



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MAY 2021**



"Francis used the TAU in his writings, painted in on the walls and doors of the places where he stayed, and used it as his only signature on his writings."

Registered charity with the Charity Commission, number 1064356

Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF



**THIRD ORDER, SOCIETY OF ST FRANCIS
CONTENTS**

Page 3	Legal and Administrative Information
Pages 4 to 9	Trustees' Report
Page 10	Independent Examiner's Report to the Trustees
Page 11	Statement of Financial Activities
Page 12	Balance Sheet
Pages 13 to 21	Notes to the Financial Statements
Page 22	Appendices



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2021

Governing Instrument

Constitution dated 1989 as amended 1993 by the inter-Provincial Chapter as amended by scheme dated 12 October 1998 and contained within the Rule of the Third Order (Comprising The Principles, The Constitution and the Forms of Renewal and Profession) as amended and approved by the Inter-Provincial Chapter in 2005 and 2011

Trustees

The trustees of the Society are those who are elected to serve on the Provincial Chapter¹, which meets three times a year in February, June and October.

The Order is organised into forty-one Areas with their own Area Teams for administration. There are working groups to support Provincial Officers for Formation, Communications, Finance. In addition, there are other special interest groups under a designated trustee who can give more time and consideration to their areas of interest who make reports and recommendations to the Provincial Chapter as appropriate.

Election and Appointment of New Trustees.

The trustees of the Society are Tertiaries² of the Order and as such have made a vow of Profession. They are elected by the Tertiaries of the Order for a maximum of six years with a discernment process after three years. 'Link Tertiaries' are trustees who represent a designated geographical area within the United Kingdom and are elected by Tertiaries within that area whilst Provincial Officers are elected by Tertiaries of the whole Order.

¹ The Provincial Chapter is the Provincial governing body of the Order which is here defined as the body of the members of the Order (called 'Tertiaries') who have taken a vow to Follow the Rule and Principles of the Order in the spirit of Saint Francis of Assisi.

² The members of the Third Order (called 'Tertiaries') who have taken a vow to Follow the Rule and Principles of the Third Order in the spirit of Saint Francis of Assisi.

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

<u>Name</u>	<u>Office</u>	<u>Date commenced or ceased during the year 2020-2021</u>
Timothy Higgins	Acting Minister Provincial	
Martin Allen	Provincial Secretary	
John Lovatt	Provincial Treasurer	
Rona Duncan	Provincial Communications Guardian (IT) ³	to June 2020
Chris Jenkins	Link Tertiary - South West England	
Anne Lindley	Link Tertiary, Central and East England	from October 2020
Robin Minney	Link Tertiary, North East, North West	
Carol Robertson	Link Tertiary - Scotland and Ireland	
Wendy Scott	Link Tertiary - East Midlands and Yorkshire	
Carole Selby	Link Tertiary - Central and East England	to October 2020
Peter Thompson	Link Tertiary - Central South England	
Alison Tyler	Link Tertiary - London and South East	
Karen Vincent	Link Tertiary - Wales, Severn, West Midlands and Marches	



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

**TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY 2021**

³Provincial Communications (IT) includes responsibility for our electronic communications including especially our website

OBJECT The object of The Society of St Francis is to build a Community of those who accept Christ as their Lord and Master, and are dedicated to Him in body and spirit. They surrender their lives to Him and to the service of His people.



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY
2021

The Annual Report

Objectives and Activities

The European Province of the Third Order of the Society of St Francis, as part of worldwide religious Order, is dedicated to enable people of all conditions to approach the Christian faith using the example of Saint Francis, and to live out the ideals of Franciscan spirituality within contemporary society.

The Order looks to create a sense of Franciscan Community throughout the European Province while encouraging individual members to remain faithful to their local churches. Entry to the organisation is by mutual agreement and at least two years' preparation under the oversight of a more experienced member in Franciscan history and spirituality. On profession the individual pledges annually to maintain a vow of lifelong intention, God being their helper.

The Order seeks to achieve our objectives through our elected Provincial Chapter and through Cluster groups, Area meetings and monthly local groups, meeting regularly.

Public Benefit

The European Province is a major net contributor to the Order world-wide ensuring that other Provinces, particularly Africa and other deprived areas, are represented across their geographical regions and are able to participate in international Franciscan forums. The Province, through groups, organises activities and publications, which reflect aspects of Franciscan spirituality. The Order publishes Franciscan scholarship and Franciscan perspectives on the issues of the day whilst firmly keeping the door open to all opinions and theological ideas through our regular newssheet and a twice yearly magazine, the former for short newsworthy articles; the latter for more reflective issues.

The Province also seeks to sponsor educational opportunities for individuals from deprived parts of the Order (again, particularly Africa, but also South America, Papua New Guinea, Polynesia and the Solomon Islands) to enable lay or ordained individuals to increase their own Franciscan knowledge which may then be shared with their home communities through our support of Franciscan Aid.

The Province also pays great attention to issues of Creation, Justice and Peace without adopting particular policy positions, thus allowing those holding a wide variety of opinions to come together and share points of view, maintaining unity in diversity.

Governance and Management

The Order administers its funds both through its General Fund and the Area Funds which are incorporated into the whole. Provincial Chapter undertakes to meet local requirements as requested. The aim of this system is to facilitate local independence in meeting the needs of the local organisation of Areas.

The General Fund

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

Restricted Funds

The Knox Dick fund was set up from a legacy for a specific continuing purpose of supporting Tertiaries who need some financial assistance to be able to go on retreat.

Designated Funds

The Order sets aside funds designated for specific purposes within the scope of the Provincial Funds and in keeping with the objects of the Society. They can be time limited as in the case of the General Chapter and the Development Fund, or, as with the Mary Whittam Fund, perceived as its purpose may at some time be ended.



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

**TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY
2021**

- a) The General Chapter 2021 Fund has been set up to build up provision for the General Chapter Activities which will take place during 2021-2, to mark the 800th anniversary of the founding of the Order of St Francis.
- b) The Mary Whittam Bequest Fund was established to give grants for Tertiaries attending Spiritual Direction training.
- c) The Development Fund was set up to provide funds for areas of our organisation which need substantial investment outside of normal expenditure.

The Annual Report

Reserves Policy

TSSF seeks to ensure that our reserves provide for both long term and medium term needs. At present we have already identified the need to provide for:-

- the cost of the work of Areas and Networks in preparing resources to encourage our vocation during the year 2021-2022, with a General Chapter to which all 1700 Tertiaries are invited, planned for October 2022, in celebration of the 800th anniversary of the founding of the Order in 2021.
- the cost of Development and publications before and after the General Chapter as a result of the year of work in 2021-2022.
- Unforeseen legal and professional fees. We are staffed entirely by volunteers, and recent discussions of our trustees concluded that rather than employ full or part time skilled staff, it would be more efficient to make use of professional advice as and when needed, particularly from legal firms. Recent experiences were the GDPR regulations, where the trustees sought legal advice; a disgruntled member of the Order requested information under the GDPR regulations, and we needed legal advice as to disclosure; legal advice was taken when it appeared that a tertiary might take legal action against the trustees. We anticipate these cases where legal advice will be needed will increase. Professional advice for unforeseen events in accounting, safeguarding, insurance and investment may need to be sought. We also seek to maintain a balance of reserves as recommended by the Charities Commission for our annual expenses. On this basis, we reckon our reserves should be at least £147,000. The actual funds held are £342,000, of which £85,000 are in a restricted fund for retreats, leaving £257,000 in unrestricted funds. This leaves a surplus over Reserves of £110,000: we are actively looking at how we can best use this surplus within our Objects. the new initiative 'Funding our Purpose' is designed to find projects from our membership to address this surplus. Our reserves policy is regularly reviewed by Chapter to ensure our reserves are properly maintained and invested.

Policy on Investment

We try to constantly be aware of ethical issues surrounding investments and so try to invest our assets in an ethical manner. We have for the time being selected CCLA, whose main shareholders are The CBF Church of England Investment Fund and the COIF Charities Investment Fund, who take care to ensure their investments are ethical.

Annual Review of the Order

The organisation is governed as one of the five Provinces making up the worldwide Order each responsible for its own governance. This responsibility is given to those who are elected as Trustees meeting as the Chapter for that purpose. Each Chapter member carries a specific role and responsibility for the work and life of the Community currently numbering in excess of 1700 Tertiaries. Each Tertiary is attached to one of the 42 Areas of the Province which are identified geographically, members meeting at least monthly with the purpose of resourcing and enabling the specific work and call of the members of the Order.

Each Area is responsible for its programme within the general aim of equipping Tertiaries to practice and develop Franciscan life and vocation. In so doing members are active in the wider community and in public life with specific interests and commitments. Many of these spring directly from the inspiration and values of Saint Francis of Assisi. These activities can be broadly identified as responding to matters of division and inequality and related injustice.



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY
2021

Increasing numbers of people and communities speak with concern about threats to the resources of the Planet. Franciscans are likely to be propelled to engage publicly with a passion that experiences the natural world as a created community including all of life, particularly the 'more than human', as we express concern for the care and protection of the environment.

In pursuit of these activities, the following items of this Review can be grouped around two dimensions: the first giving attention to the **development** of programmes to equip Tertiaries in their vocation shaped by the vision of their life in community and in communion with all creation; the second, attention to matters of **governance** to better align them with our core purposes.

Development:

1. A major aspect of this is named as the work of **Formation** and aims to enable Tertiaries to grasp and practise the life of Tertiaries. Training programmes for those new to the Order are now well advanced and being introduced across the province. New attention is being given to resourcing on-going daily life and support in the application of our core guiding document, The Principles.
2. Pursuit of Justice and Peace together with Creation and environment is a core element of the work of Tertiaries. Over the past year the new Network across the Province has received induction training. There is now a new network of Advocates resourced through four regional gatherings so that Advocates will provide for local Areas as well as being proactive with programmes that inspire and encourage Tertiaries in effective ways.
3. As a result of Covid 19 we have introduced effective on-line programmes, and these have created rich opportunities for enlivening productive relationships across the Province.
4. The impact of Covid has impeded some of our normally expected work of engagement. However, it has been possible to engage in such work by providing significant funding to our connected Religious Communities [for example the Society of Saint Francis Orders] and in so doing support and sustain work with asylum seekers, and assist those who normally offer support, retreat and renewal for the wider community.
5. The design and planning for a General Chapter follow a cycle of approximately seven years. Work has begun that will engage Tertiaries across this Province during the twelve months September 2021-2022. At that point four large regional events will aim to gather the largest number out of the 1700 members of the Order. The purpose of a General Chapter is to form and clarify the mind of the Order in vision and vocation connecting with contemporary issues.
6. Chapter has now started to operate the new '*Funding our Purpose*' provision designed to encourage Tertiaries to grow new initiatives and projects by making the necessary finance available to them.

Governance

1. During the year a significant item has been the appointment of a team to conduct an Independent Review of structure, processes and appointments in the Province. This is in response to recent challenging experience and the Review is now turning this into informed learning. The team includes legal, academic and informed expertise in the life of religious communities. The team is beginning to share its recommendations and guidance which is being acted upon and shared across the Province. Officer elections have been on hold whilst the review recommendations are being embedded. This has led to some positions being left vacant and to other officers exceeding the normal terms.



TSSF

THIRD ORDER, SOCIETY OF ST FRANCIS

**TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY
2021**

2. The responsibilities and statutory requirements to protect and support those at risk has continued to respond to a changing landscape for provision nationally. New policy and practice is being put in place in step with national and statutory Safeguarding requirements and the requirements of GDPR. There is now in place a documented GDPR policy. With the guidance of the Provincial Safeguarding Officer and the Chapter Safeguarding Lead, work has progressed in both the revision of safeguarding policy and casework. The network of Safeguarding Advocates is being strengthened to embed a more effective culture and practice for safeguarding.
3. Communications and specifically the website facility have continued to improve access and information. The recent addition of Mailchimp has enabled direct, targeted and managed communication with individual Tertiaries across the Province. The addition of a sales facility to the new website is also proving of value.

Giving

The Order is committed to supporting Franciscan activities and charities both on a regular basis and on the occasional 'one off' contribution.

STATISTICAL SUMMARY

	Professed	Noviced	Postulants	Enquirers	Members
31.5.18	1718	105	49	255	1823
31.5.19	1671	132	46	82	1803
31.5.20	1623	151	74	142	1774
31.5.21	1642	117	72	59	1759

During year to May 31st 2019:

Noviced	45
Elected to Profession	16
Released from vows	17
Deaths	30

During year to May 31st 2020:

Noviced	70
Elected to profession	25
Released from vows	28
Deaths	50

During year to May 31st 2021:

Noviced	69
Elected to Profession	35
Released from vows	19
Deaths	51

Annual review of transactions and financial position of the Provincial Fund

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

**TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY
2021**

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in business.

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

The aims of our internal financial controls are:

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

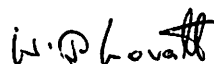
It is our belief that in living our lives and conducting ourselves as trustees that we do indeed keep ourselves informed about the relevant factors in managing a modern and well run charity - not just our financial responsibilities but also that we keep to the spirit and principle of our charitable objectives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

The trustees are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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.

Signature and Declaration

Declaration:

I declare, in my capacity of Charity Trustee that the Trustees have approved the report above, and have authorised me to sign it on their behalf.

Signature  . Full name WILLIAM JOHN LOVATT

Dated: 23.10.21

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report on the accounts of the Trust for the year ended 31 May 2021 which are set out on pages 11 to 21.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention

Basis of Independent Examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



J. Irvinesmith FCIE
Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

Dated: 27th October 2021

**THIRD ORDER, SOCIETY OF ST FRANCIS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MAY 2021**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021/20 £	TOTAL 2020/19 £
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3a	103,649	5,522	-	109,171	130,883
Charitable Activities	3b	1,289	-	-	1,289	4,675
Investments	3c	4,977	-	2,212	7,189	5,070
TOTAL INCOME		109,915	5,522	2,212	117,649	140,628
EXPENDITURE ON:						
Charitable Activities	4a	111,597	5,268	200	117,065	104,486
TOTAL EXPENDITURE		111,597	5,268	200	117,065	104,486
NET INCOME/(EXPENDITURE)		(1,682)	254	2,012	584	36,142
Transfers between funds	5,6	1,510	(1,510)	-	-	-
OTHER RECOGNISED GAINS AND LOSSES:						
Gain/(Loss) on Investments	7	19,311	-	8,860	28,171	9,502
Stock Introduced/Revalued	10	-	-	-	-	4,851
Surplus/(Deficit) of Retreat Funds	17	(600)	-	-	(600)	732
NET MOVEMENT IN FUNDS		18,539	(1,256)	10,872	28,155	51,227
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward		172,089	67,959	74,019	314,067	262,840
TOTAL FUNDS CARRIED FORWARD		190,628	66,703	84,891	342,222	314,067

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 13 to 21 form part of these financial statements.

T

THIRD ORDER, SOCIETY OF ST FRANCIS

BALANCE SHEET
AS AT 31ST MAY 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-May-21 Total £	31-May-20 Total £
Fixed Assets						
Tangible assets	2	-	-	-	-	-
Long Term Investments	7	176,875	-	79,883	256,758	228,588
Current Assets						
Cash at bank and in hand	8	10,688	66,703	5,008	82,399	81,151
Debtors: HMRC Gift aid tax refund	9	63	-	-	63	721
Stock	10	4,082	-	-	4,082	4,851
Total Current Assets		14,833	66,703	5,008	86,544	86,723
Creditors: due within one year	11	1,080	-	-	1,080	1,244
NET CURRENT ASSETS		13,753	66,703	5,008	85,464	85,479
TOTAL ASSETS less current liabilities		190,628	66,703	84,891	342,222	314,067
NET ASSETS		190,628	66,703	84,891	342,222	314,067
Funds of the Charity						
General Unrestricted Funds		190,628	-	-	190,628	172,089
Restricted Funds	5	-	-	84,891	84,891	74,019
Designated Funds	6	-	66,703	-	66,703	67,959
Total Funds		190,628	66,703	84,891	342,222	314,067

Approved by the Trustees on 22 October 2021, and

Signed on their behalf by W. D. Lovatt, TrusteePRINT: WILLIAM JOHN LOVATT

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

1. ACCOUNTING POLICIES

IncomeRecognition of Income

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the income;
- the trustees believe it is probable they will receive the income; and
- the monetary value can be measured with sufficient reliability

Income with related expenditure

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the income.

Tax reclaims on Donations and Gifts

Income from tax reclaims are included in the SOFA in the same financial period as the gift aid claim is submitted to HMRC.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

Donated Services and Facilities

These are only included in income (with an equivalent amount in expenditure) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on this income is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Types of income

Area Income is defined as contributions made directly to the Area and used for defraying Area costs. It also includes donations given specifically for Franciscan Aid or other Franciscan causes.

Expenditure and liabilitiesLiability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.



THIRD ORDER, SOCIETY OF ST FRANCIS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Assets

Tangible fixed assets for use by the charity:

These are capitalised if they can be used for more than one year, and cost at least £3,500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Stocks and work in progress

Stocks held include educational literature and brochures distribution and are measured at the lower or cost or net realisable value.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Types of expenditure

Third Order development and support

Area costs are for Area Team and Area Meeting costs only. Funds are collected for charity (and they have to be a Franciscan Charity) which are held by the area 'on trust' until paid out to the specified charity. Supplementary details are shown here consolidated from all Areas. Costs vary widely from Area to Area due to geographical and

Communications include publications/website/and TSSF training and instructions manuals

Formation supports all professed Tertiaries in their Franciscan life. This can be written guidance, training courses and continual support by the Provincial Formation Guardian to Area Formation Guardians.

The Contemplative network supports Tertiaries who seek solitary prayer life

Special Needs Support transcribes publications and other documents for the benefit of Tertiaries

Creation, Justice and Peace seeks to raise awareness and knowledge of these matters in TSSF.

Link Tertiaries costs are incurred by LT's in visiting and supporting their Areas

Novitiate costs are for the training and support of all who join the Order during the stages of Enquirer, Postulant and Novice. The Provincial Novice Guardian supports Area Novice Guardians in their work with novices.

The Study Network supports study days for all Tertiaries.

Spiritual Direction funds courses for Tertiaries to become Spiritual Directors from time to time.

Finance and administration

Administration includes the Honoria paid to both the Membership Secretary and the Minute Secretary together with the expenses of the Provincial Secretary.

Outreach

Mission. We seek to maintain a presence at Greenbelt when possible.

Website. The website provides public access to information and application for membership for the Order. In addition there is a tertiary only section giving TSSF members facilities of enquiry, intercessory prayer lists and documentation downloads.

Giving

To maintain a presence in Assisi to support tertiaries visiting Assisi, to maintain ecumenical relations and for outreach to tourists, TSSF makes a contribution toward the rent of a flat in Assisi.

Franciscan Aid is a separate organisation. Grants for aid are initiated by a Tertiary.

TSSF supports Franciscan activities and charities throughout the world and gives donations to the First and Second Orders in recognition of their support to TSSF

Governance

These costs include:

Trustee Expenses

Costs of Chapter Meetings

Independent Examiner's remuneration

**THIRD ORDER, SOCIETY OF ST FRANCIS****NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021****Basis of preparation**

The financial statements have been prepared in accordance with the 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 Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102.

The Trustees consider that the charity is a going concern as it has prepared what it considers to be a viable budget that shows that the current level of unrestricted reserves is appropriate to support the activities planned for the coming year and the foreseeable future.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

2. TANGIBLE FIXED ASSETS AND CAPITAL COMMITMENTS

The charity held no fixed assets during the current or previous financial year.

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31st May 2020 : None

31st May 2021: None



THIRD ORDER, SOCIETY OF ST FRANCIS

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021**

3. INCOME FROM:		Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021/20 £	TOTAL 2020/19 £
	Note					
a) Donations and Legacies						
Area Income	6(a)	-	5,522	-	5,522	10,753
Bequests		100	-	-	100	20,305
Contributions		94,233	-	-	94,233	90,745
Gift Aid Tax Recovered		9,316	-	-	9,316	9,080
		<u>103,649</u>	<u>5,522</u>	<u>-</u>	<u>109,171</u>	<u>130,883</u>
b) Charitable Activities						
Primary Purpose Trading		1,289	-	-	1,289	4,675
		<u>1,289</u>	<u>-</u>	<u>-</u>	<u>1,289</u>	<u>4,675</u>
c) Investment Income						
Interest & Dividends	5(a)	4,977	-	2,212	7,189	5,070
		<u>4,977</u>	<u>-</u>	<u>2,212</u>	<u>7,189</u>	<u>5,070</u>

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021

4. EXPENDITURE ON:		Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021/20 £	TOTAL 2020/19 £
a) Charitable Activities	Note					
<u>Third Order Development and Support</u>						
Areas	6(a)	-	5,165	-	5,165	15,579
Cluster Meetings		-	-	-	-	93
Communications - IT		4,308	-	-	4,308	2,580
Contemplative's Network		-	-	-	-	244
Development Way Forward:						
Website		-	-	-	-	3,305
General Expenses and Meetings		-	-	-	-	3,871
The Sultan and the Saint		-	-	-	-	1,562
Formation		381	-	-	381	1,782
General Chapter 2021	6(a)	-	103	-	103	249
Creation Justice and Peace		169	-	-	169	939
Link Tertiaries Expenses		237	-	-	237	906
Minister Provincial		534	-	-	534	-
Novitiate		-	-	-	-	339
Study Network		120	-	-	120	1,312
Support - Retreats	5(a)	-	-	200	200	1,099
Diversity and Inclusion		665	-	-	665	63
<u>Finance and Administration</u>						
Administration Expenses		500	-	-	500	517
Insurance		960	-	-	960	775
Treasury		1,973	-	-	1,973	1,001
<u>Outreach</u>						
Publications:						
Little Portion - Production and Postage		7,713	-	-	7,713	8,257
Franciscan - Subscription and Postage		12,287	-	-	12,287	16,498
Intercession Leaflets		550	-	-	550	515
TOD Expenses		299	-	-	299	543
Assisi Booklets and Other		-	-	-	-	2,933
Publications						
Manuals		5,899	-	-	5,899	-
Cost of goods sold - Primary Purpose Trading		1,602	-	-	1,602	-
<u>Giving</u>						
Assisi Commit.		1,250	-	-	1,250	1,250
Donation to CSC		15,000	-	-	15,000	3,000
Donation to CSF		12,000	-	-	12,000	-
Donation to SSF		20,000	-	-	20,000	-
Franciscan Aid		3,416	-	-	3,416	5,064
Franciscans International		1,015	-	-	1,015	1,015
Other Donations		1,888	-	-	1,888	210
<u>Governance</u>						
Accountancy Services and Independent Exam		1,080	-	-	1,080	1,242
Central Fund Contributions**		9,386	-	-	9,386	9,556
Trustees' Expenses		378	-	-	378	2,420
Chapter Meetings		1,766	-	-	1,766	11,225
Safeguarding		700	-	-	700	500
Data Protection *		821	-	-	821	4,042
Independent Review *		4,700	-	-	4,700	-
		<u>111,597</u>	<u>5,268</u>	<u>200</u>	<u>117,065</u>	<u>104,486</u>

* Data Protection and Independent Review: Further legal expenses to ensure compliance, and the legal costs of an independent internal review were incurred in 2021/20 and 2020/19.

**Central Fund: Every Province contributes to this to assist in outreach in the worldwide provinces as well as in addition to meet the expenses of the meetings of the Minister Provincials on a regular basis, and to accumulate funds to cover the cost of the InterProvincial Third Order Conference (IPTOC) which takes place every six years.

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021

5. RESTRICTED FUNDS	Balance	Income	Investment	Expend-	Transfers	Balance
a) this year	01-Jun-20		Valuation	iture		31-May-21
	£	£	£	£	£	£
Knox Dick Investment Account	71,023	-	8,860	-	-	79,883
Knox Dick Current Account	2,996	2,212	-	(200)	-	5,008
	<u>74,019</u>	<u>2,212</u>	<u>8,860</u>	<u>(200)</u>	<u>-</u>	<u>84,891</u>
b) last year	Balance	Income	Investment	Expend-	Transfers	Balance
	01-Jun-19		Valuation	iture		31-May-20
	£	£	£	£	£	£
Knox Dick Investment Account	67,474	-	3,549	-	-	71,023
Knox Dick Current Account	1,960	2,135	-	(1,099)	-	2,996
	<u>69,434</u>	<u>2,135</u>	<u>3,549</u>	<u>(1,099)</u>	<u>-</u>	<u>74,019</u>

The Investment valuation is calculated on 31st May 2021 (Last year: 31st May 2020) and details are provided in note 7.

Knox Dick: This fund relates to a legacy which enables members of the order who are unable to self fund, to go on retreat.

6. DESIGNATED FUNDS	Balance	Income	Investment	Expend-	Transfers	Balance
a) this year	01-Jun-20		Valuation	iture		31-May-21
	£	£	£	£	£	£
Area Funds	23,166	4,522	-	3,565	(1,478)	22,645
Area Funds - held on trust for Retreats	1,793	1,000	-	1,600	(135)	1,058
Development Fund	20,000	-	-	-	-	20,000
General Chapter 2021	10,000	-	-	103	103	10,000
Mary Whittam Bequest	13,000	-	-	-	-	13,000
	<u>67,959</u>	<u>5,522</u>	<u>-</u>	<u>5,268</u>	<u>(1,510)</u>	<u>66,703</u>
b) last year	Balance	Income	Investment	Expend-	Transfers	Balance
	01-Jun-19		Valuation	iture		31-May-20
	£	£	£	£	£	£
Area Funds	-	-	-	-	23,166	23,166
Area Funds - held on trust for Retreats	-	-	-	-	1,793	1,793
Development Fund	22,600	-	-	11,026	8,426	20,000
General Chapter 2021	3,507	-	-	249	6,742	10,000
Mary Whittam Bequest	13,000	-	-	-	-	13,000
	<u>39,107</u>	<u>-</u>	<u>-</u>	<u>11,275</u>	<u>40,127</u>	<u>67,959</u>

The Development Fund has been set up to provide funds for areas of our organisation which need substantial investment outside of normal expenditure. The review of Chapter life, structure and appointments which is in process is expected to result in major changes. In addition, we anticipate launching a further website and social media initiative as a result of Covid-19.

General Chapter 2021 Fund: This fund was established to build up provision for the General Chapter Activities which will take place from 2021, the 800th anniversary of the founding of the Third Order of St Francis, culminating in celebrations in 2022.

The Mary Whittam Fund was established to give grants for Tertiaries attending Spiritual Direction training.

The Area Funds were re-classified in 2020 from general unrestricted funds to designated funds to provide clarity and transparency. Area Income is defined as contributions made directly to the Area and used for defraying Area costs. It also includes donations given specifically for Franciscan Aid or other Franciscan causes.

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021

7. INVESTMENTS	Unrestricted Funds £	Restricted Funds £	TOTAL 2021/20 £	TOTAL 2020/19 £
Movement in the year:				
Market Value - 1st June 2020/1st June 2019	157,565	71,023	228,588	139,086
Purchases at cost, less disposals at carrying value	-	-	-	80,000
Revaluation/Net unrealised gains/(losses)	19,311	8,860	28,171	9,502
Market Value - 31st May 2021/31st May 2020	176,875	79,883	256,758	228,588

Holding at 31st May 2021: 3,777 shares in the CCLA Knox Dick Investment Fund - Income Shares and 8,380 shares in the CCLA Designated Fund - Income Shares (as at 31st May 2020 3,777 shares in the CCLA Knox Dick Investment Fund - Income Shares and 8,380 shares in the CCLA Designated Fund - Income Shares).

8. CASH AT BANK AND IN HAND	Note	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-May-21 £	Total 31-May-20 £
Areas Accounts		-	23,703	-	23,703	24,959
Current Accounts		10,688	31,466	-	42,154	41,732
Deposit Accounts		-	11,534	-	11,534	11,464
Retreats Account		-	-	5,008	5,008	2,996
		10,688	66,703	5,008	82,399	81,151

9. DEBTORS	31-May-21 £	31-May-20 £
Gift Aid Tax Recoverable	63	721
	63	721

10. STOCK	Stocks surplus from primary purpose sales	
	For distribution £	For resale £
Charitable activities:		
Opening	-	4,851
Added/Valued in period	-	834
Expensed in period	-	(1,603)
Impaired/Disposed as waste	-	-
Closing	-	4,082
Total this year	-	4,082

The stock values have been calculated as the discounted net realisable value. Some estimates had to be made due to limited access to the store at the Franciscan Convent at Freeland due to the Covid-19 pandemic.

Stock has not been recognised in previous periods due to the low value of stock held.

THIRD ORDER, SOCIETY OF ST FRANCIS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021

11. CREDITORS		31-May-21 £	31-May-20 £
Held in charity bank account on behalf of Creation Waits	*	-	164
Independent Examiners Fees	Note 12	1,080	1,074
Other charity creditors		-	6
		<u>1,080</u>	<u>1,080</u>

* The funds were transferred on 22 July 2020

12. FEES FOR EXAMINATION OF THE ACCOUNTS	2021/20 £	2020/19 £
Independent examiner's fees for reporting on the accounts	804	798
Independent examiner's fees for accountancy services	276	276
	<u>1,080</u>	<u>1,074</u>

**13. ANALYSIS OF STAFF COSTS , TRUSTEE REMUNERATION
AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

	31-May-21 £	31-May-20 £
Gross Wages and Salaries	-	-
Honoraria	2,000	1,917
Employer's National Insurance Costs	-	-
Pension Contributions	-	-
	<u>2,000</u>	<u>1,917</u>

No employees received emoluments in excess of £60,000 (2020/19: None).

In 2021/20 and 2020/19 only honoraria was expended, no payments were made by the charity under PAYE.

Average number of full time equivalent employees who were engaged in each of the following activities:

	2021/20 TOTAL	2020/19 TOTAL
Activities in furtherance of organisation's objects	0.375	0.375
Support and Administration	-	-
	<u>0.375</u>	<u>0.375</u>

The key management personnel of the charity comprises of the Board of Trustees, Area Teams and Chapter Members. No Trustees are remunerated.

**THIRD ORDER, SOCIETY OF ST FRANCIS****NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2021****13. ANALYSIS OF STAFF COSTS , TRUSTEE REMUNERATION
AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL****TRUSTEES AND OTHER RELATED PARTIES**

Travel expenses reimbursed to trustees, which were incurred whilst attending trustee meetings totalled £378 in this financial period (2020/19: £2,420).

No other payments were made to trustees or any persons connected with them during this financial period. No material transaction took place between the organisation and a trustee or any person connected with them.

No donations were received during the year from Trustees or Related Parties.

14. RISK ASSESSMENT

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks. During the previous financial year, a risk assessment policy for Covid-19 was issued by the trustees to all the Areas.

15. RESERVES POLICY

The Trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The Covid-19 pandemic, the increased obligations and risks with GDPR and perceived increased risks with Professional Indemnity confirm that our level of reserves needs to be maintained at its current level. The Trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The Trustees will endeavour not to set aside funds unnecessarily.

16. AREA RETREATS

As detailed in Appendix 1, some Areas run Area Retreats, which they organise and they are intended to be self funded. In most cases they are self financed, but due to timing differences that often occur between when an Area takes in deposits, and subsequently pays out funds for the Retreat, there are occasions where the charity has temporarily financed any shortfall.

In 2021/20, the shortfall on funds received and expended was calculated as £600.

In 2020/19, the surplus on funds received and expended was calculated as £732.

17. PUBLIC BENEFIT

The Charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

Appendices

The following pages do not form part of the statutory financial statements
which are subject to Independent Examination

Appendix 1Agency funds for Area retreats

The Charity temporarily holds funds on trust for Area retreats.

Each area maintains separate accounts which are submitted annually to the Provincial Treasurer for consolidation and review.

They are noted here for transparency purposes.

The funds received and expended during the year are as follows:

	2021/20 £
Funds for Retreats bfwd at 1st June 2020	<u>1,793</u>
Retreat funds received 2021/20	1,000
Retreat funds expended 2021/20	<u>(1,600)</u>
Funds for Retreats deficit for year end 31st May 2021	<u>(600)</u>
Contribution from Province	332
Re-allocated to Province	(467)
Funds for Retreats cfwd at 31st May 2021	<u>1,058</u>

Represented by:

	2021/20 £
Held in Areas bank accounts on behalf of Retreatants	<u>1,058</u>

Agency funds for Creation Waits

The charity receives and disburses funds on behalf of Claire Henderson Davis, a well-known performance artiste, and her team to produce, film and tour a drama portraying St Francis and St Clare as if they were our contemporaries, debating Climate Change. The project is called 'All Creation Waits'. These funds are not considered a part of the charity income or expenditure.

These do not form part of the independent examination and are noted here for transparency purposes.

The funds received and expended during the year are as follows:

	2021/20 £
Funds for Creation Waits bfwd at 1st June 2020	<u>3,946</u>
Creation Waits funds received 2021/20	0
Creation Waits funds expended 2021/20	<u>(3,946)</u>
Funds held at 31st May 2021	<u>0</u>

Agency funds for Lambeth Presence

The charity receives and disburses funds on behalf of the Central Fund of the Third Order, Society of St Francis (registered charity number 1182834) and has agreed to return any unused money after the Lambeth Conference. (which was due to take place in August 2020, but has been postponed until 2021). These funds are not considered a part of the charity income or expenditure.

These do not form part of the independent examination and are noted here for transparency purposes.

The funds received and expended during the year are as follows:

	2021/20 £
Funds for Lambeth Presence bfwd at 1st June 2020	<u>1,971</u>
Lambeth Presence funds received 2021/20	0
Lambeth Presence funds expended 2021/20	<u>(1,971)</u>
Funds held at 31st May 2021	<u>0</u>