

**THE MONASTERY OF ST. FRANCIS AND GORTON TRUST**

(A company limited by guarantee)

**Trustees' Report and Consolidated Financial Statements**

**For the year ended 3<sup>rd</sup> January 2019**

**Charity number 1061457**

**Company number 03251869**

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
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**FOR THE YEAR ENDED JANUARY 3rd 2019**

**TRUSTEES:**

The trustees who served during the year to 3<sup>rd</sup> January were as follows;

Paul Griffiths DL (Chairman & Company Secretary)

Jeremy Cole

David Dickinson

Resigned November 27 2018

Ray Hanks

Tim Isherwood

David Oliver

Piers Sturridge

Janet Wallwork

Clare Lewis

Appointed August 30 2018

The trustees are also the directors of the company for the purposes of company law.

**CHIEF EXECUTIVE AND SENIOR LEADERSHIP TEAM**

Elaine Griffiths MBE, DL. Chief Executive

Jackie Ormiston, Finance & Operations Director

**REGISTERED OFFICE**

The Monastery  
89 Gorton Lane  
Manchester  
M12 5WF

**REGISTERED CHARITY NUMBER**

1061457

**COMPANY NUMBER**

03251869

**STATUTORY AUDITORS:**

Chittenden Horley Ltd

Chartered Accountants & Registered Auditors

456, Chester Road

Old Trafford

Manchester

M16 9HD.

**BANKERS**

The Co-operative Bank

Balloon Street

Manchester

M60 4EP

**SOLICITORS**

Brabners LLP

Horton House

Exchange Flags

Liverpool

L2 3YL.

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**Chairman's Report**

It remains an honour and privilege to Chair this wonderful charity and report continued progress in this the 22<sup>nd</sup> year since the building preservation trust was formed to save the precious Gorton Monastery from ruin. It is a building of enormous cultural and social significance, nestled in the heart of the most unexpected urban area of Manchester.

Throughout the report, you will find examples of the work we've done in the last 12 months, some of the volunteer, community and charitable groups we have supported and the social & economic value this saved world monument site has helped to create for Manchester and humanity.

During the course of the year, our dedicated volunteers, trustees and paid staff have ensured that every visitor to this stunning monument, wherever they come from is made very welcome and encouraged to take a moment to connect with the magic of this very special place.

The work of trustees in ensuring the good governance function of the charity is mirrored by the effort and dedication of every member of staff working for us and the more than fifty-five volunteers who gladly give their time to support our work. I am immensely grateful to them all.

The Monastery has faced a number of challenges in the year. Recovery from the disruptive yet vital conservation and new build project known as "Sharing the Story" has been slower than we had hoped. In addition, and although The Monastery is strategically important to the City of Manchester, this did not prevent the City withdrawing the charity's discretionary rate relief. This had an impact on the charity group's consolidated financial result.

Despite these setbacks, the Monastery Trust improved its financial result year on year by reporting a modest surplus for the first time in five years. The trust continues to satisfy its charitable objects every single day and makes this precious Heritage Asset available to all. Collaboration with local community groups, city region and national charities, schools and higher education colleges continue to grow. General visitor numbers continue to grow.

This modern-day Monastery plays an important role in the regeneration of the area and rejuvenation of the community.

Thank you to everyone who has made our work here in Gorton possible.

*Paul Griffiths*

.....  
Paul Griffiths  
Chairman & Company Secretary.  
The Monastery of St. Francis & Gorton Trust.

October 1 2019.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2019**

The trustees present the annual report and the audited financial statements of the charity and its wholly-owned subsidiary for the year ended January 3rd 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Monastery of St. Francis & Gorton Trust constitution, the charities act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).

**BACKGROUND**

The Monastery of St. Francis & Gorton Trust, situated in East Manchester was formed in 1996 as a building preservation trust. Its aim was to save the dilapidated former Franciscan Pugin designed church & friary of St. Francis of Assisi, and put it to purposeful use once more at the heart of the community, a catalyst for regeneration in a neglected, hard-pressed area of the City of Manchester.

**DIRECTORS/TRUSTEES**

The directors for the purposes of company law, who are the trustees for the purpose of charity law, who served during the year are set out on page 1.

**OBJECTIVES AND ACTIVITIES**

During 2019 the Trustees have reviewed and revised the charity's governing instrument and amended the objects of the charity. The amended objects have been approved by the Charity Commission in 2019. For the year under review, and previous periods, the objects of the charity are as follows:

- ☐ To regenerate preserve and enhance for the public benefit the area comprising the Gorton district of Manchester (the area of benefit), including, as a Building Preservation Trust, renovation, restoring and utilising the former church and monastery building of St Francis as a focal point for such regeneration preservation and enhancement.
- ☐ To stimulate public awareness of, and interest in the area of benefit and its economic and social history
- ☐ To secure the preservation protection repair and development and improvement of features of historical or local interest in the area of benefit for the benefit of the public.
- ☐ To encourage mixed-use development on a human scale, effective civic management and sustainable growth in the area of benefit.
- ☐ To further the provision of business, leisure and cultural opportunities in the area of benefit

Following the revisions in the subsequent period, the Objects of the Charity which will apply after September 19 2019 (the of the relevant Special Resolution) are as follows

(s) To restore, conserve and maintain the Monastery of St Francis (designed by Edward Welby Pugin in 1866) in the Gorton district of Manchester, being of historical, architectural and constructional merit and to advance the education of the public in those features of its historical, architectural and constructional heritage that exists in and around the said Monastery and its place within Gorton and its surrounding areas;

(b) To further or benefit the residents of the Gorton district of Manchester and its surrounding areas, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents;

(c) To advance the education of the public in general including (but without prejudice to the generality of the foregoing) the provision of facilities for education and the education of the public in the creation, enjoyment, appreciation and understanding of the arts through performance, exhibitions and educational programmes;

(d) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including (but without prejudice to the generality of the foregoing) providing training opportunities for young people and ex-offenders;

(e) To preserve and protect the health of residents of the Gorton district of Manchester and its surrounding areas by (but without prejudice to the generality of the foregoing) providing and assisting in the provision of facilities, support services and equipment not normally provided by the statutory authorities and advancing the education of the public in health care by the provision of classes and other resources devoted to healthcare;

(f) The prevention or relief of poverty in the Gorton district of Manchester and its surrounding areas by (but without prejudice to the generality of the foregoing) the provision of assistance to those who are homeless or facing homelessness in the form of advice, employment and education assistance, signposting on issues related to housing and working with other agencies to develop housing solutions for those in necessitous circumstances;

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(g) The promotion of equality and diversity for the public benefit by (but without prejudice to the generality of the foregoing) advancing education and raising awareness in equality and diversity, promoting activities to foster understanding between people from diverse backgrounds and cultivating a sentiment in favour of equality and diversity;

(h) The promotion of religious harmony for the benefit of the public by (i) educating the public in different religious beliefs including an awareness of their distinctive features and their common ground to promote good relations between persons of different faiths; and (ii) promoting knowledge and mutual understanding and respect of the beliefs and practices of different religious faiths;

(i) Such other exclusively charitable purposes according to the law of England and Wales as the Trustees determine from time to time.

Beneficiaries

Beneficiaries of the Charity's work include:

- Children, Young People and Age-Friendly groups.
- Volunteers (adults and young people)
- The People of Manchester and local communities
- Voluntary organisations.
- Community Charity & Community Groups.

In shaping our objectives and planning our activities for the year, the trustees confirm that they have given due regard to guidance published by the Charity Commission, including public benefit: running a charity (PB2) guidance.

The charity has relied on major grants to fund capital development work aimed at conserving and restoring the former church & friary and from funds and activities through charges made to its wholly-owned subsidiary The Monastery Manchester (MML). It makes the buildings available for a wide range of uses including a majority use by visitors from the public who view the very special architecture, are educated by its stunning interiors and exteriors fascinated by exhibits charting the rich history of the Monastery and the once industrial Gorton district of Manchester. Donations from the public are encouraged.

The trust does not receive any revenue support or revenue supporting grants from any source. The Trust must rely on its own efforts and activities to maintain this incredible heritage asset and of course, donations from the public.

**ABOUT US**

**WHO WE ARE:** The Monastery of St. Francis & Gorton Trust is a Building Preservation Trust and registered charity set up over 22 years ago, to try to save, restore and find a viable new use for Pugin's derelict architectural masterpiece, known locally as Gorton Monastery.

**WHAT WE DO:** The Trust's charitable mission is to generate enough income to maintain this precious & sacred heritage asset as a local resource, back at the heart of the community once again.

**HOW WE DO IT:** By law, the Trust has to have a wholly-owned trading subsidiary. This is the Monastery Manchester Ltd- which operates the visitor café and shop and delivers community, educational and outreach activities and events, as well as hiring out spaces for a wide range of uses. This includes charity dinners, community & family celebrations, weddings, funerals, conferences, meetings, concerts and arts, health & spiritual projects & events.

**WHY WE DO IT:** The Trust constantly strives to be self-sufficient and sustainable by generating all of its own income through the Charity and the Monastery Manchester. It does not receive any revenue grants or public funding from anyone, including Manchester City Council. It relies heavily on over 55 volunteers and pro-bono professional support in order to survive.

**YOUR EVENT HELPS US TO HELP OTHERS:** Any profits made by The Monastery Manchester, are donated back to the Charitable Trust for on-going conservation and maintenance work and to support our charitable community projects in education, skills, arts & health.

**WHAT THE MONASTERY ACHIEVES:** The Monastery has won over 30 prestigious national & regional awards so far for its work in regeneration, community benefit, heritage and as a visitor attraction and unique events venue. The social & economic value brought to Manchester by the Monastery's very existence is put at circa £20 million Gross Value Added since 2007.

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**Activities**

As a Building Preservation Trust, trustees are seeking to meet these objectives through the restoration and conservation of the former Friary and Church of St Francis and the development of the surrounding area, under the brand name of The Monastery, Manchester and through community events and commercial activities. These events and activities ensure the buildings are well used. They also serve to subsidise the maintenance and upkeep of the historic buildings for current and future generations to enjoy. Widely regarded by Manchester City Council as a strategically significant site, trustees operate the buildings and make it available without revenue or subsidy support. Commercial events make possible the free to enter use of the building, while at the same time financially boosting the economy of Manchester and enhancing its reputation to all visitors, be they Mancunians or from further afield.

The charity ensures that wholly-owned subsidiary The Monastery Manchester Limited's sole purpose is to develop a viable social enterprise, utilise the heritage asset and generate income for the charity. Proceeds support the maintenance of the historic buildings and the Trust's outreach work and objectives in the local community. Operationally, trustees consider both parent and subsidiary as one and the same, with an overarching charitable purpose.

A significant benefit of using the Monastery Heritage Asset in a purposeful way is the Economic Added Value that it creates specifically for the City of Manchester. By extrapolating an independent GVA report of 2012, which measured the economic impact of restoring the buildings, it is clear The Monastery has consistently proved an asset to the City of Manchester by adding over £20million to its economy. Proceeds from activities and events subsidise the Trusts work and creates important employment for local people too.

There is no doubt the Monastery's restoration and landmark presence has played a pivotal role in the improving fortune of Gorton. It is widely regarded by commentators as the primary catalyst for the regeneration of the area.

**ACHIEVEMENTS AND PERFORMANCE**

To fulfil the Charity's objects, a number of activities were undertaken through the trust and its trading subsidiary which have delivered wide-ranging public benefits.

There have been a substantial number of projects undertaken by The Monastery of St Francis & Gorton Trust this year that have benefitted all sectors of the community. In order to achieve the Charity's outcomes which include the regular free use and access to the buildings for all to view exhibition and storyboard displays and the magnificent spiritually uplifting building.

**Social & Economic Value**

**Investment in Gorton-**for many local people the saving of Gorton Monastery was the catalyst for the regeneration of the area. Its restoration helped to rebuild confidence, improve people's lives. The £12million raised to bring the Monastery and Charity to this point has encouraged people to move to Gorton because they want to-not because they have to. Winning over 30 National Awards helped to build pride once more.

**Supporting the local economy-**the estimated GVA of £20million created by the Monastery's very existence since first phase restoration in 2007, is a remarkable achievement. The charity group tries where possible to source goods and services locally. We spend in Manchester, money remains in Manchester and strongly believe in giving back to the community through work, goods and services.

**World Monument site saved-**the saving of Gorton Monastery has proven over 22 years so far that important heritage sites can and do have a positive social impact. They can help people thrive and develop pride in their communities. Such places can also make people feel better. This National Heritage Exemplar remains a beacon of hope and inspiration to many that follow with ideas to save their own piece of UK heritage.

**Community & Social Value-** In the year the charity the group added to its Community and Social value locally by working with and supporting 44 Community not-for-profit & charitable partnerships. 20 local Gorton Community groups, 4 classrooms on your doorstep Primary Schools, enjoyed 30 school visits, supported 25 national charities and undertook 200 Health & Therapy sessions.

**Regeneration & Homes-**The Monastery as a catalyst for the regeneration of the area is unquestionable. The perception of the area has improved, property prices increased and Gorton described by one press article as the new Didsbury. The Greater Manchester Pension Fund invested in new build homes adjoining The Monastery and used the property in all its marketing materials, the 148 new homes, designed in complementary style with the Monastery, sold very quickly, a further 68 homes were built opposite The Monastery too.

**Employment & Jobs Created-**Local employment initiatives led to 25 jobs being created, including that of a Digital Apprentice and work experience gained by students from Wright Robinson College in Gorton.

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**Volunteers**-continue to be the bedrock of The Monastery's activity. In 2018, over 55 volunteers, including the Trustees and Chairman, donated 6,340 hours of time to the cause. Their contribution and pro bono professional time was worth £179k in the year. So exceptional are they that in 2013, the volunteers were presented with a Queen's Award for Voluntary Service, the highest award available to voluntary groups in the UK. We believe that the Monastery wouldn't be the place it is without them

**Education & Schools** - Local schools engagement, with four very local, introduced Children to the World of Work, to stained glass making and through job learning to the various job roles that exist at The Monastery via a "work detectives" programme and much more with schools across Greater Manchester.

**Environment & Sustainability**-The trust is working towards ISO 20121 International Sustainable Event Management. This initiative was put on hold during the important yet disruptive phase of conservation and new build project named 'Sharing the Story'. The drive to become more sustainable began in 2012 when UNESCO granted The Monastery status as a Centre of Expertise in Sustainable Development. The new Welcome Wing is Carbon Neutral and is so energy efficient; it almost has Passive House qualities, including triple glazing. We aim to support Manchester Council's - Our Manchester Strategy in a number of areas, which best fit with our charitable objectives.

**Operating Highlights:**

The Trust's Trading subsidiary, The Monastery Manchester, achieved a profit in the period of £78k (calendar year 2017: (£87k) deficit) on revenues of £1.3million (calendar year 2017 £1.1m)

Consolidated result for the year was for total revenues of £1.4m (calendar year 2017 £1.5m) and a £5k surplus on unrestricted funds (calendar year 2017 unrestricted funds deficit of £173k).

**Recovery from Building Conservation/New Build work.**

We remain grateful for the continued support provided by The Co-operative Bank (Trust bankers since 1996 at the Trust's formation), Architectural Heritage Fund, the Heritage Lottery Fund and other grant donors and stakeholders. We thank everyone who has expressed an interest in delivering the economic, regeneration and cultural benefits to the City of Manchester and who appear keen for the Building Preservation Trust to succeed for the benefit of many.

**Supportive Colleagues**

Trustees would like to pay tribute to all employees, volunteers and benefactors for their hard work, commitment and support for the work of the Trust. Trustees are also grateful to the increasing number of business customers and leisure clients who share our vision and responsible business agenda. This enabling support for the work of the Trust has helped fulfil important elements of our community and regeneration objectives and keep the Historic and Unique Place front of mind.

**Funding for initiatives**

It remains a strategic objective to build up financial reserves to enable the community to apply for funds in support of local initiatives.

The Oglesby Charitable Trust, led by the founders of Bruntwood, have converted a £100k loan it made to help the Trust during the 'Sharing the Story' project, into an advanced purchase agreement. This agreement will help Manchester charities that the Oglesby Charitable Trust support to find a permanent home at the Monastery in a Charity Hub situated in the first floor of the friary.

Trustees are very grateful for the support of the Oglesby Trustees, alongside others who care deeply about The Monastery. We are also pleased that the long-term loans with The Co-operative Bank continue to reduce and will be fully re-paid in 2020. Repayments to the Architectural Heritage Fund first began in 2012. Under new terms, an additional AHF loan taken out in 2017 will be repaid in 2022.

**Awards & Honours:** The Monastery team are honoured to receive the following,

- Finalist Manchester People's Culture Award 2019.
- County Brides North West Wedding Awards Winner 2019.
- M&IT Awards-Finalist Best UK Unusual Venue 2019.
- Queen's Award for Voluntary Service-GM Presentations to winning voluntary groups 2019.



**Awards & Honours (continued)**

- Trip Adviser enters Monastery into its Hall of Fame 2019-five years pf excellence.
- Royal Institution of Chartered Surveyors Awards-Finalist-Gorton Monastery-Sharing the Story-Building conservation. 2018.
- RICS Awards-Gorton Monastery –Sharing the Story-Community Benefit Category 2018.
- County Brides Best North West wedding venue 2017.
- HRH Earl of Wessex-Duke of Edinburgh Award Scheme-Manchester School principals 2017.
- Historic England 'Angel Award' recognition for rescuing the Sanctuary Wall paintings & Altar pieces 2017.
- Elaine Griffiths commissioned as a Deputy Lieutenant of Greater Manchester 2017.
- County Brides Finalist-North West Wedding Awards-Best Venue Manchester 2017.
- Queen's Award for Voluntary Service, GM County presentations 2017.
- Monastery Chairman appointed Vice Lord-Lieutenant of Greater Manchester-June 2017-September 2020.
- HRH Earl of Wessex Duke of Edinburgh Awards supporters lunch 2016.
- Queen's Award for Voluntary Service, GM County presentations 2016.
- M&IT Awards Best Value Conference venue-bronze award 2015.
- M&IT Awards Best Unusual venue Silver award 2015.
- Queen's Award for Voluntary Service, GM County presentations 2015.
- Disability Awareness Award 'Positive Action' 2015.
- Winner North West Business Masters Pride/CSR Award 2015.
- Best wedding venue in any town or city in England's North-west 2014.
- Queen's Award for Voluntary Service GM County presentations 2014.
- Best UK Value conference venue (bronze) 2014.
- Winner Best UK Unusual venue, M&IT Awards 2014.
- HRH Duke of Gloucester, Royal Society of St. George dinner 2014.
- Her Majesty the Queen and Duke of Edinburgh lunch 2013.
- Queen's Award for Voluntary Service-GM County presentations 2013.
- United Nations University-regional centre of expertise –Education/Sustainable Development.
- M&IT Best Value Conference Venue (runners up) 2013.
- Best UK Unusual Venue, winner London 2013.
- Queen's Award for Voluntary Service GM County presentations 2013.
- Heritage Alliance made Monastery Chairman its National 'Heritage Hero' 2012.
- Brides magazine names Monastery as top UK wedding venue 2012.
- M&IT Awards-winner Best UK Unusual venue 2012.
- M&IT Awards-runners up-Best Unusual venue 2011.
- HRH The Prince of Wales-launch of the START initiative dinner in 2010.
- Royal Institute of Chartered Surveyors; International Finalist 2009.
- Royal Institute of Chartered Surveyors-'Conservation Winners' and project of the year 2009.
- Architect Award ASL.
- Inspiring Women Finalist-Elaine Griffiths.
- Regeneration & Renewal Award (BURA) " An outstanding example of best practice"
- Manchester Rotary Award-" Outstanding Charitable work"
- Marks & Spencer Seiff Award/ HRH Prince of Wales-BITC outstanding achievement award 2008.
- Built-in Quality Awards-National winner-Best Public/Community project 2008.
- Civic Trust Award 2008.
- TRH Prince of Wales & Duchess of Cornwall visit to view progress 2007.
- Elaine Griffiths honoured with an MBE for services to Heritage 2007.
- English name Monastery The best heritage-led project in 2007-the nation can learn from this.
- CVS Make a difference day-"Most inclusive activity"
- HRH First Royal visitor to view work in progress-2004.

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**FINANCIAL REVIEW**

The results of the Charity group's performance for the year are set out in the Statement of Financial Activities (SOFA) for the year to 3rd January 2019 on page 13.

The most notable feature of this year's results is the significant improvement in the unrestricted funds result. The group achieved a £5k surplus in this year compared to a £173k deficit in the previous year. Adjusting for capital grant income and other non-recurring funding in 2017, total incoming resource increased significantly, while costs were tightly controlled. The trading subsidiary, Monastery Manchester operated viably. Its income increased by circa 25% as it benefitted from the completed Sharing the Story capital project.

The trustees acknowledge that the group balance sheet position remains weak with significant net current liabilities and a deficiency of free reserves. However, the group's exposure to financial risk has decreased as creditors have been significantly reduced. For 2019 and later years there is confidence that this trend will continue as expected future surpluses on unrestricted undesignated funds strengthen the balance sheet.

For the foreseeable future, the charity group expects to rely on continuing support from its principal loan creditor, the Architectural Heritage Fund (AHF). The accounts classification of the loan repayments to AHF (as between current and longer-term liabilities) represents the position as at the balance sheet date. However, since then discussions have been held with AHF regarding both the extension of the loan repayment schedule and the provision of additional loan finance. AHF has already confirmed that it is not expecting any further loan repayments to be made until the new arrangements are finalised. For their part, the Trustees are confident that these discussions will be concluded satisfactorily.

In summary, the directors are pleased with the group accounts result for the year, but they are not complacent regarding the need to maintain progress to strengthen the group's balance sheet position.

**PRINCIPLE FUNDING SOURCES**

The charity relies on three principal funding sources

- Recurring rent, overhead contributions and profits from its trading subsidiary (Monastery Manchester Ltd)
- Capital grant funding from institutions and private charities – these are only received when major capital works are in prospect or in hand
- Gifts and donations from members of the public

**INVESTMENT POLICY**

At such time as the financial position of the trust improves, investments will be prudently made.

**RESERVES POLICY AND FINANCIAL RISK MANAGEMENT**

The Trustees continue to adopt a long-term strategic approach to reserves. This has necessitated the commitment at the earliest opportunity to capital investment in facilities that underpin the financial viability and sustainability of the charity's heritage assets.

Although such capital expenditure has been largely funded by restricted fund grant income, the short-term effect of this policy has been to deplete free reserves. The reasons for this are threefold:

- Some essential capital expenditure was not able to be funded by grants and has been funded by the charity's own unrestricted funds
- Capital developments have inevitably disrupted the business of the charity's trading subsidiary and temporarily reduced its capacity to generate trading surpluses
- There has been a historical hang-over effect of unrestricted fund depreciation that reflects the capital commitments made in previous periods

Fortunately, none of these factors is expected to continue to apply in the next period of financial planning, to December 2022.

- There are no plans to commit any further significant capital resources from the charity's own funds
- There is not expected to be any further significant disruption to the business of the trading subsidiary
- The Trustees are intending to designate funds to match the value of the unrestricted fund fixed assets thus ensuring that any continuing depreciation charge does not impact on the charity's financial results affecting free reserves.

In the longer-term, any trading surpluses will be applied to reduce and eventually eliminate the adverse balance on unrestricted funds and then to fund a build-up of reserves. The Trustees intend to build unrestricted fund reserves to circa £200,000. The present charity's free reserves level is a £365k adverse balance, and so it is acknowledged that it will be several years before the target reserves level is met.

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**RESERVES POLICY AND FINANCIAL RISK MANAGEMENT (Continued)**

For the immediate future, as reported above, the Trustees are taking steps to secure and strengthen the stability of the balance sheet, through discussion with the principal loan creditor, Architectural Heritage Fund.

The Trustees acknowledge that the balance sheet weakness reported in these accounts give rise to material uncertainty on the appropriateness of preparing these accounts on a going concern basis. Further disclosures in this regard are made in Note 1 to the accounts. While acknowledging the validity of these concerns, the Trustees believe that the strategic approach that they have overseen is wholly appropriate, and they have confidence that the results in subsequent periods will vindicate their decisions.

**FUTURE PLANS**

The trustees produce a business plan every year to guide its development in the future. The plan was developed in conjunction with the trustees, managers, volunteers, staff, stakeholders and local residents.

Assuming that the Monastery project is permitted to grow and evolve with no additional financial burdens, then a number of exciting opportunities and optional new projects will be explored by the trust.

If any one of these projects went forward they would have the potential to extend the profile and the reach of The Monastery and attract new audiences and income streams. For example, one of these projects would create a Heritage & Community Impact Hub, Training & Resource Centre for the heritage and charitable sector using existing spaces and facilities that already exist within the Monastery.

Based on forward planning and rolling forecasts, suggest the group is likely to break-even for the year to 3<sup>rd</sup> January 2020.

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity is a company limited by guarantee and is governed by its memorandum and articles of association dated September 19, 1996, as amended by special resolutions dated March 7 1997, March 19 1997, February 3, 2006, and May 2019. It was registered with the Charity Commission on March 20 1997.

The Directors acting as the Governing Body have the power to admit or refuse membership to any individuals or corporations. Membership may be terminated by resolution of an extraordinary general meeting called for that purpose by the Governing Body. There are currently seven members of the company, each of whom has agreed to contribute a sum not exceeding £100 in the event of the charity being wound up.

**APPOINTMENT, INDUCTION AND TRAINING OF TRUSTEES**

The Directors, who are the Trustees, together form the Governing Body. The Trustees who served during the year, together with any changes up to the date of approving this report, are listed on page 1. It is recognised that the changing nature of the Trust's focus, from restoring an important historic building to ensuring that its multi-faceted role is sustainably established. In the year, no new trustees were appointed.

Trustees are appointed for their specialist skills, knowledge and sound judgement. A relevant skill-set is sought that is appropriate for the successful delivery of the trust aims and objectives and its public benefit strategy. These skills inevitably vary as the trust progresses. Prior to appointment potential trustees are familiarised with the objectives and activities of the Trust. We set out to establish a suitably equipped board with a broad mix of skills, which satisfy our charitable objectives.

All trustees are provided with the opportunity to become closely involved in all activities and to contribute accordingly to the development of charitable group activities.

**ORGANISATION**

The Governing Body, which must have not less than one and not more than 20 members, administers the charity and meets as necessary and usually not less than six times a year. Through appropriate discussion, the planning into our future community activities helps to ensure that the Trust's vision of its role and purpose is realised. The management skills required and the abilities of colleagues employed in the business of the Trust and its subsidiary The Monastery Manchester are naturally different. The trading subsidiary board and its operating management meets very regularly to ensure the business remains on track to satisfy its support for its parent the trust.

**ORGANISATION (Continued)**

Delegated authority rests with the Chief Executive & co-founder of the Trust Elaine Griffiths MBE, DL and through her to a senior management team in the subsidiary company, The Monastery Manchester Limited. Trust Chairman Paul Griffiths is also Chairman of the subsidiary. He is actively involved, chairing MML board meetings, at least ten times a year which is attended by the Chief Executive and the Finance and Operations Director. This approach ensures transparency between parent and wholly-owned subsidiary. Comprehensive reports are provided to trustees on the performance by

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way of monthly P&L and comprehensive management information reports on a stand-alone and consolidated basis. Key Performance Indicators are reported against targets.

**PAY POLICY FOR SENIOR STAFF**

The trustees of The Monastery of St. Francis & Gorton Trust Limited and the senior leadership team are the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity. All trustees give their time freely, and no trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 26 to the accounts.

The pay of the senior leadership team is reviewed annually and normally increased in line with inflation, subject to the availability of funds.

The average salary in the year of The Monastery's five heads of department, which includes its Chief Executive, was £43k per annum (2017: £39k per annum). The average pension contributions to this group in the year was £1,677 (2017: £1,358) pension contributions started in August 2015.

At the end of December 2018, 38 employees were paid and on the books, 48 including our bank of casual staff. (2017: 53 including our bank of casual staff). Serving all events and activities in pursuit of charitable objectives.

**RELATED PARTIES**

The following transactions and balances are disclosed as related party transactions in accordance with the Charities SRP, FRS 102 and Companies Act 2006.

Throughout this year, as in all preceding accounting periods, Mr Paul Griffiths has served as an unpaid Trustee of the Charity, and an unpaid director of Monastery Manchester Limited (MML), the charity's trading subsidiary. During this accounting period Mr Griffiths has donated in excess of 3,000 hours to both MML and the Trust and continues to make no claims for travelling expenses.

The details of transactions between MML and Griffiths Marketing Limited, a company in which Mr Griffiths is a shareholder and director, are detailed below:

Griffiths Marketing Limited invoiced and was paid a sum totalling £14.2k for services rendered. These services included:

Marketing & Development work for MML and its future events.  
Legal & Bank Liaison  
HR & Health & Safety

Mr Griffiths also purchased goods for both MML and the Trust totalling £13.4k. This was expenditure for exceptional items required by MML and the Trust and where there was no trading account for either company available. The amount has been reclaimed in the proper manner for expenses.

Mrs Elaine Griffiths, co-founder of the Trust with Mr Paul Griffiths, is employed by the charity as Chief Executive Officer and in this accounting period received gross pay of £65,767 (2017/18 £65,767). As in the preceding 8 years Mrs Griffiths' gross pay has not been increased. Expenses of £2.6k have been claimed by Mrs Griffiths during this accounting period.

**RISK MANAGEMENT**

The trustees have a risk management strategy which comprises of an annual review of the principal risks and uncertainties that the charity faces, coupled with ongoing measurement of risk factors by the senior leadership team.

**ENVIRONMENTAL POLICY**

The Monastery is committed to being environmentally responsible in the way it operates. The key components of this policy are addressing climate change, reducing waste and encouraging responsible business practice. This policy is enhanced by virtue of The Monastery Manchester and the Charity's drive to achieve the ISO 20121 International standard for sustainable event management. This ambition encourages fresh thinking, and when completely certified it will also lead to financial savings and significant environmental improvements. Put on hold during the past two years of major construction and conservation we will begin again in 2020.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST LIMITED**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED JANUARY 3rd 2019**

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The trustees (who are also directors of The Monastery of St Francis and Gorton Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT OF DISCLOSURE TO AUDITORS**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**SMALL COMPANY PROVISIONS AND APPROVAL**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board of Trustees and signed on its behalf by:

*Paul Griffiths*

P GRIFFITHS – Director

Date: October 1 2019

**AUDITORS REPORT  
TO THE MEMBERS OF THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
FOR THE YEAR ENDED January 3rd 2019**

**Opinion**

We have audited the financial statements of The Monastery of St Francis and Gorton Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended January 3<sup>rd</sup> 2019 which comprise the Group and parent Charitable Company's Statements of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at January 3<sup>rd</sup> 2019, and of the group's and parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to Note 1 in the financial statements and to the commentary on pages 8 and 9 of the Trustees Annual Report which highlights the weakness of the charity group's balance sheet. Some of the risk factors that are implicit in this commentary are not ones that the charity can control. Taken together, the challenges that the charity faces may cast significant doubt on the entity's ability to continue as a going concern. If, for any reason, the trading performance of the charity group deteriorated, or future loan and bank facilities were not agreed as anticipated, then this would pose an existential threat to the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' and directors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' and directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**AUDITORS REPORT  
TO THE MEMBERS OF THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
FOR THE YEAR ENDED January 3rd 2019**

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and] from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, set out in the trustees' and directors' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Geoffrey Horley*

**Geoffrey Horley MBA FCA DChA – Senior statutory auditor**

For and on behalf of:  
Chittenden Horley Limited  
Chartered Accountants and Statutory Auditors  
456 Chester Road  
Old Trafford  
Manchester M16 9HD

Date: October 2 2019



*Chittenden Horley Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)**  
**FOR THE YEAR ENDED January 3rd 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Incoming resources from generated funds:</b>					
Donations	2	37,011	-	<b>37,011</b>	164,162
Charitable activities	3	-	56,722	<b>56,722</b>	269,421
Other trading activities	4	1,328,355	-	<b>1,328,355</b>	1,070,568
Investment income - bank interest	5	-	-	-	93
<b>TOTAL INCOME</b>		<u>1,365,366</u>	<u>56,722</u>	<u><b>1,422,088</b></u>	<u>1,504,244</u>
<b>EXPENDITURE</b>					
Costs of raising funds	6	1,345,884	188,016	<b>1,533,900</b>	1,468,791
Expenditure on charitable activities	7	13,692	-	<b>13,692</b>	21,359
<b>TOTAL EXPENDITURE</b>		<u>1,359,576</u>	<u>188,016</u>	<u><b>1,547,592</b></u>	<u>1,490,150</u>
<b>NET INCOME/(EXPENDITURE)</b>	11	5,790	(131,294)	<b>(125,504)</b>	14,094
Transfers between funds		3,937,659	(3,937,659)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>3,943,449</u>	<u>(4,068,953)</u>	<u><b>(125,504)</b></u>	<u>14,094</u>
<b>RECONCILIATION OF FUNDS:</b>					
<b>Balances brought forward</b>	18	<u>(503,157)</u>	<u>8,282,924</u>	<u><b>7,779,767</b></u>	<u>7,765,673</u>
<b>Balances carried forward</b>	18	<u><u>3,440,292</u></u>	<u><u>4,213,971</u></u>	<u><u><b>7,654,263</b></u></u>	<u><u>7,779,767</u></u>



**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)**  
**FOR THE YEAR ENDED January 3rd 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Incoming resources from generated funds:</b>					
Donations	2	37,011	-	<b>37,011</b>	164,162
Charitable activities	3	-	56,722	<b>56,722</b>	269,421
Other trading activities	4	117,039	-	<b>117,039</b>	110,793
Investment income - bank interest	5	-	-	-	93
<b>TOTAL INCOME</b>		<u>154,050</u>	<u>56,722</u>	<u><b>210,772</b></u>	<u>544,469</u>
<b>EXPENDITURE</b>					
Costs of raising funds	6	212,736	188,016	<b>400,752</b>	422,335
Expenditure on charitable activities	7	13,692	-	<b>13,692</b>	21,359
<b>TOTAL EXPENDITURE</b>		<u>226,428</u>	<u>188,016</u>	<u><b>414,444</b></u>	<u>443,694</u>
<b>NET INCOME/(EXPENDITURE)</b>		(72,378)	(131,294)	<b>(203,672)</b>	100,775
Transfers between funds		3,937,659	(3,937,659)	-	-
<b>NET MOVEMENT IN FUNDS</b>	11	<u>3,865,281</u>	<u>(4,068,953)</u>	<u><b>(203,672)</b></u>	<u>100,775</u>
<b>RECONCILIATION OF FUNDS:</b>					
<b>Balances brought forward</b>	18	<u>(237,067)</u>	<u>8,282,924</u>	<u><b>8,045,857</b></u>	<u>7,945,082</u>
<b>Balances carried forward</b>	18	<u><u>3,628,214</u></u>	<u><u>4,213,971</u></u>	<u><u><b>7,842,185</b></u></u>	<u><u>8,045,857</u></u>

The notes on pages 19 to 30 form part of these financial statements

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP BALANCE SHEET**  
**AS AT JANUARY 3rd 2019**

		<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible Assets	12		<b>3,561,053</b>		8,693,744
Heritage Assets	13		<b>4,922,512</b>		-
			<b>8,483,565</b>		8,693,744
<b>CURRENT ASSETS</b>					
Stock		<b>68,106</b>		61,402	
Debtors	15	<b>32,925</b>		98,769	
Cash at Bank and in Hand		<b>71,924</b>		160,791	
		<b>172,955</b>		320,962	
<b>CREDITORS</b>					
Amounts falling due in one year	16	<b>558,685</b>		706,125	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>					
			<b>(385,730)</b>		(385,163)
			<b>8,097,835</b>		8,308,581
<b>LONG TERM CREDITORS</b>					
Amount falling due beyond one year	17		<b>443,572</b>		528,813
<b>NET ASSETS</b>					
			<b>7,654,263</b>		7,779,768
<b>FUNDS</b>					
Unrestricted					
General fund	18	<b>3,628,214</b>		(237,067)	
Non charity trading funds		<b>(187,922)</b>		(266,090)	
			<b>3,440,292</b>		(503,157)
Restricted	18		<b>4,213,971</b>		8,282,924
<b>TOTAL FUNDS</b>			<b>7,654,263</b>		7,779,767

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 19 to 30 form part of these financial statements

**Approved by the Board of Directors and authorised for issue on October 1 2019**

*Paul Griffiths*

Paul Griffiths  
DIRECTOR

Company registration number: 03251869

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**PARENT CHARITY BALANCE SHEET**  
**AS AT JANUARY 3rd 2019**

		2019	2019	2018	2018
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	12		<b>3,561,053</b>		8,693,743
Heritage Assets	13		<b>4,922,512</b>		-
Investments	14		<u><b>100</b></u>		<u>100</u>
			<b>8,483,665</b>		8,693,843
<b>CURRENT ASSETS</b>					
Stock		-		5,951	
Debtors	15	<b>11,321</b>		138,136	
Cash at Bank and in Hand		<u><b>8,632</b></u>		<u>40,304</u>	
		<b>19,953</b>		184,391	
<b>CREDITORS</b>					
Amounts falling due in one year	16	<u><b>217,861</b></u>		<u>303,564</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>					
			<u><b>(197,908)</b></u>		<u>(119,173)</u>
			<b>8,285,757</b>		8,574,670
<b>LONG TERM CREDITORS</b>					
Amount falling due beyond one year	17		<b>443,572</b>		528,813
<b>NET ASSETS</b>					
			<u><u><b>7,842,185</b></u></u>		<u><u>8,045,857</u></u>
<b>FUNDS</b>					
Unrestricted					
General funds	18		<b>3,628,214</b>		(237,067)
Restricted	18		<u><b>4,213,971</b></u>		<u>8,282,924</u>
<b>TOTAL FUNDS</b>			<u><u><b>7,842,185</b></u></u>		<u><u>8,045,857</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 19 to 30 form part of these financial statements

**Approved by the Board of Directors and authorised for issue on October 1 2019**

*Paul Griffiths*

Paul Griffiths  
DIRECTOR

Company registration number: 03251869

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**GROUP AND PARENT CHARITY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JANUARY 3rd 2019**

		<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash generated from/( used in) operating activities</b>	<b>notes</b> 20	<b>4,567</b>	<b>264,394</b>	<b>61,761</b>	<b>245,258</b>
<b>Cashflows from investing activities</b>					
Interest and dividends					-
Purchase of tangible fixed assets		(21,415)	(853,684)	(21,415)	(853,684)
Proceeds of sale of investments			21,563	-	21,563
Payments to acquire investments		-	-	-	-
<b>Cash provided by/(used in) investing activities</b>		<b>(21,415)</b>	<b>(832,121)</b>	<b>(21,415)</b>	<b>(832,121)</b>
<b>Cashflows from financing activities</b>					
Proceeds from new borrowings		-	305,000	-	305,000
Repayment of borrowing		(72,017)	(43,561)	(72,017)	(43,561)
<b>Cash used in financing activities</b>		<b>(72,017)</b>	<b>261,439</b>	<b>(72,017)</b>	<b>261,439</b>
<b>Increase/(decrease) in cash &amp; cash equivalents in the year</b>		<b>(88,865)</b>	<b>(306,288)</b>	<b>(31,671)</b>	<b>(325,424)</b>
<b>Cash and cash equivalents brought forward</b>		<b>160,791</b>	<b>467,079</b>	<b>40,304</b>	<b>365,728</b>
<b>Cash and cash equivalents carried forward</b>		<b>71,926</b>	<b>160,791</b>	<b>8,633</b>	<b>40,304</b>
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand		71,924	160,791	8,632	40,304
bank overdraft		-	-	-	-
		<b>71,924</b>	<b>160,791</b>	<b>8,632</b>	<b>40,304</b>

## 1 ACCOUNTING POLICIES

### Basis of preparation

The financial statements have been prepared: under the historic cost convention, as modified by the revaluation of investments (as set out below) through the statement of financial activities; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2015; FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

### Going Concern

There is a continuing concern as to whether it is appropriate to prepare these accounts on a going concern basis. This concern relates to the following circumstances of the Group's financial position and prospects.

#### (a) Factual information

Notwithstanding the improvement in the performance of the charity's trading subsidiary, Monastery Manchester Limited, The charity group's free reserves remain in deficit at January 3<sup>rd</sup> 2019 by £386k (charity £198k).

At the date of signing of these accounts, the latest management accounts available are for the seven months to end July 2019 and these report that the group is performing favourably to budget expectations at EBITDA

The directors believe that the overall result for 2019 will be for a very modest profit on the Monastery Manchester operations of some £54k. On a consolidated basis, the Charity group may only achieve a small surplus.

#### (b) Current outlook

For the full year, the forecast is for consolidated revenues of £1.3m and a surplus of £8k. This is viewed as a prudent forecast.

The outlook for 2020 financial year is for a +5.8% increase in consolidated revenues to £1.4m supported by a profit of circa £74k (subject to Manchester City Council decision on non-domestic business rates).

In the light of these expected results, the charity is currently seeking to renegotiate the terms of its loan facility with Architectural Heritage Fund and also expects to seek a renewal of its overdraft facility with Co-operative Bank when it expires in October 2019. The Trustees are confident that both discussions will have a positive outcome.

The charity group has effective short-term financial forecasting and has successfully managed its cash resources throughout the current year. On the basis that the existing loan and overdraft facilities continue as expected, then the Trustees are confident that the group will be able to meet all its liabilities as they fall due.

#### (c) Conclusion

In the light of all the foregoing, and having carefully considered the charity and the charitable group's financial prospects, the directors believe that they are entitled to continue to prepare the accounts on a going concern basis.

### Funds structure

Unrestricted funds are available at the discretion of the trustees in furtherance of the general objectives of the charity. From time to time, the trustees may designate some or all of these funds for specific purposes. Such designations may subsequently be varied or removed at the Trustees absolute discretion.

Restricted funds are donations or other charitable income, subject to specific conditions by the donor or grantor, or by the nature of the appeal, which restricted the funds to be used for specific areas of the charity's work. Details of restricted funds at the year-end are given in Note 18.

### Income recognition

All income is recognised once the charity has entitlement to the income, or it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

**Grants**, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met, and it is probable that the income will be received.

**Donations** from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

**Earned income** is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019**

**Deferred income**

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out, and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

**Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds	including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
------------------------	--------------------------------------------------------------------------------------------------------------------------------

Charitable activities	costs of undertaking the work of the charity
-----------------------	----------------------------------------------

The charity is registered for VAT and can recover all input tax charged. Costs are stated exclusive of VAT where charged.

**Allocation of support costs**

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back-office functions, staff costs and professional fees. The basis of allocations is set out in Note 8.

**Pension contributions**

The charity operates a defined contribution pension scheme for its employees, agreeing the contribution rates with each individual. The contributions are paid to a third party who invests the contributions in a money purchase plan. Contributions are charged to the SoFA as they become payable.

**Tangible fixed assets and depreciation**

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight-line basis as set out below.

Depreciation rates are as follows:

Building	nil%	
Kitchen equipment	5%/10%	
Church fittings	nil	because the residual value is not expected to decline over the life of the asset.
Equipment & furniture	20%	

**Investments, gains and losses**

Fixed asset investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and on disposals throughout the year.

Gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sale proceeds (net of transaction costs) and the opening carrying value or cost, if acquired during the year. Unrealised gains and losses are calculated on the difference between opening and closing fair values.

**Debtors**

Trade and other debtors are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third-party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Financial instruments**

The charity has only basic financial instruments, which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

**Group financial statements**

The financial statements consolidate the results of the charity and its wholly-owned subsidiary, The Monastery Manchester Ltd, on a line-by-line basis.

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>2 DONATIONS</b>						
Friends donations & subscriptions	-	-	-	-	-	-
Other donations	37,011	-	37,011	114,162	50,000	164,162
	<u>37,011</u>	<u>-</u>	<u>37,011</u>	<u>114,162</u>	<u>50,000</u>	<u>164,162</u>

**3 INCOME FROM CHARITABLE ACTIVITIES**

<b>Capital project</b>						
Other	-	-	-	-	-	-
J Paul Getty Jnr Trust	-	-	-	-	-	-
Heritage Lottery Fund	-	56,722	56,722	-	269,421	269,421
<b>Total</b>	<u>-</u>	<u>56,722</u>	<u>56,722</u>	<u>-</u>	<u>269,421</u>	<u>269,421</u>

**4 OTHER TRADING ACTIVITIES**

Rental income	115,500	-	115,500	102,000	-	102,000
Merchandise & cafe sales	1,539	-	1,539	8,793	-	8,793
<b>Total per charity</b>	<u>117,039</u>	<u>-</u>	<u>117,039</u>	<u>110,793</u>	<u>-</u>	<u>110,793</u>
<i>Less eliminated on consolidation:</i>						
Rent re Monastery Manchester Ltd	(115,500)	-	(115,500)	(102,000)	-	(102,000)
Add Subsidiary income	<u>1,326,816</u>	<u>-</u>	<u>1,326,816</u>	<u>1,061,775</u>	<u>-</u>	<u>1,061,775</u>
<b>Total per Group</b>	<u>1,328,355</u>	<u>-</u>	<u>1,328,355</u>	<u>1,070,568</u>	<u>-</u>	<u>1,070,568</u>

**5 INVESTMENT INCOME**

Neither of the companies in which the Group has investments have paid dividends in the last two years and the Group has not had surplus funds available to invest.

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019

6 COSTS OF RAISING FUNDS	Support of MM Ltd	External Fundraising	Total 2019	Support of MM Ltd	External Fundraising	Total 2018
	£	£	£	£	£	£
Direct staff costs	9,035	81,316	90,351	10,407	93,656	104,063
Merchandise for resale	-	460	460	-	2,314	2,314
Advertising & printing	-	11,547	11,547	-	26,987	26,987
Support costs	281,581	16,814	298,394	267,104	21,867	288,971
	<u>290,615</u>	<u>110,137</u>	<u>400,752</u>	<u>277,511</u>	<u>144,824</u>	<u>422,335</u>
<b>Charged to restricted funds:</b>						
Depreciation	188,016	-	188,016	132,609	-	132,609
Other costs	-	-	-	-	-	-
	<u>188,016</u>	<u>-</u>	<u>188,016</u>	<u>132,609</u>	<u>-</u>	<u>132,609</u>
Balance charged to unrestricted funds	102,599	110,137	212,736	144,902	144,824	289,726
<b>Total per charity</b>	<u>290,615</u>	<u>110,137</u>	<u>400,752</u>	<u>277,511</u>	<u>144,824</u>	<u>422,335</u>
Charity costs as above			400,752			422,335
Monastery Manchester Ltd (net of rent charge)			1,133,148			1,046,456
<b>Per Group</b>			<u>1,533,900</u>			<u>1,468,791</u>

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<b>7 CHARITABLE EXPENDITURE</b>						
Community provision	2,651	-	2,651	4,846	-	4,846
Capital project	11,041	-	11,041	-	16,513	16,513
<b>Per charity</b>	<u>13,692</u>	<u>-</u>	<u>13,692</u>	<u>4,846</u>	<u>16,513</u>	<u>21,359</u>
<b>Less eliminated on consolidation:</b>						
Charges from MMLtd	-	-	-	-	-	-
<b>Per Group</b>	<u>13,692</u>	<u>-</u>	<u>13,692</u>	<u>4,846</u>	<u>16,513</u>	<u>21,359</u>

Expenditure in the charity is analysed as follows:

	Direct Costs	Direct Salaries	Support Costs	Total
	£	£	£	£
<b>2017/18</b>				
Community and charity operations	-	-	2,651	2,651
Capital project	-	-	11,041	11,041
	<u>-</u>	<u>-</u>	<u>13,692</u>	<u>13,692</u>
<b>2016/17</b>				
Community and charity operations	-	-	4,846	4,846
Capital project	-	-	16,513	16,513
	<u>-</u>	<u>-</u>	<u>21,359</u>	<u>21,359</u>



# 8 SUPPORT & GOVERNANCE COSTS

	2019					2018
	Community	Capital Project	MM Ltd	External fundraising	Total	Total
	£	£	£	£	£	£
<b>Support costs</b>						
Support staff	-	-	-	-	-	-
Staff expenses, training & recruitment	-	559	280	1,956	2,795	4,212
Property costs	-	557	26,713	557	27,826	38,369
Depreciation	-	1,562	228,469	1,563	231,594	204,736
Finance & management services	-	-	-	-	-	-
Finance charges & interest	-	-	20,252	-	20,252	27,218
Office costs & other costs	-	5,712	2,855	5,711	14,278	14,539
	-	8,390	278,569	9,787	296,745	289,074
<b>Governance costs</b>						
Professional fees	2,651	2,651	0	-	5,301	9,691
Support staff	-	-	3012	7027	10,039	11,563
	2,651	2,651	3,012	7,027	15,340	21,254
<b>Total support costs</b>	<u>2,651</u>	<u>11,041</u>	<u>281,581</u>	<u>16,814</u>	<u>312,085</u>	<u>310,328</u>

	2018				
	Community	Capital Project	MM Ltd	External fundraising	Total
	£	£	£	£	£
<b>Support costs</b>					
Staff expenses, training & recruitment	-	842	421	2,949	4,212
Property costs	-	767	36,835	767	38,369
Depreciation	-	4,241	196,253	4,242	204,736
Finance & management services	-	-	-	-	-
Finance charges & interest	-	-	27,218	-	27,218
Office costs & other costs	-	5,816	2,908	5,815	14,539
	-	11,666	263,635	13,773	289,074
<b>Governance costs</b>					
Professional fees	4,846	4,846	-	-	9,691
Support staff	-	-	3,469	8,094	11,563
	4,846	4,846	3,469	8,094	21,254
<b>Total support costs</b>	<u>4,846</u>	<u>16,512</u>	<u>267,104</u>	<u>21,867</u>	<u>310,328</u>

Direct costs of the capital project are shown after capitalising costs written off in the prior year to revenue.

Support costs are allocated as follows:

Staff costs	Estimate of time spent
Other costs	Estimate of use of resources

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019**

**9 TRADING SUBSIDIARY**

The results and balance sheet for the trading subsidiary, The Monastery Manchester Limited, are set below.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Turnover	<b>1,326,816</b>	1,061,775
Cost of sales	<b>684,472</b>	565,447
Gross Profit	<b>642,344</b>	496,328
Administration expenses	<b>564,176</b>	583,009
	<b>78,168</b>	(86,681)
Net profit before tax	<b>78,168</b>	(86,681)
Taxation (note 20)	-	-
Net profit after tax	<b>78,168</b>	(86,681)

Rent of £102,000 payable to the charity (prior period - rent £122,500) and income from sale of services to the charity of £35,000 (prior period £nil) are eliminated on consolidation.

Current assets	<b>247,848</b>	219,060
Creditors due within one year	<b>(435,670)</b>	(485,050)
Total net assets	<b>(187,822)</b>	(265,990)

The Trust has a second subsidiary company, The Angels (Manchester) Limited, which has not traded at any time.

**10 PAYROLL COSTS**

**a** The group payroll costs are as follows:

Salaries	<b>615,788</b>	638,178
Employer pension contributions	<b>11,973</b>	8,074
Social security costs	<b>38,466</b>	35,886
	<b>666,227</b>	682,138

One employee earned more than £60,000 pa in the band £60k - £70k, (2016/17 - one).

**b** The key management personnel consist of the directors (who do are all volunteers) and the key members of staff as listed on page one.

Remuneration benefits	<b>154,719</b>	154,719
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**c** The average number of employees was as follows:-

	<b>Number</b>	<b>Number</b>
Charitable		5
MM Ltd	<b>47</b>	47
Fundraising and events	<b>1</b>	1
	<b>48</b>	53

**11 GROUP NET INCOMING RESOURCES**

This is stated after charging:

	<b>£</b>	<b>£</b>
Auditors remuneration:-		
Audit fees - current year	<b>5,000</b>	2,200
Audit fees - under accrual prior year	-	-
Accountancy fees - current year	<b>3,130</b>	1,100
Accountancy fees - over accrual prior years	<b>(6,552)</b>	-
Depreciation assets held on finance leases	-	1,155
Depreciation other tangible fixed assets	<b>231,595</b>	192,349
Directors' remuneration (Trust directors)	-	-
Trustee's expenses (see Note 21)	-	-

THE MONASTERY OF ST FRANCIS AND GORTON TRUST  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019

12 TANGIBLE FIXED ASSETS

GROUP & CHARITY	Freehold Land & Buildings £	Kitchen Equipment £	Church Fittings £	Equipment & Furniture £	Total £
<b>Cost</b>					
As at January 4 2018	9,489,484	360,153	88,298	443,997	10,381,932
Additions	3,660	464	-	17,292	21,415
Transfers between classes	-	-	(1,548)	1,548	-
Transfer to heritage assets	(6,031,715)	-	(86,750)	-	(6,118,465)
As at January 3 2019	<u>3,461,429</u>	<u>360,617</u>	<u>-</u>	<u>462,837</u>	<u>4,284,882</u>
<b>Depreciation</b>					
As at January 4 2018	1,097,260	207,415	-	383,513	1,688,188
Provided	187,211	28,752	-	15,632	231,595
Transfers between classes	-	-	-	-	-
Transfer to heritage assets	(1,195,953)	-	-	-	(1,195,953)
As at January 3 2019	<u>88,518</u>	<u>236,167</u>	<u>-</u>	<u>399,145</u>	<u>723,830</u>
<b>Net Book Value</b>					
As at January 3 2019	<u>3,372,911</u>	<u>124,450</u>	<u>-</u>	<u>63,692</u>	<u>3,561,053</u>
As at January 4 2018	<u>8,392,224</u>	<u>152,738</u>	<u>88,298</u>	<u>60,484</u>	<u>8,693,744</u>

13 HERITAGE ASSETS

GROUP & CHARITY

GROUP & CHARITY	Freehold Land & Buildings £	Church Fittings £	Total £
<b>Cost</b>			
As at January 4 2018	-	-	-
Transfers from tangible assets	6,031,715	86,750	6,118,465
As at January 3 2019	<u>6,031,715</u>	<u>86,750</u>	<u>6,118,465</u>
<b>Depreciation</b>			
As at January 4 2018	-	-	-
Transfers from tangible assets	1,195,953	-	1,195,953
As at January 3 2019	<u>1,195,953</u>	<u>-</u>	<u>1,195,953</u>
<b>Net Book Value</b>			
As at January 3 2019	<u>4,835,762</u>	<u>86,750</u>	<u>4,922,512</u>
As at January 4 2018	<u>-</u>	<u>-</u>	<u>-</u>

The trustees gave reviewed the classification of assets and determined that the amounts included above should have been disclosed as heritage assets. There have been no additions to fixed assets in any of the last 5 years that would be classified as heritage assets.

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019**

**14 INVESTMENTS**

The Charity has two subsidiary companies as follows:

<b>Name of Subsidiary</b>	<b>Trading activity</b>	<b>% Shares held</b>
The Monastery Manchester Ltd	Management services and event management	100
The Angels (Manchester) Limited	Dormant	100

The value of investments is summarised as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The Monastery Manchester Ltd	<b>100</b>	100
The Angels Limited	-	-
<b>Total</b>	<b>100</b>	<b>100</b>

**15 DEBTORS**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>6,857</b>	13,489	-	74,586
Grants & income receivable	-	33,245	-	33,245
VAT refundable	-	-	-	-
Prepayments	<b>26,068</b>	52,035	<b>11,321</b>	30,305
Other debtors	-	-	-	-
	<b>32,925</b>	<b>98,769</b>	<b>11,321</b>	<b>138,136</b>

**16 CREDITORS falling due within one year**

Bank overdraft and loan	<b>50,000</b>	54,661	<b>50,000</b>	54,661
Finance lease creditor	-	7,115	-	7,115
Working Capital Loan from Architectural Heritage Fund	<b>75,000</b>	50,000	<b>75,000</b>	50,000
Trade creditors	<b>151,180</b>	293,205	<b>13,357</b>	122,993
Amount due to The Monastery Manchester Ltd	<b>138</b>	-	<b>66,436</b>	4,055
Social security and other taxes	<b>26,078</b>	17,633	<b>7,004</b>	(7,277)
Income received in advance	<b>191,201</b>	198,197	-	-
Accruals & other creditors	<b>65,089</b>	85,314	<b>6,065</b>	72,017
	<b>558,685</b>	<b>706,125</b>	<b>217,861</b>	<b>303,564</b>

**17 CREDITORS falling due after more than one year**

Bank loan due in 2 - 5 years	<b>19,378</b>	73,126	<b>19,378</b>	73,126
Other loans	<b>155,000</b>	155,000	<b>155,000</b>	155,000
Finance lease creditors due in 2 - 5 years	-	-	-	-
Working Capital Loan from Architectural Heritage Fund	<b>269,194</b>	300,687	<b>269,194</b>	300,687
	<b>443,572</b>	<b>528,813</b>	<b>443,572</b>	<b>528,813</b>

The loan from the Architectural Heritage Fund is secured by a first charge over the charity's freehold land and building due to be repaid no later than the end of 2022.

The total minimum commitments under finance leases, including interest, are as follows:

Within one year	-	7,115	-	7,115
Between 2 and 5 years	-	-	-	-
	-	<b>7,115</b>	-	<b>7,115</b>

18 STATEMENT OF FUNDS

GROUP	2017/18				2018/19			
	04/01/2017	Income	Expenditure	transfers	Income	Expenditure	transfers	03/01/2019
<b>Unrestricted Funds:</b>		£	£	£	£	£	£	£
General fund	(330,439)	1,184,824	(1,357,542)	-	1,365,366	(1,359,576)	3,937,659	3,440,292
	(330,439)	1,184,824	(1,357,542)	-	1,365,366	(1,359,576)	3,937,659	3,440,292
<b>Restricted Funds:</b>								
As below	8,096,112	319,421	(132,609)	-	56,722	(188,016)	(3,937,659)	4,213,971
	8,096,112	319,421	(132,609)	-	56,722	(188,016)	(3,937,659)	4,213,971
Total Funds	7,765,673	1,504,245	(1,490,151)	-	1,422,088	(1,547,592)	-	7,654,263

*Funds analysed between charitable and non-charitable:*

	2019	2018
	£	£
Charity unrestricted and designated	3,628,214	(237,067)
Charity restricted	4,213,971	8,282,924
	7,842,185	8,045,857
Trading subsidiary	(187,922)	(266,090)
	7,654,263	7,779,767

COMPANY	2017/18				2018/19			
	04/01/2017	Income	Expenditure	gains/losses & transfers	Income	Expenditure	transfers	03/01/2019
<b>Unrestricted Funds:</b>		£	£	£	£	£	£	£
General fund	(151,030)	225,049	(311,086)	-	154,050	(226,428)	3,937,659	3,628,214
	(151,030)	225,049	(311,086)	-	154,050	(226,428)	3,937,659	3,628,214
<b>Restricted Funds:</b>								
Capital projects - Grants & donations	2,815,874	319,421	-	-	56,722	-	(3,192,017)	-
Capital grants expended on fixed assets	5,280,238		(132,609)	-	-	(188,016)	(745,642)	4,213,971
	8,096,112	319,421	(132,609)	-	56,722	(188,016)	(3,937,659)	4,213,971
Total Funds	7,945,082	544,470	(443,695)	-	210,772	(414,444)	-	7,842,185

## 18 STATEMENT OF FUNDS (continued)

Transfers	2019 £	2018 £
Transfers from restricted funds - capital grants expended but no continuing restrictions	3,937,659	-
	<u>3,937,659</u>	<u>-</u>

### Capital grants expended and transfers

The trustees have reviewed the capital grants and concluded that there are only restrictions in respect of the HLF grants and have made a transfer to unrestricted funds so that the balance on capital grants expended equals the depreciated value of proportion of assets funded by HLF.

Deprecation will continue to be charged to restricted funds in future periods.

## 19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

### Company fund balances at January 3 2019

are represented by:-

	Unrestricted funds £	Restricted Funds £	Total £
Functional and heritage fixed asserts	4,269,594	4,213,971	8,483,565
Investments	100	-	100
Net current assets/(liabilities)	(197,908)	-	(197,908)
Creditors due in more than one year	(443,572)	-	(443,572)
	<u>3,628,214</u>	<u>4,213,971</u>	<u>7,842,185</u>

### Company fund balances at January 3 2018

are represented by:-

Functional and heritage fixed asserts	1,380,067	8,282,924	8,693,743
Investments	100	-	100
Net current assets/(liabilities)	(119,173)	-	(119,173)
Creditors due in more than one year	(528,813)	-	(528,813)
	<u>732,181</u>	<u>8,282,924</u>	<u>8,045,857</u>

## 20 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Net movement in funds	(125,504)	14,094	(203,672)	100,775
Add back depreciation	231,595	193,504	231,595	193,504
Deduct interest income shown in investing activities	-	-	-	-
Deduct gains/add back losses on investments	-	6,490	-	6,490
Decrease/(increase) in stocks	(6,704)	(15,166)	5,951	(5,951)
Decrease/(increase) in debtors	65,844	168,988	126,815	96,728
Increase/(decrease) in creditors	(160,664)	(103,516)	(98,928)	(146,288)
<b>Net cash generated from/(used in) operating activities</b>	<u>4,567</u>	<u>264,394</u>	<u>61,761</u>	<u>245,258</u>

**THE MONASTERY OF ST FRANCIS AND GORTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JANUARY 3rd 2019**

**21 FINANCIAL INSTRUMENTS**

The carrying amounts for each category of financial instrument is as follows:

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial assets</b>				
that are debt instruments measured at amortised cost	<u><b>104,849</b></u>	<u>643,346</u>	<u><b>19,953</b></u>	<u>178,440</u>
<b>Financial liabilities</b>				
measured at amortised cost	<u><b>(1,002,257)</b></u>	<u>(1,234,938)</u>	<u><b>(661,433)</b></u>	<u>(832,378)</u>

Financial assets measured at fair value consist of investments traded on the AIM. The investment in the subsidiary is not included as there is no market for the shares, the value cannot be reliably ascertained and the charity has no plans to dispose of the investment.

Financial assets measured at amortised cost comprise: cash at bank and in hand; trade debtors; grants and income receivable; VAT refundable; other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: trade creditors; other taxes and social security; accruals; and income and grants in advance.

**22 CONSTITUTION**

The Company is limited by guarantee and does not have a share capital. In the event of winding up the members are liable to contribute up to £100 each. The number of members at the year end was 10 (2015 -11).

**23 CAPITAL COMMITMENTS**

The company had no capital commitments at the year end.

**24 TAXATION**

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 493 of the CTA 2010.

**25 CONTINGENT LIABILITY - CAPITAL GRANT**

The grant from the Heritage Lottery Fund (HLF) is potentially repayable in full or part if the land and buildings are disposed of or the company is wound up. The land and buildings cannot be disposed of without the prior consent of HLF. There is a second charge over the company's assets in favour of HLF.

The company is required by the HLF to maintain the property in good repair following restoration.

The ERDF funding is repayable in the event of the project not being completed or it achieving its objectives, or there is a change in use of the Monastery within 20 years.

A term of the grant from NWDA is that the property cannot be disposed off during its useful economic life without their prior written consent and in the event of a disposal NWDA is entitled to some or all of the proceeds in proportion to their contribution. These liabilities are not expected to crystallise.

Total funding received for both capital and revenue costs from the major funders is as follows:

	<b>£ '000</b>
Heritage Lottery Fund	4,733
ERDF	3,647
NWDA	330
English Heritage	<u>476</u>

## **26 RELATED PARTIES**

The following transactions and balances are disclosed as related party transactions in accordance with the Charities SRP, FRS 102 and Companies Act 2006.

Throughout this year, as in all preceding accounting periods, Mr Paul Griffiths has served as an unpaid Trustee of the Charity, and an unpaid director of Monastery Manchester Limited (MML), the charity's trading subsidiary. During this accounting period Mr Griffiths has donated in excess of 3,000 hours to both MML and the Trust and continues to make no claims for travelling expenses.

The details of transactions between MML and Griffiths Marketing Limited, a company in which Mr Griffiths is a shareholder and director, are detailed below:

Griffiths Marketing Limited invoiced and was paid a sum totalling £14.2k for services rendered. These services included:

Marketing & Development work for MML and its future events.  
Legal & Bank Liaison  
HR & Health & Safety

Mr Griffiths also purchased goods for both MML and the Trust totalling £13.4k. This was expenditure for exceptional items required by MML and the Trust and where there was no trading account for either company available. The amount has been reclaimed in the proper manner for expenses.

Mrs Elaine Griffiths, co-founder of the Trust with Mr Paul Griffiths, is employed by the charity as Chief Executive Officer and in this accounting period received gross pay of £65,767 (2017/18 £65,767). As in the preceding 8 years Mrs Griffiths' gross pay has not been increased. Expenses of £2.6k have been claimed by Mrs Griffiths during this accounting period.