



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MAY 2023**



"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
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THIRD ORDER, SOCIETY OF ST FRANCIS

LEGAL AND ADMINISTRATIVE INFORMATION

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| | |
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|-----------------------|--|
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| | |
|--------------|------------------------|
| Legal Status | Unincorporated Charity |
|--------------|------------------------|

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, as amended on 14 Oct 2018.

Trustees

The trustees of the Society are those who are elected to serve on the Provincial Chapter¹, which meets in person three times a year in February, June and October, and usually via Zoom online conferencing between these main meetings.

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 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 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.



THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2023

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 2022-23</u> |
|-----------------|---|---|
| Timothy Higgins | Acting Minister Provincial | to 13/10/2022 |
| Patrick Mossop | Minister Provincial | From 13/10/2022 |
| Sian Yates | Provincial Formation Guardian | From 18/02/2023 |
| Jane Morley | Provincial Novice Guardian | From 13/10/2022 |
| Martin Allen | Provincial Secretary | To 18/02/2023 |
| Peter Thompson | Provincial Secretary | From 18/02/2023 |
| John Lovatt | Provincial Treasurer | To 18/02/2023 |
| Robert Dimmick | Provincial Treasurer | From 18/02/2023 |
| Denise Eastel | Link Tertiary – Central Southern England | From 13/10/2022 |
| Chris Jenkins | Link Tertiary - South West England | |
| Anne Lindley | Link Tertiary - Central and East England | |
| Robin Minney | Link Tertiary - North East, North West | |
| David McCormick | Link Tertiary - East Midlands and Yorkshire | To 09/05/2023 |
| Carol Robertson | Link Tertiary - Scotland and Ireland | |
| Alison Tyler | Link Tertiary - London and South East | |

Trustees appointed after the balance sheet date

| | | |
|----------------------|---|-----------------|
| Angela Morfett-Jones | Link Tertiary - East Midlands and Yorkshire | From 18/06/2023 |
|----------------------|---|-----------------|

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.



THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2023

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 Justice, Peace and the integrity of Creation; without adopting particular policy lines, 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 Fund, or, as with the Mary Whittam Fund, perceived as its purpose may at some time be ended.

- a) The General Chapter Fund was set up to build up provision for the General Chapter Activities which took place during 2021-2, to mark the 800th anniversary of the founding of the Order of St Francis. Since these activities are now complete, the General Chapter Fund will be closed.
- 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. To date it has not been used.
- d) The Dixon Trees Fund was established in memory of Peter Dixon, and has now been closed.
- e) The Study Group Fund arranges Study weekends (similar to a retreat weekend) and historically each member paid the weekend cost privately. However, last year their payments for the weekends were sent to the TSSF Province bank account, so were treated as designated agency payments.
- f) The Young Franciscans Fund holds money collected for a former Young Franciscans group and is intended to be available for future work with younger people interested in knowing about and potentially following Francis.
- g) Area Funds are 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

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2023

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 ongoing activities to develop the work of the Order
- 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 member of the Order requested information under the GDPR regulations in connection with a complaint, 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 £150K (allowing for retaining a year's worth of income plus the amount of the Mary Whittam Fund). The actual unrestricted funds held (after deducting agency funds) are £350K, so that some £200K is available for investment in our charitable work without any detriment to our present ongoing activities.

We continue to actively look at how we can best use this surplus within our Objects. The initiative 'Funding our Purpose' is designed to find projects from our membership to address this surplus, but has not yet generated many; we plan to strengthen it..

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 41 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 with 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 public interest; at the forefront is our relationship with the environment from climate change to biodiversity as well of division and inequality and related injustice. 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 life in community and communion with all creation; the second, matters of governance to better align with our core purposes.



THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2023

Annual Review of the Order (continued)

Development:

Following on from the last Annual Report, the General Chapter of the Order, which takes place normally every seven years, was held in four cathedrals across the country, with live streaming available for those not able to attend. The Chapter celebrations were streamed from Wells, Southwark, Manchester and Durham. The total number of attendees, including those on the live streams, was 820. Major days such as these, along with Cluster Days for each of the Clusters in the Province, are seen as important days for the formation and development of tertiary life.

Formation itself is to be seen as constantly under review, so that improvements can be made as and when necessary. Examples of this are the need to encourage tertiaries to either join existing networks and interest groups or form new ones (with Chapter approval), with the aim of becoming a more outward-facing community. The development of further formation resources, both in word and in visual formats, is seen as essential. The role of Provincial Chapter operating on behalf of the Order was felt to be lacking in taking time away from the business side of things, in order that time away from business to simply 'be', allowing the spiritual to have a rightful place amongst the 'busyness' of Chapter meetings.

The Review Implementation Team had been tasked with implementing the remaining changes to Chapter's working life and structures. The team has since been commissioned to work through those changes and implement them and had, since then, reported to Chapter. They have been working through no fewer than six detailed reports from the initial Review Team, which was set up to initiate changes in how Chapter operates, and its impact on the wider Order. A significant change has been the formation of a Discernment Advisory Panel, to oversee the election and appointment of Provincial Officers. The Panel has made five recommendations so far to Chapter, all of which were ratified. The Panel made recommendations as to their workings, which will in due course be incorporated into the appointments process. These changes, from the formation of the Discernment Advisory Panel onwards, will be incorporated into the Statutes of the Order where necessary.

A new vision of the Order becoming a more outward-facing one towards the world and its needs is now seen as key to tertiary life. For many years, right up until the late 1980s, the Order was once thought of as "the Anglican Church's best kept secret." Consequently, the Order has not developed as it might have done. However, with the outward-facing initiatives now being rolled out across all Areas within the Province, this should begin to address matters. Being more outward-facing is seen as essential in view of, i) being a response to the social and spiritual times we are in; ii) to finding our voice as a religious Order; iii) to follow on from the momentum gained from General Chapter; iv) as a response to feedback from Area teams and individual tertiaries.

The Order is now a partner with the International Community of the Cross of Nails, which was set up in the aftermath of World War II. Coventry Cathedral was bombed during the war and the ruined remains of the original building are still present, with the current cathedral situated directly alongside the ruins. The aims of the Community, based in Coventry, are very similar to those of the Third Order, eg a common commitment to work and pray for peace, justice and reconciliation. Also to healing the wounds of history, learning to live with difference and diversity and building a culture of peace.

Governance

As a result of the initial impact of Covid, face-to-face meetings were not allowed to take place. As a result, Chapter met on several occasions electronically by Zoom, enabling it to meet and make the important decisions as they arose. Since Covid rules were relaxed, Chapter again now meets face-to-face three times a year as it used to prior to Covid, but also meets usually twice via Zoom in between the face-to-face meetings. This is seen as an important development in Chapter life, enabling it to get the business completed more swiftly, avoiding delays which has had a positive impact in Areas. This has also enabled Chapter to take more time out of the afore-mentioned 'busyness' of the face-to-face meetings, again allowing for spiritual refreshment to be enjoyed by its members. Zoom meetings are also regularly taking place across Areas, across the various networks and the teams linked to and associated with Chapter. Hybrid meetings in Areas have also taken place, with tertiaries either being present in person or electronically.

The Review Implementation Team was enabled to go ahead and seek advice as to whether the Order should become a Charitable Incorporated Organisation. Currently it is an unincorporated organisation. This means that those who have given their time willingly and voluntarily to run the Order could be sued should anything take place which would render such people liable to be sued in an unlimited capacity. Becoming a Charitable Incorporated Organisation would remove that risk. Deliberations are ongoing.

As mentioned earlier concerning the Discernment Advisory Panel, this was set up to discern further the suitability of candidates for a Provincial Officer post, especially in the case of candidates being elected unopposed. This had not been tested further until now. The current statutes will need to be revised, after consultation with Areas, to accommodate the newly set up Panel and its remit, which has been running on a trial basis following the comprehensive review of the Order.



THIRD ORDER, SOCIETY OF ST FRANCIS

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MAY 2023

Annual Review of the Order (continued)

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 as at 31 May 2023

| | 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 |
| 31.5.22 | 1563 | 155 | 65 | 21 | 1718 |
| 31.5.23 | figures at this date are not available | | | | |
| 17.1.24 | 1486 | 193 | * | 58 | 1679 |

* Numbers of Postulants are no longer collected centrally.

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

During year to May 31st 2022:

Noviced 54

Elected to Profession 34

Released from vows 13

Deaths 52

During year to May 31st 2023:

Noviced 19

Elected to Profession 41

Released from vows 29

Deaths 39

The increases in novicings and professions are encouraging, although not keeping pace with those dying or being released from vows.

THIRD ORDER, SOCIETY OF ST FRANCIS**TRUSTEES REPORT
FOR THE YEAR ENDED 31ST MAY 2023****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:

- 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 operation.

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

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: Robert Stephen Dimmick

Dated: 9th February 2024

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report on the accounts of the Trust for the year ended 31 May 2023 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.



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Dated: 28th February 2024

THIRD ORDER, SOCIETY OF ST FRANCIS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MAY 2023

| | Notes | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | TOTAL 2023/22 £ | TOTAL 2022/21 £ |
|---|-------|----------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| CHARITY INCOME | | | | | | |
| <u>INCOME AND ENDOWMENTS FROM:</u> | | | | | | |
| Donations and Legacies | 3a | 106,123 | 11,291 | - | 117,414 | 182,649 |
| Charitable Activities | 3b | 2,114 | - | - | 2,114 | 1,254 |
| Investments | 3c | 8,934 | - | 2,334 | 11,268 | 7,361 |
| TOTAL INCOME | | 117,171 | 11,291 | 2,334 | 130,796 | 191,264 |
| CHARITY EXPENDITURE | | | | | | |
| <u>EXPENDITURE ON:</u> | | | | | | |
| Charitable Activities | 4a | 97,549 | 26,136 | 2,003 | 125,688 | 87,966 |
| TOTAL EXPENDITURE | | 97,549 | 26,136 | 2,003 | 125,688 | 87,966 |
| NET INCOME/(EXPENDITURE) | | 19,622 | (14,845) | 331 | 5,108 | 103,298 |
| Transfers between funds | 5,6 | (8,574) | 8,574 | - | - | - |
| OTHER RECOGNISED GAINS AND LOSSES: | | | | | | |
| Gain/(Loss) on Investments | 7 | (275) | - | (440) | (715) | 3,067 |
| Funds received on Trust (as agent) | 6a | - | - | - | - | 12,741 |
| Funds paid out on Trust (as agent) | 6a | - | - | - | - | (8,339) |
| NET MOVEMENT IN FUNDS | | 10,773 | (6,271) | (109) | 4,393 | 110,767 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total Funds Brought Forward | | 292,342 | 70,805 | 87,842 | 450,989 | 342,222 |
| Adjustment to Area Funds | 17 | - | (5,460) | - | (5,460) | (2,000) |
| TOTAL FUNDS CARRIED FORWARD | | 303,115 | 59,074 | 87,733 | 449,922 | 450,989 |

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.


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THIRD ORDER, SOCIETY OF ST FRANCIS

BALANCE SHEET
AS AT 31ST MAY 2023

| | Note | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | 31-May-23 Total £ | 31-May-22 Total £ |
|---|------|----------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| Fixed Assets | | | | | | |
| Tangible assets | 2 | - | - | - | - | - |
| Long Term Investments | 7 | 298,821 | - | 80,289 | 379,110 | 259,825 |
| Current Assets | | | | | | |
| Cash at bank and in hand | 8 | 2,683 | 59,074 | 7,444 | 69,201 | 183,228 |
| Cash at bank and in hand (agency funds) | 8 | | 2,245 | | 2,245 | 5,460 |
| Debtors: HMRC Gift aid tax refund | 9 | - | - | - | - | 62 |
| Stock | 10 | 2,745 | - | - | 2,745 | 3,512 |
| Total Current Assets | | 5,428 | 61,319 | 7,444 | 74,191 | 192,262 |
| Creditors: due within one year | 11 | (1,134) | - | - | (1,134) | (1,098) |
| Creditors: due within one year (agency funds) | 11 | - | (2,245) | - | (2,245) | - |
| NET CURRENT ASSETS | | 4,294 | 59,074 | 7,444 | 70,812 | 191,164 |
| TOTAL ASSETS less current liabilities | | 303,115 | 59,074 | 87,733 | 449,922 | 450,989 |
| NET ASSETS | | 303,115 | 59,074 | 87,733 | 449,922 | 450,989 |
| Funds of the Charity | | | | | | |
| General Unrestricted Funds | | 303,115 | - | - | 303,115 | 292,342 |
| Restricted Funds | 5 | - | - | 87,733 | 87,733 | 87,842 |
| Designated Funds | 6 | - | 59,074 | - | 59,074 | 70,805 |
| TOTAL FUNDS | | 303,115 | 59,074 | 87,733 | 449,922 | 450,989 |

Approved by the Trustees on 9th February 2024 and

Signed on their behalf by ....., Trustee

PRINT: ROBERT STEPHEN DIMMICK

**THIRD ORDER, SOCIETY OF ST FRANCIS****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2023****1. ACCOUNTING POLICIES****Income**Recognition 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 is 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 2023

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 organisational factors.

Communications include publications, website, videoconferencing 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 to deepen their prayer life by practising contemplation.

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 2023

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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.

Change in accounting policies

The charity Trustees discussed and updated the charity financial procedures manual in June 2022, and clarified therein, its approach to handling funds received when acting as agent. In the previous financial year, funds received and disbursed as agent were disclosed on the Statement of Financial Activities, with a corresponding balance shown for the amount held in the bank account as agent.

The updated policy is aligned with the SORP requirement not to recognise funds received as agent as income nor its distribution as agent's expenditure. As the funds received as agent are not within the control of the charity, the funds are not recognised as an asset. For transparency and reconciliation purposes, the balance sheet shows a figure for agents funds held in the bank account, and a corresponding figure in creditors. The net effect on charity assets is therefore zero. The policy is shown below.

Agency Funds Policy

If the proposed management of other people's funds results in our better being able to fulfil our charitable purposes, and provided our trustees have first considered the risks and benefits of managing those funds, we will gladly act as agents managing their funds. Our call as Franciscans is to be of service and obedient to others, provided it is not against our way of life, and being entrusted with other people's funds is a joy and a privilege, and we gladly take on the extra work. Accordingly, as the funds do not belong to TSSF they do not form a part of the charity's income or expenditure. However, for full transparency and reconciliation purposes the agency funds are shown on the balance sheet as funds held as agent, with a corresponding creditor.

Revised format

These accounts have been presented in a slightly different format to previous reporting periods to create greater clarity on the Statement of Financial Activities. No figures have been restated.

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 2022 : None

31st May 2023: None

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2023

3. INCOME FROM:

| | Note | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | TOTAL 2023/22 £ | TOTAL 2022/21 £ |
|---------------------------|------|----------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| a) Donations and Legacies | | | | | | |
| Area Income | 6(a) | - | 6,556 | - | 6,556 | 7,997 |
| Bequests | | 2,100 | - | - | 2,100 | 70,727 |
| Contributions | | 92,451 | - | - | 92,451 | 90,994 |
| Donations | | 2,645 | 4,735 | - | 7,380 | 3,180 |
| Gift Aid Tax Recovered | | 8,728 | - | - | 8,728 | 9,751 |
| Other Income | | 200 | - | - | 200 | - |
| | | <u>106,123</u> | <u>11,291</u> | <u>-</u> | <u>117,414</u> | <u>182,649</u> |
| b) Charitable Activities | | | | | | |
| Primary Purpose Trading | | 2,114 | - | - | 2,114 | 1,254 |
| | | <u>2,114</u> | <u>-</u> | <u>-</u> | <u>2,114</u> | <u>1,254</u> |
| c) Investment Income | | | | | | |
| Interest & Dividends | 5(a) | 8,934 | - | 2,334 | 11,268 | 7,361 |
| | | <u>8,934</u> | <u>-</u> | <u>2,334</u> | <u>11,268</u> | <u>7,361</u> |

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2023

| 4. EXPENDITURE ON: | | Unrestricted | Designated | Restricted | TOTAL | TOTAL |
|--|------------|--------------|------------|------------|---------|---------|
| | Note | Funds | Funds | Funds | 2023/22 | 2022/21 |
| | | £ | £ | £ | £ | £ |
| a) Charitable Activities | | | | | | |
| <u>Third Order Development and Support</u> | | | | | | |
| Areas | 6(a) | - | 11,589 | - | 11,589 | 10,229 |
| Cluster Meetings | | 331 | - | - | 331 | 493 |
| Communications - IT | | 808 | - | - | 808 | 381 |
| Contemplative Network | | 1,664 | - | - | 1,664 | 398 |
| Formation | | 1,481 | - | - | 1,481 | - |
| General Chapter | | - | 12,108 | - | 12,108 | - |
| Creation Justice and Peace | | 344 | - | - | 344 | 40 |
| Link Tertiaries Expenses | | 402 | - | - | 402 | 159 |
| Minister Provincial | | 798 | - | - | 798 | - |
| Spiritual Direction | | - | 1,600 | - | 1,600 | - |
| Steering Group Expenses | | - | - | - | - | 176 |
| Study Network | | 472 | - | - | 472 | 1,430 |
| Support - Retreats | 5(a), 6(a) | - | - | 2,003 | 2,003 | 262 |
| Discernment Advisory Panel Expenses | | 2,133 | - | - | 2,133 | - |
| Diversity and Inclusion | | 372 | - | - | 372 | 55 |
| Young Franciscans | | - | 144 | - | 144 | - |
| <u>Finance and Administration</u> | | | | | | |
| Administration Expenses | | 970 | 25 | - | 995 | 500 |
| Bank Charges | | 15 | - | - | 15 | - |
| Insurance | | 1,456 | - | - | 1,456 | 1,441 |
| Travel Expenses (Invited Guests) | | - | 670 | - | 670 | - |
| Treasury | | 1,186 | - | - | 1,186 | 1,170 |
| Website and IT Costs | 6(a) | 2,494 | - | - | 2,494 | 3,673 |
| <u>Outreach</u> | | | | | | |
| Publications: | | | | | | |
| Little Portion - Production and Postage | | 12,590 | - | - | 12,590 | 8,501 |
| Franciscan - Subscription and Postage | | 14,268 | - | - | 14,268 | 12,574 |
| Intercession Leaflets | | 1,653 | - | - | 1,653 | 600 |
| TOD Expenses | | 524 | - | - | 524 | - |
| Assisi Booklets and Other | | 872 | - | - | 872 | 145 |
| Noviciate Publications | | 490 | - | - | 490 | 1,753 |
| Cost of goods sold - Primary Purpose Trading | | 767 | - | - | 767 | 1,603 |
| <u>Giving</u> | | | | | | |
| Assisi Commit. | | 1,250 | - | - | 1,250 | 1,250 |
| Donation to CSC | | 8,433 | - | - | 8,433 | 11,000 |
| Franciscan Aid | 6(a) | 4,052 | - | - | 4,052 | 4,510 |
| Franciscans International | | 1,015 | - | - | 1,015 | 1,015 |
| Other Donations | 6(a) | - | - | - | - | 197 |
| Grants | | 2,000 | - | - | 2,000 | 2,000 |
| <u>Governance</u> | | | | | | |
| Accountancy Services and Independent Exam | | 1,134 | - | - | 1,134 | 1,098 |
| Central Fund Contributions** | | 9,502 | - | - | 9,502 | 9,510 |
| Trustees' Expenses | | 2,577 | - | - | 2,577 | 1,367 |
| Chapter Meetings | | 20,736 | - | - | 20,736 | 9,323 |
| Safeguarding | | 760 | - | - | 760 | 863 |
| Independent Review * | | - | - | - | - | 250 |
| | | 97,549 | 26,136 | 2,003 | 125,688 | 87,966 |

* Independent Review: Legal costs of an independent internal review were incurred in 2022/21, 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 2023

5. RESTRICTED FUNDS

| a) this year | Balance 01-Jun-22 £ | Income £ | Investment Valuation £ | Expend- iture £ | Transfers £ | Balance 31-May-23 £ |
|------------------------------|---------------------------|--------------|------------------------------|-----------------------|----------------|---------------------------|
| Knox Dick Investment Account | 80,729 | - | (440) | - | - | 80,289 |
| Knox Dick Current Account | 7,113 | 2,334 | - | (2,003) | - | 7,444 |
| | 87,842 | 2,334 | (440) | (2,003) | - | 87,733 |
| b) last year | Balance 01-Jun-21 £ | Income £ | Investment Valuation £ | Expend- iture £ | Transfers £ | Balance 31-May-22 £ |
| Knox Dick Investment Account | 79,883 | - | 846 | - | - | 80,729 |
| Knox Dick Current Account | 5,008 | 2,287 | - | (182) | - | 7,113 |
| | 84,891 | 2,287 | 846 | (182) | - | 87,842 |

The Investment valuation is calculated on 31st May 2023 (Last year: 31st May 2022) and details are provided in note 7.

Purpose of Restricted Funds

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

THIS YEAR

6a. DESIGNATED BY THE TRUSTEES

These funds have been earmarked and set aside as a part of the unrestricted funds to be used for a particular future project or commitment.

| | Balance 01-Jun-22 £ | Adjustment Note 17 | Income £ | Expenditure £ | Transfers £ | Balance 31-May-23 £ |
|--|---------------------------|-----------------------|---------------|------------------|----------------|---------------------------|
| Area Funds | 22,345 | - | 6,556 | (11,589) | 4,500 | 21,812 |
| Area Funds - held as agent | 4,065 | (4,065) | - | - | - | - |
| Study Group - Residential Events - held as agent | 1,395 | (1,395) | - | - | - | - |
| Development Fund | 20,000 | - | - | - | - | 20,000 |
| General Chapter | 10,000 | - | - | (12,803) | 4,074 | 1,271 |
| Mary Whittam Bequest | 13,000 | - | - | (1,600) | - | 11,400 |
| Young Franciscans | - | - | 4,735 | (144) | - | 4,591 |
| | 70,805 | (5,460) | 11,291 | (26,136) | 8,574 | 59,074 |

LAST YEAR

| | Balance 01-Jun-21 £ | Income £ | Expenditure £ | Transfers/ Adjustments £ | Balance 31-May-22 £ |
|--|---------------------------|---------------|------------------|--------------------------------|---------------------------|
| Area Funds | 22,645 | 7,997 | (12,285) | 3,988 | 22,345 |
| Area Funds - held as agent | 1,058 | 9,161 | (6,154) | - | 4,065 |
| Study Group - Residential Events - held as agent | - | 3,555 | (2,160) | - | 1,395 |
| Dixon Trees - held as agent | - | 25 | (25) | - | - |
| Development Fund | 20,000 | - | - | - | 20,000 |
| General Chapter | 10,000 | - | - | - | 10,000 |
| Mary Whittam Bequest | 13,000 | - | - | - | 13,000 |
| | 66,703 | 20,738 | (20,624) | 3,988 | 70,805 |

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2023

Purpose of Designated Funds

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.

Area Funds held as agent are managed by individual Areas for their members. Retreatants' give deposits for the retreat, and their final payments, are paid into the Area bank account, and disbursed to the Retreat House as required.

The Study Group - Residential Events Fund arranges Study weekends (similar to a retreat weekend) and historically each member paid the weekend cost privately. However, last year their payments for the weekends were sent to the TSSF Province bank account, so were treated as funds held on trust.

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 Fund: set up to build up provision for the General Chapter Activities which took place during 2021-22, to mark the 800th anniversary of the founding of the Order of St Francis. Since these activities are now complete, the General Chapter Fund will be closed

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

The Young Franciscans Fund was established to support a community of young Christians, seeking to know Christ and make Him known, learning from the example of St Francis.

7. INVESTMENTS

| | Unrestricted Funds £ | Restricted Funds £ | TOTAL 2023/22 £ | TOTAL 2022/21 £ |
|---|----------------------------|--------------------------|-----------------------|-----------------------|
| Movement in the year: | | | | |
| Market Value - 1st June 2022/1st June 2021 | 179,096 | 80,729 | 259,825 | 256,758 |
| Purchases at cost, less disposals at carrying value | 120,000 | - | 120,000 | - |
| Revaluation/Net unrealised gains/(losses) | (275) | (440) | (715) | 3,067 |
| Market Value - 31st May 2023/31st May 2022 | 298,821 | 80,289 | 379,110 | 259,825 |

Holding at 31st May 2023: 3,777 shares in the CCLA Knox Dick Investment Fund - Income Shares and 14,059 shares in the CCLA Designated Fund - Income Shares (as at 31st May 2022: 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-23 £ | Total 31-May-22 £ |
|--------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Areas Accounts | - | 20,415 | - | 20,415 | 20,950 |
| Areas Accounts - held as agent | - | 2,245 | - | 2,245 | 5,460 |
| Current Accounts | 2,683 | 26,866 | - | 29,549 | 143,619 |
| Deposit Accounts | - | 11,793 | - | 11,793 | 11,546 |
| Retreats Account (Knox Dick) | - | - | 7,444 | 7,444 | 7,113 |
| | 2,683 | 61,319 | 7,444 | 71,446 | 188,688 |

9. DEBTORS

| | 31-May-23 £ | 31-May-22 £ |
|--------------------------|----------------|----------------|
| Gift Aid Tax Recoverable | - | 62 |
| | - | 62 |

10. STOCK

| | Stocks surplus from primary purpose sales | |
|----------------------------|--|--------------------|
| | For distribution £ | For resale £ |
| Charitable activities: | | |
| Opening | - | 3,512 |
| Added/Valued in period | - | - |
| Expensed in period | - | (767) |
| Impaired/Disposed as waste | - | - |
| Closing | - | 2,745 |
| Total this year | - | 2,745 |

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.

THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MAY 2023

11. CREDITORS

| | Note | 31-May-23 £ | 31-May-22 £ |
|---------------------------------------|------|----------------|----------------|
| Held in charity bank account as agent | 8,19 | 2,245 | - |
| Independent Examiners Fees | 12 | 1,134 | 1,098 |
| | | <u>3,379</u> | <u>1,098</u> |

12. FEES FOR EXAMINATION OF THE ACCOUNTS

| | 2023/22 £ | 2022/21 £ |
|---|--------------|--------------|
| Independent examiner's fees for reporting on the accounts | 834 | 813 |
| Independent examiner's fees for accountancy services | 300 | 285 |
| | <u>1,134</u> | <u>1,098</u> |

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

STAFF COSTS

| | 31-May-23 £ | 31-May-22 £ |
|-----------|----------------|----------------|
| Honoraria | 1,125 | 1,000 |
| | <u>1,125</u> | <u>1,000</u> |

The charity had no employees and therefore no employees received emoluments in excess of £60,000 (2022/2021: None).

In 2023/22 and 2022/21 only honoraria was expended, no payments were made by the charity under PAYE.

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

| | 2023/22 TOTAL | 2022/21 TOTAL |
|---|------------------|------------------|
| Activities in furtherance of organisation's objects | 0.375 | 0.375 |
| Support and Administration | - | - |
| | <u>0.375</u> | <u>0.375</u> |

TRUSTEE REMUNERATION AND EXPENSES

No Trustees received remuneration. Travel expenses reimbursed to trustees, which were incurred whilst attending trustee meetings totalled £2,577 in this financial period (2022/21: £1,367).

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

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.

KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprises of the Board of Trustees, Area Teams and Chapter Members. The total amount paid to key management personnel was £0.

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.



THIRD ORDER, SOCIETY OF ST FRANCIS

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST MAY 2023

16. 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.

17. ADJUSTMENT TO AREA FUNDS

Financial year ended 31st May 2022

In 2015 an amount of £2,000 was transferred to the Sweden local bank account and in error, the Sweden bank account was considered at that time to be the responsibility of, and accountable to, the European Province. However, it has appeared since then that the Sweden Area submits its accounts for audit or examination in Sweden, and submits its accounts to the Swedish authorities. Accordingly, the Sweden accounts are no longer considered to be a part of the TSSF annual accounts process as they are audited/examined in their own country of residence. The Trustees have requested that the amount should be removed from the TSSF annual accounts.

Financial year ended 31st May 2023

In the previous financial year, funds received on trust and disbursed as agent were disclosed on the Statement of Financial Activities, albeit not as a part of charity income but as a separate item, with a corresponding balance shown on the balance sheet for the amount held in the bank account as agent.

The balance held as agent at 31st May 2022 was shown as follows:

| | £ |
|--|--------------|
| Area Funds - held as agent | 4,095 |
| Study Group - Residential Events - held as agent | 1,365 |
| | <u>5,460</u> |

The charity updated its internal financial procedures manual and subsequently its accounting policy in June 2022 regarding funds held as agent to align more closely with the SORP requirements. Accordingly, funds held as agent are not included in charity income or expenditure, nor as an asset on the charity balance sheet (a cash at bank and creditor figure for agent funds is shown for transparency, with the net result of these being zero).

18. REVISED FORMAT

These accounts have been presented in a slightly different format to previous reporting periods to create greater clarity and to remove clutter. Overall figures have not been restated.

19. FUNDS HELD AS AGENT

TSSF has acted as agent during this reporting period.

As agent, the trustees of TSSF have no discretion about the use to which the funds received are put. TSSF acts only in accordance with the instructions or directions of the principal.

| | Funds held 01-Jun-22 £ | Funds received £ | Funds paid out £ | Funds held 31-May-23 £ |
|---------------------|------------------------------|------------------------|------------------------|------------------------------|
| Area Retreats | 4,065 | 6,141 | (9,361) | 845 |
| Dixon/Higgins trees | - | 35 | (30) | 5 |
| Study Group | 1,395 | - | - | 1,395 |
| | <u>5,460</u> | <u>6,176</u> | <u>(9,391)</u> | <u>2,245</u> |

Explanation of agency relationship

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

Dixon/Higgins Trees: The Charity received and expended funds on trust for tree planting in memory. Some Chapter members decided to dedicate a memorial to Peter Dixon (a Provincial Novice Guardian) and Tim Higgins (a Minister Provincial) and each donated a small sum so that some trees could be purchased for planting by the National Trust.

Study Group - Residential Events: The Charity temporarily holds funds on trust for study weekends. The Study Group arranges Study weekends, which they organise and they are intended to be self funded.