

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

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Registered Charity Number: 249148

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

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

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Father Paul Addison OSM Father Christopher O'Brien OSM Father Patrick Ryall OSM Father Colm McGlynn (Retired June 2016) Father Vincent Coyne Father Gabriel Bannon Father Peter Conniffe (appointed June 2016)
Prior Provincial (Chair)	Father Colm McGlynn (retired June 2016) Father Gabriel Bannon (became chair June 2016)
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 26 Red Lion Square London WC1R 4AG
Bankers	The Royal Bank of Scotland Charities, not for profit 4 th Floor 5-10 Great Tower Street London EC3P 3HX
Investment Managers	Epworth Investment Management Limited 9 Bonhill Street London EC2A 4PE
Solicitors	Wedlake Bell LLP 52 Bedford Row London WC1R 4LR

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015.

INTRODUCTION

The first friars of the Servite Order came together in Florence Italy in 1233. Ever since that founding inspiration men have gathered together to witness to the Christian Gospel and *'to be at the service of God and all people'*, and today almost 1,000 friars can be found in all five continents. The Generalate of the friars has for many centuries been located in Rome. The first community of Servite Friars to be established in London was in 1864.

In 1914 there were sufficient friars and communities for the group to become known as the English Province. In 1949 a community was established in Scotland. In the year 2000 the friars of the English Province combined with the friars in Ireland and are now known as The Province of the Isles. Because of historical and financial considerations the Province of the Isles retains three civil registrations: the communities of England are registered with the Charity Commission, the Northern Ireland foundation has a Northern Ireland registration and the communities in the Republic of Ireland are registered with the Republic of Ireland's Charities Regulatory Authority.

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.
- ❖ 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.

The Servite Order is recognised in the Catholic Church as part of the mendicant movement that flowered during the thirteenth century. It is bound by the Church's canon law and the Order's own *Rule and Constitutions* that were completely revised between 1965 and 1987. Every six years the Order would elect a Prior General, and four General Councillors who would staff and animate the Generalate in Rome. The most recent General Chapter in September 2013 was held in the Servite Priory of Pietralba, Italy. The Constitutions (our universal governing document), after careful examination were re-ordered to meet the needs of the twenty first century. A member of the Kersal Community was part of the international steering committee which presented these changes to the General Chapter in 2013.

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.

Because of the revision in our Constitutions, which became effective as of 15 September 2015 it will be necessary to revise our Directory to fit our local situation. This work will be put in train over the next year.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

GOVERNANCE, STRUCTURE AND MANAGEMENT (CONTINUED).

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 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.'*

The Trustees

Fr Gabriel Bannon (Prior Provincial and Chair)

Fr Gabriel joined the Servite Order in September 1983 and studied in Dublin, Rome and Benburb. During this time he obtained his baccalaureate in Sacred Theology from the Marianum in Rome along with a diploma in History and Spirituality of the Order and a diploma in Mariology. On his return to Dublin he completed a diploma in Pastoral Studies before being ordained.

He served in youth ministry in Benburb before moving to being curate in the then Servite Parish in Blakestown. Since then he has worked as Catholic Chaplain to Maghaberry Prison, Chaplain in the Chelsea and Westminster hospital (London), Parish Priest in the Moy (co. Tyrone), acting Parish Priest in St Coleman's (Lisburn) and Prior of the Servite Priory in Benburb.

Fr Paul Addison

Fr Paul joined the Servite Order in August 1958. During his time of studies he gained an STB from the Marianum University in Rome. His ministry of service includes some time abroad, firstly during 1966-69 when he worked in the international secretariat for the revision of the Servite Constitutions; then again during 1983-1986 when he served as a Councillor on the General Council, again based in Rome and finally during the late nineties when he worked in Jamaica for three years where he had pastoral care of a parish but was prominent in AIDS care too. Fr Paul has been responsible for the education and formation of student friars. He also spent 1991-1997 as Prior Provincial (chair of the charity). During that time he also served on the Board of the Servite Houses (housing association) now known as Viridian. Since 2009 he has served as Provincial Secretary and Clerk to the Trustees.

Fr Christopher O'Brien, Provincial Treasurer

Fr Christopher joined the English Province in 1965 and during the course of his studies for the priesthood received a baccalaureate in philosophy and a Bachelor of Divinity from London University. He also has a Certificate of Education from Liverpool University 1974. He taught Religion and Mathematics in St Patrick's High School in Coatbridge for two years before teaching in a special school for girls that was run by the Good Shepherd Sisters. During 1982-83 he studied Religious Formation at Loreto House in Dublin. Between 1983 and 1996 he worked with Servite students in Dublin, Oxford, Lesotho and Normandy in France. He has served on the Provincial Council for several terms and has been a member of the Finance Council since 1980 but only assumed the Office of Provincial Treasurer at the creation of the New Province in the year 2000. In 2007 he was appointed to General Council of Administration which meets each year to review the accounts of the General Administration and set the budget and Provincial contributions for the New Year. He continues in this appointment.

Fr Patrick Ryall

Fr Patrick joined the English Province in 1963 and during the course of his preparation and studies for priesthood was awarded a licentiate in Philosophy and Theology from Heythrop Oxon and a Bachelor of Divinity from London University in 1973. He spent 12 years in the London Parish 9 of them as Parish Priest. This is a multicultural parish and calls for diverse gifts in many areas. 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. Before his election as Provincial he had served for many years as a member of the Provincial Council and on two occasions as the Assistant Provincial. He also served on the board of Servite Houses now known as Viridian. 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. In 1966, the year of ordination, he received a degree in theology from the Marianum, Rome and then gained a PGCE from Hopwood Hall Manchester in 1973. From 1973-1979 he taught at St Peter's High School, Manchester. From 1979-1985 he was Parish Priest in Bognor Regis. From 1985-1991 he served as Prior Provincial and chair of the Trust. From 1997-2000 he served as Parish Priest in Kersal, Salford. Then from 2003-2012 he was Parish Priest at St Vincent's Dundee. After a sabbatical in 2012 to 2013 he was again elected to the Provincial Council and served as part of the team on the London Parish.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

GOVERNANCE, STRUCTURE AND MANAGEMENT (CONTINUED).

Fr Peter Conniffe

Fr Peter joined the Order in September 1957. He studied in Oxford and Rome before his ordination in 1962. In 1970 he was awarded a Certificate in Social and Pastoral Studies. 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 Viridian) 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. He has had several spells as Prior and Parish Priest in Dundee and presently in Kersal, Salford.

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.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet every five to six weeks to review the running of the charity and to make any important decisions. When necessary they seek advice and support from professional advisers; solicitors, accountants, investment managers and property consultants. The day to day management of the charity's activities and the implementation of policies are delegated to appropriate members of the Order, usually the leader of the local community (the Prior) and/or the Parish Priest, but would confer regularly with the Prior Provincial and his Council.

The Province of the Isles has 30 members although only 13 are residing full time within the area of the trust. There are two communities in Chelsea (London), and Kersal (Salford). Another friar lives at a distance from his community and is parish priest in Bath, with chaplaincy duties to the University and local hospitals. One friar was in a nursing home in Prestwich under the Trusteeship of the Poor Sisters of Nazareth. He died on 17 August 2015.

All the Trustees work within and for the Charity. They receive no wage or personal remuneration for their work and service but do receive all their living costs paid from the Community fund for their respective community. Travel costs to meetings are covered by the Provincial Fund.

Because of the nature of Parish responsibilities it is necessary to liaise frequently with the local bishop and Diocesan structures on a variety of issues; e.g. renewal programmes, sacramental programmes, conducting the celebration of marriages, the responsibility for voluntary aided schools. The Charity therefore has close links with the Archdiocese of Westminster, the Dioceses of Salford, and Clifton who are all charities in their own right.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Structure and management reporting (continued)

As Trustees of two voluntary aided schools we also have connections with the education committee of the Royal Borough of Kensington and Chelsea and the education committee of Salford City Council. Members of the Trust serve on the Boards of Governors of both schools.

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 As mentioned above the Order has a 780 year history of operating according to constitutions, and canonical regulations. Our Trust also has a record of cooperation with the relevant civil authorities touching on three centuries. Our Constitutions were revised and approved by the Holy See, translated and published in English ready for implementation on 15 September 2105. This has triggered a revision for our Directory; our local bye-laws, which tailor the Constitutions to the needs of the Irish and UK situation. A sub-committee has been established to oversee this process. Attendance at the Bursars Conference helps keep the Trust abreast with any changes to the civil law.

Operational The responsibility for buildings such as Priors is the direct responsibility of the Provincial Council and its delegates; the Prior Provincial and 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. 2015 also saw repair work carried out on the Kersal Church and the Priory.

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

Financial The overall management of financial policy lies with the Provincial Finance Board who regulate the local centres of operations, 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 Bluefin) the province entered a scheme designed for Religious Communities under the direction of the Eagle Star Insurance Co, (now absorbed into Zurich Assurance Ltd).

In 1993 a further instrument was introduced which was an opening in the investment portfolio for Younger Members which covered the members of the Province not included in the Eagle Star/Zurich fund. A new current account was also opened as a fund raiser for the education of students and the provision of pensions for the elderly.

In 1999 the fund known as 'Younger Members' was officially changed to '**Retirement and Welfare**' and began receiving the matured funds from the Eagle Star Scheme. It was at this time that modest payments were paid to the Communities who had retired friars among their members.

In the year 2000 the Retirement Fund stood at £515,000 and we were able to pay out £9,500 in support of the elderly. In the year 2010 the Fund had reached £1,477,917 yielding £42,599. This was giving a modest help and support to 14 friars who reached retirement age although most were still giving valiant service.

In 2012 part of the capital was used to help buy back the lease of the 264 frontage. This means that the fund benefits from the annual rent. With a mix of dividends and rent the fund continues to pay a modest pension of c £300 a month to the communities with eligible friars, while maintaining capital strength into the future and the possibility of nursing home care if that becomes necessary. It is planned that this welfare provision will be needed for the next twenty years at least. Excluding the provision made for pensions and the restricted funds, the charity is carrying the equivalent of 9 months average expenditure in reserve.

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Laws, regulations, external and environment looks at the effects of government policies, the consequences of non-compliance with laws and regulations. The Provincial Treasurer regularly attends the Association of Provincial Bursars' AGM, and in October 2015 was elected onto the Executive of the organising committee. These meetings keep the Charity in line with recent changes in the law especially with regard to the governance of charities.

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

Along with all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. This means that all friars who are in any kind of ministry in the UK have to obtain clearance from the Disclosure and Barring Service. The Trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). The Province (ie Trustees and members) has produced its own handbook with all the relevant contact phone numbers, this was updated in November 2014.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Activities and specific objectives

As mentioned above under mission the principal area is that of parish ministry, the personal service of some of the friars and the outreach to missions, central administration and other charities.

Parish ministry

Each parish has a constant round of celebrating prayer in the Church on a daily basis. These services are open to the public and would occur on average twice a day and over the week end would be larger gatherings and last longer. Members of the trust would be in contact through services and other meetings with over 3,000 people each week end and two or three hundred on each and every weekday. It is noticeable that our congregations have become increasingly multi-cultural in recent years, and many of the worshippers who attend regularly originate from over 33 countries and from all five continents.

In between these times the churches would be open for personal prayer, usually 7 hours or more each day of the year.

Activities and specific objectives

Parish ministry

According to the church calendar there are special moments of celebration such as Christmas and Easter and these involve longer times of celebration and time spent in preparation. Then there are more individual celebrations of baptisms, first communions, confirmations, weddings and funerals. By and large all the churches are cleaned and maintained by a team of volunteers and there would be rotas to provide floral and other decoration and music groups and choirs to animate the singing along with teams of readers and special ministers and altar servers. There is also a small group to provide general maintenance and repairs.

Each parish would provide a service to the sick and housebound for spiritual and other needs. Again each parish also has the use of parlours for interviews, sacramental preparation and meetings to do with education and instruction. There would also be regular meetings to do with organisation, pastoral planning and finance.

Each parish would also have regular contact with other local Christian churches and inter-faith groups. Where time and resources allow there is also an attempt to provide help and support to the more vulnerable members of society; both in the UK and in the developing world.

Each parish, in Salford and London would have a faithful and dedicated band of volunteers giving their time and expertise at regular intervals. Some would be giving 3 hours service two or three times a week, others weekly and others again monthly. The Salford Parish have identified 127 regular volunteers while the London Parish have named 216. It is their generosity of spirit that makes our service possible and worthwhile. It has been calculated that the total volunteered hours per year for Salford Parish is 9,800 and for the London Parish 11,650, to the benefit of the charity and the well-being of the wider community.

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Hospital Ministry

In September 2015, one of the friars of the London community became part time member of the Chaplaincy team of the Chelsea and Westminster Hospital. Other members of the community provide back up and emergency cover for the chaplaincy.

Another friar combines University chaplaincy and Hospital ministry with his parish responsibilities in the city of Bath.

Social Housing Legacy

In the late forties, and for the next fifty years several of the friars worked closely with Joan Barlett OBE (providing finance and expertise) to found a housing association. This service is continued by Viridian Housing in England and the Caledonian Housing Association in Scotland.

During the year we were able to support the Servite Vicariate in the Philippines and their student programme with £16,024 and the student programme in Rome with £5,165. The Vicariate of the Philippines has been generous too in sending a friar to be part of our London Community and minister in the Parish. The Treasurer of the Philippine Vicariate has not only acknowledged the receipt of the monies but is able to tell me the money has been used to defray the living costs of the 50 students that are currently in studies: 30 pre-novices, 7 novices and 14 in post novitiate studies.

We also collected £1,560 for the Missionaries of St Francis Xavier.

On the international front we continued our support for CAFOD by contributing £5,850, and we continue to invest in Shared Interest £19,601 and Oikocredit £12,525 in support of micro finance and Fairtrade to reach the small farmers and cooperatives and those groups ignored by the major banks.

Along with these there have been some smaller donations to African Churches, APF, Apostleship of the Sea, the Holy Places in Israel, Peter's Pence totalling £2,718.

The London Parish has a Fairtrade stall once a month and sold Traidcraft goods to the value of £2,321 in the year.

The Charity has also supported several Social Concerns on the Home Front

The West London Churches £5,500

Cardinal Hume Centre £2,000

Catholic Caritas £1,925

A further £4,100 was spent on a variety of appeals and smaller charities among them: Catholic Children's Society, HCPT, Pax Christi, Cancer Research, Pax Christi, the National Shrine and the Jimmy Mizen Fund.

Volunteers

	Area	No of volunteers	Hours volunteered
Throughout the year, the friars give their time and energy in pursuing the goals of the Charity. They either receive no financial reward or else pay their earnings into the common fund. Several of the friars are past retiring age but continue to help out and serve according to their ability and fitness. Most of these friars have served the Charity and the wider community for a life time since early adulthood. 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.	Preparing & Celebrating Services	8	4,750
	Pastoral planning, teaching/ Meetings, Study	7	2,400
	Home visits of elderly and sick	7	1,700
	School Involvement	4	700
	Teaching/Governor's Meetings		
	Administration	8	3,625
	One to one pastoral care	6	1,225
	Chaplaincy to Hospitals and Schools	5	975
	Care for Elderly Friars	8	650
Writing & Publications	2	350	

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As the chart above illustrates the 10 friars living in England and Wales are engaged in a constant round of pastoral duties that include services in the church, teaching and instruction. Governors of the two adjacent schools and support to the teaching staff. Two more gave time to writing, editing and publishing. Important too was visiting the sick and housebound on a regular basis, and pastoral cover, part time and emergency, in the local hospital. Any remuneration that is forthcoming is passed through to the Charity. Members in return have their living costs covered and are looked after when they become sick elderly or infirm.

If the above friars' service was valued at a rate of £130 a day this would amount to £304,000 or over 24% of the Charity's incoming resources. Coupled with the volunteer time and service of our 343 co-workers (identified above) this amounts to almost half a million pounds worth of voluntary service to the wider community.

ACHIEVEMENTS AND PERFORMANCE

St Mary's Priory and Our Lady of Dolours Parish, Fulham Road

The last part of the refurbishment to the Church was completed in 2015, when the art restorers worked for 3 weeks in the Founders chapel.

The Eaton Square Nursery, who had rented the parish Hall as a day nursery for over twenty years closed the school very suddenly in the summer, which meant a loss of rental income. Moves were put in place to seek for a new tenant.

The Simbonga Celebration, spearheaded by the Filipino community, in the days before Christmas continues to draw a large congregation each evening.

The new parish secretary has proved a welcome and helpful addition. The treasurer also has a new part-time assistant which likewise has proved a satisfactory improvement in accountancy and fiscal oversight.

The 264 frontage.

The lease is now held by the St Stephen's Aids Trust and they have begun some extensive internal renovations of the property.

Care for the Elderly

Our ninety-six year old continues to be cared for within the Community and in-house; and another member of the community is unable to take public services. Because our ninety year old spent most of his years since he was sixty serving in Africa he has been refused a non-contributory pension. This puts a further strain on the Community's financial resources.

The use and cooperation with the management agency M J Mapps has worked well during the six years of our agreement. They are also the first port of call if there is a problem with any of the premises. This takes a burden off the members of the charity.

Through the generous participation of several members of the worshipping community in the Diocesan plan Growing in Faith, the parish has been able to increase its contribution to the West London churches care for the homeless and winter shelter. Parish volunteers also run a regular monthly **Fair Trade** stall with an annual turnover of £1,585.

Servite School, Fulham Road

The Friars as Trustees of the Parish School are involved in the management of the School and members of the School Governors. It continues to flourish and be heavily oversubscribed with applications each year. The providing of references and the counselling of parents disappointed when children are not accepted is a time consuming and demanding pastoral activity.

Upgrading of the School electrics

The main school building is now over fifty years old and some of the electrics had not been upgraded during that time. 2015 saw the completion of the programme to improve and update the electrics. As usual in these cases the Governor's fund provided the 10% of capital costs required in a voluntary aided school.

Full Scale Emergency

The parish and premises remain on permanent stand-by in the event of a major incident that would involve the 'Lock down' of the Chelsea and Westminster Hospital. Our church and premises would become the Receiving Centre, under the control of the

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Police during such an emergency.

Our Lady of Dolours, Salford

Care of the elderly friars continues to be a major concern of the Community and 2 of the friars have now turned 90 and so the provision of professional care has had to be increased.

Some major repair work was done to the flat roofs of the side chapels of the church.

A significant outreach by the Kersal community, through its parishioners, is towards families in financial distress. Food, clothing and household materials are contributed by parish families and forwarded to voluntary centres (Loaves and Fishes, Cornerstone, Revive) in Salford, where discreet support and assistance are available. Individual service and support are given regularly by a trustee to homeless people and to vulnerable adults needing practical help.

The community offers without charge safe meeting facilities for regional justice-groups and ecumenical gatherings. The community hires its large parish hall for pre-school and post-school facilities used by SKIPS. This hall is also made available without charge to local uniform groups (Guides, Brownies, etc.) The community supports educational activities in local primary and secondary school, including spiritual input.

Up until his death in August 2015 one of the friars was in Nazareth House care home. He was part funded by Dundee Social Work Department, where he had worked for many years and the balance came from the Provincial Retirement and Welfare Fund.

FINANCIAL REVIEW

Income in the year amounted to £918,971 (2014: £975,155). The main sources of income continue to be funds generated from communities and parishes from collections, pensions, rents and investment income. Expenditure decreased to £795,010 (2014: £948,293) mainly due to the refurbishment costs at Our Lady of Dolours, Chelsea in the previous years.

Reserves Policy

In the 8 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 Equity fund (80-90% FTSE companies) Fixed Interest Fund (mixture of UK Government securities and Corporate debt) Corporate Bond Fund and Deposit Fund. The Corporate Bond Fund was launched in November 2012 and each fund would have a holding of between 12% and 24% in this fund.

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 £160,000 for the education of Servite Students 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 11.5% of total reserves and is seen as an important reserve as some of the friars grow older and income decreases.

The *Retirement and Welfare Fund* cf note above under Financial Risks

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. It is now being built up ready for the next realignment. It now stands at £121k and the interest is being used for the Library and Archive Project.

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. There are some plans for the re-development of the Priory in London and this fund would be essential if they come to fruition in the next few years.

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. After extensive consultations and negotiations this has now become a restricted fund within the main charity. It will appear among the different funds in ensuing years.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Epworth has basically three instruments for investment the Affirmative Equity fund for charities, the Affirmative Fixed Interest fund for charities and Affirmative Corporate Bond Fund along with a deposit fund for the cash element. Each designated fund has been looked at with the percentage split between equities, fixed interest and corporate bonds and altered to reflect the need of each different designation.

Ethical Issues were the main reason for change of broker and the Epworth team was able to work with this recommendation from our Investment Policy:

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 amended by the Trustees May 2009).

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 our main library and archives. During 2014 they received word that the Heritage Lottery Fund will help fund a refurbishment of the stables building to adequately preserve these precious books and documents, along with suitable heating and humidity control.

The English charity has pledged to help with funds to further this important work and preserve the records that relate to our life and history. The main building work of converting the stables into a new state of the art facility will commence during 2016.

Fulham Road Parish

Plans, in connection with our advisors, to advertise and market for a new tenant for the parish hall are well advanced. It is hoped that a choice may be made before the summer and the tenants would take possession during the autumn

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. Callers come looking for and receiving assistance. But on a larger scale, parishioners continue to purchase weekly extra shopping and deposit it at the Priory, to be forwarded to the Salford Project by volunteers.

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. The 2015 International Festival of Prayer, entertainment and community was well attended and much appreciated and it is hoped will become an annual event.

One of the friars, although of retirement age and carrying some physical problems, is engaging in writing and publication. During the year a book of prayers and blessings in honour of St Peregrine, smaller versions of the Servite Proper (Lectinary and Sacramentary), and translation and publication of the 2013 Servite Marian Document. All will be

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

distributed at home and internationally,

On the property front the Church porch is displaying some dangerous cracks due to subsidence and is due for complete reconstruction in early 2016.

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 18 October 2016 and signed on their behalf by:

.....
Fr Paul Addison OSM (Trustee)

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

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

We have audited the financial statements of The Servite Friars for the year ended 31 December 2015 which comprise the Balance Sheet, the Statement of Financial Activities and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, 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 Auditors' 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; 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.

.....
haysmacintyre
Chartered Accountants
Registered Auditors

26 Red Lion Square
London
WC1R 4AG

Date: 26 October 2016

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

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	2	3,325,568	3,406,074
Investments	3	2,739,139	2,585,479
		<u>6,064,707</u>	<u>5,991,553</u>
CURRENT ASSETS			
Debtors	4	-	19,968
Cash at bank		494,345	419,324
		<u>494,345</u>	<u>439,292</u>
CREDITORS: Amounts falling due within one year	5	(62,186)	(67,449)
NET CURRENT ASSETS		<u>432,159</u>	<u>371,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,496,866	6,363,396
CREDITORS: Amounts falling due after more than one year	6	(60,000)	-
NET ASSETS		<u>£6,436,866</u>	<u>£6,363,396</u>
FUNDS			
Restricted:			
- Student Trust Fund		1,014,763	1,029,038
- Parish Fund		220,172	224,286
Unrestricted:			
Designated			
- Fixed Assets Fund		3,325,568	3,406,074
- Property Development Fund		107,942	80,512
- Retirement and Welfare Fund		924,892	864,720
- School Governors' Fund		88,358	81,335
- Special Projects Fund		104,442	96,592
- St Mary's Priory Fund		178,541	154,375
General Fund		472,188	426,464
	7	<u>£6,436,866</u>	<u>£6,363,396</u>

Approved by the Trustees and authorised for issue on 18 October 2016 and signed on their behalf by.

.....
Fr Paul Addison OSM (Trustee)

.....
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 2015

		Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
INCOME FROM:					
<i>Donations and legacies:</i>					
Salaries and pensions		24,864	-	24,864	18,323
Donations and legacies		124,226	-	124,226	143,646
<i>Other Trading Activities:</i>					
Rental income		189,808	-	189,808	200,271
<i>Charitable activities:</i>					
Local communities and parishes		154,149	354,980	509,129	532,504
<i>Investments</i>	9	70,800	-	70,800	70,957
<i>Other - Surplus on disposal of motor vehicles</i>		-	-	-	2,211
<i>Other</i>		144	-	144	7,243
Total		<u>563,991</u>	<u>354,980</u>	<u>918,971</u>	<u>975,155</u>
EXPENDITURE ON:					
<i>Charitable activities:</i>					
Communities, parishes and their ministry		435,916	359,094	795,010	948,293
Total	11	<u>435,916</u>	<u>359,094</u>	<u>795,010</u>	<u>948,293</u>
		128,075	(4,114)	123,961	26,862
Net gains and losses on investments	3	<u>(36,216)</u>	<u>(14,275)</u>	<u>(50,491)</u>	<u>93,074</u>
Net income/(expenditure) and net movement in funds		91,859	(18,389)	73,470	119,936
<i>Reconciliation of funds:</i>					
Fund Balances brought forward		<u>5,110,072</u>	<u>1,253,324</u>	<u>6,363,396</u>	<u>6,243,460</u>
Fund Balances carried forward		<u><u>£5,201,931</u></u>	<u><u>£1,234,935</u></u>	<u><u>£6,436,866</u></u>	<u><u>£6,363,396</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 2015**

	Notes	2015 £	2014 £
Cash flows for operating activities:			
Net cash provided by/(used in) operating activities	14	18,565	(150,098)
Cash flow from investing activities:			
Dividends, interest and rent from investments		260,608	271,228
Proceeds from sale of fixed asset		-	4,000
Proceeds from sale of investments		118,897	73,890
Purchase of fixed assets		(323,049)	(244,558)
Net cash provided by investing activities		<u>56,456</u>	<u>104,560</u>
Change in cash and cash equivalents in the year		75,021	(45,538)
Card and cash equivalents at the beginning of the year	15	419,324	464,862
Cash and cash equivalents at the end of the year	15	<u>£494,345</u>	<u>£419,324</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trustees of the Servite Friars, Province of the Isles meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(a) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS102 and Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS102, a reconciliation of opening balances and net income/(expenditure) for the year is provided, with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income as previously stated	26,862
Adjustment for gains on investments now treated as a component of net income	93,074
	<hr/>
2014 net income as restated	£119,936
	<hr/> <hr/>

(b) Preparation of the accounts on a going concern basis

Having considered future plans and cash flows, the trustees confirm that they are not aware of any material uncertainties with regard to the entity's ability to continue as a going concern for the foreseeable future and therefore have prepared the accounts on a going concern basis.

(c) Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

(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. Basis financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

(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.

(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 and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

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.

(j) 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 2015

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 2015	3,822,595	79,083	3,901,678
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	3,822,595	79,083	3,901,678
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
As at 1 January 2015	422,314	73,289	495,603
Charge for the year	76,452	4,055	80,507
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	498,766	77,344	576,110
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
As at 31 December 2015	£3,323,829	£1,739	£3,325,568
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 31 December 2014	£3,400,280	£5,794	£3,406,074
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. INVESTMENTS

	Unrestricted £	Restricted £	2015 £	2014 £
Market Value as at 1 January 2015	1,556,440	1,029,038	2,585,478	2,321,737
Additions	267,049	56,000	323,049	244,558
Disposals	(55,951)	(62,946)	(118,897)	(73,890)
Net investment gains	(36,217)	(14,274)	(50,491)	93,074
	<hr/>	<hr/>	<hr/>	<hr/>
Market Value as at 31 December 2015	£1,731,321	£1,007,818	£2,739,139	£2,585,479
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Cost as at 31 December 2015	£1,137,972	£1,012,592	£2,150,564	£2,020,458
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of Investments	2015 £	2014 £
Unit Trusts	2,720,067	2,558,060
Cash held as part of an investment portfolio	19,072	27,419
	<hr/>	<hr/>
	£2,739,139	£2,585,479
	<hr/> <hr/>	<hr/> <hr/>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

4. DEBTORS

	2015	2014
	£	£
Other debtors	-	4,589
Prepayments and accrued income	-	15,379
	<u>-</u>	<u>£19,968</u>
	<u>-</u>	<u>£19,968</u>

5. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Other creditors	22,456	20,174
Accruals	25,762	42,209
VAT due	4,015	-
PAYE due	9,953	5,066
	<u>£62,186</u>	<u>£67,449</u>
	<u>£62,186</u>	<u>£67,449</u>

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

	2015	2014
	£	£
Rent deposit	£60,000	£ -
	<u>£60,000</u>	<u>£ -</u>
	<u>£60,000</u>	<u>£ -</u>

7. FUNDS

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

	Balance as at 1 January 2015 £	Income £	Expenditure £	Transfers And Gains on Investments £	Balance as at 31 December 2015 £
Restricted					
- Students Trust Fund	1,029,038	-	-	(14,275)	1,014,763
- Parish Fund	224,286	354,980	(359,094)	-	220,172
	<u>1,253,324</u>	<u>354,980</u>	<u>(359,094)</u>	<u>(14,275)</u>	<u>1,234,935</u>
Designated					
- Fixed Assets Fund	3,406,074	-	(80,506)	-	3,325,568
- Property & Development Fund	80,512	-	-	27,430	107,942
- Retirement and Welfare Fund	864,720	-	-	60,172	924,892
- School Governors' Fund	81,335	-	-	7,023	88,358
- Special Projects Fund	96,592	-	-	7,850	104,442
- St Mary's Priory Fund	154,375	-	-	24,166	178,541
	<u>4,683,608</u>	<u>-</u>	<u>(80,506)</u>	<u>126,641</u>	<u>4,729,743</u>
General Fund	426,464	563,991	(355,410)	(162,857)	472,188
	<u>£6,363,396</u>	<u>£918,971</u>	<u>£(795,010)</u>	<u>£(50,491)</u>	<u>£6,436,866</u>
	<u>£6,363,396</u>	<u>£918,971</u>	<u>£(795,010)</u>	<u>£(50,491)</u>	<u>£6,436,866</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
Restricted Fund					
- Student Trust Fund	-	1,014,763	-		1,014,763
- Parish Fund	-	-	220,172	-	220,172
Servite Friars Fund					
Designated:					
- Fixed Assets Fund	3,325,568	-	-	-	3,325,568
- Property & Development Fund	-	107,942	-	-	107,942
- Retirement and Welfare Fund	-	924,892	-	-	924,892
- School Governors' Fund	-	88,358	-	-	88,358
- Special Projects Fund	-	104,442	-	-	104,442
- St Mary's Priory Fund	-	178,541	-	-	178,541
General	-	320,201	211,987	(60,000)	472,188
	£3,325,568	£2,739,139	£432,159	£(60,000)	£6,436,866
	£3,325,568	£2,739,139	£432,159	£(60,000)	£6,436,866

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 *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.

9. INVESTMENT INCOME

	2015 £	2014 £
Income from UK quoted investments	70,549	70,943
Bank interest	251	14
	£70,800	£70,957
	£70,800	£70,957

10. TRANSACTIONS WITH TRUSTEES

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 TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

11. ANALYSIS OF EXPENDITURE

	Staff Costs £	Donations £	Other £	2015 £	2014 £
<i>Charitable activities:</i>					
Communities, Parishes and their ministry:					
Communities:					
- Dundee	-	-	-	-	12,783
- Kersal	11,800	4,411	65,794	82,005	58,667
- London	16,929	10,187	13,971	41,087	65,786
Parishes:					
- Kersal	8,925	4,959	80,166	94,050	80,601
- Our Lady of Dolours	45,594	10,152	113,055	168,801	252,192
Province	16,733	46,731	345,603	409,067	463,624
	<u>£99,981</u>	<u>£76,440</u>	<u>£618,589</u>	<u>£795,010</u>	<u>£948,293</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				9,000	8,640
- Other fees				6,000	6,000
Depreciation				80,507	84,857
Donations				76,440	87,055
				<u>162,947</u>	<u>186,552</u>

12. STAFF COSTS

	2015 £	2014 £
Gross salaries	94,599	78,142
Employer's NI	5,382	4,170
	<u>£99,981</u>	<u>£82,312</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.

During 2015 there were 2 full time employees and 10 part time employees giving the equivalent of 5.5 full time.
(2014: 5).

13. CUSTODIANSHIP

In 2008, the Charity invested £750,000 in the BlackRock Charifaith Common Investment Fund Income Unit Trusts on behalf of the Servite Trust N.I., a registered charity in Northern Ireland (Reg No. XN55092). These funds belong to the Servites Trust N.I. and are not included in these financial statements. Income received from the investments is promptly remitted to the Servite Trust N.I.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

14. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FOR OPERATING ACTIVITIES

	2015	2014
	£	£
Net income/(expenditure) for the year as per the Statement of Financial Activities	73,470	119,936
Adjustments for:		
Depreciation charges	80,507	84,857
Gains/(losses) on investments	50,491	(93,074)
Gain on sale of fixed asset	-	(2,211)
Dividends, interest and rents from investments	(260,608)	(271,228)
Increase/(decrease) in debtors	19,968	(19,968)
Increase in creditors	54,737	31,590
Net cash provided by /(used in) operating activities	<u>£18,565</u>	<u>£(150,098)</u>

15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Bank accounts	<u>£494,345</u>	<u>£419,324</u>

16. STATEMENT OF FINANCIAL ACTIVITIES 2014

	Unrestricted Funds	Restricted Funds	2014
	£	£	£
INCOME AND ENDOWMENTS FROM:			
<i>Donations and legacies:</i>			
Salaries and pensions	18,323	-	18,323
Donations and legacies	143,646	-	143,646
<i>Other trading activities:</i>			
Rental income	252,224	-	252,224
<i>Charitable activities:</i>			
Local communities and parishes	148,366	332,185	480,551
<i>Investment income</i>	70,957	-	70,957
<i>Other</i> - surplus on disposal of motor vehicles	2,211	-	2,211
<i>Other</i>	7,243	-	7,243
Total	<u>642,970</u>	<u>332,185</u>	<u>975,155</u>
EXPENDITURE ON:			
<i>Charitable activities:</i>			
Communities, parishes and their ministry	615,500	332,793	948,293
Total	<u>615,500</u>	<u>332,793</u>	<u>948,293</u>
Net gains and losses on investments	27,470	(608)	26,862
	62,770	30,304	93,074
Net income and net movement in funds	90,240	29,696	119,936
Reconciliation of funds:			
Fund Balances brought forward	5,019,832	1,223,628	6,243,460
Fund Balances carried forward	<u>£5,110,072</u>	<u>£1,253,324</u>	<u>£6,363,396</u>