

THE BROTHERS OF THE FIRST ORDER

of the

SOCIETY OF SAINT FRANCIS

Registered Charity: Number 236464

Year to 30th June 2016

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THE BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS (European Province)

ANNUAL REPORT OF THE TRUSTEES

Year to 30th June 2016

Legal and Administrative Details

Charitable Status

The Brothers of the First Order of the Society of St Francis (known as the Society) is a registered charity with the Charity Commission, number 236464.

Contact Details

Registered Address: The Friary of Saint Francis, Hilfield, Dorchester, Dorset. DT2 7BE.

Website: www.franciscans.org.uk

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Governing Instruments

The governing instrument for the Society is “The Constitution of the First Order of the Society of Saint Francis” (2011 known as the *Constitution*), which is read in conjunction with:

- a) “The Principles of the First Order” (1996, known as the *Principles*);
- b) “The Constitution of the Society of Saint Francis” (2001, known as the *Constitution (2001)*);
- c) “The Statutes of the European Province of the First Order of the Society of Saint Francis” (2013, known as the *Statutes*).

Trustees

In the Charity Commission publication, *The Essential Trustee* (CC3, March 2012) it states “Trustees must act reasonably and prudently in all matters relating to the charity and must always bear in mind that their prime concern is the charity's interests. The charity's income and property must be applied only for the purposes set out in the governing document.” In coming to understand the role and purpose of trustees within the Society we also take account of the *Hallmarks of an effective charity* (CC10, July 2008) which asks that as trustees we ensure that our mission and planned activities are within the purposes set out in our governing documents (outlined above); that we have a clear idea of our mission and how our decisions and documents need to be regularly reviewed to ensure we are achieving our goals; that we are able to explain how all of our activities relate to and support our purposes, strategy and mission, and benefit the public; and that we consider our sustainability, balancing what is needed now with what will be needed in the future.

The trustees of the Society are taken to be those who serve on the Provincial Chapter¹, which meets three times a year (near to the feast days of St Francis, Candlemas and

¹ the Provincial Chapter is the Provincial governing body of the Order, which is here defined as the community of Brothers who have voluntarily dedicated themselves, or are planning to dedicate themselves, to “the service of our Lord Jesus Christ... following the evangelical counsels of poverty, chastity and obedience” (Formulae of Profession) in the spirit of Saint Francis of Assisi.

Pentecost). Some management of the Society is devolved to smaller working groups such as the mission, pastoral, and finance groups who can give more time and consideration to their respective areas of interest and make reports and recommendations to the Provincial Chapter. In addition, prior to the Pentecost Provincial Chapter meeting all Brothers attend the Annual Brothers' Chapter in order to discuss the aims, purpose and ministry of the Society and Order for the following year and beyond.

For the period of these accounts the following Brothers have served on the Provincial Chapter and so have been the trustees of the SSF:

- a) Minister General SSF (ex officio)
Brother Clark Berge SSF
- b) Minister Provincial SSF (ex officio)
Brother Benedict SSF
- c) Provincial Officers (ex officio)²
Brother Amos SSF - Provincial Novice Guardian
Brother Nicholas Alan SSF - Provincial Secretary
- d) Elected Provincial Chapter Members
Brother Austin SSF (from March 2016)
Brother Hugh SSF
Brother Jason Robert SSF
Brother John SSF
Brother Julian SSF (until October 2015)
Brother Kevin SSF
Brother Malcolm SSF (re-elected in March 2016)
Brother Peter SSF (from March 2016)
Brother Philip Bartholomew SSF
Brother Samuel SSF (re-elected in March 2016)

Recruitment and Appointment of New Trustees.

The Minister General SSF is elected internationally by all professed Brothers³ of the Order, initially for a term of six years. The Minister General may hold the office for two terms, the second of which is four years long.

The Minister Provincial is elected by all professed Brothers of the European Province of the Order for a five year term. The Minister Provincial may hold the office for two terms.

The Provincial Officers are appointed to office by the Minister Provincial and their appointment is ratified by the Provincial Chapter. There is no set term to their appointment.

² The Provincial Officers are ex officio trustees when they are also a life professed brother. The current Provincial Bursar (Br Christopher Martin SSF) is not in Life Profession and so is not eligible by our rules to be a trustee.

³ A professed Brother is a member of the Order who has taken vows of the evangelical counsels of poverty, chastity and obedience. A life professed Brother is a member of the Order who has taken these vows for life.

The elected Chapter members are elected by all professed Brothers of the European Province of the Order for a three year term. They may hold the office for two terms and are then not eligible to be elected for one year.

Induction and Training of Trustees.

All Brothers, upon their novicing, receive a manual that includes a copy of the governing instruments relating to the Society and the policies, norms and precedents of the charity. Therefore, all trustees of the Society have a copy of our governing documents. Upon becoming a trustee, the brother is given a copy of the Charity Commission publication, *The Essential Trustee* (CC3, March 2012).

The office bearers of the Order, especially the Minister Provincial, the Provincial Bursar and the Provincial Secretary, take the initiative in keeping themselves informed of current best practice in the area of being a trustee or any changes in statute and these officers also take responsibility that our current trustees and any new trustees are kept informed of changes and that our governance is in the spirit and letter of the law.

Transactions with Trustees

The trustees of the Society are also Brothers of the Order and as such have made a vow of poverty under which they have renounced all personal rights to income and property. The Society provides for the essential needs of all members of the Order. The living costs of the trustees are, therefore, borne by the charity.

Organisations and Persons Working with or on behalf of the Society

- a) Bankers: The Cooperative Bank, 9 Prescott Street, LONDON, E1 8BE
- b) Auditor: Greaves West & Ayre, Chartered Accountants, 1/3 Sandgate, Berwick-upon-Tweed, TD15 1EW.
- c) Investments managed by: CCLA Investment Management Ltd, The CBF Church of England Funds, Senator House, 85 Queen Victoria Street, LONDON, EC4V 4ET.
- d) Insurance Agent and Adviser: Townergate Risk Solutions, 26-28 Pembroke Road, Sevenoaks, TN13 1XR.⁴

Policy on Investment

"The brothers... desire to have no security resting on earthly possessions but to be wholly dependent on God, relying on faith and prayer... The First Order itself shall not normally hold any land, building or capital in its own name but shall, when possible, place all property of which it may have the use into the hands of others" (*Constitution* 35:1 and 2).

The Society is not restricted in its investment powers, except where legally required, however, it is neither in the spirit of the Order, nor in its interpretation of the Gospel of Christ after the way of Saint Francis, to invest in any material or financial asset for security of capital or income. The investments recorded in these accounts relate directly to designated funds, where such funds have been established by the Provincial Chapter for specific purposes. We try to constantly be aware of ethical issues surrounding investments and so try to invest our assets in an ethical manner.

⁴ EIG policy number 02/CPB/9056738

The Annual Report

The Objects of the Society

“To build up a body of men and women who, accepting Christ as their Lord and Master, will seek to follow him in the way of renunciation and sacrifice as an act of witness and for the loving service of his brethren in the world... [To minister] to the uncared-for, the sick, the suffering and needy.” (*Principles*, Day 2 & 21).

“Praise and prayer constitute the atmosphere in which the brothers and sisters must strive to live. They must endeavour to maintain a constant recollection of the presence of God and of the unseen world. An ever-deepening devotion to Christ is the hidden source of all their strength and joy. He is for them the One all-lovely and adorable, God incarnate, crucified and risen, whose love is the inspiration of service and the reward of sacrifice... chiefest of all forms of service that the brothers and sisters can offer must ever be the effort to show others in his beauty and power the Christ who is the inspiration and joy of their own lives.” (*Principles*, Day 14 & 22).

Public Benefit

Throughout this report the trustees have sought to highlight those activities undertaken by the Society in furtherance of its charitable objectives for the public benefit and for the promoting of religion.

The Society gives special consideration to how effective we are in our objects when all the Brothers meet in our Annual Brothers’ Chapter, which meets just before the Pentecost Provincial Chapter. It is at this meeting we give consideration to where the Order is currently living, working and ministering and what changes and developments need to take place.

So, for example, at the June 2016 meeting we affirmed, for the present time, the presence of our Brothers working in Cambridge where several ministries have developed including working with ordinands (those training for the priesthood) and working with homeless men and women around the city; we affirmed the intent for the brothers to work closely with Church Action on Poverty in the future; we approved the purchase of a second house in Leeds (reaffirming the proposal in 2014) and the purchase of two fields adjacent to the Friary of Saint Francis, Hilfield, in order to expand the scope of their work.

Many examples of our work can be found on our website www.franciscans.org.uk and through our publication *Franciscan*.

Co-Operation

The Brothers of the First Order of the Society of Saint Francis is a Religious Community for men in the Anglican Communion. The work of the Order is spread throughout the world and divided into five provinces of which the European Province is one. The unity of the Order as a whole is supported by a degree of financial interdependence, whereby the particular needs of one province can be met by the available resources of another. The Society therefore benefits from this international co-operation.

The Society also benefits from co-operation in some areas of work and administration with the Community of St Francis (The Sisters of the First Order of the Society of St Francis - registered charity number 286615) and with the Society of Saint Francis Central Fund (registered charity number 280238).

Governance and Management

The Society administers its funds through various addresses and centres of work in the UK and one overseas location in Assisi, Italy. These are related to the Provincial General Fund in the same way as the spokes of a wheel to the hub. The houses help to finance the Province as a whole whenever they are able to generate a net surplus within a given year. At the same time, the Province undertakes to meet local requirements as agreed through annual budgeting. The aim of this system is to allow for a degree of local discretion in financial policy making whilst maintaining an interdependence and mutual accountability between our Brothers as a whole.

Each address of the Society administers an account locally for the support of the Brothers living and working from it and also to assist in the mission of the Society in that locality. Into these are received donations, part-time wages and other local receipts. It can also receive transfers of funds from other Provincial Funds should they be required, or contribute towards the income of the Province as and where there is a net gain. It is noted that local income has exceeded expenditure in the year at the Friary of Saint Francis, Alnmouth; the Friary of Saint Francis, Hilfield and our house in Cambridge.

“Each Community shall have a Provincial Fund, which shall be administered by the Minister with the assistance of the Provincial Bursar... The Provincial Bursar shall be responsible for the preparation of an annual budget of expenditure for the Provincial Fund and for submitting it to the Minister and Chapter for approval before the commencement of the financial year to which it refers... Payments within the budget require no further authority but permission to make payments outside the approved budget can only be granted by the Minister, in consultation with the Provincial Bursar” (*Statutes*, 11.1-11.3).

The Provincial Funds are divided into the following parts:

The General Fund

The General Fund includes all the income and expenditure of the Provincial General Fund and the house accounts, as described above.

The Provincial General Fund co-ordinates the work and mission of the Society, receiving the pensions of the Brothers, as well as other revenue and capital receipts.

The Designated Funds

The Society also administers funds designated for specific purposes within the scope of the Provincial Funds and in keeping with the objects of the Society. Any interest received on these funds is transferred automatically into the General Funds. Details of these designated funds are listed in note 11b of the accounts.

i) Plaistow Building Fund:

Established to provide support for building works undertaken at 42 Balaam Street, Plaistow, London and originating from a legacy for the maintenance of this Friary. There have been small demands and income on this fund this year leaving £3,572 as a small balance to meet any further improvement expenditure.

ii) Care Fund:

This provides funds towards the support and respite care for elderly or infirm brothers. £188,000 was transferred to this fund from the Bequests Fund during the year and £12,000 was transferred to this fund from the General Funds at the year end. The main expenditure on this fund was for a mobility scooter in Plaistow and care for an elderly brother in Alnmouth.

iii) Alnmouth Fund:

The remainder of this fund was spent on improvements to the chalet's kitchen, closing the fund.

iv) Bequest Fund:

This fund receives the unrestricted legacy income of the Province totalling £30,234 for the year 2015/16. £188,000 was transferred to the Care Fund in order to help us prepare for the ageing profile of the Order in line with the advice given in the Buzzacott/Stone King publication *Embracing Change*. The ABC 2016 resolved that the allocation of the funds received into the Bequest Fund would be discussed at the ABC, on the advice of the Finance Group, and finally agreed by the trustees at the Provincial Chapter.

v) Income Tithe Fund:

A tithe based upon the income of the General Funds is set apart according to an agreed policy primarily to help relieve the needs of the world's poorest and to address particular requests from within the Society. Small grants are made, upon application, to meet the needs of individuals. The sum identified as a tithe of income for the year ending 30th June 2015 was £33,617 and this was mostly allocated throughout the year 2015/16 and £31,931 was identified for the year ending 30th June 2016 and will be allocated, with the remainder of the fund from 2015/16, throughout the year 2016/17.

vi) Development Fund:

The capital and the income from this fund are available in order to help offset costs relating to capital projects and the formation of brothers. The fund spent £115,796 in the year 2015/16, principally on purchasing 42 Rossall Road, the new property in Leeds. During 2016/17 the purchasing of the two new fields adjacent to the Friary of Saint Francis, Hilfield, for £265,565 plus costs will come from this fund. All unrealised gains and losses on our investments appear in this fund.

vii) Fixed Asset Reserve:

Principally records the value of the properties and vehicles listed on the Balance Sheet after adjustments for additions, disposals and depreciation have been made. The majority of the increase in the value of this fund was with the purchasing of 42 Rossall Road, Leeds. (See note 5 of the accounts)

viii) Renewable Energy Fund:

Being aware of the priority for reducing carbon emissions this fund exists to encourage the use of alternative energy sources. The demand on this fund was the final stage of the installation of a biomass heating system for the Friary of Saint Francis, Hilfield which was agreed to by the Pentecost Provincial Chapter meeting 2014, along a wood burning stove at Glasshampton. £15,000 was also transferred to this account from the General Funds, leaving the Fund with £113,949. In 2016/17 the principal expected expenditure will be for the replacement of the windows at the house in Birmingham, as was agreed by the ABC 2014.

ix) Hilfield Fund:

The remainder of this fund was spent on capital projects, closing the fund.

x) Assisi Fund:

This fund has been established to assist with the financial management of the chaplaincy based in our rented apartment in Assisi. It has seen activity in receiving donations and meeting the expenses of running both the accommodation and the expenses for the resident chaplain. The presence in Assisi has proved to be very popular with members of the public going for retreats and pilgrimages to the holy city of Assisi.

xi) General Chapter Fund:

In September 2015 the Brothers of the Order with the Sisters of the Community of St Francis met to discuss and discern the mission and development of our Orders and to enjoy worship and community time together. This fund was established to help with financial management towards this event. The cost to the Order for the event was £10,092 and so the remainder of the fund (£5,344) was transferred back to the General Funds, closing the fund.

xii) Emmaus House, Pickering, Fund:

The property in Pickering has been used by various members of the Order and of the Sisters of the Community of St Francis for times of retreat, holiday and to a limited extent study; all of which are the intentions of keeping the property going and for which this fund helps to ameliorate the associated costs. £5,000 was transferred to this fund at the year end from the General Funds in order to help continue maintenance of the property.

xiii) Alnmouth Chalet Fund:

The remainder of this fund was spent on improvements to the chalet's kitchen, closing the fund.

The Restricted Funds

The Society also administers two funds restricted for specific purposes within the scope of the Provincial Funds and in keeping with the objects of the Society. Any interest received on this fund is transferred automatically into the General Funds. Details of the restricted funds can be found in note 11c of the accounts.

i) PNG Bursary Fund:

A gift in memory of a past Brother has been received with the donor's wish that it may benefit programmes of study for Brothers in the Papua New Guinea Province. There was a small expenditure to this fund during the year.

ii) Hilfield Bequest Fund:

Income is covenanted to the Order for the care and maintenance of a long-term member of the community. The income is spent each year on the donations restrictions.

Reserves Policy in accordance with our Objects:

So that the Order may seek to live a life of renunciation, sacrifice, witness and service to the world, it is our policy that the Provincial General Fund is not allowed to accumulate significantly. We believe that our only true security comes from God alone and not from the establishment of reserves, financial or otherwise. The Provincial General Fund at the Balance Sheet date stands at approximately £419,667. This figure also includes the combined accumulated funds of the local houses.

Annual review of transactions and financial position of the Charity

Income:

It is the current policy of our Provincial Chapter to budget our annual revenue expenditure against live income. We gratefully acknowledge that live income covers our basic costs. Income from legacies is held as a separate designated fund. The income from interest earned on the designated and restricted funds and local house accounts are taken into the General Funds. We are again reminded this year of God's blessing through the generosity of so many friends and supporters throughout the year.

The chief areas of regular income continue to be:

- the generous donations people give us (£413,731)
- the gift aided pensions and salaries of our members (£262,518)
- book and shop sales (£50,345)
- interest from our legacies and investments (£35,598)
- renewable energy incentives (£19,355)

In a broad sense these categories could all be seen as money 'earned' through the ministry of the Brothers and the Trustees wish to acknowledge here the invaluable part that individual brothers and houses play in the material running of the Province as a whole.

Expenditure:

The expenditure of our houses and the support of the life and ministry of our Brothers in the year totalled £760,295 (see note 4a in the accounts) including the cost of Governance for the charity which totalled £19,866 (see note 4b within the accounts).

Our charitable giving in the current year totalled £49,096. Note 12 in the accounts sets out our policy regarding donations and gives a summary of these donations.

Budgeted items of capital expenditure agreed at the meeting of Trustees in June 2016 are mentioned in Note 7; these are mostly for repairs and maintenance to our larger properties, which are identified through a process of quinquennial inspection and reports conducted by independent surveyors.

Assets held for designated purposes.

The majority of the monies of the Society are held with the CCLA Investment Management Ltd (The CBF Church of England Funds) in order to support the Funds designated for specific purposes. These Funds are outlined above and in the notes of the accounts. The investments of the Society are shown on the Balance Sheet at market value, with the original cost being recorded in Note 8.

Financial position at 30th June 2016 with regard to future commitments and liabilities.

At the Pentecost Meeting (June) of the Provincial Chapter the members consider annually, in the light of budgets submitted by the houses and by other individual members, what commitments may be undertaken across the Province; bearing in mind our anticipated financial position. Once the books for the previous financial year have been closed, the Province may adapt the budget to take account of any unforeseen changes and will then embark upon the agreed programme.

The plan to maintain our freehold properties is considered in conjunction with advice received from regular quinquennial reports. We fully recognise our ongoing responsibility for all our freehold properties and a regular programme of maintenance continues.

Risk Management

The Trustees have conducted their own review of the major risks to which the charity is exposed and have set in place systems to mitigate these risks. Internal risks are minimised by the implementation of policy, norms and precedents (which are regularly reviewed) and these are given to all new members of the community. A regular review is maintained of bank balances to gain maximum benefit at a time when deposit rates fluctuate, and the Provincial Finance Group continues to monitor other safe deposit opportunities.

Use of Volunteers and Donations to the Charity.

It must be noted that the Society is blessed by the generosity of those who support it, not solely by money, but also by our volunteers and the time that they give to help in practical ways. This is received from those who perform works for houses at considerably reduced rates. Others provide freely of their time or gifts and yet others support us in their prayers. In the main part, these small acts of generosity are performed on a local or personal level, one brother or one house receiving the benefit. Consequently, these donations are not quantifiable within the formal structure of an Annual Report but the thanks of the Society must be recorded.

Annual review of the development of the Society

As a Religious Community, the Society does not measure achievement or development quantitatively, but rather in terms of improvement to the quality of service that we give to those in our care and also by extending the scope of our ministry through the initiating of new works.

The European Province of the Order is made up of about 40 brothers mostly living in 11 locations, with two brothers living independently. We welcomed Brother Richard to our Order, who was clothed as a novice in March 2016, and Brother Michael Jacob took his first vows of profession in December 2015.

We were very sad to say goodbye this year to Brother Damian, who passed away in January 2016, may he rest in peace and rise in glory. We also said goodbye to Brother Richard, who left the noviciate in May 2016.

This year we also held a General Chapter, where all the First Order brothers and sisters gather for a week of talks and community building. The theme for this General Chapter was engaging with people of non-Christian faiths and we had the great privilege of meeting people from Buddhist, Jewish and Muslim faiths. Fr Damian Howard SJ delivered a most interesting lecture on Islam suggesting that we should not be afraid to engage with our Muslim friends and neighbours in conversation about our faiths. We heard a thought provoking lecture on Buddhism given by Ajahn Amaro who is the Abbot of the Amaravati Buddhist Monastery, and Dr Jane Williams gave two sessions on two meditations on passages of Scripture which suggest a possible framework for co-operation with people of other faith. We also visited Amaravati Buddhist Monastery and the Benedictine Monastery at Turvey and were introduced to the practice of Scriptural Reasoning (a way of discussing comparable passages of Scripture with people of other faiths) by Prof David Ford.

Jonathan Herbert and Br Hugh SSF visited Br Johannes Maertens at his Catholic Worker house in Calais for three nights in February, spending two days visiting refugees, reaching them by walking 4 km through the Calais suburbs, over a canal, past a huge chemical plant to the edge of the city where lay sandy wasteland, the Jungle, named after the Afghan word for woodland. The overwhelming impression was that no one would choose to live in that place rather than claim asylum in France – but choose they do. Br Hugh commented: 'It is extraordinary that this is Western Europe. It is extraordinary that no social services do anything about the unaccompanied teenage boys. it is extraordinary that Calais town so close by shows almost no sign that it is there.'

At the Friary of Saint Francis, Alnmouth, the guest accommodation is fully occupied almost all year round by people from all over the country and other parts the world, regardless of their ability to leave a donation. There is a good mix of first-time visitors and those who

return on a more or less frequent basis. The reputation of the friary continues to grow by word of mouth; we do not advertise. We have a permanent resident in our prayer hut who needs to live in peaceful isolation and would otherwise be homeless. With our support he has forged deeper links with his family in the Midlands and sought medical advice concerning his physical and mental health with obvious improvement.

In addition to residential guests, individuals and groups come in large numbers for quiet days or for spiritual direction with a Brother. In this and other ways a phenomenal amount of discreet and confidential pastoral work is undertaken in the house, bearing fruit in emotional and psychological healing, some of it quite remarkable. The Brothers also respond as generously as possible to strangers calling unexpectedly at the door in need of food, a bed for the night, or a listening ear and wise counsel.

Special attention is given to the hosting of asylum-seekers and refugees through our connections in northern cities such as the West End Refugee Service in Newcastle-on-Tyne. In particular we were privileged to host a weekend for Iranian Christians living in precarious circumstances in Sunderland. Each Christmas we invite folk such as this, together with people known to us who would be alone, or who are coping with serious illness.



A group of asylum seekers visiting Alnmouth pictured with Br Joseph Emmanuel SSF and Br John SSF

Our house in Newcastle has become more involved with the Chaplaincy team at St Oswald's Hospice, offering Christian care for those who identify so and spiritual care for those who want to explore the big questions and have no fixed religious reference point. We are also involved in Youth Work in the Byker area through Scripture Union, running workshops and small groups. They are also involved in volunteering with the One World Shop at St. Thomas

the Martyr Church in the city centre, working with the youth on the streets of the Byker estate, and volunteering at St. Silas Church and with the MINE community of churches, as well as the occasional speaking engagement.

Our house in Belfast continues to work with Divine Healing Ministries, to help bridge and heal many of the hurts and pains that have been caused within the communities living there. This is mostly done through pastoral services between the different denominations and churches. This year included some exciting events in St Anne's Cathedral and having three members of the Ulster Rugby team coming to talk about their faith to a packed venue.

We have now been in Cambridge for two years and in the current house for nearly a year and a half. The house has settled into a comfortable routine, helping with local ministries and focussing mostly on Westcott House, a college for training individuals for ordination within the Church of England. Both brothers have been involved with local parishes, especially the Church of St Edward, King and Martyr, while it has been in interregnum. There has also been involvement with the local homeless population through Cambridge Churches' Homelessness Project. One of the brothers from Cambridge also spent a month visiting the Anglican Province of Hong Kong and Macau, experiencing life in another part of the Anglican Communion.

Our houses in East London continue to extend their work with the vulnerable and homeless people of that area. All our houses in the Plaistow and Canning Town area are bases from which brothers go out to minister in the local area; providing leadership in the local church community and involving themselves with other charities that have a focus on poverty, social exclusion, justice for the poor; such as Brothers of the Renewal and Helping Hands (which continues to be based at 42 Balaam Street) amongst others. One of the brothers is the vicar of one of the parishes and he is fully involved in the spiritual development of the parishioners and is active in the outreach to the poor and needy of the area through organising lunchtime 'drop-ins' and English classes for adults. This ministry will be ending in 2016, when we will be moving from the current house in Canning Town.

Our house in Canterbury is greatly appreciated by the local churches as a Franciscan witness to the values of Religious community life in the heart of a busy city. It has also been able to extend hospitality to members of the L'Arche community (who work alongside people with learning disabilities), and have worked alongside Christian Aid, Amnesty International and local conservation organisations; they have helped with the local food bank and they offer spiritual direction and pastoral care for a wide range of people from the local area.

One of the major things that has happened since our last Report is that we have purchased a new property, 42 Rossall Road, situated within a minute's walk to the rear of 25 Karnac Road. Together the two houses will give us three bedrooms for the brothers, a chapel, five bedrooms for asylum seekers, an office/interview room with an emergency bed for a guest

or another asylum seeker. We have three asylum seekers living with us at the moment, all Iranians. Our locality is still heavily Muslim and it is also noticeable that many more Eastern European from Bulgaria and Romania are moving into the area.

Our larger friaries at Hilfield, Alnmouth and Glasshampton run very extensive ministries of retreat and hospitality that are hugely appreciated by members of the wider church and community; this is witnessed to in many ways but not least how busy they are with bookings, especially repeat visits. Their letters of thanks written after their stay are a heart-warming encouragement to those of us privileged to live here, who have the opportunity to experience all year round what our visitors anticipate only once or twice a year. Of course the intensity of an annual visit cannot be maintained over a sometimes exhausting 365 days, but the door of summer is somehow always open here for those who have the will and desire to open it.

In part it is the routine of Daily Prayer that hallows the space and time; as a guest wrote this summer:

It is in the silent stillness and rhythm of daily prayer
that the culvert of the spirit
is dredged and deeper dug.

This commitment to return time and again, day after day, to the awaiting chapel (and the waiting brethren) opens us out to the strange presence of God mediated in word and sacrament, in the voices and stillness of each other.

As ever, it is the silence, as much as the words, that brings renewal; as one guest wrote: 'It has been so amazingly healing to be here this weekend... the silence and space have allowed deep openness and the emergence of trust and renewal of faith.' And this is of course the work of God's Spirit. All we can do is provide the space and the opportunity – opening a window in a person's life to let the breeze blow in – and allowing that breath of fresh air to reinvigorate tired spirits and minds. Another guest wrote: 'Thank you all, so much, for your kind and generous hospitality. As always, this has been a haven of calm and provided precious rest for tired emotions, head and spirit, and exercise for a wayward body!'

A comment many visitors make is how much they appreciate being welcomed into our home and lives, and it is that experience of the family of community that sustains them even when not able to be physically present: 'To know that you are there caring and praying for us is a huge support and comfort.' The warmth of welcome at the front door, the willingness to listen to poured out grief, the care taken to provide healthy and nutritious meals, the work expended to maintain a safe and comfortable environment, and the conversations shared over afternoon tea – all these are ways of welcoming those who visit or stay as valued members of an extended family, the family of the Society of St. Francis, of the church and of God.

The number of those coming to our Hilfield friary, either staying as guests or coming as day visitors, has increased substantially over the past year. Having three different houses which can be used for groups or individuals, self-catering or eating with us in the refectory, allows considerable flexibility of use and means that we can offer different kinds of accommodation for a wide variety of people and their particular needs. Groups from schools, colleges and parishes as well as refugee, yoga and transgender groups, and meetings of those with a concern for ecology, have all used these facilities. In February a Craft Room where people can spin, sew, weave, paint and draw, was opened in the end of the building next to the workshop beside the car park. Loneliness amongst the elderly has been identified as one of the major issues in West Dorset and we are in the process, with the Dorset Older People Programme, of setting up regular days for folk to come and have a meal with us and sit around the fire in the Rec Room.

Hilfield has run a wide range of courses over the past year: poetry, music, art and craft (we were a venue for the Dorset Arts Week in June) and spirituality have all featured, and as usual there has been a particular focus on Justice, Peace and the Integrity of Creation. Michael Northcott, Professor of Ethics at Edinburgh, led a well-attended weekend on the social and economic implications of wise ecology (40 came just for the Saturday); Dr Ruth Valerio, eco-theologian at A Rocha, came for a weekend on 'Just Living', and Jonathan Herbert, our community member who works for the Diocese of Salisbury as Chaplain to Gypsies and Travellers has led two weekends on Nomadism and Homelessness. Brother Hugh is also involved with visiting The Verne Immigration Removal Centre on Portland. We hold a deep concern for refugees and a sense of frustration at our country's inadequate response to the situation. Hugh attends some of JPIC Links meetings and its annual conference and keeps us in touch with co-ordinated action on climate change and the refugee crisis.

The livestock – Shetland cows, Poll-Dorset sheep, varieties of pigs, and hens, both layers and table birds - have done well over the past year, and have provided us with a generous supply of food for the table. Undertaking the butchering ourselves allows us to use every part of the animals – ensuring that nothing is wasted and honouring the sacrifice of their lives; our black pudding is the best you will find anywhere! The gardens have given a great variety of fruit and vegetables and, despite a very late spring and cold early summer, the harvest has been abundant and the freezers are full. We have received funding from the Province for a replacing the present, worn-out, poly-tunnel, with a larger one which will allow us to grow more salad and vegetables in late autumn and early spring, thus extending the home-grown food supply.

A major decision was to seek funding for two neighbouring fields which came on the market for sale in April. We had long been hoping to acquire the five acres which lie between our car park/workshop area and Hermit's wood, but the nineteen acres of meadow with a little woodland adjacent to the south were also being sold and we decided to try and buy the two. The reasons behind this were to obtain additional pasture and hay for our livestock (we have

been short of this over the past couple of years); to establish an area of conservation which will link up with the Dorset County Council and Dorset Wildlife Trust woodland on the side of the Downs, establishing access for the public; developing a conservation project with which schools and other organizations can be involved; and ensuring that this land close to the Friary is kept peaceful, and is gently rather than intensively farmed. We were hugely encouraged by the support of the Annual Brothers' Chapter for funding this purchase. As the sale was by an 'informal closed bid', and we knew that others would be making offers for the land, we had to wait until mid-July before we knew that our offer had been accepted. The formal sale has yet to be completed but we have already begun to plan how these additional 24 acres – which will double the area of the Friary's land – will be developed.

Over the past year Hilfield has been developing links with schools in the South West, both primary and secondary, with the purpose of bringing together the study of RE with other subjects – geography, biology, economics – which have an input to wise ecology. Our Project is titled 'Young People, Faith and Ecology'. We are offering opportunities for school groups to visit the Friary (with a bursary fund to help cover the cost of school transport) to explore how religion impacts on the care of creation and how that can be worked out in practice. We also offer to visit schools ourselves to share something of what goes on at Hilfield. We have had considerable interest in this from teachers, school chaplains and head teachers; several schools are booked to visit and we hope to develop this further in the coming year.

Also, within the coming financial year, the Provincial Chapter has given permission for one of our brothers, who has been considering and experimenting with a more solitary eremitical life for 20 years, to go further and to live individually so he can focus on prayer. It was agreed that this would involve the purchase of a small house for the brother and we are currently looking in the Canterbury area, so he can live near to and be involved to a degree with the life of the friary there.

All of our houses have brothers, who to varying degrees depending upon their other commitments and personal abilities, undertake work in the Church of helping within parishes, leading retreats, assisting people with spiritual direction, being a listening and attentive ear to those in need or distress. We have never had in place a system to quantify this public benefit but the many cards, letters and emails of appreciation are testament to how much it is valued by those in the Church but also out in the wider community.

More examples of our work and ministry can be found on our website www.franciscans.org.uk.

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Acknowledging the guidance of the Charity Commission's 'Internal financial controls for Charities' (cc8 – July 2012) and especially the very helpful checklist, as Trustees we are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the SSF and of the incoming resources or application of resources of the trust for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 trust will continue in business.

It is our duty as charity trustees to ensure that the charity's resources are protected in order that the charity can fulfil its aims. We recognise it is important that all those working in the charity whether trustees, Brothers, staff or volunteers take the issue of internal financial controls seriously. Making controls work should not be seen as just the responsibility of one or two trustees or senior office holders, or as applying to some but not others.

The aims of our internal financial controls are:

- to protect the charity's assets;
- to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud;
- to ensure that financial reporting is robust and of sufficient quality; and
- to ensure that we comply with the charity law and any regulations relating to finance.

It is our belief that we live our lives and conduct ourselves as trustees that we do indeed keep ourselves informed about the relevant factors of managing a modern and well run charity; not just our financial responsibilities but also that we keep to the spirit and principle of our charitable objectives and keeping ourselves aware of the developing role for charities in the world in which we find ourselves.

Signed.....Minister Provincial and Chairman

Date:

Independent Auditor's Report to the trustees of The Brothers of the First Order of the Society of Saint Francis

We have audited the financial statements of The Brothers of the First Order of the Society of Saint Francis for the year ended 30 June 2016 which comprise the Balance Sheet, 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 trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. 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 and 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 on page 18, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent Auditor's Report to the trustees of The Brothers of the First Order of the Society of Saint Francis

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.

Greaves West & Ayre
Chartered Accountants & Statutory Auditors
1/3 Sandgate
Berwick upon Tweed
TD15 1EW

Date

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.
(European Province) - Registered Charity No: 236464.

Balance Sheet
as at 30th June 2016

	Notes	2016	2015
		£	£
Fixed Assets			
Buildings - Freehold	5	4,611,724	4,580,584
Buildings - Leasehold	5	191,191	194,732
Motor Vehicles	5	16,570	11,044
Equipment	5	13,297	4,876
Renewable Energy	5	229,234	192,336
Investments	8	1,053,685	1,029,385
		<u>6,115,701</u>	<u>6,012,956</u>
Current Assets			
Stock		19,442	21,640
Debtors and prepayments	13	24,217	19,108
Bank and Building Society Deposit Funds		153,286	171,336
Cash at Bank		116,054	145,957
Cash in Hand		773	2,186
		<u>313,772</u>	<u>360,228</u>
Current Liabilities			
Creditors owing	14	<u>(18,756)</u>	<u>(12,796)</u>
Net Current Assets		<u>295,016</u>	<u>347,432</u>
NET ASSETS	9a	<u>6,410,716</u>	<u>6,360,388</u>
FUNDS			
Designated Funds	11	5,985,057	5,997,364
General Funds	11	419,667	356,832
Restricted Funds	11	5,993	6,192
TOTAL FUNDS		<u>6,410,716</u>	<u>6,360,388</u>

N.B. The notes on pages 23 to 31 form a part of these accounts.

Signed.....Trustee and Minister Provincial on

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.
(European Province) - Registered Charity No: 236464.

Statement of Financial Activities.
for the year ended 30th June 2016

		General Fund	Designated Funds	Restricted Funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and legacies:						
Donations and Trust Income		371,967	36,088	5,676	413,731	385,165
Legacies		-	30,234	-	30,234	51,796
Covenanted Salaries, Pensions and Benefits		260,872	1,646	-	262,518	274,099
Investments:						
Interest and Investment Income	8	35,598	-	-	35,598	45,288
Charitable Activities:						
Engagements		3,976	-	-	3,976	7,210
Other:						
Renewable Energy Incentives		19,355	-	-	19,355	13,259
Raising funds:						
Shop Sales	3a	50,345	-	-	50,345	47,657
Total income		<u>742,113</u>	<u>67,969</u>	<u>5,676</u>	<u>815,757</u>	<u>824,474</u>
Expenditure on:	2					
Raising funds:						
Shop and Publication costs	3b	29,435	-	-	29,435	25,615
Charitable Activities	4a	562,267	192,153	5,875	760,295	848,898
Total expenditure		<u>591,701</u>	<u>192,153</u>	<u>5,875</u>	<u>789,729</u>	<u>874,513</u>
Net incoming/outgoing resources before Appropriations and Transfers		150,412	(124,184)	(199)	26,028	(50,039)
Transfers between funds during Year						
Development - Building Improvements, Vehicles & Equipment	6	(28,990)	28,990	-	-	-
Others	11a	5,344	(5,344)	-	-	-
		126,766	(100,538)	(199)	26,028	(50,039)
Transfers at Year End						
Income Tithe	11a	(31,931)	31,931	-	-	-
Others	11a	(32,000)	32,000	-	-	-
Net incoming/outgoing resources for the Year		<u>62,835</u>	<u>(36,607)</u>	<u>(199)</u>	<u>26,028</u>	<u>(50,039)</u>
Unrealised (Losses)/Gains on Investments	8	-	24,300	-	24,300	70,567
Net Movement in Funds		<u>62,835</u>	<u>(12,307)</u>	<u>(199)</u>	<u>50,328</u>	<u>20,528</u>
Balances brought forward (1/7/15)		356,832	5,997,364	6,192	6,360,388	6,339,860
Balances carried forward (30/6/16)		<u>419,667</u>	<u>5,985,057</u>	<u>5,993</u>	<u>6,410,716</u>	<u>6,360,389</u>

N.B. The notes on pages 23 to 31 form a part of these accounts.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and all resources expended derive from continuing activities.

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.
(European Province) - Registered Charity No: 236464.

Notes to the Accounts
for the Year ended 30th June 2016

1 Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE 2015 SORP). They are prepared on the historical cost basis of accounting as modified to include the revaluation of fixed assets including investments, which are carried at market value.

Covenanted Salaries and Pensions

Covenanted salaries and Pensions are received under deeds of covenant from members of the Brothers of the First Order of the Society of Saint Francis, and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes.

Fixed assets

Freehold properties occupied by SSF at Glasshampton, Alnmouth, Hilfield, 113 Gillott Road Birmingham, Pickering, 25 Karnac Road Leeds, 42 Rossall Road Leeds, 42 Balaam Street Plaistow, and 85 Crofton Road Plaistow are vested in the Official Custodian for Charities, as nominees of the Society of St Francis. SSF is permitted free use of the properties, but is liable for their upkeep. The original cost of the properties acquired at our foundation is not known; consequently it is not possible with any degree of certainty to calculate the unrealised gains/losses in their asset value in a given year. The properties held by the Official Custodian for Charities are included in the Balance Sheet at insured value as at 30th June 1995, and depreciated from that date - together with subsequent additions. Depreciation is charged on these properties at a rate of 2% per annum on the closing balance at the end of the year.

The Brothers annually review the carrying value of the properties in order to consider if their carrying value in the Accounts is fairly stated, in accordance with the provisions for impairment reviews.

The Leasehold property is at Shepherds Law Hermitage and Chapel, Alnmouth. These buildings are now being amortised over the remaining life of the lease.

Motor Vehicles are included in the Balance Sheet at cost and depreciated on a straight-line basis over 4 years with a full year's depreciation charged in the year of purchase.

Items of furniture, fittings and equipment over £1,000 are generally capitalised and depreciated on a straight-line basis over 5 years, with a full year's depreciation charged in the year of purchase. Smaller items of expenditure are charged to income and expenditure in the year of purchase.

Renewable Energy costs including the installation of a Biomass Boiler are included in the Balance Sheet at cost and depreciated on a straight-line basis over 20 years with a full year's depreciation charged in the year of purchase.

Resources Expended

All expenditure is accounted for on an accrual basis. Resources expended are allocated to appropriate headings based on the activities to which they are attributable.

Donations

SSF gratefully acknowledges the support received from its well-wishers. Donations are received both in monetary form and in the form of goods and services provided without charge or at below normal commercial rates. Monetary donations, including legacies, are included in these accounts when notified to the Society and when such amount is quantifiable. Non-monetary gifts are excluded from the accounts.

The Brothers have never made any charge for short-term guests and retreatants in our Friaries so this important and highly appreciated part of our income is included within Voluntary Income in the Accounts under the heading "Donations and Trust Income".

Investments

Investments in the Central Board of Finance Investment funds are stated at market value as reported by the CBF. Unquoted investments are valued by the trustees. The cost of these investments is stated in note 8.

Current Assets

Stocks are stated at the lower of cost and net realisable value.

Cash Flow Statement

The Trustees have taken advantage of the provision in FRSSE 2015 SORP exempting the Society, as a small reporting entity, from the need to prepare a cash flow statement.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.
(European Province) - Registered Charity No: 236464.

Notes to the Accounts
for the Year ended 30th June 2016

Notes

		Staff	Other	Depreciation	Total 2016	Total 2015
		£	£	£	£	£
2. Analysis of Resources expended:						
Cost of generating funds						
Shop and Publication costs	3b	-	29,435	-	29,435	25,615
Charitable Activities	4a	16,765	612,515	131,015	760,295	848,898
Total resources used		16,765	641,949	131,015	789,729	874,513

3a. Shop and Publications		Total 2016	Total 2015
Income		£	£
Shop sales		31,893	28,688
Royalties and Book Sales		965	1,232
		32,858	29,921
Franciscan Magazine Income		17,487	17,736
		50,345	47,657

3b. Shop and Publication		Total 2016	Total 2015
Cost of shop sales		£	£
Opening stock		21,640	22,289
Purchases and Direct Overheads		17,273	16,630
Less Closing Stock		(19,442)	(21,640)
		19,470	17,279
Franciscan Magazine Expenditure		9,964	8,336
		29,434	25,615

4a. Charitable Activities		General Funds	Designated Funds	Restricted Funds	Total 2016	Total 2015
		£	£	£	£	£
Occupancy Costs		232,032	14,920	3,973	250,925	256,458
Food		88,691	-	1,703	90,394	93,238
Brothers' Expenses		49,338	-	-	49,338	44,096
Brothers' Formation		17,195	-	199	17,394	16,150
Promotion of Religious Life		1,622	-	-	1,622	925
Chapel		5,225	-	-	5,225	4,172
Travel and Transport		48,523	194	-	48,717	48,137
Gifts and Donations	12	15,960	33,136	-	49,096	132,798
Equipment		5,372	-	-	5,372	7,869
Staff Costs	4c	16,765	-	-	16,765	19,010
Volunteer Expenses		28,841	-	-	28,841	31,107
Postage and Telephone		17,286	-	-	17,286	21,902
Printing, Stationery and Office		13,373	-	-	13,373	11,614
Other: Non-recurring		-	2,796	-	2,796	480
Bank Charges		2,180	-	-	2,180	2,199
General Chapter Expenses		-	10,092	-	10,092	-
		542,401	61,138	5,875	609,414	690,154
Depreciation - Equipment	5	-	12,521	-	12,521	8,332
- Buildings - Freehold	5	-	94,117	-	94,117	93,481
- Buildings - Leasehold	5	-	3,541	-	3,541	3,541
- Vehicles	5	-	8,238	-	8,238	8,717
- Renewable Energy	5	-	12,598	-	12,598	10,123
Deficit on sale of Fixed Assets		-	-	-	-	-
Governance costs	4b	19,866	-	-	19,866	34,550
		562,267	192,153	5,875	760,295	848,898

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.

(European Province) - Registered Charity No: 236464.

Notes to the Accounts

for the year ended 30th June, 2016

	Total 2016	Total 2015
	£	£
4b. Governance Costs		
Auditors Remuneration - Audit Fee		6,500
		6,500
- Accountancy & Other services		8,650
		7,894
- Professional & Legal Fees		-
		13,491
- Chapter expenses		4,716
		6,665
	<u>19,866</u>	<u>34,550</u>
4c. Staff Costs	2016	2015
Wages	<u>16,765</u>	<u>19,010</u>

The average monthly number of employees was 1 (2015 - 1).

5. Fixed Assets	Renewable	Equipment	Properties			2016
	Energy		Freehold	Leasehold	Vehicles	Total
	£	£	£	£	£	
Cost/Valuation at 1st July 2015	202,459	41,662	8,011,583	244,902	72,692	8,573,298
Additions/Improvements	49,495	20,942	125,257	-	13,764	209,459
Disposals	-	-	-	-	(8,000)	(8,000)
At 30th June 2016	<u>251,954</u>	<u>62,604</u>	<u>8,136,840</u>	<u>244,902</u>	<u>78,456</u>	<u>8,774,757</u>
Depreciation at 1st July 2015	10,123	36,786	3,430,999	50,170	61,648	3,589,725
Depreciation charge for the year	12,598	12,521	94,117	3,541	8,238	131,015
Depreciation on Disposals	-	-	-	-	(8,000)	(8,000)
At 30th June 2016	<u>22,721</u>	<u>49,307</u>	<u>3,525,116</u>	<u>53,711</u>	<u>61,886</u>	<u>3,712,740</u>
Net Book Value						
At 30th June 2016	<u>229,233</u>	<u>13,297</u>	<u>4,611,724</u>	<u>191,191</u>	<u>16,570</u>	<u>5,062,016</u>
At 1st July 2015	<u>192,336</u>	<u>4,876</u>	<u>4,580,584</u>	<u>194,732</u>	<u>11,044</u>	<u>4,983,572</u>

The Brothers have reviewed the carrying value of the properties at the year end and are of the opinion that these are fairly stated and that no provisions for impairment are necessary.

6. Transfers - Building Improvements, Vehicles & Equipment

	General	Designated	Total 2016
	Fund	Funds	
	£	£	£
Cost of Building Improvements in year		-	-
Cost of Equipment purchased in year		(15,226)	-
Cost of Vehicles purchased in year		(13,764)	-
		<u>(28,990)</u>	<u>-</u>

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS
(European Province) - Registered Charity No. 236464
Notes to the Accounts
for the year to 30th June 2016

7. Capital and Major Repair and Other Commitments

At the June 2016 meeting of the Brothers' Provincial Chapter, at which the budget for the financial year to 30th June 2017 was presented and discussed, the following capital and major repair commitments were authorised.

	2017	2016
	£	£
Alnmouth Friary	5,200	5,660
Birmingham	85,000	85,000
Crofton Road	-	500
Glasshampton Monastery	7,000	26,000
Hilfield Friary	22,265	17,805
Renewable Energy at Hilfield	-	50,000
Leeds	500	500
	119,965	185,465

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.
(European Province) - Registered Charity No: 236464.

Notes to the Accounts
for the year to 30th June 2016

8. Fixed Asset Investments

	2016		2015	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
CBF Investment Fund	732,306	1,053,685	732,306	1,029,385

	2016	2015
	£	£
Quoted Investments in the UK (changes in market value in the year)		
Market Value at 1st July 2015	1,029,385	958,817
Additions	-	-
Net (loss)/gain on revaluation at 30th June 2016	24,300	70,568
Market Value at 30th June 2016	1,053,685	1,029,385

Interest and Investment income

Interest Receivable	1,569	1,704
Dividends - CBF Investment Fund	27,403	33,608
Property - CBF Investment Fund	6,626	6,804
Investment Income - Other	-	3,172
	<u>35,598</u>	<u>45,288</u>

9

a. Analysis of Group Net Assets between funds.

	General Fund	Designated Funds	Restricted Funds	Total 2016
	£	£	£	£
Tangible Fixed Assets	-	5,062,016	-	5,062,016
Investments	-	1,053,685	-	1,053,685
Current Assets	438,423	(130,643)	5,993	313,772
Current Liabilities	(18,756)	-	-	(18,756)
	<u>419,667</u>	<u>5,985,056</u>	<u>5,993</u>	<u>6,410,717</u>

b. Reconciliation of Movements in Unrealised (Losses)/Gains on Investment Assets:

Unrealised (losses)/gains at 30th June, 2015	-	297,079	-	297,079
Net (losses)/gains on revaluation at 30th June 2016	-	24,300	-	24,300
Unrealised (losses)/gains at 30th June, 2016	-	<u>321,379</u>	-	<u>321,379</u>

10. Transactions with Trustees.

The Trustees of the Charity are also Brothers of the Society, 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 needs of all members of the Society. The living costs of the Brother-Trustees are, therefore, borne by the Charity.

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.

(European Province) - Registered Charity No: 236464.

Notes to the Accounts: Year ended 30th June 2016

11a. Movement in funds for the Year - Summary

	<u>General Funds</u>	<u>Designated Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
	£	£	£	£
Total income	742,113	67,969	5,676	815,757
Total expenditure	(591,701)	(192,153)	(5,875)	(789,729)
	150,412	(124,184)	(199)	26,028
Net resources (before transfers)				
Transfers during Year:				
Building Improvements, Vehicles and Equipment	(28,990)	28,990	-	-
Other transfers	5,344	(5,344)	-	-
	(23,646)	23,646	-	-
Transfers at Year-End:				
Income Tithe	(31,931)	31,931	-	-
Transferred to/from General Fund	(32,000)	32,000	-	-
Transferred to/from Designated Funds	-	-	-	-
Net incoming/(outgoing)	(63,931)	63,931	-	-
resources for the Year				
Unrealised (losses)/gains on Investments	-	24,300	-	24,300
Net movement in fund	62,835	(12,307)	(199)	50,328
Balances brought forward	356,832	5,997,364	6,192	6,360,388
Balances carried forward	419,667	5,985,057	5,993	6,410,716
		11 (b)	11 (c)	

Other transfers

Other Transfers consist of £5,344 transferred from the General Chapter Fund.

Transfers/Appropriations at the Year-End

At the June 2016 (budget) meeting of the Brothers' Provincial Chapter, the projected balance available on the General Fund for the Year ended 30th June 2016 was calculated - subject to arithmetical verification - and the following allocations were made from that balance:

- a tithe of £31,931 based upon the income of the Provincial General Fund is set apart - according to the agreed policy of the Provincial Chapter - primarily to help relieve the needs of the world's poorest, and to address particular requests from within the Society of St Francis.

- transfers of £12,000 to the Care Fund, £15,000 to the Renewable Energy Fund and £5,000 to the Pickering Emmaus House.

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Notes to the Accounts: Year ended 30th June 2016

11b. Movement in funds for the Year - Designated Funds

	<u>Plaistow</u> <u>(Building</u> <u>Fund)</u>	<u>Care Fund</u>	<u>Alnmouth</u> <u>Fund</u>	<u>Bequest</u>	<u>Income Tithe</u>	<u>Development</u> <u>Fund</u>	<u>Fixed Asset</u> <u>Reserve</u>	<u>Renewable</u> <u>Energy</u>	<u>Hilfield Fund</u>	<u>Assisi Fund</u>	<u>General</u> <u>Chapter</u>	<u>Pickering</u> <u>Emmaus House</u>	<u>Alnmouth Chalet</u>	<u>Total Designated</u> <u>Funds</u>
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Total income	775	2,896	-	30,234	-	22,978	-	-	-	9,888	436	-	762	67,969
Total expenditure	(1,850)	(1,437)	-	-	(33,136)	(2,796)	(131,015)	(10)	(830)	(8,395)	(10,092)	(2,592)	-	(192,153)
	(1,075)	1,459	-	30,234	(33,136)	20,182	(131,015)	(10)	(830)	1,492	(9,656)	(2,592)	762	(124,184)
Net resources (before transfers)														
Transfers during Year:														
Building Purchase & Improvements	-	-	(5,257)	-	-	(113,000)	125,257	-	-	-	-	-	(7,000)	-
New Vehicles and Equipment	-	(1,895)	-	-	-	-	84,202	(47,737)	(5,579)	-	-	-	-	28,990
Transferred to/from from General Fund	-	-	-	-	-	-	-	-	-	-	(5,344)	-	-	(5,344)
Transferred between Designated Funds	-	188,000	-	(188,000)	-	-	-	-	-	-	-	-	-	-
	(1,075)	187,564	(5,257)	(157,766)	(33,136)	(92,818)	78,444	(47,747)	(6,409)	1,492	(15,000)	(2,592)	(6,238)	(100,538)
Transfers at Year-End:														
Income Tithe	-	-	-	-	31,931	-	-	-	-	-	-	-	-	31,931
Transferred to/from from General Fund	-	12,000	-	-	-	-	-	15,000	-	-	-	5,000	-	32,000
Net incoming/(outgoing) resources for the Year	(1,075)	199,564	(5,257)	(157,766)	(1,205)	(92,818)	78,444	(32,747)	(6,409)	1,492	(15,000)	2,408	(6,238)	(36,607)
Unrealised (losses)/gains on Investments	-	-	-	-	-	24,300	-	-	-	-	-	-	-	24,300
Net movement in fund	(1,075)	199,564	(5,257)	(157,766)	(1,205)	(68,518)	78,444	(32,747)	(6,409)	1,492	(15,000)	2,408	(6,238)	(12,307)
Balances brought forward	4,647	34,970	5,257	158,287	33,617	588,728	4,983,572	146,696	6,409	9,137	15,000	4,808	6,238	5,997,364
Balances carried forward	3,572	234,534	-	521	32,412	520,210	5,062,016	113,949	-	10,629	-	7,216	-	5,985,057
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	

DESIGNATED FUNDS.

(i) Plaistow (Building Fund):

Established to benefit alterations and improvements at 42 Balaam Street, Plaistow, London.

(ii) Care Fund:

A fund from which capital or income may be used towards the support and care of elderly brothers.

(iii) Alnmouth Fund:

The fund is intended for alterations, repairs and improvements at The Friary, Alnmouth.

(iv) Bequest Fund:

The Fund, receives all legacy receipts during the year. Provincial Chapter determines the appropriate usage of this capital money for major projects in the Society.

(v) Income Tithe:

A tithe of income from the General Fund for the financial year specifically to answer the needs of the world's poorest people.

(vi) Development Fund:

This Fund is to help offset costs relating to specific capital projects undertaken by the Provincial Chapter.

(vii) Fixed Asset Reserve:

The Reserve comprises the net book values of the tangible fixed assets, reclassified as a Designated Fund as there are no restrictions attached to these items.

(viii) Renewable Energy:

A Fund created for expenditure which conforms to the principles of carbon reduction.

(ix) Hilfield Fund:

Hilfield Friary in Dorset has received several directed donations for improvements to its property.

(x) Assisi Fund

A fund intended to assist with maintaining the Brothers' presence in Assisi.

(xi) General Chapter

To assist with costs associated with the quinquennial meeting of the community throughout the UK.

(xii) Pickering Emmaus House

A Property was received as a legacy in previous years. A further pecuniary sum has been set aside for running costs.

(xiii) Alnmouth Chalet

Money set aside to support the Ministry at Alnmouth Friary through the Saint Anthony's Chalet.

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS.

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Notes to the Accounts: Year ended 30th June 2016

11c. Movement in funds for the Year - Restricted Funds

	<u>PNG Bursary Fund</u>	<u>The Hilfield Bequest Fund</u>	<u>Total Restricted Funds</u>
	£	£	£
Total income		-	5,676
			5,676
Total expenditure	(199)	(5,676)	(5,875)
	(199)	-	(199)
Balances brought forward	6,192	-	6,192
Balances carried forward	5,993	-	5,993
	(i)	(ii)	

RESTRICTED FUNDS.

(i)	PNG Bursary Fund -	A fund for the benefit of Brothers in Papua New Guinea in their studies.
(ii)	The Hilfield Bequest Fund	Income is covenanted to The Brothers of the First Order of the Society of Saint Francis and is entirely used for the care and maintenance of a long term member of the community.

BROTHERS OF THE FIRST ORDER OF THE SOCIETY OF SAINT FRANCIS
(European Province) - Registered Charity No: 236464.

Notes to the Accounts
for the year to 30th June 2016

12. Gifts and Donations

In accordance with our charitable objects, the Province and the Houses make donations to individuals and charities. These are shown as Gifts and Donations from the General Fund. It is estimated that financial help was given to in excess of 50 individual people and charities in the course of the year. Below below are donations/gifts over £500 given to other charities - organisations.

	2016	2015
	£	£
To SSF Organisations		
SSF Central Fund (First Order Development Fund), UK	-	50,000
Community of Saint Francis European Province	-	7,000
SSF Divine Compassion Province (New Zealand)	5,422	15,808
SSF Divine Compassion Province (South Korea)	500	-
	<u>5,922</u>	<u>72,808</u>
To Other Organisations		
Christian Aid	7,000	7,500
United Society Partners in the Gospel (USPG)	14,000	15,000
St Oswald's Hospice	1,000	-
Franciscan International Study Centre, Canterbury	-	2,000
Harehills English Language Project (formerly SLC St Aidan's)	1,000	1,000
Jericho Foundation	1,000	-
Gladstone Library	-	500
Aanandit - Nepal Disaster	-	2,000
Shepherds Law Trustees	1,913	850
West Yorkshire Destitute Asylum Network	-	1,200
Walking With	1,000	-
Practical Compassion for Destitute Children	1,000	2,000
Scripture Union North East	1,000	-
Save the Children (Syria Appeal)	1,000	-
Leeds Refugee Forum	-	1,000
Hope Cambridge	1,000	-
ToastLoveCoffee	500	-
Cedarwood Trust	-	10,000
	<u>31,413</u>	<u>43,050</u>
Other donations	<u>17,683</u>	<u>16,939</u>
	<u><u>49,096</u></u>	<u><u>132,797</u></u>

	2016	2015
	£	£
13. Debtors and Prepayments		
Other Debtors	19,439	19,108
Prepayments	4,778	-
	<u>24,217</u>	<u>19,108</u>

Note that the Society has received legacies of £5,551 to date since the year-end.

	2016	2015
	£	£
14. Accruals and Creditors		
Accruals	10,000	10,000
Other Creditors	8,756	2,796
	<u>18,756</u>	<u>12,796</u>

	Other		Land and Buildings	
	2016	2015	2016	2015
Expiry date:	£	£	£	£
Between one and five years	<u>6,371</u>	<u>-</u>	<u>8,645</u>	<u>6,792</u>