

Charity number: 251342

ST. JOHN'S SEMINARY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

ST. JOHN'S SEMINARY

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ST. JOHN'S SEMINARY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Trustees

Most Rev John Wilson (appointed 10 January 2020)
Right Rev Richard Moth
Most Rev Peter David Smith (resigned 10 January 2020)
Rev Canon Jonathan Martin (appointed 10 January 2020)
Right Rev Paul Hendricks
Rev Mgr John Hull (resigned 10 January 2020)

Charity registered number

251342

Principal office

St. John's Seminary, Womersley, Guildford, Surrey, GU5 0QX

Rector

Monsignor Gerald Ewing (Acting from 25/4/20; appointed 23/6/20)

Independent auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers

HSBC, 69 Pall Mall, London, SW1Y 5EY

Solicitors

DMH Stallard, 100 Queen's Road, Brighton, East Sussex, BN1 3YB

Investment Managers

Barclays Wealth, 1 Churchill Place, London, E14 5HP

ST. JOHN'S SEMINARY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Instrument of St John's Seminary (hereinafter described as "the Seminary"), a Deed of Revocation and New Appointment dated 12 December 1966, states that its objective is "for the advancement of the Roman Catholic Religion by such charitable means as the Roman Catholic Archbishop of Southwark and the Roman Catholic Bishop of Arundel & Brighton for the time being shall from time to time jointly direct".

Organisation

The Rector is appointed by the Trustees and is responsible for the administration of the Seminary. He appoints a Bursar, who is responsible for the day-to-day management of the Seminary and its finances. The Rector, and the Bursar report twice a year to the Seminary Finance Committee, which makes decisions concerning major financial matters. The Finance Committee consists of the Rector, who is Chairman, the Vice-Rector, the Bursar and the Chief Operating Officers/Financial Secretaries of the Archdiocese of Southwark and the Dioceses of Arundel & Brighton and Portsmouth. Its meetings may also be attended by co-opted members of staff and representatives of the Seminary Auditors, Surveyors and Investment Managers.

To reduce costs and to improve efficiency, the Bursar was made redundant in February 2020, but departed in early December 2019. The day-to-day management duties have been dispersed among existing staff. The management of the building has been taken on by the appointment of a Premises Manager. The management of finances has been taken on by the appointment of a Finance & Admin Officer, who is a member of the Finance Committee, and by a part-time accountant who is also a member. The Vice-Rector became Rector in June 2020, replacing the existing Rector who returned to parish duties. No Vice-Rector was appointed and the two posts are now combined.

The normal running costs of the Seminary are funded principally through fees charged per student, which are paid by the Bishop or Religious Superior who is sponsoring the particular student. Students are not personally liable for the costs of their formation. The level of fees for a given year is set by the Finance Committee in the meeting which takes place in the March of the previous academic year. In order to coincide with the academic year, the Seminary's financial year begins on 1 August and ends on 31 July. The income from fees is supplemented by income from investments, rents from properties, bursaries and donations.

Recruitment and Training of Trustees

The Archbishop of Southwark and the Bishop of Arundel & Brighton appoint two Trustees each, usually themselves and one other senior member of each Diocese. Trustees are appointed who have experience of the governance and management of ecclesiastical charities. Trustees receive a briefing on the operation of the Seminary and copies of key documents, including recent Annual reports. The induction programme for new Trustees includes the outlining of the responsibilities of Trustees, an overview of the operation of the Seminary, key personnel, the major risks to which the Trust is exposed and its financial position.

Risk Management and Public Benefit

The Trustees have assessed and reviewed the major risks to which the Trust is exposed, in particular those related to the operation and finances of the Trust, and are satisfied that systems are in place to mitigate their exposure to the major risks.

Risk 1. Loss of income due to low student numbers. To counter this risk, reserves fund used for 6 to 12 Months.

Risk 2. loss of income due to stock market falls. To counter this risk, reserves fund used for 6 to 12 Months

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Health and Safety specialists were employed to produce a Risk Assessment in order to ensure the safe return of students and staff after the Covid-19 lockdown in the spring of 2020, which led to the closure of the Seminary for some 6 months. The Seminary re-opened in September, and has stayed open since, and is fully compliant with the requirements and recommendations of the Covid-19 Risk Assessment and Government regulations.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2020

OBJECT, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Seminary is a college training students in preparation for ordination as Catholic priests. It was originally a Diocesan Seminary, owned and administered by the Archdiocese of Southwark. When Southwark was divided in 1966, the Seminary was established as a separate Charity. Although not canonically erected as a regional Seminary, it effectively functions as such, taking students from other Dioceses including Clifton, Liverpool and Portsmouth, as well as from Southwark and Arundel & Brighton. Students from Religious Orders or Congregations may also be prepared at the Seminary for ordination as Catholic priests.

Aims

It is the policy of the Seminary to provide the conditions necessary to prepare students for ordination as Roman Catholic priests. This includes providing for the "human, spiritual, intellectual and pastoral areas of formation", as described in the Apostolic Exhortation of Pope St John Paul II, *Pastores Dabo Vobis* (1992), and the *Ratio Fundamentalis Institutionis Sacerdotalis* (2016) of the Congregation for the Clergy in Rome, commonly referred to as *The Gift of Priestly Vocation*, and even more commonly referred to as *The Ratio*. The Seminary also has the responsibility of making recommendations to the Bishop, Religious Order or Congregations, who sponsors each student, concerning his suitability for ordination. There have been no material changes in policy during the past year.

Objectives for the year

The main objectives for the Charity continue to be the advancement of religion through the provision of full and part-time training for students for ordination as Catholic priests for the Dioceses of England & Wales and Religious Orders and Congregations.

Provision is also made for full and part-time philosophical, theological and spiritual formation for lay and religious students, both male and female.

The Charity also seeks to assist the wider Church and community, both locally and nationally, in the furtherance of the Kingdom of God.

Strategies to achieve the year's objectives:

Cordial and close links continue to be maintained with the Dioceses and Religious Orders and Congregations that provide and fully-fund the students for ordination as Catholic priests. Advice and assistance is given for the promotion of suitable applicants for priesthood. The premises are promoted as available for educational and associated uses in accordance with the purposes of the Charity.

ACHIEVEMENTS AND PERFORMANCE

Operational performance

Six students were ordained as Deacons in the year 2019/2020 and six were ordained priests. (A further student was due to be ordained priest in this period but the ordination was delayed as a result of caution surrounding Covid-19 restrictions.) The total number of students in formation for the priesthood was 27.

The Seminary is an Associated Institution of St Mary's University - Twickenham, which validates the BTh programme. The flexibility in arranging programmes of formation, and the strength and integration of the formation offered in regard to human, spiritual, intellectual and pastoral development, and the revamping of the curriculum in line with the requirements of *The Ratio*, are some of the reasons why Bishops and Superiors from a wide range of Dioceses and Religious Orders and Congregations continue to ask the Seminary to assist in the formation of their students.

While the work of priestly formation is the primary focus of the Seminary, the Trust is also able to further its aims by offering expertise, facilities and courses to members of local parishes and to regional, national and

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2020

international bodies. In particular the Trustees note the contribution of Seminary Staff to national and international consultative bodies.

Investment policy

The Trustees have set an investment policy for a balanced return of capital growth and income subject to a medium level of risk. The Trustees require the portfolio to be managed so that they become shareholders only of companies which uphold standards consistent with this Trust. Its investment managers are specifically instructed not to invest in companies which are predominantly involved in production of armaments, tobacco or abortion products. The individual holdings are reviewed against these criteria and in the light of the Church's moral teaching, and the Trustees are satisfied that their managers comply with this policy.

In accordance with their duties under the Trustee Act 2000, in respect of a discretionary investment management agreement, the Trustees undertake an annual review of the performance of the Fund's managers.

Investment performance

There was a loss on the Seminary's investments of £53,730 (2019: gain of £30,980) during the year per note 8 to the accounts. The Fund now stands at £507,984 (2019: £561,714).

The Trustees are satisfied that the returns on investments for the year are reasonable using the standard benchmark set by Barclays Wealth.

FINANCIAL REVIEW

The accounts for the year to 31 July 2020 show a net increase in unrestricted funds before investment movements of £257,862 (2019: a decrease of £20,614).

Total income in 2019/2020 increased by £348,065 for unrestricted funds due to higher amounts of legacy income received and the receipt of furlough grants. Total unrestricted expenditure increased by £69,589.

Covid-19 costs in financial terms are not significant. The Government Furlough Scheme was a great help with managing finances, along with reduced food and utility costs due to students being away from March to September. A reduction of income due to Covid-19 was evident in losses resulting from having no visitors or groups. Extra costs were incurred as a result of having to make the Seminary Covid-secure.

The process for setting remuneration of key management personnel

All staff pay is set against the "Living Wage". Should the "Living Wage" be increased by 2%, then key management would receive a 2% salary increase in April of the next year.

The Trustees are continuing to investigate ways of improving the ability of the Trust to meet its objectives, principally through the work of priestly formation.

Reserves Policy

Total reserves at the year end were £3,208,994. Free reserves were £1,077,507. The Trustees have reviewed the future needs of the Seminary and the reserves requirements.

It is intended that reserves should be held at a sufficient level to cover unexpected and urgent expenditure or unexpected drops in income - principally occasioned by sudden drops in student numbers. Additionally the Trustees have identified a need to build funds which will permit the development and refurbishment of the Seminary properties beyond what can be achieved through the annual maintenance programme.

The Trustees have concluded that a minimum level of general reserves of between six and twelve months of annual expenditure should be maintained. The current level is in excess of this and the Trustees are therefore satisfied that this policy is covered by present levels.

Analysis of Reserves Fund: as at 31 July 2020 the investments fund stands at £507,984. Six to twelve months

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2020

annual expenditure is around £450k to £900k.

Land at Wonersh and at Mark Cross is vested in the Custodian Trustee (The Arundel & Brighton Roman Catholic Diocesan Corporation Limited) although beneficial ownership of the land vests with the Seminary.

Fundraising

The charity manages its own fundraising activities and does not employ the services of professional fundraisers. We do not engage in cold-calling, door to door or street fundraising. The charity is therefore not registered with the Fundraising Regulator.

No complaints about fundraising activities have been received during the year. The charity has policies in place to protect vulnerable donors.

The trustees are of the opinion that the charity's overall fundraising performance was good and was conducted in full accordance with the above principles.

PLANS FOR THE FUTURE

The Charity has performed well in its key objectives and continues to enjoy the support and encouragement of the Dioceses, Religious Orders and Congregations which provide students for the Catholic priesthood. The Trustees are keen for the Seminary to participate in the Pontifical Faculty at St Mary's University – Twickenham, and plans are in place for students to attend lectures at Mater Ecclesiae College at St Mary's on Thursday mornings from September 2020. They are equally keen that the Seminary becomes a Charitable Incorporated Organisation (CIO) in order for lay trustees to be appointed, and positive and steady progress is being made.

The Trustees seek to maintain a flow of new students by offering an attractive programme of formation, and by supporting Vocations Directors in their work. However, with no new intake in September, the student body numbers 17. With this current number, and considering the projected number for future years, the Trustees have decided that the student body is too small to sustain a healthy formation community, and that the building and staffing costs will become prohibitive.

The Trustees have regretfully come to the decision that the Seminary cannot continue in its present form and will re-locate the 11 students who will still be in priestly formation in September 2021 to Allen Hall Seminary in Chelsea. While it is proposed to consider all options for the future use of the St John's Seminary buildings, St John's Seminary will remain a legal entity so that consideration can be given to the ways in which the tradition of priestly formation established at Wonersh in 1891 will continue into the future.

Covid-19 resulted in students being away from the Seminary from March until September. Human, Spiritual, Intellectual and Pastoral Formation continued using all the modern technologies available – but clearly was second-best. The Trustees seek to ensure that the Seminary remains Covid-secure, and that during any future Covid threat, the Seminary remains fully operational whenever permitted by the Government.

ST. JOHN'S SEMINARY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial 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 these financial statements, the trustees are required to:

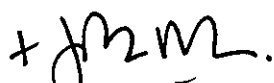
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

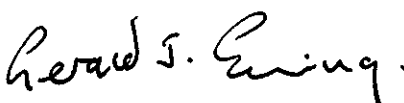
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and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

AUDITORS

A resolution to re-appoint Haysmacintyre LLP is proposed annually at a meeting of the Trustees.

Approved on 12 March 2021 by:


Most Rev John Wilson
Trustee


Rev Mgr Gerald Ewing
Rector

ST. JOHN'S SEMINARY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST. JOHN'S SEMINARY

Opinion

We have audited the financial statements of St. John's Seminary (the 'Charity') for the year ended 31 July 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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 opinion.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' 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 Auditors' 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 Auditors' Report.

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

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST. JOHN'S SEMINARY

- 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 Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the 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

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

..... 12 April 2021

Haysmacintyre LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST. JOHN'S SEMINARY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies		447,989	48,313	496,302	309,778
Charitable activities:					
Theological education		604,490	-	604,490	604,500
Bursaries		-	-	-	7,645
Investments	3	12,661	5,219	17,880	19,239
Rents and visitor income		58,386		58,386	78,376
Other Income- sale of fixed assets		44,367	-	44,367	-
TOTAL INCOME		1,167,893	53,532	1,221,425	1,019,538
EXPENDITURE ON:					
Charitable activities:					
Teaching		277,253	6,573	283,826	309,825
Residential		260,596	-	260,596	273,824
Premises		372,182	41,932	414,114	331,557
TOTAL EXPENDITURE	5	910,031	48,505	958,536	915,206
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		257,862	5,027	262,889	104,332
Net gains on investments	8	(37,816)	(15,914)	(53,730)	30,980
NET INCOME / (EXPENDITURE)		220,046	(10,887)	209,159	135,312
Transfers between Funds	11	46,064	(46,064)	-	-
NET MOVEMENT IN FUNDS		266,110	(56,951)	209,159	135,312
RECONCILIATION OF FUNDS:					
Total funds brought forward		2,618,871	380,964	2,999,835	2,864,523
TOTAL FUNDS CARRIED FORWARD		2,884,981	324,013	3,208,994	2,999,835

The notes on pages 12 to 23 form part of these financial statements.

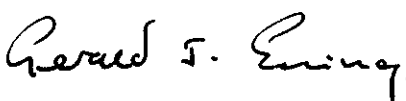
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**BALANCE SHEET
AS AT 31 JULY 2020**

	Note	£	2020	£	£	2019	£
FIXED ASSETS							
Tangible assets	7			1,807,474			1,912,525
Investments	8			<u>507,984</u>			<u>561,714</u>
				2,315,458			2,474,239
CURRENT ASSETS							
Debtors	9		435,639			42,859	
Cash at bank and in hand			<u>521,760</u>			<u>511,955</u>	
			957,399			554,814	
CREDITORS: amounts falling due within one year	10		<u>(63,863)</u>			<u>(29,218)</u>	
NET CURRENT ASSETS				<u>893,536</u>			<u>525,596</u>
NET ASSETS				<u>3,208,994</u>			<u>2,999,835</u>
CHARITY FUNDS							
Restricted funds	11			324,013			380,964
Unrestricted funds	11			<u>2,884,981</u>			<u>2,618,871</u>
TOTAL FUNDS				<u>3,208,994</u>			<u>2,999,835</u>

The financial statements were approved and authorised for issue by the Trustees on 12 March 2021 and signed on their behalf, by:


Most Rev John Wilson


Rev Mgr Gerald Ewing

The notes on pages 12 to 23 form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	13	<u>79</u>	<u>214,317</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		43,653	19,239
Purchase of tangible fixed assets		(33,927)	(151,315)
Proceeds from sale of investments		-	-
Purchase of investments		<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>9,726</u>	<u>(132,076)</u>
Change in cash and cash equivalents in the year		9,805	82,241
Cash and cash equivalents brought forward		<u>511,955</u>	<u>429,714</u>
Cash and cash equivalents carried forward	14	<u><u>521,760</u></u>	<u><u>511,955</u></u>

The notes on pages 12 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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 Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

St. John's Seminary constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. See comments in the Plans for the Future section of the trustees' Report regarding the relocation of the 11 students who will still be in priestly formation in September 2021 to Allen Hall Seminary in Chelsea. The review of our financial position, reserves levels and future plans gives trustees confidence the Charity remains a going concern for at least one year after these accounts are approved even after the impact of Covid 19 on the Charity is considered.

1.3 Incoming resources

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.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Furloughing grants are recognised on a receivable basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Depreciation

All assets costing more than £3,000 are capitalised.

Land and Buildings

Depreciation is provided at the rate of 2% pa on buildings, to write off their cost, less anticipated residual values, over their estimated useful lives. The Trustees are of the opinion that the standard of maintenance of the buildings will ensure that the residual value will be no less than half of the cost shown on the balance sheet. Rented property is an integral part of the Seminary property and is not therefore shown as investment property. No depreciation is provided on assets in the course of construction.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

ST. JOHN'S SEMINARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Furniture and Equipment	-	5 years
Motor vehicles	-	3 to 4 years
Tractor	-	10 years
Office equipment - general	-	3 years
Organ	-	20 years

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.7 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.8 Interest receivable

Interest on funds held on deposit is included when 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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

Cash at bank and in hand includes 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are considered to be depreciation and estimation of legacy debtors.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	361,357	379,578
Social security costs	19,517	20,811
Other pension costs	5,495	4,160
	<u>386,369</u>	<u>404,549</u>

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Professors full time	7	7
Tutors Part time	10	10
Administration	5	5
Other - catering, domestic, grounds etc	<u>7</u>	<u>9</u>
	<u>29</u>	<u>31</u>

No employee received remuneration amounting to more than £60,000 in either year. Redundancy payments of £12,871 were made during the year.

Key management comprise the Rector, Director of Human Formation, Director of Pastoral Formation, Director of Studies, Director of Liturgical Formation, Director of Spirituality, Premises Manager and Admin & Finance Officer.

Total remuneration and benefits for the above in the year was £94,761 (2019 - £137,713)

3. DONATIONS AND LEGACIES

	2020 £	2019 £
Legacies	350,000	132,209
Donations	86,442	177,569
Furlough grants	59,860	-
	<u>496,302</u>	<u>309,778</u>

INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	<u>12,661</u>	<u>5,219</u>	<u>17,880</u>	<u>19,239</u>
Total 2019	<u>13,624</u>	<u>5,615</u>	<u>19,239</u>	

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. SUPPORT COSTS

	Teaching £	Residential £	Premises £	Total 2020 £	Total 2019 £
Office	27,232	-	11,671	38,903	23,438
Chapel	1,224	1,224	1,223	3,671	9,903
Professional fees and charges	14,435	14,434	14,435	43,304	18,498
Wages and salaries	75,387	-	32,309	107,696	94,782
National insurance	5,001	-	2,143	7,144	4,484
Pension cost	1,328	-	570	1,898	1,297
	<u>124,607</u>	<u>15,658</u>	<u>62,351</u>	<u>202,616</u>	<u>152,402</u>

Comparative amounts:

Office	16,407	-	7,031	23,438
Chapel	3,301	3,301	3,301	9,903
Professional fees and charges	6,168	6,165	6,165	18,498
Wages and salaries	66,347	-	28,435	94,782
National insurance	3,139	-	1,345	4,484
Pension cost	1,297	-	-	1,297
	<u>96,659</u>	<u>9,466</u>	<u>46,277</u>	<u>152,402</u>

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Teaching	204,935	-	78,891	283,826	309,825
Residential	131,811	-	128,785	260,596	273,824
Premises	49,623	138,978	225,513	414,114	331,557
	<u>386,369</u>	<u>138,978</u>	<u>433,189</u>	<u>958,536</u>	<u>915,206</u>

Comparative amounts:

Teaching	210,247	-	99,967	310,214
Residential	164,522	-	109,302	273,824
Premises	29,780	116,235	185,153	331,168
	<u>404,549</u>	<u>116,235</u>	<u>394,422</u>	<u>915,206</u>

6. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £7,950 (2019 - £7,550).

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

7. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2019	2,163,531	35,574	404,337	2,603,442
Additions	-	-	33,927	33,927
At 31 July 2020	<u>2,163,531</u>	<u>35,574</u>	<u>438,264</u>	<u>2,637,369</u>
Depreciation				
At 1 August 2019	368,060	34,751	288,106	690,917
Charge for the year	<u>104,395</u>	<u>823</u>	<u>33,760</u>	<u>138,978</u>
At 31 July 2020	<u>472,455</u>	<u>35,574</u>	<u>321,866</u>	<u>829,895</u>
Net book value				
At 31 July 2020	<u>1,691,076</u>	<u>-</u>	<u>116,398</u>	<u>1,807,474</u>
At 31 July 2019	<u>1,795,471</u>	<u>823</u>	<u>116,231</u>	<u>1,912,525</u>

The insurance value of the Seminary buildings, which were first brought into use in 1891, is approximately £15.7 million. All assets are used for the furtherance of the Charity's objects.

8. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 August 2019	561,714
Gains/(Losses)	<u>(53,730)</u>
At 31 July 2020	<u>507,984</u>

Investments at market value comprise:

	2020 £	2019 £
Listed investments	<u>507,984</u>	<u>561,714</u>

ST. JOHN'S SEMINARY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. DEBTORS

	2020 £	2019 £
Trade debtors	4,306	42,338
Legacies accrued	350,000	-
Prepayments and accrued income	81,333	521
	<u>435,639</u>	<u>42,859</u>

10. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	48,905	10,204
Other taxation and social security	-	5,447
Accruals and deferred income	14,958	13,567
	<u>63,863</u>	<u>29,218</u>

ST. JOHN'S SEMINARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
General Funds - all funds	<u>2,618,871</u>	<u>1,167,893</u>	<u>(910,031)</u>	<u>46,064</u>	<u>(37,816)</u>	<u>2,884,981</u>
Restricted funds						
Knights of St Colombia Fund	2,061	-	-	-	-	2,061
Rectors Fund	12,422	-	(334)	-	-	12,088
Walter Quinlan Fund	164,189	5,219	-	-	(15,914)	153,494
Refurbishment Fund	139,123	14,401	(37,614)	(28,493)	-	87,417
Smokers Project	-	500	(500)	-	-	-
Chapel Challenge	39,359	33,412	(3,818)	-	-	68,953
Magazine fund	6,239	-	(6,239)	-	-	-
Winters books	17,571	-	-	(17,571)	-	-
	<u>380,964</u>	<u>53,532</u>	<u>(48,505)</u>	<u>(46,064)</u>	<u>(15,914)</u>	<u>324,013</u>
Total of funds	<u>2,999,835</u>	<u>1,221,425</u>	<u>(958,536)</u>	<u>-</u>	<u>(53,730)</u>	<u>3,208,994</u>

The Knights of St Columba Fund is for meeting the needs of individual students.

Rector's Fund is for contributing to the well-being of the community of St John's Seminary.

Walter Quinlan Fund represents the residual balance for funds from the Walter Quinlan Trust to be used for the support of personal needs of seminarians.

Smokers Project income is specifically for the refurbishment and furnishing of staff accommodation and one guest room on Smokers Corridor.

Chapel Challenge income is specifically for the redecoration and refurbishment of the main Seminary Chapel.

Magazine Fund income is specifically for the production and distribution of the annual Seminary Magazine entitled The Evangelist.

Winters Fund income was generated by the sale of antiquarian books from the Seminary library (facilitated by Dominic Winter - Auctioneers) and is specifically for costs related to archive and associated expenses.

The Refurbishment Fund is used for the refurbishment of the Seminary.

Since the year end and following the announcement to close the Seminary, the Trustees are now considering how to deal with the restricted funds. This includes writing to the original donors to give them the option to request that the donations be used for other purposes.

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

11. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Unrestricted funds						
General Funds - all funds	2,443,744	819,828	(840,442)	176,924	18,817	2,618,871
Restricted funds						
Bishop Hendersons Library Fund	2,284	-	(2,284)	-	-	-
Knights of St Colombia Fund	2,061	-	-	-	-	2,061
Rectors Fund	41,215	500	(29,293)	-	-	12,422
Walter Quinlan Fund	152,026	5,615	(5,615)	-	12,163	164,189
Refurbishment Fund	186,937	99,968	(34,067)	(113,715)	-	139,123
Smokers Project	36,256	28,593	(1,640)	(63,209)	-	-
Chapel Challenge	-	40,993	(1,634)	-	-	39,359
Magazine fund	-	6,470	(231)	-	-	6,239
Winters books	-	17,571	-	-	-	17,571
	<u>420,779</u>	<u>199,710</u>	<u>(74,764)</u>	<u>(176,924)</u>	<u>12,163</u>	<u>380,964</u>
Total of funds	<u>2,864,523</u>	<u>1,019,538</u>	<u>(915,206)</u>	<u>-</u>	<u>30,980</u>	<u>2,999,835</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
General funds	2,618,871	1,167,893	(910,031)	46,064	(37,816)	2,884,981
Restricted funds	380,964	53,532	(48,505)	(46,064)	(15,914)	324,013
	<u>2,999,835</u>	<u>1,221,425</u>	<u>(958,536)</u>	<u>-</u>	<u>(53,730)</u>	<u>3,208,994</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
General funds	2,443,744	819,828	(840,442)	176,924	18,817	2,618,871
Restricted funds	420,779	199,710	(74,764)	(176,924)	12,163	380,964
	<u>2,864,523</u>	<u>1,019,538</u>	<u>(915,206)</u>	<u>-</u>	<u>30,980</u>	<u>2,999,835</u>

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,807,474	-	1,807,474
Fixed asset investments	354,490	153,494	507,984
Current assets	786,880	170,519	957,399
Creditors due within one year	(63,863)	-	(63,863)
	<u>2,884,981</u>	<u>324,013</u>	<u>3,208,994</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,912,525	-	1,912,525
Fixed asset investments	397,525	164,189	561,714
Current assets	338,039	216,775	554,814
Creditors due within one year	(29,218)	-	(29,218)
	<u>2,618,871</u>	<u>380,964</u>	<u>2,999,835</u>

**13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2020 £	2019 £
Net income for the year (as per Statement of Financial Activities)	209,159	135,312
Adjustment for:		
Depreciation charges	138,978	116,235
Gains/Losses on investments	53,730	(30,980)
Dividends, interest and rents from investments	(43,653)	(19,239)
(Increase)/decrease in debtors	(392,780)	30,974
Increase in creditors	<u>34,645</u>	<u>(17,985)</u>
Net cash provided by operating activities	<u>79</u>	<u>214,317</u>

ST. JOHN'S SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	<u>521,760</u>	<u>511,955</u>
Total	<u>521,760</u>	<u>511,955</u>

15. CAPITAL COMMITMENTS

There are no capital commitments.

16. TRUSTEES' REMUNERATION AND EXPENSES

No trustees received any remuneration (2019: £Nil) or reimbursement of expenses (2019: £Nil) during the year.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year (2019 - none)

18. POST BALANCE SHEET EVENTS

The Trustees have regretfully come to the decision that the Seminary cannot continue in its present form and will re-locate the 11 students who will still be in priestly formation in September 2021 to Allen Hall Seminary in Chelsea. While it is proposed to consider all options for the future use of the St John's Seminary buildings, St John's Seminary will remain a legal entity so that consideration can be given to the ways in which the tradition of priestly formation established at Womersley in 1891 will continue into the future. This is considered to be a non-adjusting event because the decision was made after the year end.

