



REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
ST MARY'S ABBEY, QUARR



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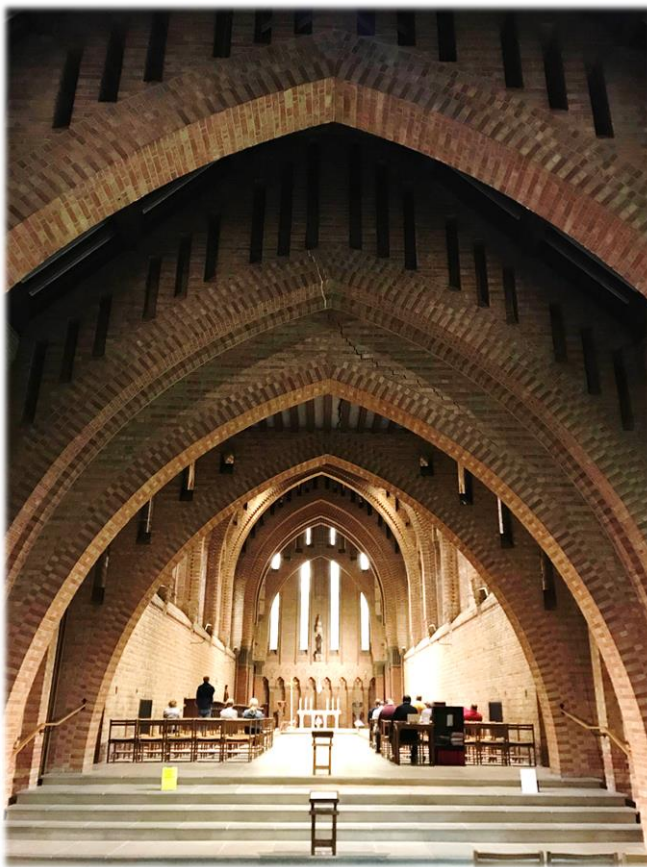
ST MARY'S ABBEY, QUARR
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FOR THE YEAR ENDED 31 DECEMBER 2018

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ST MARY'S ABBEY, QUARR
FORWARD
FOR THE YEAR ENDED 31 DECEMBER 2018

The monastic presence on the site of Quarr began in 1132 with the foundation of the first monastery which flourished till the Reformation. Monks arrived from France in 1907 and built the new monastery on the hill near the ruins of the old abbey. The buildings of the two abbeys and the presence of the living community of 10 monks (aged 32 to 73) are at the heart of Quarr Abbey. They give the site and the Charity their proper identity. Quarr is above all a place intended to allow the spiritual life of the permanent members of the monastic community and of the numerous visitors to whom the monks are happy to open a large area of the estate so that they can benefit from the specific climate of the place.

In 2018, the community has worked on the promotion of vocations to the monastic life. Monastic experience week ends have been proposed to young people. One monk has visited university chaplaincies to give talks and meet with students. Our Intern programme worked successfully during the summer months. A young man, aged 31, has joined the community and is going through the discernment and formation process of the novitiate. The community had the privilege to benefit from the input of a course on the Apocalypse by a renowned Biblical scholar, as well as from the spiritual teaching of a Benedictine Bishop during the annual retreat. With the help of a monk from another monastery and a friend of the abbey, the work of cataloguing and classifying our library has made good progress.



Our services are visited by regular numbers of believers, especially on Sundays and big festivals which also attract to our guest-house a constant flow of men and women. We were delighted to offer to our friends and visitors a theological conference week end by the American Dominican Fr Becket Soule, specialist in Canon Law and Church History. The Friends of Quarr invited the Countess of Oxford who gave a brilliant talk on Shakespeare to a spell-bound assistance. They also organised two retreat days which attracted good numbers of people searching for peace and Christian formation. The now regular annual Organ Week End took place in August and allowed around 500 people to listen to two French and one English organists, as well as an English and a French Soprano, all of them giving an eloquent testimony to the riches and depths of the religious musical traditions of the West.

The Lord Lieutenant of the Isle of Wight and the High Sheriff paid visits to our events and met with our staff and volunteers on different occasions. Abbot Xavier represented the Community at Cowes for the celebrations of the centenary of the death of Tsar Nicholas II of Russia who was a frequent visitor to the Island. Br Duncan was invited to give talks on liturgy in the diocese of East Anglia. Fr Abbot and Fr Luke preached retreats in different communities in England and on the continent.

The beginning of the year proved difficult for our commercial activities. The appointment of a new tea-shop manager considerably improved the situation. Many pending issues could be sorted out in a way which seems satisfactory to our clients as well as to our staff.

The works of re-roofing the cell wing of the cloister benefited from a very dry weather. We can reasonably hope that the Welsh slates which were used will last a long time. A general assessment of the repair and maintenance needs of our buildings has been undertaken. The aim is to be able to prioritize the works areas, to devise a general plan, and to fund-raise towards these heavy expenses.

With the help of external experts, we worked on the new GDPR regulations, our staff managerial processes, and the ongoing Health and Safety procedures.

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. They want to preserve the spiritual identity of the place so that the legacy of the centuries may be handed over to new generations for the good of the wider community.

Fr Xavier, Quarr Abbey

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018. 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.

The Abbey has been successful in operating an Art gallery, a Tea Shop and a Farm Shop; all of which are popular with the local Island population as well as tourists and provide its main commercial income.

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, Book Bindery, 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.

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 revised core menu, and a wider selection of Quarr Abbey jams and chutneys in the Farm Shop.
- Continue to examine further measures to ensure The Abbey Enterprises produces a profit, through the Activity Planner and marketing strategy, building the business in the quieter months.
- Continue to 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 homegrown plants, vegetables and herbs from our gardens that are sold at our Farm Shop.
- Exploring ways in which the Abbey Kitchen can use homegrown produce to reduce food costs. We are continuing to strive for zero wastage with regards to food production.

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Objectives for the year (Continued...)

- Widening the homemade Confectionery, Jams and Chutneys portfolio to create a quality product and to fully utilise home grown produce.
- Update a medium term financial framework for the Abbey to achieve a balance of income against expenditure.

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 tea shop counter, to provide better operating efficiency, and increased product offer
- Continued marketing focused on the Island community and to attract tourist visitors, particularly for the Tea Shop, Farm Shop and Monastery Shop, particularly through the use of social media
- 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, confectionery, jams and chutneys.
- 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 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.

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

ACHIEVEMENT AND PERFORMANCE

Review of Developments (Continued...)

In 2018, 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 in 2017. This year a successful program of concerts attracted hundreds over the series.

- The farm Shop achieved record sales of over £54,000 in 2018 beating previous highest sales from 2012 by over £12,000.
- Launch of ice-cream sales and a new breakfast menu proved popular adding £6,500 of additional income.
- An updated Quarr Abbey guide book has been re-printed with an improved margin achieving an additional £16,000 in profit over next 4 years
- The introduction of a range of handmade soaps and tea cosies produced by our sister abbey at St. Cecilia's, Ryde has proved very popular with Quarr Abbey visitors
- A successful open day was held showing casing the many aspects of Quarr Abbey with many attending from travel, tourism, businesses and local government.
- Improved storage and staff facilities have been added and have been a great asset to the operation of the Tea and Farm shop
- A big improvement was seen in the drop in staff turnover falling from 75% - 16%
- The staff handbook has been updated and is now compliant with new GDPR legislation.
- Quarr Abbey Gardens received it's fourth consecutive 'Ryde In Bloom - Highly Commended' award.
- The 'Quarr Abbey Oak', which grows amongst the ruins, was nominated and shortlisted for the Woodland Trusts national 'Tree of the Year' competition. The tree came a respectable fourth place and its exposure highlighted the importance of trees in our environment. As a result, we were awarded a £500 care grant.
- Our participation in an Isle of Wight publication ' Nammet' has been rewarding. Funds from the book sales of this celebration of quality Island producers and recipes goes to the Earl Mountbatten Hospice, a cancer charity based in Newport, Isle of Wight.
- Quarr Abbey Poultry Project continues to successfully re-home ex-commercial hens and provide eggs to sell in the Farm Shop. Around twelve committed volunteers are involved in this project.
- The monastic community held a very successful theology forum with a series of conferences given by the internationally known Catholic medieval historian Fr Becket Soule OP.
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ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Review of Developments (Continued...)

- 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. The Teaching Apiary continues to successfully train new beekeepers who hope to have their own hives. 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 bees from the mainland.
- The Abbey have introduced new jams and chutneys to the range originally launched in 2013. These are expertly crafted in our purpose made production facility from produce grown in the gardens and on the estate and are 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
- Historic England for a grant of £30,000. This grant was allocated to establish priority works on the Cistercian Abbey ruins via condition surveys and ecological reports. The funds paid for vegetation clearance and essential fact finding works to establish the next steps in conservation work. 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 Down to the Coast enabling the Abbey to provide a new 'Nammet' room, effectively a volunteer and staff room and to re-launch the Quarr Abbey volunteer programme.
- The Friends of Quarr currently raising funds for improving paths near the church

Review of Developments

Financial report for the year

A summary of the year's results can be found on page 12. Total consolidated incoming resources amounted to £907,966 (2017: £845,967). Total consolidated resources expended amounted to £806,454 (2017: £783,455).

The consolidated balance sheet shows total funds of £2,004,159. Of this amount, £25,787 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.

It is the trustee's policy to retain freely available reserves to ensure that the charity's day to day commitments for the ongoing costs of the upkeep of the Abbey and its community can be met.

As the charity is dependent on income from donations, legacies and investment income, the timing and amount of which is variable in nature the trustees consider that freely available reserves should be sufficient to cover 9 to 12 months of these costs. In addition, freely available reserves are held to cover the significant costs of ongoing maintenance and refurbishment programmes which continue to be required on the Abbey and its buildings. In reviewing the level of reserves the trustees are mindful of the requirements of the Congregation of Solesmes.

The charity's freely available reserves consist of its unrestricted funds, which are not comprised of fixed assets, designated funds or funds that are otherwise committed. The general unrestricted funds of the charity alone at 31 December 2018 total £1,631,207 of which £1,353,960 represents freely available reserves.

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Investment policy

The charity has a portfolio of investments, which comprises of listed investments with a market value as at 31 December 2018 of £795,953 (2017: £869,893), other unlisted investments of £216,006 (2017: £216,006) and cash held for reinvestment of £13,820 (2017: £28,927). 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 £49,508 (2017: £84,921) 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.

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.

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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

1165957

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

Independent examiner

Rothmans 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

ST MARY'S ABBEY, QUARR
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 23 September 2019 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**

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 2018.

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

26 September 2019

ST MARY'S ABBEY, QUARR

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	147,720	144,820	292,540	251,459
Charitable activities	4	62,487	-	62,487	63,130
Other trading activities	5	458,051	-	458,051	438,740
Investment income	6	87,624	-	87,624	78,670
Other	7	7,264	-	7,264	13,968
Total Income		763,146	144,820	907,966	845,967
EXPENDITURE ON					
Raising funds	8	374,189	698	374,887	322,250
Charitable activities	9	425,041	6,526	431,567	461,205
Total Expenditure		799,230	7,224	806,454	783,455
Net gains/(losses) on investments		(85,941)	-	(85,941)	57,346
NET INCOME/(EXPENDITURE)	11	(122,025)	137,596	15,571	119,858
NET MOVEMENT IN FUNDS		(122,025)	137,596	15,571	119,858
RECONCILIATION OF FUNDS					
Total funds brought forward		1,837,117	151,471	1,988,588	1,868,730
TOTAL FUNDS CARRIED FORWARD		<u>1,715,092</u>	<u>289,067</u>	<u>2,004,159</u>	<u>1,988,588</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

ST MARY'S ABBEY, QUARR

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	16	380,892	159,467	540,359	318,153
Investments	17	<u>1,025,779</u>	<u>-</u>	<u>1,025,779</u>	<u>1,114,826</u>
		1,406,671	159,467	1,566,138	1,432,979
CURRENT ASSETS					
Stocks	18	16,402	-	16,402	8,465
Debtors	19	51,787	-	51,787	52,566
Cash at bank and in hand		<u>272,450</u>	<u>129,600</u>	<u>402,050</u>	<u>530,895</u>
		340,639	129,600	470,239	591,926
CREDITORS					
Amounts falling due within one year	20	(32,218)	-	(32,218)	(36,317)
NET CURRENT ASSETS/(LIABILITIES)		<u>308,421</u>	<u>129,600</u>	<u>438,021</u>	<u>555,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,715,092	289,067	2,004,159	1,988,588
NET ASSETS/(LIABILITIES)		<u>1,715,092</u>	<u>289,067</u>	<u>2,004,159</u>	<u>1,988,588</u>
FUNDS	23				
Unrestricted funds				1,715,092	1,837,117
Restricted funds				<u>289,067</u>	<u>151,471</u>
TOTAL FUNDS				<u>2,004,159</u>	<u>1,988,588</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 2018.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 31 December 2018 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 23 September 2019 and were signed on its behalf by:

Fr Xavier Perrin
Head Trustee and Abbot

ST MARY'S ABBEY, QUARR

BALANCE SHEET
AT 31 DECEMBER 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	16	303,034	129,796	432,830	208,694
Investments	17	<u>1,025,781</u>	<u>-</u>	<u>1,025,781</u>	<u>1,114,828</u>
		1,328,815	129,796	1,458,611	1,323,522
CURRENT ASSETS					
Stocks	18	7,662	-	7,662	1,412
Debtors	19	168,833	-	168,833	162,141
Cash at bank and in hand		<u>230,502</u>	<u>129,600</u>	<u>360,102</u>	<u>497,022</u>
		406,997	129,600	536,597	660,575
CREDITORS					
Amounts falling due within one year	20	(12,390)	-	(12,390)	(18,779)
NET CURRENT ASSETS/(LIABILITIES)		<u>394,607</u>	<u>129,600</u>	<u>524,207</u>	<u>641,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,723,422	259,396	1,982,818	1,965,318
NET ASSETS/(LIABILITIES)		<u>1,723,422</u>	<u>259,396</u>	<u>1,982,818</u>	<u>1,965,318</u>
FUNDS	23				
Unrestricted funds				1,723,422	1,844,216
Restricted funds				<u>259,396</u>	<u>121,102</u>
TOTAL FUNDS				<u>1,982,818</u>	<u>1,965,318</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 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 23 September 2019 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 2018

		2018 £	2017 £
Cash flows from operating activities:	Notes		
Cash generated from operations	1	<u>36,499</u>	<u>(34,784)</u>
Net cash provided by (used in) operating activities		<u>36,499</u>	<u>(34,784)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(256,074)	(36,341)
Purchase of unlisted investments		(20,001)	(115,029)
Sale of listed investments		23,107	118,461
Investment income received		<u>87,624</u>	<u>78,670</u>
Net cash provided by (used in) investing activities		<u>(165,344)</u>	<u>45,761</u>
Change in cash and cash equivalents in the reporting period		(128,845)	10,977
Cash and cash equivalents at the beginning of the reporting period		<u>530,895</u>	<u>519,918</u>
Cash and cash equivalents at the end of the reporting period		<u><u>402,050</u></u>	<u><u>530,895</u></u>

ST MARY'S ABBEY, QUARR

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	15,571	119,845
Adjustments for:		
Depreciation charges	33,868	30,113
Change in market value of investments	85,941	(58,188)
Investment income	(87,624)	(78,670)
Decrease/(Increase) in stock	(7,937)	1,452
Decrease/(Increase) in debtors	779	1,255
(Increase)/Decrease in creditors	(4,099)	(47,322)
Net cash provided by (used in) operating activities	<u>36,499</u>	<u>(34,784)</u>

ST MARY'S ABBEY, QUARR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

ST MARY'S ABBEY, QUARR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

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

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 £
Donations	63,935	6,213	70,148	112,906
Legacies	44,712	-	44,712	21,961
Grants	-	138,607	138,607	56,845
Mass offerings	10,765	-	10,765	12,970
Covenanted pensions	28,308	-	28,308	46,777
	<u>147,720</u>	<u>144,820</u>	<u>292,540</u>	<u>251,459</u>

ST MARY'S ABBEY, QUARR

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. DONATIONS AND LEGACIES – Continued

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

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 £
Conservation of the Abbey ruins	-	7,500	7,500	-
Roof repair	-	131,107	131,107	-
Heritage Lottery Fund	-	-	-	50,012
Organ Fund	-	-	-	6,833
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>138,607</u>	<u>138,607</u>	<u>56,845</u>

Included in donations is an amount of £6,213 (2017: £9,132) raised by the Friends of Quarr on behalf of the charity.

4. INCOME FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
Guesthouse takings	62,487	63,130
	<u>62,487</u>	<u>63,130</u>

5. OTHER TRADING ACTIVITIES

	2018 £	2017 £
Sales of Quarr Abbey products	34,422	32,663
Tea shop and farm shop	363,595	341,919
Abbey shop	47,797	51,031
Art at Quarr	12,237	13,127
	<u>458,051</u>	<u>438,740</u>

6. INVESTMENT INCOME

	2018 £	2017 £
Investment portfolio income	35,895	31,509
Rental income	49,293	45,120
Interest receivable	2,436	2,041
	<u>87,624</u>	<u>78,670</u>

7. OTHER INCOME

	2018 £	2017 £
Miscellaneous income	7,222	10,699
Profit on sale of tangible fixed assets	-	-
Profit on sale of investments	42	3,269
	<u>7,264</u>	<u>13,968</u>

ST MARY'S ABBEY, QUARR

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

8. RAISING FUNDS

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 £
Raising funds				
Investment management fees	3,158	-	3,158	2,176
Trading: Cost of sales and other costs				
Cost of Quarr Abbey products	10,373	-	10,373	12,345
Cost of sales	175,768	-	175,768	150,650
Repairs, maintenance and cleaning	21,444	-	21,444	17,439
Public relations and marketing	1,425	-	1,425	1,698
Light & heat and other establishment expenses	13,945	-	13,945	12,622
Bank charges	3,578	-	3,578	3,755
Support costs (note 10)	144,498	698	145,196	121,565
	<u>374,189</u>	<u>698</u>	<u>374,887</u>	<u>322,250</u>

9. CHARITABLE ACTIVITIES COSTS

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 £
General upkeep of the Abbey and its Community				
Premises costs	92,509	-	92,509	79,644
Personal and living costs	44,627	-	44,627	54,975
Motor expenses	2,390	-	2,390	3,529
Education costs	450	-	450	1,090
Miscellaneous costs	23,015	-	23,015	20,954
Repairs	2,330	-	2,330	2,946
Support costs (note 10)	249,364	1,311	250,675	249,397
	<u>414,685</u>	<u>1,311</u>	<u>415,996</u>	<u>412,535</u>
Heritage Lottery Fund project: The Two Abbeys				
Building repairs and conservation	-	-	-	-
Project management	-	-	-	11,052
Marketing and internet	-	-	-	2,600
Other project costs	-	793	793	-
Depreciation (support costs note 10)	-	19	19	25
	<u>-</u>	<u>812</u>	<u>812</u>	<u>13,677</u>
Other Charitable activities				
Organ project	-	-	-	15,298
Friends of Quarr	-	1,179	1,179	7,910
Conservation of the Abbey ruins	-	3,224	3,224	-
	<u>-</u>	<u>4,403</u>	<u>4,403</u>	<u>23,208</u>
Donations				
Donations	10,356	-	10,356	11,785
	<u>10,356</u>	<u>-</u>	<u>10,356</u>	<u>11,785</u>
Total Charitable Activities costs	<u>425,041</u>	<u>6,526</u>	<u>431,567</u>	<u>461,205</u>

ST MARY'S ABBEY, QUARR

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. SUPPORT COSTS

	2018	2018	2018	2017
	Charitable	Raising	Total	
	activities	Funds		
	£	£	£	£
Staff costs and emoluments (note 13)	180,714	135,405	316,119	294,100
Staff welfare and training	-	1,610	1,610	583
Depreciation – property	5,822	-	5,822	5,492
Depreciation – other	24,416	3,630	28,046	24,621
Legal and professional expenses	14,935	2,074	17,009	26,959
Public relations and marketing	19,820	-	19,820	11,569
Office and administrative costs	4,987	2,477	7,464	7,663
	<u>250,694</u>	<u>145,196</u>	<u>395,890</u>	<u>370,987</u>

11. NET EXPENDITURE

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

	2018	2017
	£	£
Independent examiner's remuneration	2,500	2,500
Depreciation - owned assets	<u>33,868</u>	<u>30,113</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

There were no trustees' expenses for the year ended 31 December 2018 nor for the year ended 31 December 2017.

13. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	299,080	277,661
Social security costs	14,592	15,191
Pension costs	<u>2,447</u>	<u>1,248</u>
	<u>316,119</u>	<u>294,100</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

13. STAFF COSTS – Continued

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

	2018	2017
General upkeep of the Abbey and its Community Administration	8	6
Tea shop and farm shop	1	3
	<u>16</u>	<u>14</u>
	<u>25</u>	<u>23</u>

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	185,382	66,077	251,459
Charitable activities			
Charitable activities	63,130	-	63,130
Other trading activities	438,740	-	438,740
Investment income	78,670	-	78,670
Other	<u>13,968</u>	<u>-</u>	<u>13,968</u>
Total	<u>779,890</u>	<u>66,077</u>	<u>845,967</u>
EXPENDITURE ON			
Raising funds	321,552	698	322,250
Charitable activities			
Charitable activities	<u>424,320</u>	<u>36,885</u>	<u>461,205</u>
Total	<u>745,872</u>	<u>37,583</u>	<u>783,455</u>
Net gains on investments	<u>57,346</u>	<u>-</u>	<u>57,346</u>
NET INCOME/(EXPENDITURE)	<u>91,364</u>	<u>28,494</u>	<u>119,858</u>
Transfer between funds	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS	<u>91,364</u>	<u>28,494</u>	<u>119,858</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,745,753</u>	<u>122,977</u>	<u>1,868,730</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,837,117</u>	<u>151,471</u>	<u>1,988,588</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	2018 £	2017 £
Total Income	548,540	541,898
Total Expenditure	(445,099)	(475,726)
Net gains/(losses) on investments	<u>(85,941)</u>	<u>57,346</u>
Net movements in funds	17,500	123,518
Total funds brought forward	1,965,318	1,841,800
Total funds carried forward	<u>1,982,818</u>	<u>1,965,318</u>

16. TANGIBLE FIXED ASSETS

Group	Freehold property £	Motor vehicles £	Furniture and equipment £	Totals £
COST				
At 1 January 2018	298,536	17,036	307,718	623,290
Additions	226,316	-	29,758	256,074
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>524,852</u>	<u>17,036</u>	<u>337,476</u>	<u>879,364</u>
DEPRECIATION				
At 1 January 2018	38,990	13,108	253,039	305,137
Charge for year	8,238	1,122	24,508	33,868
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>47,228</u>	<u>14,230</u>	<u>277,547</u>	<u>339,005</u>
NET BOOK VALUE				
At 31 December 2018	<u>477,624</u>	<u>2,806</u>	<u>59,929</u>	<u>540,359</u>
At 31 December 2017	<u>259,546</u>	<u>3,928</u>	<u>54,679</u>	<u>318,153</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

16. TANGIBLE FIXED ASSETS – Continued

Charity	Freehold property £	Motor vehicles £	Furniture and equipment £	Totals £
COST				
At 1 January 2018	177,735	17,036	237,796	432,567
Additions	226,316	-	28,058	254,374
Disposals	-	-	-	-
At 31 December 2018	<u>404,051</u>	<u>17,036</u>	<u>265,854</u>	<u>686,941</u>
DEPRECIATION				
At 1 January 2018	25,394	13,108	185,371	223,873
Charge for year	5,822	1,122	23,294	30,238
Eliminated on disposal	-	-	-	-
At 31 December 2018	<u>31,216</u>	<u>14,230</u>	<u>208,665</u>	<u>254,111</u>
NET BOOK VALUE				
At 31 December 2018	<u>372,835</u>	<u>2,806</u>	<u>57,189</u>	<u>432,830</u>
At 31 December 2017	<u>152,341</u>	<u>3,928</u>	<u>52,425</u>	<u>208,694</u>

17. FIXED ASSET INVESTMENTS

Group

	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
MARKET VALUE				
At 1 January 2018	869,893	216,006	28,927	1,114,826
Additions	20,001	-	-	20,001
Disposals	(8,000)	-	(15,107)	(23,107)
Revaluations	<u>(85,941)</u>	<u>-</u>	<u>-</u>	<u>(85,941)</u>
At 31 December 2018	<u>795,953</u>	<u>216,006</u>	<u>13,820</u>	<u>1,025,779</u>
NET BOOK VALUE				
At 31 December 2018	<u>795,953</u>	<u>216,006</u>	<u>13,820</u>	<u>1,025,779</u>
At 31 December 2017	<u>869,893</u>	<u>216,006</u>	<u>28,927</u>	<u>1,114,826</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

17. FIXED ASSET INVESTMENTS – Continued

Charity

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
MARKET VALUE					
At 1 January 2018	2	869,893	216,006	28,927	1,114,828
Additions	-	20,001	-	-	20,001
Disposals	-	(8,000)	-	(15,107)	(23,107)
Revaluations	-	(85,941)	-	-	(85,941)
At 31 December 2018	<u>2</u>	<u>795,953</u>	<u>216,006</u>	<u>13,820</u>	<u>1,025,781</u>
NET BOOK VALUE					
At 31 December 2018	<u>2</u>	<u>795,953</u>	<u>216,006</u>	<u>13,820</u>	<u>1,025,781</u>
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 2018 and 31 December 2017 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:

	2018 £	2017 £
Turnover	411,392	392,950
Cost of sales and administrative expenses	(361,356)	(307,729)
Interest payable	(528)	(300)
Net profit	<u>49,508</u>	<u>84,921</u>
Gift aid donations to Quarr Abbey	<u>51,438</u>	<u>88,581</u>
	2018 £	2017 £
Total assets	198,775	189,728
Total liabilities	(177,434)	(166,457)
Aggregate share capital and reserves	<u>21,341</u>	<u>23,271</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

18. STOCKS

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Goods for resale	<u>16,402</u>	<u>7,662</u>	<u>8,465</u>	<u>1,412</u>
	<u>16,402</u>	<u>7,662</u>	<u>8,465</u>	<u>1,412</u>

During the year £179,891 (2017: £162,886) of stock was recognised as an expense.

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade debtors	-	-	886	794
Amounts owed by group undertakings	-	157,606	-	148,918
Prepayments and accrued income	1,971	1,971	50,681	11,430
Other debtors	<u>49,816</u>	<u>9,256</u>	<u>999</u>	<u>999</u>
	<u>51,787</u>	<u>168,833</u>	<u>52,566</u>	<u>162,141</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

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade creditors	12,185	6,592	11,979	7,452
Taxation and social security	11,164	-	8,407	-
Accruals	8,684	5,798	15,746	11,327
Other creditors	<u>185</u>	<u>-</u>	<u>185</u>	<u>-</u>
	<u>32,218</u>	<u>12,390</u>	<u>36,317</u>	<u>18,779</u>

21. FINANCIAL ASSETS AND LIABILITIES

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Financial assets measured at amortised cost	<u>453,837</u>	<u>528,935</u>	<u>583,461</u>	<u>659,163</u>
Financial liabilities measured at amortised cost	<u>32,218</u>	<u>12,390</u>	<u>36,317</u>	<u>18,779</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Abbey ruins conservation fund (restricted fund)

Abbey ruins conservation fund representing monies received and held for the programme of conservation of the old Abbey ruins.

Roof repair fund (restricted fund)

Roof repair fund representing monies received for the programme of repairs to the roofs of the Abbey buildings.

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

23. MOVEMENT IN FUNDS

Group	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	1,744,070	(121,193)	1,622,877
Property fund	26,619	(832)	25,787
Library fund	66,428	-	66,428
	<u>1,837,117</u>	<u>(122,025)</u>	<u>1,715,092</u>
Restricted funds			
Heritage Lottery Fund project	86,416	(812)	85,604
DEFRA & RDPE fund	30,369	(698)	29,671
Organ Fund	21,959	-	21,959
Friends of Quarr fund	8,911	5,034	13,945
Window fund	1,566	-	1,566
Church gravel path fund	2,250	-	2,250
Abbey ruins conservation fund	-	4,276	4,276
Roof repair fund	-	129,796	129,796
	<u>151,471</u>	<u>137,596</u>	<u>289,067</u>
TOTAL FUNDS	<u>1,988,588</u>	<u>15,571</u>	<u>2,004,159</u>

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

	Gains and losses £	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds				
General fund	(85,941)	763,146	(798,398)	(121,193)
Property fund	-	-	(832)	(832)
Library fund	-	-	-	-
	<u>(85,941)</u>	<u>763,146</u>	<u>(799,230)</u>	<u>(122,025)</u>
Restricted funds				
Heritage Lottery Fund project	-	-	(812)	(812)
DEFRA & RDPE fund	-	-	(698)	(698)
Organ Fund	-	-	-	-
Friends of Quarr fund	-	6,213	(1,179)	5,034
Window fund	-	-	-	-
Church gravel path fund	-	-	-	-
Abbey ruins conservation fund	-	7,500	(3,224)	4,276
Roof repair fund	-	131,107	(1,311)	129,796
	-	<u>144,820</u>	<u>(7,224)</u>	<u>137,596</u>
TOTAL FUNDS	<u>(85,941)</u>	<u>907,966</u>	<u>(806,454)</u>	<u>15,571</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

23. MOVEMENT IN FUNDS – Continued

Charity	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	1,751,168	(119,962)	1,631,207
Property fund	26,619	(832)	25,787
Library fund	66,428	-	66,428
	<u>1,844,216</u>	<u>(120,794)</u>	<u>1,723,422</u>
Restricted funds			
Heritage Lottery Fund project	86,416	(812)	85,604
Organ Fund	21,959	-	21,959
Friends of Quarr fund	8,911	5,034	13,945
Window fund	1,566	-	1,566
Church gravel path fund	2,250	-	2,250
Abbey ruins conservation fund	-	4,276	4,276
Roof repair fund	-	129,796	129,796
	<u>121,102</u>	<u>138,294</u>	<u>259,396</u>
TOTAL FUNDS	<u>1,965,318</u>	<u>17,500</u>	<u>1,982,818</u>

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

	Gains and losses £	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds				
General fund	(85,941)	403,720	(437,741)	(119,962)
Property fund	-	-	(832)	(832)
Library fund	-	-	-	-
	<u>(85,941)</u>	<u>403,720</u>	<u>(438,573)</u>	<u>(120,794)</u>
Restricted funds				
Heritage Lottery Fund project	-	-	(812)	(812)
Organ fund	-	-	-	-
Friends of Quarr fund	-	6,213	(1,179)	5,034
Window fund	-	-	-	-
Church gravel path fund	-	-	-	-
Abbey ruins conservation fund	-	7,500	(3,224)	4,276
Roof repair fund	-	131,107	(1,311)	129,796
	<u>-</u>	<u>144,820</u>	<u>(6,526)</u>	<u>138,294</u>
TOTAL FUNDS	<u>(85,941)</u>	<u>548,540</u>	<u>(445,099)</u>	<u>17,500</u>

ST MARY'S ABBEY, QUARR

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

23. MOVEMENT IN FUNDS – PRIOR YEAR

Group	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
Unrestricted funds			
General fund	1,663,874	80,196	1,744,070
Property fund	27,451	(832)	26,619
Library fund	54,428	12,000	66,428
	<u>1,745,753</u>	<u>91,364</u>	<u>1,837,117</u>
Restricted funds			
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>28,494</u>	<u>151,471</u>
TOTAL FUNDS	<u>1,868,730</u>	<u>119,858</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 £
Unrestricted funds				
General fund	57,346	767,890	(745,040)	80,196
Property fund	-	-	(832)	(832)
Library fund	-	12,000	-	12,000
	<u>57,346</u>	<u>779,890</u>	<u>(745,872)</u>	<u>91,364</u>
Restricted funds				
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>66,077</u>	<u>(37,583)</u>	<u>28,494</u>
TOTAL FUNDS	<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 2018

23. MOVEMENT IN FUNDS – PRIOR YEAR – Continued

Charity	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
Unrestricted funds			
General fund	1,668,011	83,158	1,751,168
Property fund	27,451	(832)	26,619
Library fund	54,428	12,000	66,428
	<u>1,749,890</u>	<u>94,326</u>	<u>1,844,216</u>
Restricted funds			
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>
TOTAL FUNDS	<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 £
Unrestricted funds				
General fund	57,346	463,821	(438,009)	83,158
Property fund	-	-	(832)	(832)
Library fund	-	12,000	-	12,000
	<u>57,346</u>	<u>475,821</u>	<u>(438,841)</u>	<u>94,326</u>
Restricted funds				
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>
TOTAL FUNDS	<u>57,346</u>	<u>541,898</u>	<u>(475,726)</u>	<u>123,518</u>

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 2018 Quarr Abbey Enterprises Limited owed an amount of £157,606 (2017: £148,918) to St Mary's Abbey, Quarr, Charitable Trust. Interest charged on this loan amounted to £528 (2017: £300). 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.