other part-time employees were on unpaid leave. It was requested that three of the investment portfolios should increase their cash holding to 10% in the event of emergency funding being needed. In the event it was necessary to draw down £10,000 from the Provincial Fund and the same from St Marys Portfolio after which the cash holdings resumed at the more normal levels of 3-5%. The special needs foundation that rents the parish hall from the London parish were also in furlough and defaulted on their rent payments. Once the churches opened for restricted public worship on Sundays in August the way forward became more manageable.

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REPORT OF THE TRUSTEES (continued)

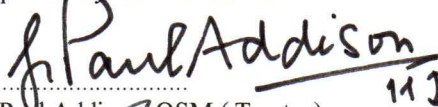
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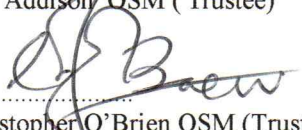
Auditors

A resolution proposing the re-appointment of haysmacintyre as auditors to the charity will be put to the annual general meeting.

Approved by the Trustees on

2020 and signed on their behalf by:


.....
Fr Paul Addison OSM (Trustee) 11 Dec 2020


.....
Fr Christopher O'Brien OSM (Trustee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

Qualified Opinion

We have audited the financial statements of The Servite Friars for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and 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).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements:

- give a true and fair view of the state of the Charity's affairs as at December 31, 2019, and of the movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP); and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

The charity has a mixed-use property. Under FRS102, the investment property element should be separated out from freehold property and the reclassified investment property should be held at fair value at each balance sheet date. We were unable to obtain sufficient appropriate audit evidence of the valuation of the investment property as at 31 December 2019 and consequently, we were unable to determine whether any adjustment was required to its valuation included within the financial statements.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 charity 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 qualified opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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, the trustees are responsible for assessing the charity'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 charity 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. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



.....
Haysmacintyre LLP
Chartered Accountants
Registered Auditors

Date: 11 December 2020

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES,

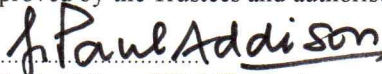
BALANCE SHEET


AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	2	3,106,844	3,158,195
Investments	3	4,237,827	3,689,661
		<u>7,344,671</u>	<u>6,846,856</u>
CURRENT ASSETS			
Debtors	4	18,793	15,703
Cash at bank		399,333	404,136
		<u>418,126</u>	<u>419,839</u>
CREDITORS: Amounts falling due within one year	5	(49,681)	(93,219)
NET CURRENT ASSETS		<u>368,445</u>	<u>326,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,713,116	7,174,476
CREDITORS: Amounts falling due after more than one year	6	(55,500)	(115,500)
NET ASSETS		<u>7,657,616</u>	<u>7,058,976</u>
FUNDS			
Restricted:			
- Student Trust Fund		1,226,474	1,108,264
- Parish Fund		178,018	116,860
- Church Restoration Fund		102,826	79,494
Unrestricted:		1,507,318	1,304,618
Designated			
- Fixed Assets Fund		3,106,844	3,158,195
- Property Development Fund		200,206	176,604
- Retirement and Welfare Fund		1,445,478	1,274,817
- School Governors' Fund		107,371	97,235
- Special Projects Fund		167,246	149,639
- St Mary's Priory Fund		350,543	305,124
General Fund		772,610	592,744
	7	<u>7,657,616</u>	<u>7,058,976</u>

Approved by the Trustees and authorised for issue on

2020 and signed on their behalf by.


Fr Paul Addison OSM (Trustee) 11 Dec 2020


Fr Christopher O'Brien OSM (Trustee)

The accompanying notes form part of these accounts.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
INCOME FROM:					
<i>Donations and legacies:</i>					
Salaries and pensions		43,052	-	43,052	61,109
Donations and legacies		52,653	49,056	101,709	173,438
<i>Other Trading Activities:</i>					
Rent and service charges		308,021	62,019	370,040	319,670
<i>Charitable activities:</i>					
Local communities and parishes		71,358	249,881	321,239	275,979
<i>Investments</i>	9	105,354	-	105,354	101,732
<i>Other income</i>		32,861	9,781	42,642	28,827
Total		<u>613,299</u>	<u>370,737</u>	<u>984,036</u>	<u>960,755</u>
EXPENDITURE ON:					
<i>Charitable activities:</i>					
Communities, parishes and their ministry		570,709	309,579	880,288	912,346
Total	11	<u>570,709</u>	<u>309,579</u>	<u>880,288</u>	<u>912,346</u>
Net income before gains/(losses) on investments		42,590	61,158	103,748	48,409
Net gains/(losses) on investments	3	<u>353,350</u>	<u>141,542</u>	<u>494,892</u>	<u>(244,990)</u>
Net Income/(expenditure) and net movement in funds		395,940	202,700	598,640	(196,581)
<i>Reconciliation of funds:</i>					
Fund Balances brought forward		<u>5,754,358</u>	<u>1,304,618</u>	<u>7,058,976</u>	<u>7,255,557</u>
Fund Balances carried forward		<u><u>6,150,298</u></u>	<u><u>1,507,318</u></u>	<u><u>7,657,616</u></u>	<u><u>7,058,976</u></u>

All the charity's activities over the two financial years above are derived from continuing activities.

There are no other recognised gains and losses other than those included above.

The accompanying notes form part of these accounts.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES,
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows for operating activities:			
Net cash (used in) operating activities	14	(394,896)	(275,001)
Cash flow from investing activities:			
Dividends, interest and rent from investments		475,885	421,402
Proceeds from sale of investments		4,070,303	124,780
Purchase of investments		(4,123,577)	(250,453)
Proceeds from sale of fixed assets		-	500
Purchase of fixed assets		(32,519)	(65,236)
Net cash provided by investing activities		390,093	230,993
Change in cash and cash equivalents in the year		(4,803)	(44,008)
Cash and cash equivalents at the beginning of the year	15	404,136	448,144
Cash and cash equivalents at the end of the year	15	399,333	404,136

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include estimating the economic useful life of tangible fixed assets.

(c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next two accounting periods, the years ending 31 December 2020 and 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information). This is particularly relevant following the coronavirus pandemic which began in Spring 2020.

(d) Investments

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(e) Tangible Fixed Assets

Land and buildings are shown at 10% of their insurance valuation plus additions since January 1999 at cost. Depreciation is provided evenly over the estimated useful lives of each asset.

Buildings - 2% per year
Motor vehicles - 25% per year

(f) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) Cash at bank and in hand

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

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

(i) **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 after allowing for any trade discounts due.

(j) **Restricted Funds**

The restricted fund represents donations received with specific restrictions placed by the donors which have not yet been spent.

(k) **Designated Funds**

The designated funds represent amounts set aside by the Trustees to fulfil specific charitable objectives.

(l) **Income**

Income is included in the SOFA 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 specific policies apply to categories of income:

Collections and donations are included in the accounts when received.

Members' salaries – there are no friars/members receiving salaries during 2019.

Rental income is stated gross of any fees deducted and is recorded on a receivable basis.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(m) **Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance costs include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. FIXED ASSETS

Land and buildings are mainly in use by the Province and are not generally available for sale.

	Land and Buildings £	Motor Vehicles £	Total £
VALUATION/COST			
As at 1 January 2019	3,876,081	40,399	3,916,480
Additions	20,519	12,000	32,519
Disposals	-	-	-
As at 31 December 2019	3,896,600	52,399	3,948,999
DEPRECIATION			
As at 1 January 2019	728,657	29,628	758,285
Charge for the year	77,932	5,938	83,870
Eliminated on disposal	-	-	-
As at 31 December 2019	806,589	32,566	842,155
NET BOOK VALUE			
As at 31 December 2019	3,090,011	16,833	3,106,844
As at 31 December 2018	3,147,424	10,771	3,158,195

3. INVESTMENTS

	Unrestricted £	Restricted £	2019 £	2018 £
Market Value as at 1 January 2019	2,490,761	1,198,900	3,689,661	3,808,978
Additions	2,803,465	1,320,112	4,123,577	250,453
Disposals	(2,759,470)	(1,310,833)	(4,070,303)	(124,780)
Net investment gains	352,379	142,513	494,892	(244,990)
Market Value as at 31 December 2019	2,887,135	1,350,692	4,237,827	3,689,661
Cost as at 31 December 2019	2,675,479	1,270,141	3,945,620	2,914,053

Analysis of Investments	2019 £	2018 £
Unit Trusts	4,131,150	3,651,617
Cash held as part of an investment portfolio	106,677	38,044
	4,237,827	3,689,661

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

4. DEBTORS

	2019	2018
	£	£
Prepayments and accrued income	18,793	15,703
	<u>18,793</u>	<u>15,703</u>

5. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Other creditors	21,696	64,900
Accruals	17,243	15,900
VAT due	10,624	10,651
PAYE due	118	1,678
	<u>49,681</u>	<u>93,219</u>

6. CREDITORS: Amounts falling due after more than one year

	2019	2018
	£	£
Rent deposit	<u>55,500</u>	<u>115,500</u>

7. FUNDS - 2019

The restricted and unrestricted funds of the charity (which include designated and general funds) are set out below:

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers & gains on Investments £	Balance at 31 December 2019 £
Restricted					
- Students Trust Fund	1,108,264	-	-	118,210	1,226,474
- Parish Fund	116,860	370,737	(309,579)	-	178,018
- Church Restoration Fund	79,494		-	23,332	102,826
	<u>1,304,618</u>	<u>370,737</u>	<u>(309,579)</u>	<u>141,542</u>	<u>1,507,318</u>
Designated					
- Fixed Assets Fund	3,158,195	-	(83,870)	32,519	3,106,844
- Property & Development Fund	176,604	-	-	23,602	200,206
- Retirement and Welfare Fund	1,274,817	-	-	170,661	1,445,478
- School Governors' Fund	97,235	-	-	10,136	107,371
- Special Projects Fund	149,639	-	-	17,607	167,246
- St Mary's Priory Fund	305,124	-	-	45,419	350,543
	<u>5,161,614</u>	<u>-</u>	<u>(83,870)</u>	<u>299,944</u>	<u>5,377,688</u>
General Fund	592,744	613,299	(486,839)	53,406	772,610
	<u>7,058,976</u>	<u>984,036</u>	<u>(880,288)</u>	<u>494,892</u>	<u>7,657,616</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

7. FUNDS – 2018

The restricted and unrestricted funds of the charity (which include designated and general funds) are set out below:

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers & gains on Investments £	Balance at 31 December 2018 £
Restricted					
- Students Trust Fund	1,196,623	-	-	(88,359)	1,108,264
- Parish Fund	160,341	277,558	(327,740)	-	116,860
- Church Restoration Fund	73,482	1,876	-	(4,132)	79,494
	<u>1430,4463</u>	<u>279,434</u>	<u>(327,740)</u>	<u>(77,522)</u>	<u>1,304,618</u>
Designated					
- Fixed Assets Fund	3,170,925	-	(77,966)	65,236	3,158,195
- Property & Development Fund	181,506	-	-	(4,902)	176,604
- Retirement and Welfare Fund	1,308,887	-	-	(34,070)	1,274,817
- School Governors' Fund	105,512	-	-	(8,277)	97,235
- Special Projects Fund	154,096	-	-	(4,457)	149,639
- St Mary's Priory Fund	317,107	-	-	(11,983)	305,124
	<u>5,238,033</u>	<u>-</u>	<u>(77,966)</u>	<u>1,547</u>	<u>5,161,614</u>
General Fund	587,078	681,321	(506,640)	(169,015)	592,744
	<u>7,255,557</u>	<u>960,755</u>	<u>(912,346)</u>	<u>(244,990)</u>	<u>7,058,976</u>

The *Servite Students Trust Fund* represents monies received for the training and education of Friars. This balance is held as part of the investment portfolio.

The *Parish Fund* represents monies raised by the Parish worshipping community and can only be used in the local parish to meet the needs of that community.

The *Church Restoration Fund* represents monies set aside to raise funds for the repair and maintenance of the fabric of Our Lady of Dolours Servite Church, London .

The *Fixed Assets Fund* is maintained at book value and represents the net investment in fixed assets.

The *Property and Development Fund* was realised on the sale of one of the Charity's properties and the fund is used to maintain the other properties in good repair.

The *Retirement and Welfare Fund* was begun in 1993 to fund Servite Friars in their retirement. Most friars receive no state pension or less than the basic pension despite having spent all their adult life in service of the public. In 1999 the fund began paying a modest payment to all communities that have senior members among their number.

The *Special Projects Fund*. This fund was accumulated from a percentage of recent gifts and bequests. The fund is used to respond to appeals for aid from Servites in other parts of the world or other related charities.

The *St Mary's Priory Fund* is a contingency for the oldest and most complex of the Charity's properties at Fulham Road in London.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
Restricted Fund					
- Student Trust Fund	-	1,226,474	-	-	1,226,474
- Parish Fund	-	-	178,018	-	178,018
- Church Restoration Fund	-	102,826	-	-	102,826
Servite Friars Fund					
Designated:					
- Fixed Assets Fund	3,106,844	-	-	-	3,106,844
- Property & Development Fund	-	200,206	-	-	200,206
- Retirement and Welfare Fund	-	1,445,478	-	-	1,445,478
- School Governors' Fund	-	107,371	-	-	107,371
- Special Projects Fund	-	167,246	-	-	167,246
- St Mary's Priory Fund	-	350,543	-	-	350,543
General	-	637,683	190,427	(55,500)	772,610
	<u>3,106,844</u>	<u>4,237,827</u>	<u>368,445</u>	<u>(55,500)</u>	<u>7,657,616</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2018

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
Restricted Fund					
- Student Trust Fund	-	1,108,264	-	-	1,108,264
- Parish Fund	-	-	116,860	-	116,860
- Church Restoration Fund	-	77,618	1,876	-	79,494
Servite Friars Fund					
Designated:					
- Fixed Assets Fund	3,158,195	-	-	-	3,158,195
- Property & Development Fund	-	176,604	-	-	176,604
- Retirement and Welfare Fund	-	1,274,817	-	-	1,274,817
- School Governors' Fund	-	97,235	-	-	97,235
- Special Projects Fund	-	149,639	-	-	149,639
- St Mary's Priory Fund	-	305,124	-	-	305,124
General	-	500,360	207,884	(115,500)	592,744
	<u>3,158,195</u>	<u>3,689,661</u>	<u>326,620</u>	<u>(115,500)</u>	<u>7,058,976</u>

9. INVESTMENT INCOME

	2019 £	2018 £
Income from UK quoted investments	103,364	101,633
Bank interest	1,990	99
	<u>105,354</u>	<u>101,732</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

10. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The trustees of the Charity are also members of the Province and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all members of the Congregation within the Province. The living costs of the five trustees are therefore borne by the Charity. The charity has no related party transactions with the exception of salary payments amounting to £3,900 (2018 - £3,900) to PM O'Brien, the brother of a trustee, Father Christopher O'Brien. There were no amounts owing or owed at the year-end.

11. ANALYSIS OF EXPENDITURE - 2019

	Staff Costs £	Donations £	Other £	2019 £	2018 £
<i>Charitable activities:</i>					
Communities, Parishes and their ministry:					
Communities:					
- Kersal	7,117	840	39,178	47,135	42,068
- London	25,500	3,354	48,634	77,488	125,731
Parishes:					
- Kersal	7,917	7,909	33,201	49,027	37,736
- Our Lady of Dolours	48,329	18,945	185,056	252,330	175,610
Province	26,894	114,633	312,781	454,308	531,201
	<u>115,757</u>	<u>145,681</u>	<u>618,850</u>	<u>880,288</u>	<u>912,346</u>

All costs are directly attributable to the activities under which they have been analysed.

Included in the above are the following:

Fees paid to the auditors:

- Auditors' remuneration	9,800	9,800
- Other fees	4,960	6,500
Depreciation	83,870	77,966
Donations	<u>145,681</u>	<u>111,611</u>

ANALYSIS OF EXPENDITURE - 2018

	Staff Costs £	Donations £	Other £	2018 £
<i>Charitable activities:</i>				
Communities, Parishes and their ministry:				
Communities:				
- Kersal	8,060	870	33,138	42,068
- London	19,885	3,452	102,394	125,731
Parishes:				
- Kersal	7,800	4,727	25,209	37,736
- Our Lady of Dolours	42,927	36,258	96,425	175,610
Province	25,945	66,304	438,952	531,201
	<u>104,617</u>	<u>111,611</u>	<u>696,118</u>	<u>912,346</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

12. STAFF COSTS

	2019	2018
	£	£
Gross salaries	111,102	99,458
Employer's NI	4,655	5,159
	<u>115,757</u>	<u>104,617</u>

No trustees (who are the charities key management personnel) received remuneration for their services during the year. No trustees received any reimbursed expenses during the year.

At the beginning of 2019 there was 1 full time and 9 part time employees the equivalent of 4.9 full time. One of the part timers left employment at the end of September so at the end of the year there was 1 full time employee and 8 part time the equivalent of 4.3 full time employees. (2018 – 5.5).

13. CUSTODIANSHIP

At the beginning of 2019 the BlackRock Investment was valued by BRIM at £309,079 and after money had been taken out and transferred to the NI Trust CF the notes on transfers given at the beginning by the end of the year the holding was £185,220.

14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FOR OPERATING ACTIVITIES

	2019	2018
	£	£
Net (expenditure)/income for the year as per the Statement of Financial Activities	598,640	(196,581)
Adjustments for:		
Depreciation charges	83,870	77,966
Loss/(Gains) on investments	(494,892)	244,990
Dividends, interest and rents from investments	(475,885)	(421,402)
(Increase)/decrease in debtors	(3,090)	3,128
(decrease)/increase in creditors	(103,538)	17,398
Gain on disposal of fixed assets	-	(500)
Net cash from operating activities	<u>(394,896)</u>	<u>(275,001)</u>

15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Bank accounts	<u>399,333</u>	<u>404,136</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

16. STATEMENT OF FINANCIAL ACTIVITIES 2018		Unrestricted Funds £	Restricted Funds £	2018 £
INCOME FROM:				
<i>Donations and legacies:</i>				
Salaries and pensions		61,109	-	61,109
Donations and legacies		128,587	44,851	173,438
<i>Other Trading Activities:</i>				
Rental income		319,670	-	319,670
<i>Charitable activities:</i>				
Local communities and parishes		41,396	234,583	275,979
<i>Investments</i>	9	101,732	-	101,732
<i>Other</i>		28,827	-	28,827
Total		<u>681,321</u>	<u>279,434</u>	<u>969,755</u>
EXPENDITURE ON:				
<i>Charitable activities:</i>				
Communities, parishes and their ministry		584,606	327,740	912,346
Total	11	<u>584,606</u>	<u>327,740</u>	<u>912,346</u>
Net income/(expenditure) before investment losses		96,715	(48,306)	48,409
Net losses on investments	3	<u>(167,468)</u>	<u>(77,522)</u>	<u>(244,990)</u>
Net expenditure and net movement in funds		<u>(70,753)</u>	<u>(125,828)</u>	<u>(196,581)</u>
<i>Reconciliation of funds:</i>				
Fund Balances brought forward		<u>5,825,111</u>	<u>1,430,446</u>	<u>7,255,557</u>
Fund Balances carried forward		<u><u>5,754,358</u></u>	<u><u>1,304,618</u></u>	<u><u>7,058,976</u></u>

17. POST BALANCE SHEET EVENTS

The coronavirus pandemic in Spring 2020 has had a significant impact on the charity's finances and operations. The values of the charity's investment portfolios declined in the first quarter of 2020 resulting in losses for the year. However, since then investment markets have staged something of a recovery. Investments were valued at £3.8m at 30 September 2020, down from £4.23m at 31 December 2019. There has also been an impact on rental income, donations and collections.

The exact financial impact has been assessed and the Trustees are of the opinion that the Charity will be able to meet all of its financial obligations and commitments for the foreseeable future. Thus, they consider that it is appropriate to continue to adopt the Going Concern basis for the preparation of its accounts but they will continue to monitor the practical and financial implications of the pandemic and will endeavour to respond appropriately.

**THE SERVITE FRIARS, PROVINCE OF THE ISLES
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 DECEMBER 2019**

	Ordinary Receipts £	Ordinary Payments (including Subsidiaries) £	2019 £	2018 £
COMMUNITY				
Kersal	35,277	46,876	(11,599)	(10,627)
London	139,141	88,226	50,915	(7,866)
Parish				
Kersal	72,800	49,459	23,341	(5,691)
Our Lady of Dolours	297,937	249,641	48,296	7,819
Surplus of Communities, Parishes and others	<u>545,155</u>	<u>434,202</u>	<u>110,953</u>	<u>(16,365)</u>
PROVINCIAL FUND				
Ordinary Receipts				
Dividends and interest			89,982	93,492
Donations			9,052	107,501
Salaries & pensions			2,596	39,183
Sundry receipts			39,705	6,300
Rental income			246,600	368,984
Provincial contribution			70,500	69,500
Transfers			60,321	70,176
			<u>518,756</u>	<u>753,345</u>
ORDINARY PAYMENTS				
Studies and sabbaticals			29,448	27,656
Travel and car expenses			22,755	11,823
Office costs			3,530	2,789
Chapter			9,840	7,370
Wages			41,144	57,915
Professional fees			38,710	34,582
General			9,650	59,763
Donations			114,633	69,850
Bank charges and interest			3,617	3,645
Repairs and maintenance			8,442	23,110
Curia			54,000	49,208
Insurance			69,800	61,753
Depreciation			83,870	77,966
Transfers			2,928	186,140
Development			31,000	15,000
Healthcare			2,594	-
			<u>525,961</u>	<u>688,571</u>
Surplus of Provincial Fund			<u>(7,205)</u>	<u>64,774</u>
Surplus before investment gains			<u>103,748</u>	<u>48,409</u>
Increase (Decrease) in market value of investments			<u>494,892</u>	<u>(244,990)</u>
Surplus/(deficit) for the year			<u>598,640</u>	<u>(196,581)</u>
Fund balances brought forward			<u>7,058,976</u>	<u>7,255,557</u>
Fund balances carried forward			<u>7,657,616</u>	<u>7,058,976</u>
This page does not form part of the audited accounts				