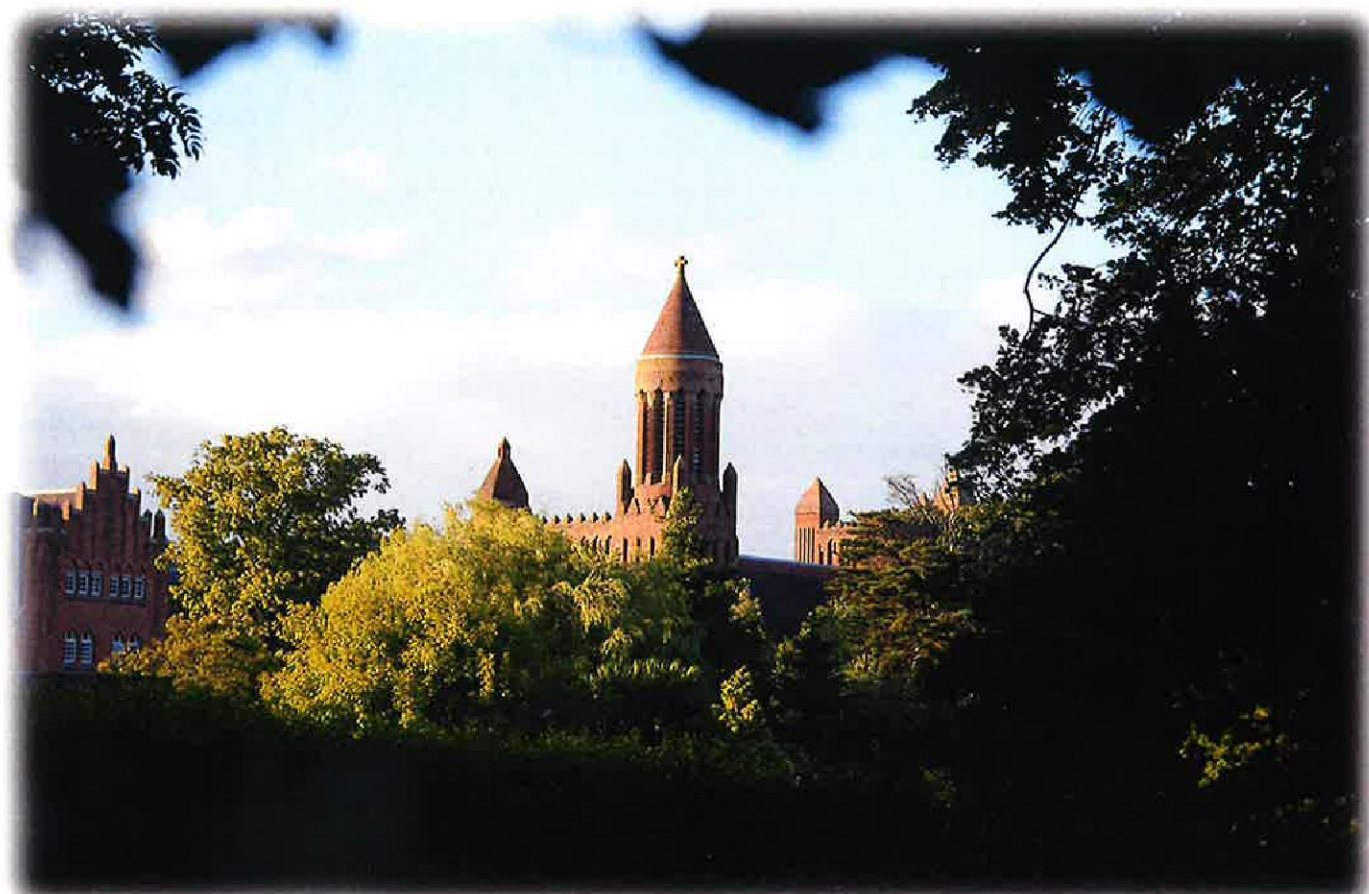




REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017  
FOR  
ST MARY'S ABBEY, QUARR



Rothman Pantall LLP  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**ST MARY'S ABBEY, QUARR**  
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**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## ST MARY'S ABBEY, QUARR

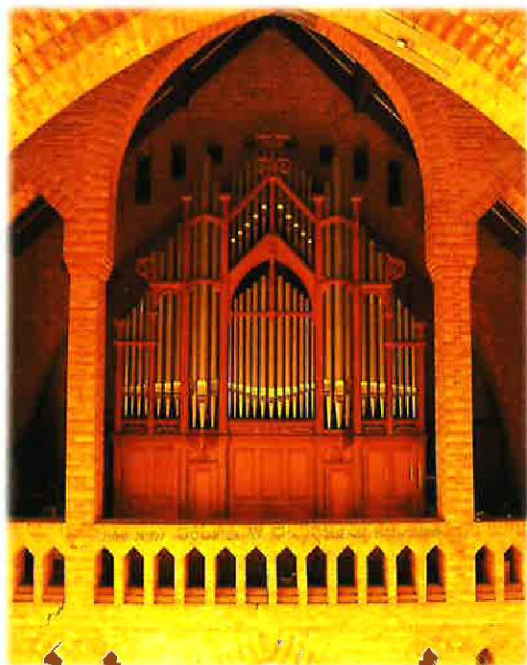
### FORWARD FOR THE YEAR ENDED 31 DECEMBER 2017

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During the last few years, Quarr Abbey has been more and more recognised as one of the most vibrant places on the Isle of Wight, attracting growing numbers of visitors.

At the heart of this place is a monastic community of ten monks following the Rule of St Benedict and the Declarations of the Solesmes Congregation – one among nineteen Benedictine Congregations of the Order of St Benedict around the world, of which three others are present in the UK. The link with France is due to the story of the buildings which were built as a refuge monastery for the French monks of Solesmes exiled from their country by anticlerical legislations at the beginning of the last century. However, the outstanding architecture of the abbey church makes it a landmark whose reputation goes far beyond Europe.

After the important year of 2016 which saw the election and installation of a new Abbot after eight years of administration by a temporary superior; the main event of 2017 was the inauguration and blessing of the restored organ. The abbey church has the privilege of possessing one of the very few organs by the worldwide renowned French organ builders firm Cavallé-Coll in the UK. Following a few years of historical research and fundraising, the organ was restored as close as



possible to its original condition. An exhibition, a ceremony of blessing, a high Mass with Gregorian Chant, and a series of three concerts attracted around 500 music friends to the abbey in July. The next step will be the planned recording of a CD which will give many access to the experience of the very special sound and poetry of this instrument. In the meantime, quite a few groups of organists have been visiting the organ and showing interest in the restoration of this historical instrument.

In January 2017 the death of the Rt Rev Dom Cuthbert Johnson (Abbot from 1996 to 2008) was an occasion to commemorate the leading role he had in opening the monastery to a wider public and developing new activities. He would be delighted to know that we have been able to secure new dynamism to our bookbinding workshop by adding a part-time worker to our team of two monks. It remains difficult though to make significant income through this craft; the demand of the general public for this luxury art being by nature rather irregular.

The community has been keen on sharing with the wider public our special interest in theology and Gregorian Chant. A weekend of theological conferences attracted over thirty visitors to listen to the teaching of the well-known American moral theology professor, Fr. Romanus Cessario, OP. In July, the Chant Forum was the occasion to welcome around thirty members of religious communities and lay people from the UK, Ireland, the USA and Jerusalem. The meeting took place partly at the nearby Abbey of St Cecilia's, where the tradition of Gregorian Chant is kept at a high level by a vibrant community of nuns.

Four years after their inception, the Friends of Quarr count now around one hundred members eager to contribute in many different ways to supporting the community and the activities of the Abbey. They have been successful in organising different fund-raisers towards their new project: the resurfacing of the paths near the church and the guest-house in order to make them more friendly to people with walking disabilities. Depending on the success of future events, this work may be undertaken in 2019 or 2020. They have also developed the spiritual side of their activities. Two retreat days were held at the Abbey which proved very popular. It has been decided that this sort of offer will become a permanent feature of their endeavours.

On the whole, the commercial activities (mainly the tea-shop) maintained a good profile, in spite of a general downturn in tourism on the Island. We have continued to explore ways of improving the quality of what we offer to visitors. Professionals have been called in to assess our activities and to make proposals. Architects were also consulted and came up with a variety of proposals. The reflection on this key aspect of our activities will be continued in 2018.

Our health and safety structure is making constant progress towards assuring all on site of reasonable safety in their work or for the time they spend at the Abbey. New areas of the Abbey have been covered with fire-alarm systems. A risk-register is now in place. Inductions and information are both given on a regular basis in the different departments.

The trustees are attentive to watch that all new developments are in keeping with the main aims of the charity which are the promotion of the Catholic religion and the hospitality to all Visitors, in the spirit of the Rule of St Benedict.

Fr Xavier, Quarr Abbey



**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable objects, aims and intended impact**

The object of the charity is the support of whatever charitable work is undertaken by St Mary's Abbey, Quarr, ("The Abbey") according to the Benedictine Rule, which is followed there.

The Abbey's commercial and financial aims are explained through a rolling sustainability plan and draft 10 year plan. The central aim of the plans is to achieve sustainability on the Abbey operations where, each year, expenditure is balanced with income. Quarr is increasing its income by opening and managing various enterprises.

The Abbey has been successful in recent years in opening an Art gallery, a Tea Shop and a Farm Shop; all of which are popular with the local Island population as well as tourists.

Principal objectives include the following:

- Income growth for the Tea Shop and Farm Shop.
- Income growth for the established enterprises of Art Gallery, Monastery Shop, Guesthouse and Archway Meeting Room.
- Raising new funds, through a planned programme of fund raising targeting specific and urgent projects, for the maintenance and refurbishment of the Church and its buildings.
- Focus on other ways for the site to become more sustainable, energy efficient and to endeavour to improve waste management practices.

During the year, the Abbey received further restricted and unrestricted donations and these were used towards meeting the cost of specific projects. The Quarr HLF project is now completed, apart from an archaeological report on our ancient ruins.

##### **Objectives for the year**

The following core objectives will continue to be the prime focus for the management team during the year:

- Continue to monitor on-going expenditure on the various remaining elements of projects, to ensure that expenditure stays within budget and the approved purposes are met.
- Continue to grow current business enterprises, particularly the Tea Shop and Farm Shop, through the introduction of a breakfast menu, revised core menu, and a wider selection of Island produced food and drink products in the Farm Shop.
- Review the implementation of a sustainable/repeatable volunteer led Visitor Survey to measure the number of visitors coming to The Abbey each year when business objectives deem this necessary



- Examine further measures to ensure The Abbey Enterprises produces a profit, through the Activity Planner, building the business in the quieter months.
- Develop joint buying opportunities between Abbey kitchen, Abbey Tea shop to ensure economies of scale.
- Continue to work with the Garden Team and Southern Housing group to gain maximum benefit from the sales of plants, vegetables and herbs from our gardens that are sold at our Farm Shop.
- Update a medium term financial framework for the Abbey to achieve a balance of income against expenditure.



**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Strategy for achieving objectives**

To enable The Abbey to maintain the momentum of progress made in recent years the following objectives are considered key:

- Maintain a strong management team including monks, professional employees and external advisors.
- Support fund raising activities established by the "Friends of Quarr"
- Continue with a vibrant promotion and marketing campaign to support business enterprises.
- Regular management review of financial and commercial performance.

**Significant activities contributing to achievement of objectives**

Significant activities that will further contribute to the financial growth at The Abbey include the following:

- Examine measures for the expansion of the kitchen size of the tearoom to enable improved service.
- Continued marketing focused on the Island community and to attract tourist visitors, particularly for the Tea Shop, Farm Shop and Monastery Shop.
- Development of schemes to produce increased quantities of Abbey grown produce that are to be incorporated in Quarr Abbey branded products such as beer, cider, apple juice and jams.
- Continue to update of the Website, to include relevant articles on the Abbey and its produce; together with the wider site which will serve to provide interest and information to the wider community.

**Public benefit**

The trustees confirm that they have complied with the duty in s17(5) of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. This includes the additional guidance for charities on the advancement of religion, in deciding what activities the charity should undertake, in line with its aims and objectives.

The Abbey promotes public benefit through the provision of a place of worship and a guesthouse which is used for the purpose of religious retreats. They are open to all members of the public who wish to explore and seek time to reflect. To facilitate this, the community carry out spiritual duties and undertake the preservation of the historic Abbey buildings and ruins.

**ACHIEVEMENT AND PERFORMANCE**

**Review of Developments**

The community of Quarr Abbey seeks to remain faithful to its ideals according to the way of life laid down in its Rules and Constitution.

The community of monks and the monastery play an important role in the spiritual, social and educational life of the Isle of Wight. Many visitors from all over the world visit the monastery, recognising it as a place of prayer, peace and tranquillity.

In 2017, the community of monks at Quarr supported their spiritual aims by improving the Abbey's long-term financial and commercial performance through the following:

- Ongoing management and refinement of facilities such as the visitor centre, the new larger car park and woodland trail.
- The Abbey Tea Shop and Farm Shop continues to be successful proving popular with both residents and Island tourists and is making a positive financial contribution to the Abbey.
- The abbey church has the privilege of possessing one of the very few organs by the worldwide renowned French organ builders firm Cavaillé-Coll in the UK. Following a few years of historical research and fund-raising, the organ was restored as close as possible to its original condition. An exhibition, a ceremony of blessing, a high Mass with Gregorian Chant, and a series of three concerts attracted around 500





**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**ACHIEVEMENT AND PERFORMANCE**  
**Review of Developments (Continued...)**

music friends to the abbey in July

- The Gregorian Chant CD recorded in 2016 has already raised over £1,000 from sales in the Abbey Tea room and sales continue to grow.
- Quarr Abbey Gardens received it's third consecutive 'Ryde In Bloom - Highly Commended' award.
- Quarr Abbey Poultry Project continues to successfully re-home ex-commercial hens and provide eggs for use in the Abbey kitchen and to sell in the Farm Shop. Around eight committed volunteers are involved in this project.
- Quarr Abbey Ale was awarded another accolade in 2017. The Abbeys' popular ale has now been awarded the British Bottlers' Institute Diploma in the 'Best Ale ABV 6.0%-7.4%' Category.

<http://goddardsbrewery.com/bbi-award-for-quarr-ale/>

- The monastic community held a very successful theology forum with a series of conferences given by the eminent internationally known Catholic moral theologian Fr Romanus Cessario OP.
- The Gregorian Chant Forum was once more jointly hosted by Quarr Abbey and St Cecilia's Abbey with over thirty participants from several countries.
- The Art Gallery continues to go from strength to strength with about twenty thousand visitors per year and is receiving positive feedback from exhibitors and visitors.
- The Isle of Wight Beekeepers continued with the management of The Abbeys' hives producing marketable honey sold through the Farm Shop. In addition, the group have created a 'Rearing Island Bees' project which produces small bee hives for Island beekeepers to purchase instead of buying (and introducing) potentially infected hives from the mainland.
- The Abbey introduced new jams and chutneys to the range originally launched in 2013. These are made in the Abbey's kitchens and the purpose made production facility, from produce grown on the estate and offered for sale through the Farm Shop.



**Grants and donations**

The trustees wish to express their gratitude to the individuals and organisations who have made donations and grants to the Abbey during the year. In particular, the trustees acknowledge the following:

- The Fondation des monastères in France for their total donation of £3,536.77.
- Historic England for a grant of £30,000. This grant has been allocated to establish priority works on the Cistercian Abbey ruins via condition surveys and ecological reports. This grant is hoped to be succeeded by a much larger grant of £300,000 to facilitate the essential works identified in the surveys and reports.
- The ongoing support from the Forestry Commission for their grants to support our Farm Woodlands schemes.
- The grant support from Natural England to undertake hedge laying and boundary works within the Quarr Estate.
- The Friends of Quarr who have donated £1,000 for the support of one monastic intern.



**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Review of Developments**

**Financial report for the year**

A summary of the year's results can be found on page 11. Total consolidated incoming resources amounted to £845,967 (2016: £966,716). Total consolidated resources expended amounted to £783,455 (2016: £1,000,375).

The consolidated balance sheet shows total funds of £1,988,588. Of this amount, £27,451 is represented by the Abbey's freehold land and buildings. As these funds are not available to finance the operations of the charity, they have been designated, or set aside, by the trustees.

**FINANCIAL REVIEW**

**Reserves policy**

The charity holds both restricted and general unrestricted funds. The financial statements attached to this report provide details of these funds.

The general unrestricted funds of the charity alone at 31 December 2017 total £1,844,216. These funds consist of the Abbey buildings and fixed asset investments which are held to generate income for the charity and as a reserve for large scale capital expenditure on the Abbey buildings and other "free reserves" totalling £454,285.

The trustees consider it prudent to hold reserves as the charity is dependent on income from donations, legacies and investment income, the timing and amount of which is variable in nature.

The freely available unrestricted reserves are held in the form of net current assets (excluding long term debtors).

Reserves are held to cover the ongoing costs of the charity including the upkeep of the Abbey and its community. The trustees consider current level of freely available reserves to be just sufficient to cover these costs for the next 12 months and therefore are at the minimum level that the charity requires.

The trustees regularly review the level of reserves and consider that free reserves should amount to £1 million which would allow the creation of designated funds to fund future maintenance of the Abbey buildings and generate income to support its community.

In order to show the free reserves position more clearly, the trustees are considering designating the investments as a separate fund to demonstrate the need to retain them in order to generate income to finance ongoing activities.

**Investment policy**

The charity has a portfolio of investments, which comprises of listed investments with a market value as at 31 December 2017 of £869,893 (2016: £811,061), other unlisted investments of £216,006 (2016: £216,006) and cash held for reinvestment of £28,927 (2016: £29,734). The portfolio is managed by Charles Stanley & Company Limited, who operate within specific guidelines that are set and regularly reviewed by the trustees. The strategy is to maximise total returns, within acceptable levels of risks.

The trustees expect that performance demanded by their investment policy will be achieved in the medium to long term as markets recover.

**Environmental Policy**

The trustees believe that all businesses are responsible for achieving good environmental practice and operating in a sustainable manner. The board is therefore committed to reducing its environmental impact and continually improving its environmental performance as an integral and fundamental part of its business strategy and operating methods.

**Trading subsidiary**

The charity has a wholly owned trading subsidiary, Quarr Abbey Enterprises Limited.

The trustees are pleased with the continued success of the trading company which operates the tea shop, farm shop and Abbey shop and the funds that it generates to assist the charity in meeting its objectives.

A summary of its results for the year are given in note 17. The increased cash flow generated from the profit of £84,921 (2016: £87,433) allowed the subsidiary to make additional loan repayments to the charity during the year.

**PLANS FOR FUTURE PERIODS**

The trustees, as advised by the Finance Committee and the Abbey's management team, are continuing with a planning and costing exercise to inform them of the impact of making adjustments to the interior of the shop. Due to the increasing popularity of these facilities, the trustees wish to ensure that it has the capacity to cater for the increased number of visitors to the Quarr Estate.

**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**PLANS FOR FUTURE PERIODS**

The following are planned to be undertaken within the next twelve months:

- It is planned that a group within the Abbey, led by Abbot Xavier, will deliver a 'Spiritual Trail' around Quarr Abbey that will bring new and old visitors closer to the purpose of the church and offer a platform for spiritual nourishment and enlightenment.
- Re-launch the Quarr Abbey Volunteer Programme and improve facilities and introduce incentives to retain quality volunteers to help deliver our goals.
- Further consolidation work on the Ancient Abbey Ruins
- Introduce a 'contactless' method to facilitate further visitor donations.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

St Mary's Abbey, Quarr, Incorporated Charity was incorporated in England and Wales on 2 October 2015 by articles of association and is constituted by guarantee. The registered company number is 09806062.

**Charity constitution**

The charity was incorporated under the Companies Act 2006 on 2 October 2015. It was subsequently registered with the Charity Commission on 9 March 2016 under the registration number 1165957.

The principal address of the charity together with details of the charity's trustees and names and addresses of professional advisors are given below.

**Induction and training of new trustees**

New trustees are provided with a copy of the memorandum and articles of association and informed of their obligations under company and charity law. All trustees are encouraged to attend appropriate external courses which may assist them to carry out their role.

**Key management remuneration**

The Charity's governing document precludes the trustees from receiving any remuneration.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

09806062 (England and Wales)

**Registered Charity number**

218731

**Principal address**

Quarr Abbey  
Ryde  
Isle of Wight  
PO33 4ES

**Prior Administrator**

Rt. R Dom Xavier Perrin

**Trustees**

Rt. R Dom Xavier Perrin  
R Dom Nicholas Spencer  
R Dom Gregory Corcoran  
R Dom Petroc Cobb – Resigned 1 August 2018

**Procurator**

R Dom Brian Kelly

**Secretary**

R Dom Brian Kelly



**ST MARY'S ABBEY, QUARR**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent examiner**

Rothman Pantall LLP  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**Bankers**

Lloyds Bank plc  
35 Union Street  
Ryde  
Isle of Wight  
PO33 2LH

**Investment managers**

Charles Stanley & Company Limited  
55 Bishopsgate  
London  
EC2N 3AS

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records 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 the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on *20<sup>th</sup> September 2018* and signed on its behalf by:



Rt Rev Dom Xavier Perrin  
Abbot and Head Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF  
ST MARY'S ABBEY, QUARR**

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**Independent examiner's report to the trustees of St Mary's Abbey, Quarr ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2017.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

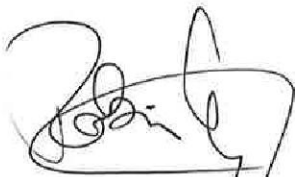
**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



Robin Lloyd FCA  
for and on behalf of Rothman Pantall LLP  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

Date: 26 September 2018



**ST MARY'S ABBEY, QUARR**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	185,382	66,077	251,459	351,060
Charitable activities	4	63,130	-	63,130	81,925
Other trading activities	5	438,740	-	438,740	438,676
Investment income	6	78,670	-	78,670	84,306
Other	7	13,968	-	13,968	10,749
<b>Total Income</b>		<b>779,890</b>	<b>66,077</b>	<b>845,967</b>	<b>966,716</b>
<b>EXPENDITURE ON</b>					
Raising funds	8	321,552	698	322,250	326,961
Charitable activities	9	424,320	36,885	461,205	673,414
<b>Total Expenditure</b>		<b>745,872</b>	<b>37,583</b>	<b>783,455</b>	<b>1,000,375</b>
Net gains/(losses) on investments		57,346	-	57,346	55,890
<b>NET INCOME/(EXPENDITURE)</b>	11	<b>91,364</b>	<b>28,494</b>	<b>119,858</b>	<b>22,231</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>91,364</b>	<b>28,494</b>	<b>119,858</b>	<b>22,231</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,745,753</b>	<b>122,977</b>	<b>1,868,730</b>	<b>1,846,499</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,837,117</b>	<b>151,471</b>	<b>1,988,588</b>	<b>1,868,730</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

ST MARY'S ABBEY, QUARR  
CONSOLIDATED BALANCE SHEET  
AT 31 DECEMBER 2017

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	16	287,763	30,390	318,153	311,925
Investments	17	<u>1,114,826</u>	<u>-</u>	<u>1,114,826</u>	<u>1,056,801</u>
		1,402,589	30,390	1,432,979	1,368,726
<b>CURRENT ASSETS</b>					
Stocks	18	8,465	-	8,465	9,917
Debtors	19	51,773	793	52,566	53,821
Cash at bank and in hand		<u>410,607</u>	<u>120,288</u>	<u>530,895</u>	<u>519,918</u>
		470,845	121,081	591,926	583,656
<b>CREDITORS</b>					
Amounts falling due within one year	20	(36,317)	-	(36,317)	(83,652)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>434,528</u>	<u>121,081</u>	<u>555,609</u>	<u>500,004</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,837,117	151,471	1,988,588	1,868,730
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,837,117</u>	<u>151,471</u>	<u>1,988,588</u>	<u>1,868,730</u>
<b>FUNDS</b>	23				
Unrestricted funds				1,837,117	1,745,753
Restricted funds				<u>151,471</u>	<u>122,977</u>
<b>TOTAL FUNDS</b>				<u>1,988,588</u>	<u>1,868,730</u>

The charitable company and group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the group keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company and group as at the end of each financial year and of the group's surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company and group.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 20<sup>th</sup> September 2018 and were signed on its behalf by:

Fr Xavier Perrin  
Head Trustee and Abbot





ST MARY'S ABBEY, QUARR

BALANCE SHEET  
AT 31 DECEMBER 2017

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	16	208,675	19	208,694	198,806
Investments	17	<u>1,114,828</u>	<u>-</u>	<u>1,114,828</u>	<u>1,056,803</u>
		1,323,503	19	1,323,522	1,255,609
<b>CURRENT ASSETS</b>					
Stocks	18	1,412	-	1,412	1,412
Debtors	19	161,348	793	162,141	137,312
Cash at bank and in hand		<u>376,732</u>	<u>120,290</u>	<u>497,022</u>	<u>509,156</u>
		539,492	121,083	660,575	647,880
<b>CREDITORS</b>					
Amounts falling due within one year	20	<u>(18,779)</u>	<u>-</u>	<u>(18,779)</u>	<u>(61,689)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>520,713</u>	<u>121,083</u>	<u>641,796</u>	<u>586,191</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,844,216	121,102	1,965,318	1,841,800
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,844,216</u>	<u>121,102</u>	<u>1,965,318</u>	<u>1,841,800</u>
<b>FUNDS</b>	23				
Unrestricted funds				1,844,216	1,749,890
Restricted funds				<u>121,102</u>	<u>91,910</u>
<b>TOTAL FUNDS</b>				<u>1,965,318</u>	<u>1,841,800</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 20th September 2018 and were signed on its behalf by:



Fr Xavier Perrin  
Head Trustee and Abbot

**ST MARY'S ABBEY, QUARR**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(34,784)</u>	<u>(75,700)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(34,784)</u>	<u>(75,700)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(36,341)	(48,637)
Sale of tangible fixed assets		-	2,189
Purchase of unlisted investments		(115,029)	-
Sale of listed investments		118,461	300,000
Investment income received		<u>78,670</u>	<u>84,306</u>
<b>Net cash provided by (used in) investing activities</b>		<u>45,761</u>	<u>337,858</u>
<b>Cash flows from financing activities</b>			
Repayment of hire purchase		<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		10,977	262,158
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>519,918</u>	<u>257,760</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>530,895</u></u>	<u><u>519,918</u></u>

**ST MARY'S ABBEY, QUARR**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	119,845	22,231
<b>Adjustments for:</b>		
Depreciation charges	30,113	31,193
Profit on sale of tangible fixed assets	-	(1,017)
Profit on sale of investments	(3,269)	
Change in market value of investments	(58,188)	(55,890)
Movement on investment account	-	2,580
Investment income	(78,670)	(84,306)
Decrease/(Increase) in stock	1,452	(2,029)
Decrease/(Increase) in debtors	1,255	(25,704)
(Increase)/Decrease in creditors	<u>(47,322)</u>	<u>37,242</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>(34,784)</u></u>	<u><u>(75,700)</u></u>



**ST MARY'S ABBEY, QUARR**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. CHARITY INFORMATION**

St Mary's Abbey, Quarr, an Incorporated Charity, was incorporated in England and Wales on 2 October 2015 by articles of association and is constituted by guarantee. The registered company number is 09806062.

The registered address of the charity is Quarr Abbey, Ryde, Isle of Wight, PO33 4ES.

Quarr Abbey is registered as a charity with Charity Commission under registration number 1165957.

The principal activity of Quarr Abbey is the upkeep of the Abbey and its Community.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The trustees consider that there are no material uncertainties about the charities ability to continue as a going concern.

The presentation currency used in the financial statements is £ sterling.

**Parent Charity disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions:

- No Cash flow statement has been presented for the parent charity;
- Disclosures in respect of the parent charity's financial instruments have not been presented as equivalent disclosures are included in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole

**Group financial Statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Quarr Abbey Enterprises Limited on a line-by-line basis. Intercompany transactions and balances between the two entities have been eliminated in full.

A separate Statement of Financial Activities for the charity has not been presented in full, summary information is provided in note 15.

In accordance with the transitional exemptions available in FRS 102, the group has chosen not to retrospectively apply the standard to the business combinations that occurred before the date of transition.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. ACCOUNTING POLICIES - Continued**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is the amount derived from ordinary activities and stated after any discounts and is net of VAT.

**a) Grants**

Income from grants is recognised, using the performance model, when the charity has entitlement to the funds, any performance conditions attached to the grant have been satisfied, receipt of the income is probable and the amount can be measured reliably.

**b) Donations**

Income from donations is recognised on receipt. Except where the donation includes terms and conditions, in which case income is recognised once any performance conditions attached to the donation have been satisfied.

**c) Legacies**

Income from legacies is recognised when the charity is aware that there has been grant of probate, notification has been received from the executors that a distribution will be made and any conditions attached to the legacy have been satisfied. Where the charity has been notified of a legacy but there is uncertainty to the amount of the payment the legacy, is treated as a contingent asset.

**d) Sale of goods and refreshments**

Income from goods and refreshments sold through the trading subsidiary is recognised on the supply of good to the buyer and the income from the sale and cost of the goods sold can be measured reliably and income is probable.

**e) Investment income**

Income from funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity.

**f) Covenanted pensions**

Covenanted pensions are pensions receivable by members of the community which they pay to the charity under deed of covenant. Covenanted pensions are recognised when receivable and the amount can be measured reliably by the charity.

**g) Guesthouse takings**

Guesthouse takings are donations made by guest for using the guesthouse facilities. Income is recognised on receipt.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include personnel, finance, administrative and governance costs which support the operation of the charity and its activities. These costs are allocated between the costs of charitable activities and raising funds. Further details of support costs are provided in note 10.

**Services provided by members of the community**

For the purposes of these accounts, no monetary value has been placed on the hospitality, administration and other services provided by the members of the community.

**Investments in subsidiaries**

Investments in subsidiaries are included at cost less impairment.

**ST MARY'S ABBEY, QUARR**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. ACCOUNTING POLICIES - Continued**

**Other Investments**

Listed investments are included at their market value. Realised and unrealised gains and losses are recognised in the statement of financial activities in the year in which they arise.

Unlisted investments are included at cost less impairment.

**Tangible fixed assets**

All tangible fixed assets are initially recognised at cost. Individual tangible fixed assets costing £500 or more are capitalised and are depreciated over their estimated economic lives on a straight line basis. Lower amounts are expensed in the year of purchase

Depreciation is provided at the following annual rates:

Freehold property	2%
Motor vehicles	20%
Furniture and equipment	20%

**Stocks**

Stocks representing goods held for sale by the trading subsidiary are measured at the lower of cost and the estimated selling price less costs to sell.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from past events that will probably result in the transfer of funds to a third party and the amount to be settled can be measured or estimated reliably.

**Financial instruments**

The charity only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and debt instruments are subsequently measured at amortised cost.

**Loan to subsidiary company**

The Charity accounts for a loan to its subsidiary trading company as a concessionary loan. The loan is initially measured at the amount paid with the balance being adjusted each year for the interest which has accrued.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Judgements in applying accounting policies**

In preparing these financial statements the trustees have made the following judgements:

- Determining whether income is restricted or unrestricted. These decisions depend upon the whether the donor has given the income subject to certain terms or conditions which impose a restriction in trust law.
- Determining the allocation of support costs to activities. These decisions depend upon the whether the costs can be directly attributed to an activity or shared between specific activities. The balance of costs is apportioned between the activities.

**Key sources of estimation uncertainty**

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values may vary depending on a number of factors. Factors affecting the lives of assets include technological innovation and maintenance programmes.

**3. DONATIONS AND LEGACIES**

	2017 Unrestricted	2017 Restricted	2017 Total	2016
	£	£	£	£
Donations	103,674	9,232	112,906	193,447
Legacies	21,961	-	21,961	4,328
Grants	-	56,845	56,845	127,507
Mass offerings	12,970	-	12,970	15,749
Covenanted pensions	46,777	-	46,777	10,029
	<u>185,382</u>	<u>66,077</u>	<u>251,459</u>	<u>351,060</u>



**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. DONATIONS AND LEGACIES – Continued**

Grants received, included in the above, are as follows:

	<b>2017</b>	<b>2017</b>	<b>2017</b>	2016
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Heritage Lottery Fund	-	50,012	50,012	127,507
Organ Fund	-	<u>6,833</u>	<u>6,833</u>	-
	<u>-</u>	<u>56,845</u>	<u>56,845</u>	<u>127,507</u>

Included in donations is an amount of £9,132 (2016: £22,496) raised by the Friends of Quarr on behalf of the charity.

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Guesthouse takings	<u>63,130</u>	<u>81,925</u>
	<u>63,130</u>	<u>81,925</u>

**5. OTHER TRADING ACTIVITIES**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Sales of Quarr Abbey products	32,663	34,586
Tea shop and farm shop	341,919	346,490
Abbey shop	51,031	46,794
Art at Quarr	<u>13,127</u>	<u>10,806</u>
	<u>438,740</u>	<u>438,676</u>

**6. INVESTMENT INCOME**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Investment portfolio income	45,120	37,048
Rental income	31,509	44,706
Interest receivable	<u>2,041</u>	<u>2,552</u>
	<u>78,670</u>	<u>84,306</u>

**7. OTHER INCOME**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Miscellaneous income	10,699	9,732
Profit on sale of tangible fixed assets	-	1,017
Profit on sale of investments	<u>3,269</u>	-
	<u>13,968</u>	<u>10,749</u>

**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. RAISING FUNDS**

	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 £
<b>Raising funds</b>				
Investment management fees	2,176	-	2,176	1,079
<b>Trading: Cost of sales and other costs</b>				
Cost of Quarr Abbey products	12,345	-	12,345	13,739
Cost of sales	150,650	-	150,650	147,540
Repairs, maintenance and cleaning	17,439	-	17,439	14,881
Public relations and marketing	1,698	-	1,698	6,995
Light & heat and other establishment expenses	12,622	-	12,622	11,645
Bank charges	3,755	-	3,755	5,228
Support costs (note 10)	<u>120,867</u>	<u>698</u>	<u>121,565</u>	<u>125,854</u>
	<u>321,552</u>	<u>698</u>	<u>322,250</u>	<u>326,961</u>

**9. CHARITABLE ACTIVITIES COSTS**

	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 £
<b>General upkeep of the Abbey and its Community</b>				
Premises costs	79,644	-	79,644	76,803
Personal and living costs	54,975	-	54,975	50,896
Abbatial blessing	-	-	-	7,398
Motor expenses	3,529	-	3,529	4,358
Education costs	1,090	-	1,090	974
Miscellaneous costs	20,954	-	20,954	20,498
Repairs	2,946	-	2,946	-
Support costs (note 10)	<u>249,397</u>	<u>-</u>	<u>249,397</u>	<u>235,984</u>
	<u>412,535</u>	<u>-</u>	<u>412,535</u>	<u>396,911</u>
<b>Heritage Lottery Fund project: The Two Abbeys</b>				
Building repairs and conservation	-	-	-	85,271
Project management	-	11,052	11,052	33,360
Marketing and internet	-	2,600	2,600	-
Other project costs	-	-	-	59,895
Depreciation (support costs note 10)	<u>-</u>	<u>25</u>	<u>25</u>	<u>235</u>
	<u>-</u>	<u>13,677</u>	<u>13,677</u>	<u>178,761</u>
<b>Other Charitable activities</b>				
Organ project	-	15,298	15,298	45,489
Friends of Quarr	-	7,910	7,910	39,070
Evangelisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,174</u>
	<u>-</u>	<u>23,208</u>	<u>23,208</u>	<u>87,733</u>
<b>Donations</b>				
Donations	<u>11,785</u>	<u>-</u>	<u>11,785</u>	<u>10,009</u>
<b>Total Charitable Activities costs</b>	<u>424,320</u>	<u>36,885</u>	<u>461,205</u>	<u>673,414</u>

**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. SUPPORT COSTS**

	<b>2017 Charitable activities £</b>	<b>2017 Raising Funds £</b>	<b>2017 Total £</b>	<b>2016 £</b>
Staff costs and emoluments	184,373	109,727	294,100	272,241
Staff welfare and training	-	583	583	731
Depreciation – property	3,075	2,417	5,492	5,163
Depreciation – other	23,378	1,243	24,621	26,030
Legal and professional expenses	22,104	4,855	26,959	26,154
Public relations and marketing	11,569	-	11,569	6,453
Other professional costs	-	-	-	18,040
Office and administrative costs	4,923	2,740	7,663	7,261
Auditors remuneration	-	-	-	-
	<u>249,422</u>	<u>121,565</u>	<u>370,987</u>	<u>362,073</u>

**11. NET EXPENDITURE**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2017 £</b>	<b>2016 £</b>
Independent examiner's remuneration	2,500	2,500
Depreciation - owned assets	<u>30,113</u>	<u>31,193</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**Trustees' expenses**

There were no trustees' expenses for the year ended 31 December 2017 nor for the year ended 31 December 2016.

**13. STAFF COSTS**

	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	277,661	258,601
Social security costs	15,191	13,169
Pension costs	<u>1,248</u>	<u>471</u>
	<u>294,100</u>	<u>272,241</u>

**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. STAFF COSTS – Continued**

The average monthly number of employees during the year was as follows:

	<b>2017</b>	2016
General upkeep of the Abbey and its Community		
Administration	6	6
Tea shop and farm shop	3	1
	<u>14</u>	<u>13</u>
	<u><b>23</b></u>	<u><b>20</b></u>

No employees received emoluments in excess of £60,000.

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	182,978	168,082	351,060
<b>Charitable activities</b>			
Charitable activities	81,925	-	81,925
Other trading activities	438,676	-	438,676
Investment income	84,306	-	84,306
Other	<u>9,731</u>	<u>1,018</u>	<u>10,749</u>
<b>Total</b>	797,616	169,100	966,716
 <b>EXPENDITURE ON</b>			
Raising funds	324,754	2,207	326,961
<b>Charitable activities</b>			
Charitable activities	<u>410,094</u>	<u>263,320</u>	<u>673,414</u>
<b>Total</b>	734,848	265,527	1,000,375
 <b>Net gains on investments</b>	55,890	-	55,890
 <b>NET INCOME/(EXPENDITURE)</b>	118,658	(96,427)	22,231
<b>Transfer between funds</b>	<u>(128,074)</u>	<u>128,074</u>	<u>-</u>
 <b>NET MOVEMENT IN FUNDS</b>	<u>(9,416)</u>	<u>31,647</u>	<u>22,231</u>
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	1,755,169	91,330	1,846,499
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>1,745,753</u></u>	<u><u>122,977</u></u>	<u><u>1,868,730</u></u>



**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. PARENT CHARITY RESULT FOR THE YEAR**

The parent charity has not presented its own separate Statement of Financial Activities. A summary of its financial result is presented below:

	2017 £	2016 £
Total Income	541,898	589,499
Total Expenditure	(475,726)	(695,098)
Net gains/(losses) on investments	<u>57,346</u>	<u>55,890</u>
Net movements in funds	123,518	(49,709)
Total funds brought forward	<u>1,841,800</u>	<u>1,891,509</u>
Total funds carried forward	<u><u>1,965,318</u></u>	<u><u>1,841,800</u></u>

**16. TANGIBLE FIXED ASSETS**

Group	Freehold property £	Motor vehicles £	Furniture and equipment £	Totals £
<b>COST</b>				
At 1 January 2017	262,195	17,036	307,718	586,949
Additions	36,341	-	-	36,341
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>298,536</u>	<u>17,036</u>	<u>307,718</u>	<u>623,290</u>
<b>DEPRECIATION</b>				
At 1 January 2017	33,498	11,986	229,540	275,024
Charge for year	5,492	1,122	23,499	30,113
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>39,990</u>	<u>13,108</u>	<u>253,039</u>	<u>305,137</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>259,546</u>	<u>3,928</u>	<u>54,679</u>	<u>318,153</u>
At 31 December 2016	<u>228,697</u>	<u>5,050</u>	<u>78,178</u>	<u>311,925</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017

16. TANGIBLE FIXED ASSETS – Continued

Charity	Freehold property £	Motor vehicles £	Furniture and equipment £	Totals £
<b>COST</b>				
At 1 January 2017	141,394	17,036	237,796	396,226
Additions	36,341	-	-	36,341
Disposals	-	-	-	-
At 31 December 2017	<u>177,735</u>	<u>17,036</u>	<u>237,796</u>	<u>432,567</u>
<b>DEPRECIATION</b>				
At 1 January 2017	22,319	11,986	163,115	197,420
Charge for year	3,075	1,122	22,256	26,453
Eliminated on disposal	-	-	-	-
At 31 December 2017	<u>25,394</u>	<u>13,108</u>	<u>13,108</u>	<u>223,873</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>152,341</u>	<u>3,928</u>	<u>52,425</u>	<u>208,694</u>
At 31 December 2016	<u>119,075</u>	<u>5,050</u>	<u>74,681</u>	<u>198,806</u>

17. FIXED ASSET INVESTMENTS

Group	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>				
At 1 January 2017	811,061	216,006	29,734	1,056,801
Additions	115,029	-	-	115,029
Disposals	(114,385)	-	(807)	(115,192)
Revaluations	58,188	-	-	58,188
At 31 December 2017	<u>869,893</u>	<u>216,006</u>	<u>28,927</u>	<u>1,114,826</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>869,893</u>	<u>216,006</u>	<u>28,927</u>	<u>1,114,826</u>
At 31 December 2016	<u>811,061</u>	<u>216,006</u>	<u>29,734</u>	<u>1,056,801</u>

**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**17. FIXED ASSET INVESTMENTS – Continued**

Charity					
	<b>Shares in group undertakings £</b>	<b>Listed investments £</b>	<b>Unlisted investments £</b>	<b>Cash and settlements pending £</b>	<b>Totals £</b>
<b>MARKET VALUE</b>					
At 1 January 2017	2	811,061	216,006	29,734	1,056,803
Additions	-	115,029	-	-	115,029
Disposals	-	(114,385)	-	(807)	(115,192)
Revaluations	-	58,188	-	-	58,188
At 31 December 2017	<u>2</u>	<u>869,893</u>	<u>216,006</u>	<u>28,927</u>	<u>1,114,828</u>
<b>NET BOOK VALUE</b>					
At 31 December 2017	<u>2</u>	<u>869,893</u>	<u>216,006</u>	<u>28,927</u>	<u>1,114,828</u>
At 31 December 2016	<u>2</u>	<u>811,061</u>	<u>216,006</u>	<u>29,734</u>	<u>1,056,803</u>

At 31 December 2017 and 31 December 2016 the charity had a 100% holding of the ordinary share capital in a subsidiary company, Quarr Abbey Enterprises Limited (Company registration number 03609559), a company incorporated in England and Wales. The trading company's objects are to operate the tea shop, farm shop and the Abbey shop.

The results of the subsidiary are included in the consolidated accounts.

A summary of the trading company's results is presented below:

	2017 £	2016 £
Turnover	392,950	393,284
Cost of sales and administrative expenses	(307,729)	(305,278)
Interest payable	(300)	(573)
Net profit	<u>84,921</u>	<u>87,433</u>
Gift aid donations to Quarr Abbey	<u>88,581</u>	<u>15,494</u>
	2017 £	2016 £
Total assets	189,728	164,014
Total liabilities	(166,457)	(137,083)
Aggregate share capital and reserves	<u>23,271</u>	<u>26,931</u>



**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**18. STOCKS**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Goods for resale	<u>8,465</u>	<u>1,412</u>	<u>9,917</u>	<u>1,412</u>
	<u><u>8,465</u></u>	<u><u>1,412</u></u>	<u><u>9,917</u></u>	<u><u>1,412</u></u>

During the year £162,886 (2016: £161,229) of stock was recognised as an expense.

**19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Trade debtors	886	794	13,120	13,120
Amounts owed by group undertakings	-	148,918	-	115,119
Prepayments and accrued income	50,681	11,430	37,212	5,584
Other debtors	<u>999</u>	<u>999</u>	<u>3,489</u>	<u>3,489</u>
	<u><u>52,566</u></u>	<u><u>162,141</u></u>	<u><u>53,821</u></u>	<u><u>137,312</u></u>

Amounts owed by group undertakings represents an unsecured loan to the charity's trading subsidiary, the loan is accounted for as a concessionary loan. The unsecured loan is over a 10-year term and is due to be fully repaid by 31 December 2025. The loan accrues interest at the Bank of England base rate, currently 0.5%.

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Trade creditors	11,979	7,452	48,244	43,889
Taxation and social security	8,407	-	14,334	3,815
Accruals	15,746	11,327	20,889	13,985
Other creditors	<u>185</u>	<u>-</u>	<u>185</u>	<u>-</u>
	<u><u>36,317</u></u>	<u><u>18,779</u></u>	<u><u>83,652</u></u>	<u><u>61,689</u></u>

**21. FINANCIAL ASSETS AND LIABILITIES**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Financial assets measured at amortised cost	<u>583,461</u>	<u>659,163</u>	<u>573,739</u>	<u>646,468</u>
Financial liabilities measured at amortised cost	<u><u>36,318</u></u>	<u><u>18,780</u></u>	<u><u>83,652</u></u>	<u><u>61,689</u></u>

## ST MARY'S ABBEY, QUARR

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 22. FUNDS

Unrestricted funds are used at the discretion of the trustees for any of the charity's purposes, this is mainly for the upkeep of the Abbey and its Community.

Unrestricted funds include designated funds which have been set aside by the trustees for a specific purpose.

**Property fund (designated fund)**

The property fund represents the net book value of the Abbey buildings. This fund has been established in recognition of the fact that the Abbey is central to the objectives of the charity and the buildings do not represent reserves available to finance the charity's operations.

**Library fund (designated fund)**

The library fund represents funds set aside for the use in connection with the library.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The restricted fund comprises the following funds:

**Heritage Lottery Project fund (restricted fund)**

The Heritage Lottery Project fund which represents donations and grants received for the programme of restoration of the old Abbey ruins.

**DEFRA & RDPE fund (restricted fund)**

DEFRA & RDPE fund represents a grant received towards the purchase of equipment and fitting-out of the tea room and farm shop.

**Organ fund (restricted fund)**

Organ fund representing monies held for the restoration of the Abbey organ.

**Friends of Quarr fund (restricted fund)**

Friends of Quarr fund represents monies raised by the Friends of Quarr which will be applied to the projects which they specify.

**Window fund (restricted fund)**

Window fund representing monies held for the restoration of the Abbey windows.

**Vestments fund (restricted fund)**

Vestments fund represents monies raised for the vestments for the members of the community.

**Church gravel path fund (restricted fund)**

Church gravel path fund representing monies held for the upgrade of the Church pathway to enable disabled people and wheelchair users to gain access more easily.

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017

23. MOVEMENT IN FUNDS

Group	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
<b>Unrestricted funds</b>			
General fund	1,663,874	79,364	1,743,238
Property fund	27,451	-	27,451
Library fund	54,428	12,000	66,428
	<u>1,745,753</u>	<u>91,364</u>	<u>1,837,117</u>
<b>Restricted funds</b>			
Heritage Lottery Fund project	50,081	36,335	86,416
DEFRA & RDPE fund	31,067	(698)	30,369
Organ Fund	30,324	(8,365)	21,959
Friends of Quarr fund	7,689	1,222	8,911
Window fund	1,566	-	1,566
Church gravel path fund	2,250	-	2,250
	<u>122,977</u>	<u>28,493</u>	<u>151,471</u>
<b>TOTAL FUNDS</b>	<u>1,868,730</u>	<u>119,857</u>	<u>1,988,588</u>

Net movement in funds, included in the above are as follows:

	Gains and losses £	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	57,346	767,890	(745,872)	79,364
Library fund	-	12,000	-	12,000
	<u>57,346</u>	<u>779,890</u>	<u>(745,872)</u>	<u>91,364</u>
<b>Restricted funds</b>				
Heritage Lottery Fund project	-	50,012	(13,677)	36,335
DEFRA & RDPE fund	-	-	(698)	(698)
Organ Fund	-	6,933	(15,298)	(8,365)
Friends of Quarr fund	-	9,132	(7,910)	1,222
	<u>-</u>	<u>66,077</u>	<u>(37,583)</u>	<u>28,494</u>
<b>TOTAL FUNDS</b>	<u>57,346</u>	<u>845,967</u>	<u>(783,455)</u>	<u>119,858</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017

23. MOVEMENT IN FUNDS – Continued

Charity	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
<b>Unrestricted funds</b>			
General fund	1,668,011	82,326	1,750,337
Property fund	27,451	-	27,451
Library fund	54,428	12,000	66,428
	<u>1,749,890</u>	<u>94,326</u>	<u>1,844,216</u>
<b>Restricted funds</b>			
Heritage Lottery Fund project	50,081	36,335	86,416
Organ Fund	30,324	(8,365)	21,959
Friends of Quarr fund	7,689	1,222	8,911
Window fund	1,566	-	1,566
Church gravel path fund	2,250	-	2,250
	<u>91,910</u>	<u>29,192</u>	<u>121,102</u>
<b>TOTAL FUNDS</b>	<u>1,841,800</u>	<u>123,518</u>	<u>1,965,318</u>

Net movement in funds, included in the above are as follows:

	Gains and losses £	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	57,346	463,821	(438,841)	82,326
Property fund	-	-	-	-
Library fund	-	12,000	-	12,000
	<u>57,346</u>	<u>475,821</u>	<u>(438,841)</u>	<u>94,326</u>
<b>Restricted funds</b>				
Heritage Lottery Fund project	-	50,012	(13,677)	36,335
Organ fund	-	6,933	(15,298)	(8,365)
Friends of Quarr fund	-	9,132	(7,910)	1,222
Window fund	-	-	-	-
Church gravel path fund	-	-	-	-
	<u>-</u>	<u>66,077</u>	<u>(36,885)</u>	<u>29,192</u>
<b>TOTAL FUNDS</b>	<u>57,346</u>	<u>541,898</u>	<u>(475,726)</u>	<u>123,518</u>



**ST MARY'S ABBEY, QUARR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**24. RELATED PARTY DISCLOSURES**

As disclosed in Note 17, the charity has a wholly owned trading subsidiary company, Quarr Abbey Enterprises Limited.

At 31 December 2017 Quarr Abbey Enterprises Limited owed an amount of £148,918 (2016: £115,120) to St Mary's Abbey, Quarr, Charitable Trust. Interest charged on this loan amounted to £300 (2016: £573). The loan is unsecured and is repayable over 10 year and interest accrues at the Bank of England base rate.

**25. ULTIMATE CONTROLLING PARTY**

The charity was under the control of the trustees throughout the year.

**26. CHARITY RECONSTRUCTION**

In 2015 the trustees of St Marys Abbey, Quarr, an unincorporated charity (Charity number 218731), decided that it would benefit the future of the charity to change its legal form from a trust to an incorporated charitable company.

St Mary's Abbey, Quarr, incorporated charitable company was incorporated on 2 October 2015 and registered with the Charity Commission on 9 March 2016.

The assets and liabilities of the trust based charity were transferred to the incorporated charitable company on 1 January 2017.

The reconstruction has been accounted for using the merger method in accordance with the Charities SORP and FRS 102.