

THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales · Charity number 1179085

Details

Other names	MARIST FATHERS
Status	Registered
Legal form	CIO
Registered	2018-07-05
Register	View on the Charity Commission register

Contact

Address	729 Beverley Road Hull HU6 7ER
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Activities

Objects: THE OBJECTS OF THE CIO ARE TO ADVANCE SUCH OF THE RELIGIOUS, EDUCATIONAL, CARE-GIVING AND OTHER CHARITABLE WORK OF THE SOCIETY THROUGHOUT THE WORLD AS THE TRUSTEES, WITH THE APPROVAL OF THE SUPERIOR GENERAL, SHALL FROM TIME TO TIME THINK FIT AND IF AT ANY TIME THE SOCIETY SHALL CEASE TO EXIST OR SHALL CEASE TO CARRY ON RELIGIOUS, EDUCATIONAL, CARE-GIVING OR OTHER CHARITABLE WORK THEN FOR SUCH OTHER LAWFUL CHARITABLE PURPOSES CONNECTED WITH THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL, WITH THE APPROVAL OF THE SUPERIOR GENERAL, DETERMINE.

Activities: The advancement of the Roman Catholic religion through parish - based ministries, educational support, spiritual guidance, missionary work and specific grant making projects. The Trustees also provide support and life-long care and maintenance for those Fathers in retirement from full-time active ministry.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- City Of London
- East Riding Of Yorkshire
- Norfolk

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£789,181	£884,013	£15,460,728	4
2023-12-31	£957,665	£1,181,153	£15,311,180	3
2022-12-31	£6,073,183	£2,011,427	£15,812,535	6
2021-12-31	£789,452	£950,015	£13,588,840	5
2020-12-31	£1,505,927	£686,917	£12,633,127	5

Trustees

Name	Role	Appointed
Rev DESMOND HANRAHAN SM	Chair	2018-07-05
REV PETER CORCORAN SM		2018-07-05
Rev Alan Stephen Williams sm		2021-10-07
Rev IVAN DAVORIN VODOPIVEC SM		2018-07-05
Rev KEVIN LEO DUFFY SM		2019-04-25
Rev Thomas Martin McAnaney sm		2024-05-28

THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales - Charity number 1179085

Accounts

**The Society of Mary
(Marist Fathers)
CIO**

Annual Report and Accounts

31 December 2024

Charity Registration Number
1179085

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Rev Peter Corcoran Rev Kevin Duffy Rev Desmond Hanrahan Rev Ivan Vodopivec Rev Alan Williams Rev Martin McAnaney
National Administrator	Rev Ivan Vodopivec
Charity Correspondent and Chief Finance Officer	Mrs Margaret Stevenson margaret@maristfathers.karoo.co.uk
Administration office	Newman House 729 Beverley Road Hull HU6 7ER
Telephone	01482 801360
Charity registration number	1179085
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB

Reference and administrative details of the charity, its trustees and advisers

Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
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The trustees present their annual statutory report together with the accounts of The Society of Mary (Marist Fathers) CIO (the "Charity") for the year to 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 and comply with the Charity's constitution, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Society of Mary (Marist Fathers) (the "Society") is an international male Roman Catholic religious group, founded in France in 1816 by Jean Claude Colin. Worldwide, the Society comprises of five provinces (Europe, USA, New Zealand, Oceania and Canada) and six districts (Africa, Asia, Australia, Brazil, Mexico and South America) in which there are 563 (585 as at 31 December 2023) members worldwide working in more than 20 countries. The Mother House is in Rome. The Charity in England has 14 members, of which 12 are ordained ministers and two are brothers, who all belong to the Province of Europe. Seven former provinces (Italy, Ireland, France, Germany, England, the Netherlands / Norway, and Spain) amalgamated on 1 June 2008 to form one Province of Europe. The administrative base for the constituted province is in Paris and the person with overall responsibility is Rev Kevin Duffy at 104 Rue de Vaugirard, 75006, Paris.

Of the 14 members in England, four members are currently assigned abroad, in France, Ireland and in Russia. Two of our members are bishops: The Bishop for the Diocese of Brentwood in Essex, East London and until his retirement, the Bishop Emeritus of Menevia, who now resides in a parish in Newport, Wales. Currently, another five members of the Society are working in England and based in London and Hull. Of these, two members are from France, one from Ireland, and two from Africa. We also have a Dutch member of the Society staying in England, quietly enjoying his retirement in a retirement home. The Charity in England is governed in day-to-day matters by its own democratically agreed and approved constitution.

The national regions as separate administrative units ceased to exist on 30 June 2016. The Charity in England made amendments to its trust deed in 2016 to permit and promote co-operation within the Province of Europe and beyond and the trustees sought legal advice before agreeing to this development in governmental structure.

In 2018, the trustees of The Society of Mary (Marist Fathers) Charitable Trust (previously carrying Registered Charity Number 235412) applied to the Charity Commission for approval to convert the Charitable Trust's legal structure into a Charitable Incorporated Organisation ("CIO"). Permission was granted and The Society of Mary (Marist Fathers) CIO was entered on the Register of Charities on 5 July 2018 with Registered Charity Number 1179085.

With effect from midnight on 31 December 2018, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the Charitable Trust were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO), The Society of Mary (Marist Fathers) CIO.

Introduction (continued)

The accounts accompanying this report are the accounts of The Society of Mary (Marist Fathers) CIO through which the assets of the Charity in England are administered and through which its finances operate. The Charity is governed by a constitution dated 5 July 2018 and is registered under the Charities Act 2011. The income and expenditure reported in this annual report represent the activities for the year ended 31 December 2024 with comparative information provided for the year ended 31 December 2023.

Principal aims and activities

The general aim of the Charity is the advancement of the Roman Catholic religion and to support the charitable works carried on by the members of the Society living in England and Overseas. The objects are fulfilled through supporting parish-based ministries, the provision of spiritual guidance, educational support, missionary work and providing grant making funds for specific UK projects and Overseas missionary projects.

The emergence of the Province of Europe as an administrative entity has resulted in an increase of members from the Society assigned to work in England from other units of the Province. The members of the Charity in England also participate in transfers (normally temporary) to other European units; currently there are four English members on assignment to France, Ireland and Russia.

Prior to July 2018, members of the Charity administered in two parishes in England (Hull and Walsingham) under the direction of the local bishops. However, in July 2018, due to the diminishment in member numbers, the Province decided to withdraw from the parish in Hull. On leaving the Hull parish, the Charity gifted the title deeds for the parish property to the Diocese of Middlesbrough to continue with their religious works. Members of the Charity continue to make themselves available for supply work in the district of Hull to facilitate local clergy leave according to needs and the availability of resources.

Members of the Charity continue to administer in the parish of Walsingham of which there are four churches, although security and safety place a few restrictions on use. Parishioners and others keep the churches run by the members open for use on a daily basis. The shrine in Walsingham receives regular and frequent attendance by pilgrims of all nationalities and faiths.

Four of the members of the Society seconded to England are based in London and form the Notre Dame de France community ("NDF community"). The ministry of the NDF community focuses on four elements - Pastoral services, chaplaincy and preparation for sacraments; Evangelisation outreach in the local environment; Support for the activities of Notre Dame Refugee Centre; and to provide a Saturday Sandwich Service, and outreach to the homeless in the West End of London.

All income received by members of the Charity, from whatever source is Gift Aided (and covenanted) into the Charity. The Charity remains responsible for the maintenance and support of all of its members in England as they go about their varied activities. Many members continue to actively support and promote the mission of the Charity, often well into their late seventies and beyond.

Principal aims and activities (continued)

As members of the Charity, the religious members remain entirely dependent upon the Charity to provide and support them during their retirement, through to the end of their natural lives. The Charity continues its commitment to all its members, especially and increasingly to those who are impaired through age and/or ill health.

In December 2024, legal arrangements were finalised with the Diocese of Middlesbrough for the charitable transfer of the ownership of the land and buildings held by the Charity and used by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of which are members of the Nicholas Postgate Catholic Academy Trust); this will enable educational support to be overseen by the Diocese of Middlesbrough in future.

The net sale proceeds from the disposal of St Mary's College in Blackburn in October 2022 are currently being used for grant-making purposes in the UK and overseas.

The Charity recognises and promotes the values and importance of offering spiritual guidance and pastoral advice to people of all ages, irrespective of their social, political or religious background. This work is offered through face-to-face consultation, retreats, and chaplaincy work. The members in England continue to make use of video conferencing technology as it has proved such an effective communication tool in connecting with people from all walks of life since the pandemic.

Four members of the Charity continue to provide ongoing support to the international work of the Society with secondments in France, Ireland and Russia.

One assigned member to England has responsibility for raising funds for the overseas missionary aspect of the Charity's work. The funds raised for this purpose are technically termed "restricted". Each year at the Catholic Bishops' Conference for England & Wales an area of England or Wales is designated to allow for funding appeals which normally occurs during Sunday church services. Full use is made of the Gift Aid scheme for donations received from these funding appeals.

Increasingly, more of the Charity's financial resources are assigned to provide for the costs of members in their retirement after a life of active ministry, and to support those members with life-long care needs.

The Charity also supports the international work of the Society through the provision of donations to the Generalate in Rome and to the Province of Europe.

In compliance with the Society's established policy, the trustees have agreed to contribute 10% of their annual operating surplus from the Charity for the promotion of formation and training of new priests of the Society, and to contribute 20% of the net sales proceeds (after accounting for professional fees and management costs) from the disposal of properties to facilitate the work of the Society worldwide.

Public benefit

The trustees have carefully considered the Charity Commission's guidance on public benefit, in line with their constitution, when setting annual objectives, planning the charitable work to be undertaken for the year and when encouraging the work of individual members.

Public Benefit (continued)

The members of the Charity operate within, work with and are deeply involved in the local communities surrounding the locations of their residential properties. The Charity enables members to give their services freely to promote the Charity's objects. Details are given above under the heading "Principal aims and activities".

The Charity also supports the international work of the Society, with four of its members from England currently ministering overseas; financial assistance is provided through the General Administration in Rome in support of this work.

Annual donations are used to promote the Society's work chiefly in Oceania, the Philippines and Africa. This promotion is funded largely through appeals in parishes in various parts of England and Wales as permitted by the Roman Catholic bishops. Further assistance when needed, is provided by occasional legacies and donations made from the Pilgrimage Fund Reserve.

Achievements and performance

The Charity has experienced small changes to its ministry during 2024.

A member of the Charity has taken on the role of link representative engaged in the extension of the Charity's work involving lay people in fostering possible future work of the Society among the laity.

The sale of the Blackburn community residential property (that was), is ongoing and expected to be completed in the Spring of 2025.

Presently, there are 10 members of the Charity resident in England, all of whom provide different aspects of ministry and service in the community, in tune with the spirit and aims of the Society and their advancing years. The Charity continues to have one member working as a parish priest in the parish of Walsingham, whilst another fulfils his role as Bishop for the Diocese of Brentwood.

One assigned member of the Society promotes fundraising efforts for overseas missionary work through making appeals in parish churches in various parts of England and Wales as permitted by the Roman Catholic bishops.

Some of the further services and activities carried out by members of the Charity during 2024 are:

- ◆ Producing personal reflections and poems distributed digitally to around 150 people each month.
- ◆ Involvement with a respected, multilingual academic journal, the *Ephemerides Liturgicae*.
- ◆ Maintaining a web of ecumenical contacts in Hull, Beverley and Wells-next-the Sea in Norfolk.
- ◆ Undertaking supply work in local parishes in Hull (1 member).

Achievements and performance (continued)

- ◆ Volunteering at the local refugee centre in Hull, providing hospitality, signposting and support to disadvantaged individuals and families in the neighbourhood (1 member).
- ◆ Participating as a priest online in an international Catholic organisation for grandparents.
- ◆ Serving as trustees on the board of two faith-based CIOs: a refugee centre and an international French francophone parish in London.
- ◆ One member serves as the Provincial Superior of the Province of Europe based in Paris.
- ◆ One member acts as the link person to Marist Way Laity.
- ◆ Three members attend an Interfaith group aiming to improve and develop relationships with the local community.
- ◆ Members attended a three-day Assembly in April where presentations on resource management, church reform and safeguarding aspects took place.
- ◆ UK based members have attended safeguarding workshops using the training facilities offered by the Religious Life Safeguarding Service ("RLSS").
- ◆ NDF community members accompanied 54 couples in the preparation for marriage. 6 adults and 4 teenagers completed the programme for either baptism or confirmation and collectively the Marist team supported two lay coordinators to deliver chaplaincy activities for 580 registered children.
- ◆ NDF community members supported the outreach work of the Notre Dame Refugee Centre and took part in events organised by NDFC volunteers, with Services to the Homeless and provided a programme of events for the Evangelisation outreach to the West End in London.

Overseas, one member continues to manage the mission in Moscow within an international parish in the Russian capital. The principal languages used are Russian, English, French and Tagalog.

Until recently, another member was involved in work with the pilgrimage mission in Sahagun, Spain on the Camino de Santiago trail, providing spiritual support and a listening ear to those on a personal journey.

At December 2024, the trustees still retained responsibility for one parish in Walsingham, in the Diocese of East Anglia under the direction of the local bishop. Three members of the Charity continue to work in the four churches, which encompass the Walsingham parish, with members continuing to help out at the National Marian Shrine in Walsingham, although this responsibility passed to the Hierarchy in England & Wales in December 2014.

During 2024, a number of significant international and domestic events have influenced the value of the Charity's two investment portfolios. Overall, the two investment portfolios have made an annual return of 7.1% in 2024 (2023 - 2%), whilst servicing £533,056 of income withdrawals for operational expenses, donations and grant-making purposes and ended 2024 with a total investment value slightly higher than at the start of the year.

Achievements and performance (continued)

Inevitably, with 95% of the members in the Charity now beyond historic retirement age, concomitant health deteriorations are leading to adjustments in the apostolate. The Charity maintains its support for the international work of the Society, with four members currently working overseas and donations are made to the Generalate in support of this work.

The substantial legacy received from a longstanding parishioner in 2020 expired during the year when it provided funding support for one additional overseas missionary project, to benefit the needy, poor and disadvantaged.

During 2024 the following overseas grant-making projects received funding:

- ◆ The provision of circa. £14,250 (€16,620) funding to assist with the costs of completing a multi-purpose church building in Digos, Philippines.
- ◆ The provision of circa. £41,650 (€50,000) to help the people who had lost their homes and in need of support in the southern part of New Caledonia after riots broke out in the streets and peoples' homes and property were destroyed.
- ◆ The provision of circa. £27,120 (€32,000) to purchase a vehicle to assist the Marist Fathers working in three rural mission areas in the Solomon Islands.
- ◆ The provision of circa. £12,720 (€15,000) to purchase a vehicle for Marist Fathers to supply ministerial support to various missions in Mindanao in the Philippines.
- ◆ The provision of circa £21,190 (€25,000) to fund repairs at Peter Chanel Seminary in Yaoundé, Africa.
- ◆ The provision of a grant of £5,000 for a young volunteer working in Ranong, Thailand.

During 2024, the following UK charities received donations or grant funding support to advance their charitable projects:

- ◆ Emmaus Hull & East Riding - £10,000
- ◆ The Open Doors Project - £25,000
- ◆ Hull Help for Refugees - £3,500
- ◆ St Vincent de Paul Society (Hull) - £5,000
- ◆ St Vincent de Paul Society (Norfolk) - £30,000
- ◆ Eternal Benefits - £5,000
- ◆ Hull Foodbank - £5,000
- ◆ Welcome House - £6,500
- ◆ The Epiphany Trust - £20,000 towards the Jedidiah Foundation project

Achievements and performance (continued)

- ◆ Support Cambodia - £6,000
- ◆ Kids Kabin Project - £18,500
- ◆ Notre Dame Refugee Centre - £3,500
- ◆ Notre Dame de France CIO - £19,300

Throughout 2024, the trustees continue to participate in training aspects concerning the principles and rationales of the Charity Governance code and safeguarding updates provided by the Religious Life Safeguarding Service.

Financial review

Financial highlights

No property sales proceeds were received in the year nor in the previous year. There has been a decrease in dividend earnings from investments - £474,128 (2023 - £613,041) and no legacies were received in the period (2023 - £nil).

A significant restricted legacy received in 2020 has now been exhausted. It has helped to fund 26 overseas missionary projects in total: – 1 during 2024, (2023 - 11), with approval and authorisation of the grants provided by the trustees. At 31 December 2024, the General Administration in Rome had received grant making funds totalling £13,085 (2023 - £326,933) to oversee the implementation of the final specific legacy funded project from the restricted legacy and a further £106,835 to fund overseas Marist projects in Africa, Asia and the Solomon Islands.

The Charity operates a centralised policy for key administrative expenditure and provides local community properties with monthly subsidies to assist with members' living costs.

The following transactions were carried out during the year:

- ◆ Medical and residential costs amounted to circa £15,523 (2023 - £5,000) for elderly members and those with severe ill health. When available, the provision of State aid financial assistance with these costs has lessened the call on the trustees' financial resources.
- ◆ As in previous years, the trustees contributed to the work of the Society in the Province of Europe – £68,417 (2023 - £64,183).
- ◆ The trustees also contributed towards overseas mission activity – £39,555 (2023 – £36,325), which was partly funded through Mission appeals and the Pilgrimage Fund reserve.
- ◆ Approval of grant-making funded projects £264,135 (2023 - £230,000).
- ◆ Quilter Cheviot investment managers received £25,464 (2023 – £Nil) in fees for the year. As a show of good faith for the management changes which occurred in 2023 Quilter Cheviot reimbursed 50% of their management fee for 2024 and 100% (£64,029) for 2023.

Financial review (continued)

- ◆ The investment portfolio performance increased by 7.1% in the year (2023 - increase of 2%), after allowing for £533,085 withdrawals for donations and grant funding purposes.

Income and expenditure in summary

A summary of the results for the year to 31 December 2024 can be found on page 22 of this report and accounts.

Total income for the year amounted to £789,181 (2023 - £957,665).

£310,857 (2023 - £341,311) of total income represents income from donations and legacies. Income earned on the Charity's listed investments totalled £474,128 (2023 - £613,041) and £2,782 (2023 - £2,291) was received as bank interest.

Total expenditure for the year was £884,013 (2023 - £1,181,152). £470,685 (2023 - £486,996) of the expenditure was incurred maintaining the members of the Society and enabling them to carry out their work. £387,864 (2023 - £694,156) was expended on grants and donations.

Net investment gains of £244,380 (2023 – net losses of £277,867) arose during the period on the revaluation and disposal of the Charity's investment assets and the overall net movement in funds for the period, therefore, was an increase of £149,548 (2023 – decrease of £501,355).

Reserves policy and financial position

The reader will discern from the foregoing that the Charity carries out various activities and is responsible for the care and support of its religious members whose average age is increasing and whose needs are continually changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves required, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activities.

Given the nature of the Charity's work and the increasing, often unpredictable call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to five years' worth of expenditure without giving rise to concern.

As previously mentioned, the economic after-effects of the pandemic, the continuing war in Ukraine, the outbreak of warfare in the Middle-East, and fluctuating inflation levels with increasing interest rates have encouraged changes in the global markets and resulted in the Charity's investment portfolio experiencing increased volatility. One of the consequences of trying to manage the uncertainty that exists with the investment portfolio, is anticipating the level of dividend income that will be available to the Charity during 2025. The trustees therefore rely on the free reserves to help with cashflow requirements to meet operational expenditure in the year.

At 31 December 2024, the Charity had net assets totalling £15,460,728 (2023 - £15,311,180).

Financial review (continued)

Reserves policy and financial position (continued)

Of this, £975,354 (2023 - £1,014,972) was represented by equipment, motor vehicles and the properties used to house the members of the Charity and to support their work. This balance was separated in recognition of the importance of such assets to the Charity's operational activities, and thus is unavailable to meet the Charity's day-to-day commitments.

Restricted funds of £Nil (2023 - £14,624) at the balance sheet date represent the final payment of funds remaining from the significant legacy received in 2020, the application of which is restricted to overseas special missions' projects that are controlled and monitored by the Charity and administered via the General Administration in Rome.

The Charity trustees are mindful of the need to set aside reserves to safeguard the future of its members and their charitable work, giving consideration to the age profile of its members, the annual cost of supporting them and maintaining residential properties. In accordance with the reserve policy, the trustees rely on professional assistance in carrying out an actuarial calculation to establish the costs of maintaining and supporting all of the present members of the Charity to the end of their natural life. Members ages range from 63 to 90 years.

Based on advice received, the trustees continue to designate an accumulated sum of £6.7 million (2023: £6.7 million) as a reserve to provide for the members of the Charity in their continuing ministry and retirement and for any unforeseen circumstances. The current cost of care for any member who requires residential/nursing care is estimated to be circa £50,000 per annum. Whenever possible, the Charity will apply to the State for financial assistance, but this may be limited due to the receipt of occupational pensions.

In 2022, the trustees created a designated Grant Making reserve from the receipt of the net sales proceeds of St. Mary's College in Blackburn. The funds now stand at £3,622,200 (2023 - £3,780,000) to be expended over the next three to four years.

The trustees have also designated £52,877 (2023 - 92,432) being monies held in the Pilgrimage Fund reserve, to be applied towards the overseas mission of the Marist Fathers within the next two years.

At 31 December 2024, the Charity had free reserves of £4,110,297 (2023 - £3,710,691), which is in line with the policy set out above and importantly, is regarded as being sufficient to enable the charity to meet the challenges presented within today's environment.

Investment policy and performance

After a formal review in September 2023, Quilter Cheviot Limited was retained to manage the Charity's listed investment portfolios and has done so throughout the period of this report. Custody of the investments is held by a nominee company.

The Charity invests in a diverse range of listed investments to enable it to spread risk. In 2023 the portfolio benchmarks were realigned to rebalance the proportion of equities and bonds according to the risk appetite of the trustees and advice received from the fund managers. The market value of the Charity's listed investments as at 31 December 2024 stood at £13,720,118 (2023 - £12,887,929). Listed investment income for the year totalled £474,128 (2023 - £613,041).

Financial review (continued)

Investment policy and performance (continued)

The Charity has an investment policy for its listed investments, which is distributed to members and reviewed annually by the trustees. The Board's investment strategy is to strive to maximise total returns within an acceptable level of risk in order to meet the Charity's on-going needs.

The investment managers are instructed to endeavour to achieve long-term growth of both capital and income in order to provide the level of income that the trustees require to meet their programme and responsibilities in any one year. Advice is sought from the fund managers before the trustees embark on any programme involving significant finance. It is the trustees' policy to invest all non-recurring income (including legacy funds, short term), as well as any proceeds from the disposal of assets for the benefit of the Charity.

The trustees provide the fund managers with a copy of their investment policy statement which details the Charity's position on ethical and moral principles. It is the policy of the Charity to not normally, or knowingly invest in any company with a material exposure in:

- ◆ Arms manufacturers;
- ◆ Tobacco manufacture, alcohol, pornography, gambling;
- ◆ Support of oppressive regimes;
- ◆ Anti-social sales and marketing practices relating to alcohol and tobacco; and
- ◆ Violations of international conventions and norms in the areas of human rights, employment practices and climate change.

The policy states that investment choices should never be made in activities that would conflict with the objectives of the Charity. Whenever prudent and possible, the trustees seek to invest in those areas of the developing world where the Society works.

During the year, the National Administrator, who is also a trustee, and the Chief Finance Officer receive quarterly reports as well as monthly performance updates from the fund manager. Regular monthly summaries contain information concerning the acquisition and disposal of equities and daily information can be provided by online access to the portfolios.

The trustees meet with the fund managers annually to review progress of the portfolio.

The National Administrator and Chief Finance Officer meet with the fund manager every six months to receive and review informative explanatory reports. During 2024, a mix of face-to-face and video conferencing meetings were held with the investment managers.

The board of trustees have agreed a grant-making policy whereby 25% of the funds under investment within the 'B' portfolio will be distributed annually to charitable and religious organisations within the UK and to Overseas Marist Provinces to promote the works of the Society of Mary.

Future plans

The trustees are mindful of their members decreasing numbers, their aging profile and fragility. In October 2023, a lease arrangement with the Diocese of East Anglia was renewed for a further three-year for the occupation of the property in Wells. This lease will terminate in October 2026 and carries a pre-determined break clause notice if required.

Talks with the Diocese of East Anglia have begun around extending the lease arrangement and the conditions to be met after October 2026.

The Charity terminated its community presence in Blackburn in September 2023. The community property in Blackburn is currently 'sold subject to contract'. It is hoped that the property sale will be completed in Spring 2025.

The board of trustees continue to be involved in preparing a programme of grant funding initiatives both within the UK and for Overseas Marist Provinces.

Principal risks and uncertainties

For a variety of reasons 2024 has been a quiet year for the Charity. External economic factors have impacted the value of investments, however the investment portfolios have managed to rally prior to the year-end. The investment income received although lower than last year has compensated for the decrease in other income sources. The trustees are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

Risk management procedures are regularly carried out to identify and assess any major risk factors which if not detected could impact on the Charity's ability to perform effectively and affect the members' work and role in carrying out their mission.

The trustees frequently seek professional advice to ensure compliance with their statutory obligations and regulatory duties are observed. All major risks are identified and recorded within a "Risk Assessment Register" and reviewed annually by the trustees and half-yearly by management. The identification of any serious risk automatically becomes an agenda item for forthcoming trustee meetings, with the necessary actions noted and outcomes monitored.

The key risks for the Charity are described below, together with the principal ways in which they are mitigated:

◆ ***Caring for the elderly***

Members of the Charity are becoming increasingly older; their needs for professional healthcare and assistance with supported living are increasing too. Members' care needs are met through the provision of supportive care, medical and/or nursing care, either in-house or externally.

It is a fact that considerable resources will be required to provide an appropriate level and quality of care (particularly if nursing or specialist dementia care is required). Such resources are the responsibility of the Charity itself, with input from the State, or a mixture of the two.

Principal risks and uncertainties (continued)

Caring for the elderly (continued)

The trustees are aware that it is essential for proper financial planning to exist so that when members require additional help, there are adequate funds in place to finance this support.

◆ ***Deterioration in the value of the investment portfolio***

The Charity places substantial reliance on the dividend income received from its investment portfolio to maintain its operations and the capital appreciation of its funds. Stock market fluctuations are monitored on a regular basis and robust control mechanisms are in place to deal with any adverse conditions.

Global equity markets continued to experience substantial volatility during 2024 due in part to the war in Ukraine, the conflict in the Middle-East; inflationary pressures and the slow reduction in interest rates. In absolute terms the value of the portfolio has increased by 7.1% during the year after accounting for withdrawals to support operations and to finance grant-making projects. The investment portfolio continues to be closely monitored as trustees acknowledge their dependence on the dividend income stream it provides for its operational structure.

The National Administrator and Chief Finance Officer have responsibility to regularly monitor investment activities and to receive detailed monthly and quarterly reports on the movements and performance of the funds within the portfolios. They are tasked with providing reports and updates to the trustees at meetings; while the trustees will receive copies of the annual reports and meet with the fund manager on an annual basis.

◆ ***Age profile of members***

The increasing age profile and diminishment of members has increased the risk of dilution in the ministry of the Charity and the associated income it receives.

The Charity continues to demonstrate public benefit by members providing social and pastoral work within local communities and through the provision of charitable donations to the Society's missions overseas, including the Generalate. Legacy funding has provided the Charity with an opportunity for grant-making to specific overseas missions' projects. Members of the Charity work in close partnership with professional lay people, using their financial and administrative skills to ensure financial viability.

◆ ***Safeguarding***

Operationally, the Charity may work with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. Members of the Charity who engage in any form of ministry in England and Wales, and all those who work or volunteer for the Charity and may come into contact with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS).

Principal risks and uncertainties (continued)

Safeguarding (continued)

The Charity maintains contractual membership with the Catholic Safeguarding Standards Agency (CSSA) and Religious Life Safeguarding Service (RLSS). Together, these organisations are accountable for the implementation of the safeguarding recommendations (safeguarding standards) from the Elliott Review and have responsibility for regulatory oversight, compliance work and the provision of safeguarding training to religious congregations. Both organisations became fully active during 2022.

Internally, one of the Charity's trustees holds the position of Religious Safeguarding Lead and has responsibility for all safeguarding matters. He is assisted in his endeavours by a Safeguarding Coordinator and they regularly feedback to the board of trustees.

Both appointees have undertaken a series of safeguarding training modules and refresher courses and are responsible for ensuring the Charity's safeguarding policy is adhered to in respect to all members, employees and volunteers.

In May 2024, the National Administrator and Chief Finance Officer worked with Marsh Commercial's insurance broker managers to carry out a detailed examination / re-assessment of insurance cover for the Charity. The report produced was presented to the board of trustees and accepted. All major risks are covered by practical and well-tried procedures.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, annual budgeting, comprehensive insurance cover, internal controls and centralising responsibility for major expenditure, they have prudent effective systems in place to minimise foreseeable risks.

Structure, governance, and management

Since July 2016, the Charity is administered on a day-to-day basis by the National Administrator and his Finance Committee which includes the Chief Finance Officer. The National Administrator shall automatically by virtue of holding this office, be ex-officio, the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

The trustees aim to formally meet five times a year, to review developments and assess the functioning of the Charity in order to monitor the present, and plan for the future as English law stipulates. Should occasion arise, they will meet with the Provincial Superior of Europe to further the aims of the Charity. The trustees wish it to be noted that the 2022 elected Provincial Superior of Europe is a member of the Charity. Rev. Duffy was appointed a trustee of the Charity in April 2019 and wishes to retain this position.

The names of the trustees who served during the period of this report and up to the date of approval of this report are listed on page 1.

Apart from the first trustees, every appointed trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator and they shall, subject to clause 15 (retirement and removal of trustees):

Structure, governance, and management (continued)

- (a) in the case of an individual who is a member of the Charity be appointed for a period of three years or such period of office as the National Administrator shall determine;
- (b) in all other cases, be appointed for:
 - (I) an initial term of one year; and,
 - (II) if reappointed (subject to clause 16 of this Constitution) for a term of three years; or such other term as the National Administrator shall decide; and they may (subject to Clause 16 of this constitution) be reappointed.

Members are selected for appointment as trustees based on their skills, knowledge and experience, necessary for the effective administration of the Charity. Trustees are invited and encouraged to attend training presentations and webinars to familiarise themselves with the context within which the Charity operates. Briefing packs are prepared and distributed to trustees regularly, which draws upon the information from various Charity Commission publications, signposted through the Commission's guide CC3 "The Essential Trustee" as a follow up to these sessions. The trustees are committed to developing high standards of governance and make use of the seven fundamental principles within the Charity Governance Code to review their governance procedures, functions and policies to address compliance needs. Trustees receive regular briefing updates and attend training workshops on the Governance Code.

All trustees receive a copy of the audited annual reports and representative trustees meet annually with the fund managers and insurance brokers in order to review and assess their performance.

Key management personnel

The trustees consider that they together with the Chief Finance Officer (who is also known as the National Bursar of the Society and is Charity Secretary) represent the key management of the Charity, and are charged with directing, controlling, running and operating the Charity on a day-to-day basis. The National Administrator, to whom the main duties are entrusted, is a trustee of the Charity and he is assisted in his endeavours by the Chief Finance Officer.

All of the trustees are members of the Society and whilst their living and personal expenses are borne by the Charity they receive no remuneration in connection with their duties as trustees. The Chief Finance Officer's remunerations are considered when the Board meets to discuss the annual salary review, which is based on cost of living statistics and performance evaluation for all staff.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the trustees are required to:

Statement of trustees' responsibilities (continued)

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's Constitution. 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.

Employees, volunteers and members of the Society

The trustees wish to record their appreciation of the dedicated, enthusiastic and positive approach of all members of the Charity often in the most difficult of circumstances and they underline the support and commitment of all their staff and volunteers. This has enabled the Charity to continue to pursue its objectives.

In accordance with UK law, the trustees provide a workplace pension, which offers a pension to each of the Charity's employees. All employees are able to become members of this scheme. The Charity contributes 6% of gross salary in to the workplace pension scheme and provides associated life assurance cover for staff.

Approved by the trustees and signed on their behalf by:



Rev Desmond Hanrahan

Trustee

Approved by the trustees on:

12/05/2025

Independent auditor's report to the trustees of The Society of Mary (Marist Fathers) CIO

Opinion

We have audited the accounts of The Society of Mary (Marist Fathers) CIO (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities contained within the trustees' report, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Auditor's responsibilities for the audit of the accounts (continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Reviewed journal entries to identify unusual transactions; and
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees;
- ◆ Enquiring of as to actual and potential litigation and claims; and
- ◆ Reviewing any available correspondence with the Charity Commission and other regulators.


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 14 May 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 December 2024 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2023 Total funds £
Income from:							
Donations and legacies	1	307,183	3,674	310,857	297,675	43,636	341,311
Investments and interest receivable	2	476,910	—	476,910	615,332	—	615,332
Other Income	3	814	—	814	764	—	764
Disposal of tangible fixed assets	4	600	—	600	258	—	258
Total income		785,507	3,674	789,181	914,029	43,636	957,665
Expenditure on:							
Raising funds	5	25,464	—	25,464	—	—	—
Charitable activities							
. Support of members of the Society and their ministry	6	470,685	—	470,685	449,344	37,652	486,996
. Grants and donations	7	333,685	54,179	387,864	330,899	363,258	694,157
Total expenditure		829,834	54,179	884,013	780,243	400,910	1,181,153
Net (expenditure)/income before investment gains/(losses)		(44,327)	(50,505)	(94,832)	133,786	(357,274)	(223,488)
Net investment gains/(losses)	14	244,380	—	244,380	(277,867)	—	(277,867)
Net income/(expenditure)		200,053	(50,505)	149,548	(144,081)	(357,274)	(501,355)
Transfers between funds	18	(35,881)	35,881	—	(31,880)	31,880	—
Net movement in funds	10	164,172	(14,624)	149,548	(175,961)	(325,394)	(501,355)
Reconciliation of funds							
Total funds brought forward at 1 January 2024		15,296,556	14,624	15,311,180	15,472,517	340,018	15,812,535
Total funds carried forward at 31 December 2024		15,460,728	—	15,460,728	15,296,556	14,624	15,311,180

All recognised gains and losses are included in the above statement of financial activities.

All activities were continuing as at 31 December 2024.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		975,354		1,014,972
Investments	13		<u>14,184,638</u>		<u>14,073,023</u>
			15,159,992		15,087,995
Current assets					
Debtors	14	68,997		117,331	
Cash at bank and in hand		<u>299,874</u>		<u>317,275</u>	
		368,871		434,606	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(68,135)</u>		<u>(191,421)</u>	
Net current assets (liabilities)			300,736		243,185
Creditors: amounts falling due After more than year	16		—		(20,000)
Total net assets			<u>15,460,728</u>		<u>15,311,180</u>
The funds of the charity					
Income funds					
Restricted funds	17		—		14,624
Unrestricted funds					
. Tangible fixed assets fund	18	975,354		1,014,972	
. Designated funds	19	<u>10,375,077</u>		<u>10,572,432</u>	
. General fund		<u>4,110,297</u>		<u>3,709,152</u>	
			<u>15,460,728</u>		<u>15,296,556</u>
					<u>15,311,180</u>

Approved by the trustees
and signed on their behalf by:

Trustee *D. Hanrahan* Rev Desmond Hanrahan

Approved on: 12/05/2025

Statement of cash flows Year to 31 December 2024

	Notes	Year to 31 December 2024 £	Year to 31 December 2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(619,850)	(1,679,454)
Cash flows from investing activities:			
Investment income and interest received		486,625	578,084
Proceeds from the disposal of tangible fixed assets		600	258
Purchase of tangible fixed assets		(12,003)	(16,298)
Proceeds from the disposal of listed investments		4,649,514	5,228,875
Purchase of listed investments		(5,237,323)	(4,503,812)
Net cash (used in)/provided by investing activities		(112,587)	1,287,107
Change in cash and cash equivalents in the year		(732,437)	(392,347)
Cash and cash equivalents at 31 December 2023		1,502,369	1,898,397
Change in cash and cash equivalents due to exchange rate movements		(5,538)	(3,681)
Cash and cash equivalents at 31 December 2024	B	764,394	1,502,369

Notes to the statement of cash flows for the period ended 31 December 2024

A Reconciliation of net income for the year to net cash provided by operating activities

	Year to 31 December 2024 £	Year to 31 December 2023 £
Net income/(expenditure) for the year (as per the statement of financial activities)	149,548	(501,355)
Adjustments for:		
Depreciation and impairment charges	51,621	33,316
Net (gains)/losses on investments	(244,380)	277,867
Surplus on disposal of tangible fixed assets	(600)	(258)
Investment income and interest receivable	(476,910)	(615,332)
Foreign exchange losses	5,537	3,683
Decrease/(increase) in debtors	38,620	(48,714)
Decrease in creditors	(143,286)	(828,661)
Net cash used in operating activities	(619,850)	(1,679,454)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	299,874	317,275
Cash held by investment managers	464,520	1,185,094
Total cash and cash equivalents	764,394	1,502,369

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2024 with comparatives given for the period 1 January 2023 to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope of accounts

These accounts do not include the funds of parishes managed by the members of the Charity as parish priests. Such funds are the property of the relevant diocesan charity of which the parish is part.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimate of future income and expenditure flows for the purposes of assessing the charity's going concern status.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period (i.e. the year ending 31 December 2025), as described in the trustees' report, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable and sundry income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate.

Income (continued)

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of the disposal and after deducting any costs associated with the disposal.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
- ◆ Expenditure on the support of members of the charity and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure includes governance costs, which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice; and

Expenditure (continued)

- ◆ Grants and donations payable which in the main, relate to the support of the Society's Generalate and overseas missions. Grants and donations payable are included in the statement of financial activities when approved. Grants approved but not paid at the end of the financial period are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

- ◆ *Colleges and schools*
During December 2024, the trustees relinquished legal ownership of the land and buildings used by one Sixth Form College in Middlesbrough and one voluntary aided primary school situated in Middlesbrough, which are exempt charities and publicly funded to the Diocese of Middlesbrough under a charitable transfer. The land and buildings were valued at £nil for the purpose of these accounts. These educational establishments were originally founded by the Charity, but are now under separate control and publicly funded. Historically some developments to the estate were partially funded by state aid according to government policy at the time and there is no reliable information as to their cost.
- ◆ *Non-specialised buildings*
Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.
- ◆ *Specialised buildings*
Specialised buildings include residential properties which have undergone significant adaption works in order to serve the wider operational needs of the charity. Depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

Furniture, equipment and motor vehicles

Furniture, equipment and motor vehicles are depreciated in order to write assets off over their expected useful lives at the following rates per annum:

- ◆ Furniture and equipment 20% on cost
- ◆ Motor vehicles 25% on cost

Tangible fixed assets (continued)

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Services provided by members of the Charity

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by members of the Charity.

Notes to the accounts 31 December 2024

1 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Salaries and pensions of members of the Charity received under gift aid and/or deed of covenant	306,258	—	306,258	292,791	—	292,791
Other donations	925	3,674	4,599	4,884	43,636	48,520
	307,183	3,674	310,857	297,675	43,636	341,311

There were no legacies receivable by the charity in either of the above years.

2 Income from investments and interest receivable

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Income from listed investments	474,128	—	474,128	613,041	—	613,041
Interest receivable	2,782	—	2,782	2,291	—	2,291
	476,910	—	476,910	615,332	—	615,332

3 Income from other sources

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Miscellaneous income	814	—	814	764	—	764
	814	—	814	764	—	764

4 Income from disposal of tangible fixed assets

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Surplus on disposal of motor vehicles	600	—	600	258	—	258
	600	—	600	258	—	258

5 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Investment manager's fees	25,464	—	25,464	—	—	—

6 Expenditure on charitable activities:

Support of the members of the Society and their ministry

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Staff costs (note 10)	113,714	—	113,714	129,245	—	129,245
Property expenses	87,341	—	87,341	58,174	—	58,174
Personal living costs	129,351	—	129,351	128,587	—	128,587
Training	2,082	—	2,082	3,590	—	3,590
Expenses of ministry	45,474	—	45,474	64,914	37,652	102,566
Depreciation	51,621	—	51,621	33,316	—	33,316
Loss on foreign exchange	10,571	—	10,571	4,112	—	4,112
Disposal and other costs for St. Mary's College, Blackburn	—	—	—	1,089	—	1,089
Governance costs (note 9)	30,531	—	30,531	26,317	—	26,317
	470,685	—	470,685	449,344	37,652	486,996

7 Expenditure on charitable activities:

Grants and donations

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
The Generalate of the Society	68,417	—	68,417	64,183	—	64,183
Marist missions overseas	—	39,555	39,555	—	36,325	36,325
Overseas missions grant funding	106,835	13,085	119,920	—	326,933	326,933
Marist Way Laity	—	1,539	1,539	—	—	—
Emmaus Hull & East Riding	10,000	—	10,000	—	—	—
Open Doors	25,000	—	25,000	15,000	—	15,000
Eternal Benefits	5,000	—	5,000	5,000	—	5,000
SVP Hull & Norfolk	35,000	—	35,000	10,000	—	10,000
Hull Foodbank	5,000	—	5,000	5,000	—	5,000
Welcome House	6,500	—	6,500	7,200	—	7,200
Hull Help for Refugees	3,500	—	3,500	—	—	—
Epiphany Trust	20,000	—	20,000	—	—	—
Support Cambodia	6,000	—	6,000	—	—	—
Kids Kabin	18,500	—	18,500	—	—	—
CAFOD	500	—	500	—	—	—
St John Bosco Camp	—	—	—	60,000	—	60,000
Diocese of Salford	—	—	—	150,000	—	150,000
Notre Dame Refugee Centre	3,500	—	3,500	3,000	—	3,000
Notre Dame De France CIO	19,300	—	19,300	10,000	—	10,000
Other donations of less than £1,000	633	—	633	1,516	—	1,516
	333,685	54,179	387,864	330,899	363,258	694,157

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2024 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £
Professional fees	30,531	—	30,531	26,317	—	26,317

Notes to the accounts 31 December 2024

9 Net movement in funds

This is stated after charging:

	Year to 31 December 2024 £	Year to 31 December 2023 £
Staff costs (note 11)	113,714	129,245
Auditor's remuneration including VAT		
. Statutory audit – current year	12,000	10,200
. Non-audit services – Tax consultancy	1,920	1,782
. Non-audit services – Trustee Investment services	—	6,600
Depreciation (note 13)	51,621	33,316

10 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	Year to 31 December 2024 £	Year to 31 December 2023 £
Wages and salaries	100,507	115,973
Social security costs	3,849	4,599
Pension costs	9,358	6,673
Termination payments	—	2,000
	113,714	129,245

The average number of employees during the year ended 31 December 2024 was 4 (2023 – 4). The full-time equivalent number of employees during the same period, analysed by function, was 2.41 (2023 – 2.54).

There were no employees who earned £60,000 (2023 - none) per annum or more (excluding benefits) during the period.

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society and Charity Secretary) comprise the key management of the Charity. The National Administrator, to whom certain duties are entrusted, is also a trustee of the charity.

The total remuneration (including benefits) payable to the charity's key management personnel during the period ended 31 December 2024 was £ 56,849 (2023 - £57,688).

All trustees are members of the Society and whilst their living and personal expenses are borne by the charity they receive no remuneration.

11 Taxation

The Society of Mary (Marist Fathers) CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the accounts 31 December 2024

12 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment £	Motor vehicles £	Total £
	Non-specialised £	Specialised £			
Cost					
At 1 January 2024	375,620	1,208,268	63,602	37,402	1,684,892
Additions	—	—	3,214	8,789	12,003
Disposals	—	—	—	(9,389)	(9,389)
At 31 December 2024	375,620	1,208,268	66,816	36,802	1,687,506
Depreciation and impairment					
At 1 January 2024	—	592,817	44,695	32,408	669,920
Depreciation charge	—	24,165	5,391	6,445	36,001
Impairment	15,620	—	—	—	15,620
On disposals	—	—	—	(9,389)	(9,389)
At 31 December 2024	15,620	616,982	50,086	29,464	712,152
Net book values					
At 31 December 2024	360,000	591,286	16,730	7,338	975,354
At 31 December 2023	375,620	615,451	18,907	4,994	1,014,972

Subsequent to the balance sheet date, the charity's interest in 18 Waverley Road, Ramsgreave (which wholly represents the carrying value of non-specialised freehold land and buildings above) was disposed of for consideration of £360,000. The sale was completed on 21 March 2025.

13 Fixed asset investments

	2024 £	2023 £
Listed investments	13,720,118	12,887,929
Cash held by investment managers for re-investment	464,520	1,185,094
	14,184,638	14,073,023

	2024 £	2023 £
Listed investments		
Market value 1 January 2024	12,887,929	13,890,856
Additions at cost	5,237,323	4,503,815
Disposal at book value (proceeds: £4,649,514; gains: £26,515)	(4,622,999)	(5,480,888)
Net unrealised investment gains	217,865	(25,854)
Market value at 31 December 2024	13,720,118	12,887,929
Historical cost of listed investments as at 31 December 2024	12,641,447	12,346,443

Notes to the accounts 31 December 2024

13 Fixed asset investments (continued)

At 31 December 2024, the listed investments comprised the following:

	2024 £	2023 £
UK fixed interest	4,761,262	5,193,091
Overseas fixed interest	1,436,054	1,139,336
UK equities and unit trusts	894,328	1,075,393
Overseas equities and unit trusts	3,193,183	2,885,524
Commodities, absolute return and infrastructure	1,422,004	2,398,678
Cash Products	2,013,287	195,907
	13,720,118	12,887,929

14 Debtors

	2024 £	2023 £
Investment income receivable	36,556	46,076
Other debtors	25,464	64,029
Prepayments and accrued income	6,977	7,226
	68,997	117,331

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors and accruals	68,135	191,421
	68,135	191,421

16 Creditors: amount falling due after one year

	2024 £	2023 £
Grants payable (see below)	—	20,000
	—	20,000

Grants payable are in respect to a pledge of £60,000 made in 2023 to fund St. John Bosco Camp in London towards the provision of summer holiday camps for disadvantaged children in the local area. A sum of £20,000 was paid by the Charity in the year ended 31 December 2024, with one further instalment of £20,000 is payable in the year ending 31 December 2025.

Notes to the accounts 31 December 2024

17 Restricted funds

	At 1 January 2024 £	Income £	Expenditure £	Transfers £	At 31 December 2024 £
Oversea mission fund	—	3,674	(39,555)	35,881	—
Marist Way ministry	1,539	—	(1,539)	—	—
Overseas legacy funds	13,085	—	(13,085)	—	—
	14,624	3,674	(54,179)	35,881	—

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
<i>Overseas missions fund</i>	—	4,445	(36,325)	31,880	—
<i>Overseas legacy funds</i>	340,018	—	(326,933)	—	13,085
<i>Marist Way conference</i>	—	39,191	(37,652)	—	1,539
	340,018	43,636	(400,910)	31,880	14,624

The overseas mission fund comprises donations received for the specific purpose of funding the Society's mission overseas. The transfer from the charity's unrestricted general funds is made to cover the shortfall of donations against the actual charitable expenditure on overseas missions.

The Marist Way conference made a small surplus in 2023 from this one-off activity.

The overseas legacy fund relates to a significant legacy receivable, the application of which is restricted towards overseas projects.

18 Tangible fixed assets fund

	2024 £	2023 £
At 1 January 2024	1,014,972	1,031,990
Net movements in year	(39,618)	(17,018)
At 31 December 2024	975,354	1,014,972

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. This fund was established in recognition of the fact that the assets were used in the day to day work of the Charity and therefore did not represent reserves available to finance its operations.

Notes to the accounts 31 December 2024

19 Designated funds

The unrestricted funds of the charity included the following designated funds, which were set aside by the trustees for specific purposes:

	At 1 January 2024 £	New designations £	Utilised/ released £	At 31 December 2024 £
Retirement reserve	6,700,000	—	—	6,700,000
Grant making fund	3,780,000	—	(157,800)	3,622,200
Pilgrimages fund	92,432	—	(39,555)	52,877
	10,572,432	—	(197,355)	10,375,077

	At 1 January 2023 £	New designations £	Utilised/ released £	At 31 December 2023 £
<i>Retirement reserve</i>	8,500,000	—	(1,800,000)	6,700,000
<i>Grant making fund</i>	4,050,000	—	(270,000)	3,780,000
<i>Pilgrimages fund</i>	99,924	—	(7,492)	92,432
	12,649,924	—	(2,077,492)	10,572,432

The retirement reserve represented funds set aside to provide for members of the Charity in their retirement to the end of their natural lives. The reserve had been calculated using actuarial principles, but was adjusted as necessary in the light of available resources.

The grant making fund comprises funds from the disposal of the site of St Mary's College, Blackburn which will be applied by the trustees towards future grant making activities over the next three to four years.

The Pilgrimages fund represented monies set aside by the trustees to be applied within two years towards the mission of the Marist Fathers.

20 Analysis of net assets between funds

The following assets and liabilities represent the fund balances:

	Unrestricted funds				Total 2024 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2024 are represented by:					
Tangible fixed assets	—	975,354	—	—	975,354
Investments	3,809,561	—	10,375,077	—	14,184,638
Current assets	368,871	—	—	—	368,871
Creditors: amounts falling due within one year	(68,135)	—	—	—	(68,135)
Total net assets	4,110,297	975,354	10,375,077	—	15,460,728

20 Analysis of net assets between funds (continued)

	Unrestricted funds				Total 2023 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
<i>Fund balances at 31 December 2023 are represented by:</i>					
<i>Tangible fixed assets</i>	—	1,014,972	—	—	1,014,972
<i>Investments</i>	3,487,506	—	10,572,432	13,085	14,073,023
<i>Current assets</i>	434,606	—	—	—	434,606
<i>Creditors: amounts falling due within one year</i>	(191,421)	—	—	—	(191,421)
<i>Creditors: amounts falling Due after one year</i>	(20,000)	—	—	—	(20,000)
Total net assets	3,710,691	1,014,972	10,572,432	13,085	15,311,180

The total unrealised gains constitute movements on the revaluation of listed investments and are as follows:

	2024 £	2023 £
Total unrealised gains at 31 December 2024	1,078,671	541,484
Reconciliation of movements in unrealised gains on listed investments		
At 1 January 2024	541,484	485,654
Net gains/(losses) arising on revaluation arising in the year	217,865	(25,854)
Amount released in respect to disposals in the year	319,322	81,684
Total unrealised gains at 31 December 2024	1,078,671	541,484

21 Ultimate control

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing from the National Administrator

22 Related party transactions

Bishop Alan Williams and Father Desmond Hanrahan are trustees of the Charity and were appointed as trustees of Notre Dame de France – Society of Mary CIO ('NDF') (Charity Registration Number 1177995) and Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 22 June 2018.

Father Martin McAnaney is a trustee of the Charity and was appointed a trustee of Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 29 September 2023.

During the year to 31 December 2024, NDF contributed £70,529 (2023 - £62,276) to the Charity for the support of the clergy and the Charity made donations of £3,500 to Notre Dame Refugee Centre CIO. Bishop Alan Williams and Father Desmond Hanrahan were not involved in either decision.

Income from donations includes the pensions of the trustees of the Charity received under Gift Aid or deed of covenant. For the year ended 31 December 2024, £47,693 (2023 - £39,454) of pension's income donated by the trustees was receivable by the Charity.

Father Peter Corcoran, Father Desmond Hanrahan and Brother Ivan Vodopivec, trustees of the CIO charity were also trustees of The Society of Mary (Marist Fathers) Charitable Trust.

There was one further related party transaction during the year of £19,300 (2023 – 10,000) to Notre Dame de France – Society of Mary CIO in respect of a donation to assist with the costs of replacing the roof.

Other than the above, there were no other related party transactions during the period of report (2023: no other transactions).



THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales - Charity number 1179085

Accounts

**The Society of Mary
(Marist Fathers)
CIO**

Annual Report and Accounts

31 December 2023

Charity Registration Number
1179085

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Rev Peter Corcoran Rev Kevin Duffy Rev Desmond Hanrahan Rev Ivan Vodopivec Rev Alan Williams
National Administrator	Rev Ivan Vodopivec
Charity Correspondent and Chief Finance Officer	Mrs Margaret Stevenson margaret@maristfathers.karoo.co.uk
Administration office	Newman House 729 Beverley Road Hull HU6 7ER
Telephone	01482 801360
Charity registration number	1179085
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc West End Commercial Centre 70 Pall Mall London SW1Y 5EY
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB

Reference and administrative details of the charity, its trustees and advisers

Solicitors Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

The trustees present their annual statutory report together with the accounts of The Society of Mary (Marist Fathers) CIO (the "Charity") for the year to 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 31 and comply with the Charity's constitution, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Society of Mary (Marist Fathers) (the "Society") is an international male Roman Catholic religious group, founded in France in 1816 by Jean Claude Colin. Worldwide, the Society comprises of six provinces (Europe, USA, Australia, New Zealand, Oceania and Canada) and five districts (Africa, Asia, Brazil, Mexico and South America) in which there are 585 (602 as at 31 December 2022) members worldwide working in more than 20 countries. The Mother House is in Rome. The Society in England has 14 members, of which 12 are ordained ministers and two are brothers, who all belong to the Province of Europe. Seven former provinces (Italy, Ireland, France, Germany, England, the Netherlands / Norway, and Spain) amalgamated on 1 June 2008 to form one Province of Europe. The administrative base for the constituted province is in Paris and the person with overall responsibility is Rev Kevin Duffy at 104 Rue de Vaugirard, 75006, Paris.

Of the 14 members in England, four members are currently assigned abroad, in France, Spain, Ireland and in Russia. Two of our members are bishops: The Bishop for the Diocese of Brentwood in Essex, East London and until his retirement, the Bishop Emeritus of Menevia, who now resides in a parish in Newport, Wales. Currently, another five members of the Society are working in England and based in London and Hull. Of these, two members are from France, one from Ireland, and two from Africa. We also have a Dutch member of the Society staying in England, quietly enjoying his retirement, and engaged in pastoral work in the local parish. The Society in England is governed in day-to-day matters by its own democratically agreed and approved constitution.

The national regions as separate administrative units ceased to exist on 30 June 2016. The Society in England made amendments to its trust deed in 2016 to permit and promote co-operation within the Province of Europe and beyond and the trustees sought legal advice before agreeing to this development in governmental structure.

In 2018, the trustees of The Society of Mary (Marist Fathers) Charitable Trust (previously carrying Registered Charity Number 235412) applied to the Charity Commission for approval to convert the Charitable Trust's legal structure into a Charitable Incorporated Organisation ("CIO"). Permission was granted and The Society of Mary (Marist Fathers) CIO was entered on the Register of Charities on 5 July 2018 with Registered Charity Number 1179085.

Introduction (continued)

The accounts accompanying this report are the accounts of The Society of Mary (Marist Fathers) CIO through which the assets of the Society in England are administered and through which its finances operate. The Charity is governed by a constitution dated 5 July 2018 and is registered under the Charities Act 2011. The income and expenditure reported in this annual report represent the activities for the year ended 31 December 2023 with comparative information provided for the year ended 31 December 2022.

Principal aims and activities

The general aim of the Charity is the advancement and support of the charitable work carried on by the Society in England and overseas; this work includes in particular the advancement of the Roman Catholic religion. The objects are fulfilled through supporting parish-based ministries, the provision of spiritual guidance, educational support, missionary work and providing grant funding for specific UK projects and overseas missionary projects.

The emergence of the Province of Europe as an administrative entity has resulted in an increase of members of the Society assigned to work in England from other units of the Province. The members from England also participate in transfers (normally temporary) to other European units; currently there are four English members on assignment to France, Ireland, Spain and Russia.

Prior to July 2018, members of the Society in England administered in two parishes in England (Hull and Walsingham) under the direction of the local bishops. However, in July 2018, due to the diminishment in member numbers, the Province decided to withdraw from the parish in Hull. On leaving the Hull parish, the Charity gifted the title deeds for the parish property to the Diocese of Middlesbrough to continue with their religious works. Members of the Society in England continue to make themselves available for supply work in the districts of Hull and until recently Blackburn, to facilitate local clergy leave according to needs and the availability of resources.

Members of the Society in England continue to administer in the parish of Walsingham of which there are four churches, although security and safety place a few restrictions on use. Parishioners and others keep the churches run by the members open for use on a daily basis. The shrine in Walsingham receives regular and frequent attendance by pilgrims of all nationalities and faiths.

Four of the members of the Society seconded to England are based in London and form the Notre Dame de France community ("NDF community"). The ministry of the NDF community focuses on four elements - Pastoral services, chaplaincy and preparation for sacraments; Evangelisation outreach in the local environment; Support for the activities of Notre Dame Refugee Centre; and to provide a Saturday Sandwich Service, and outreach to the homeless in the West End of London.

All income received by members of the Society in England, from whatever source is Gift Aided (and covenanted) to the Charity. The Charity remains responsible for the maintenance and support of all of its members in England as they go about their varied activities. Many members continue to actively support and promote the mission of the Society in England, often well into their late seventies and beyond.

Principal aims and activities (continued)

As members of the Society, the religious remain entirely dependent upon the Charity to provide and support them during their retirement, through to the end of their natural lives. The Society in England continues its commitment to all members, especially and increasingly to those who are impaired through age and/or ill health.

For many years, the trustees of the Charity have provided land and buildings for use by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of which are members of the Nicholas Postgate Catholic Academy Trust). This arrangement is in the process of changing as the Diocese of Middlesbrough has accepted the properties as a charitable gift from the Society in England and our professional advisers are presently engaged in arranging for the legal transfer of assets.

The trustees had also provided the land and buildings for use by St Mary's College in Blackburn to help further educational provision in the local communities until the college closed on 31 July 2022. This property was subsequently sold on 28 October 2022 for £5.3million, with the net sales proceeds being used for grant-making purposes.

All of the educational establishments were originally founded by the Society in England, then in later years, they were administered under the separate control of the Department for Education and publicly funded.

The Society in England recognises and promotes the values and importance of offering spiritual guidance and pastoral advice to people of all ages, irrespective of their social, political or religious background. This work is offered through face-to-face consultation, retreats, and chaplaincy work. Since the easing of Covid restrictions in 2021, the members in England have continued the use of video conferencing technology as it had proved such an effective communication tool in connecting with people from all walks of life during the pandemic.

Four members of the Society in England continue to provide ongoing support to the international work of the Society with secondments in France, Ireland, Spain and Russia.

One seconded member to England now holds responsibility for raising funds for the overseas missionary aspect of the Charity's work. The funds raised for this purpose are technically termed "restricted". Each year at the Catholic Bishops' Conference for England & Wales an area of England or Wales is designated to allow for funding appeals which normally occurs during Sunday church services. Full use is made of the Gift Aid scheme for donations received from these funding appeals.

Increasingly, more of the Charity's financial resources are assigned to provide for the costs of members in their retirement after a life of active ministry, and to support those members with life-long care needs.

The Charity also supports the international work of the Society through the provision of donations to the Generalate in Rome and to the Province of Europe.

Principal aims and activities (continued)

In compliance with the Society of Mary's established policy, the trustees have agreed to contribute 10% of their annual operating surplus from the Charity for the promotion of formation and training of new priests of the Society of Mary, and to contribute 20% of the net sales proceeds (after accounting for professional fees and management costs) from the disposal of properties to facilitate the work of the Society worldwide.

Public benefit

The trustees have carefully considered the Charity Commission's guidance on public benefit, in line with their constitution, when setting annual objectives, planning the charitable work to be undertaken for the year and when encouraging the work of individual members.

The members of the Society in England operate within, work with and are deeply involved in the local communities surrounding the locations of their residential properties. The Society in England enables members to give their services freely to promote the Charity's objects. Details are given above under the heading "Principal aims and activities".

The Society in England also supports the international work of the Society, with four of its members from England currently ministering overseas; financial assistance is provided through the General Administration in Rome in support of this work.

Annual donations are used to promote the Society's work chiefly in Oceania, the Philippines and Africa. This promotion is funded largely through appeals in parishes in various parts of England and Wales as permitted by the Roman Catholic bishops. Further assistance when needed, is provided by occasional legacies and donations made from the Pilgrimage Fund Reserve.

Achievements and performance

The Charity has experienced subtle changes to its ministry during 2023. In March 2023, we sadly lost one of our members from the Blackburn Community. Father Coleman had served in various ministries during his lifetime and had responsibility for organising and managing a handful of pilgrimage trips to various shrines within Europe each year – work that had been ongoing for more than thirty years. The surplus proceeds from the pilgrimage events were devoted to the Charity's work both at home and overseas. This work has now ceased. Another member of the Society has also taken on the role of link representative engaged in the extension of the Charity's work involving lay people in fostering possible future work of the Society among the laity.

The Blackburn community house was closed in August 2023 with its remaining priest moving into the Newman House community in Hull. The Blackburn property is now up for sale.

Presently, there are 10 members of the Society resident in England, all of whom provide different aspects of ministry works and service in community, in tune with the spirit and aims of the Society and their advancing years. The Charity continues to have one member working as a parish priest in the parish of Walsingham, whilst another fulfils his role as bishop for the Diocese of Brentwood.

Achievements and performance (continued)

One seconded member of the Society in England promotes fundraising efforts for overseas missionary work through making appeals in parish churches in various parts of England and Wales as permitted by the Roman Catholic bishops.

Some of the further services and activities carried out by members during 2023 are:

- ◆ Producing personal reflections and poems distributed digitally to around 150 people each month.
- ◆ Involvement with a respected, multilingual academic journal, the *Ephemerides Liturgicae*.
- ◆ Maintaining a web of ecumenical contacts particularly with Anglicans, in Hull, Beverley and Wells-next-the-Sea in Norfolk.
- ◆ One member published a work of Spiritual Theology with an international publisher.
- ◆ Undertaking supply work in local parishes in Hull (2 members).
- ◆ Volunteering with local refugee centres in Hull, providing hospitality, signposting and support to disadvantaged individuals and families in the neighbourhood (1 member).
- ◆ Participating as a priest online in an international Catholic organisation for grandparents.
- ◆ Serving as trustees on the board of two faith-based CIOs: a refugee centre and an international French francophone parish in London.
- ◆ One member serves as the Provincial Superior of the Province of Europe based in Paris.
- ◆ NDF community members accompanied 84 couples in the preparation for marriage. 14 adults completed the programme for either baptism or confirmation and collectively the Marist team supported two lay coordinators to deliver chaplaincy activities for 582 registered children.
- ◆ NDF community members supported the outreach work of the Notre Dame Refugee Centre, the Services to the Homeless and provided a programme of events for the Evangelisation outreach to the West End in London.

Overseas, one member continues to manage the mission in Moscow within an international parish in the Russian capital. The principal languages used are Russian, English, French and Tagalog.

Another member is involved in work with the pilgrimage mission in Sahagun, Spain on the Camino de Santiago trail, providing spiritual support and a listening ear to those on a personal journey.

At December 2023, the trustees have responsibility for one parish in Walsingham, in the Diocese of East Anglia under the direction of the local bishop. Three members of the Society continue to work in the four churches, which encompass the Walsingham parish, with members continuing to help out at the National Marian Shrine in Walsingham, although this responsibility passed to the Hierarchy in England & Wales in December 2014.

Achievements and performance (continued)

Several factors have made 2023 a challenging period for the investments held by the Society in England. In February, the Charity received notification from Quilter Cheviot that their investment management team had undergone changes and been replaced by another team. A decision was taken that this was an appropriate time to look at tenders for this professional service and so they commissioned their financial advisers to assist with the process.

The Trustees also used this event to review and update their investment criteria in line with their future strategy. After a rigorous tender process, the charity's incumbent providers (Quilter Cheviot) have retained their position as investment managers on merit and cost.

The two investment portfolios continued to experience some unpredictable movements in the year due to external factors affecting the global finance markets. The economic after-effects of the pandemic, the continuing war in Ukraine, the outbreak of warfare in the Middle-East, and fluctuating inflation levels with increasing interest rates have encouraged changes in the global markets and resulted in an overall decrease of 2.0% (2022 - 15.7%) in the portfolio's value at the year-end, after allowing for approximately £1.4 million of withdrawals from the investment portfolio for donations and grant-making purposes.

Currently, the Charity still provides the freehold land and buildings for occupation by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough at a peppercorn rent, however this arrangement will cease in 2024 when the properties will be gifted to the Diocese of Middlesbrough.

Inevitably, with 95% of the members in the Society in England now beyond historic retirement age, concomitant health deteriorations are leading to adjustments in the apostolate. The Charity maintains its support for the international work of the Society, with four members currently working overseas and donations are made to the Generalate in support of this work.

The substantial legacy received from a longstanding parishioner in 2020 continues to provide funding to support additional overseas missionary projects, to benefit those who are needy, poor and disadvantaged.

During 2023 the following special grant-making projects received funds:

- ◆ The provision of circa. £92,230 funding assistance to the Marist Centre in the Ranong Mission in Thailand to cover staffing costs, administrative expenditures, supplies and office equipment. Funding a HIV AIDS health project, a migrant outreach program and learning programs.
- ◆ The provision of circa. £19,500 funding assistance to support the renovation of a Parish Church, in Santa Cruz, Malhada, Brazil.
- ◆ The provision of circa. £17,250 for a vehicle in Bahia, Brazil.
- ◆ The provision of circa £33,000 funding assistance to support salaries and ongoing construction costs of a village school with eighteen classrooms in a poor area of Bujumbura in Burundi.

Achievements and performance (continued)

- ◆ The provision of circa £82,130 funding assistance to support the construction of a chapel in the village school of a poor area of Bujumbura in Burundi.
- ◆ The provision of circa £32,500 funding assistance for school equipment, staffing costs and maintenance costs for a school in Buhangija, Tanzania.
- ◆ The provision of circa £12,000 funding assistance for maintenance costs of a youth hostel in Tanzania.
- ◆ The provision of circa £21,500 funding assistance for classroom furnishings for a school in Boroko, PNG.
- ◆ The provision of circa £17,000 funding assistance for solar panels for a community house in Bambili Cameroun.

Throughout 2023, the trustees continue to participating in training aspects concerning the principles and rationales of the Charity Governance code and safeguarding updates provided by the Religious Life Safeguarding Service.

Financial review

Financial highlights

During the year, there were no property sales proceeds (2022 - income included the sale proceeds of St Mary's College of £5.3 million). There was an increase in dividend earnings from investments from the prior year with £613,041 received in 2023 (2022 - £371,600); no rents from College property (2022 - £66,667) and no legacies were received in the period (2022 - £nil).

A significant restricted legacy receipt received in 2020 has now helped to fund 25 overseas missionary projects in total: – 11 during 2023, (2022 - three), where approval and authorisation is granted by the trustees. At 31 December 2023, the General Administration in Rome had received grant making funds totalling £326,933 (€376,720) to oversee the implementation of nine specific legacy funded projects from the restricted legacy (2022 - £172,584 (€198,500)).

The Charity operates a centralised policy for key administrative expenditure and provides local community properties with monthly subsidies to assist with members' living costs.

The following transactions were carried out during the year:

- ◆ Medical and residential costs amounted to circa £5,000 (2022 - £25,000) for elderly members and those with severe ill health. When available, the provision of State aid financial assistance with these costs has lessened the call on the trustees' financial resources.
- ◆ As in previous years, the trustees contributed to the work of the Society in Europe – £64,183 (2022 - £1,006,141). The 2022 figure includes £950,000 being monies from the of sale of St Mary's College described on page 5.

Financial review (continued)

Financial highlights (continued)

- ◆ The trustees also contributed towards overseas mission activity – £36,325 (2022 – £33,250), which was partly funded through Mission appeals and the Pilgrimage Fund reserve.
- ◆ Formation of grant-making funding projects with funds coming from the B portfolio, making donations to UK and overseas Marist provinces totalling £230,000 (2022 - £nil).
- ◆ Quilter Cheviot investment managers received £Nil (2022 – £56,552) in fees for the year. They reimbursed their 2023 fee of £64,029 as a show of good faith for the changes which have occurred in 2023.
- ◆ The investment portfolio performance decreased by 2.0% in the year (2022 a decrease of 15.7%) after allowing for £1.4 million withdrawals for donations and grant funding purposes.

Income and expenditure in summary

A summary of the results for the year to 31 December 2023 can be found on page 23 of this report and accounts.

Total income for the year amounted to £957,665 (2022 - £6,073,183 which includes disposal proceeds from the sale of the College of £5.3 million).

£341,311 (2022 - £321,596) of total income represents income from donations and legacies. Income earned on the Charity's listed investments totalled £613,041 (2022 - £371,600) and £2,291 (2022 - £323) was received as bank interest.

Total expenditure for the year was £1,181,152 (2022 - £2,011,427). £486,996 (2022 - £653,138) of the expenditure was incurred maintaining the members of the Society and enabling them to carry out their work. £694,156 (2022 - £1,301,737) was expended on grants and donations.

Net investment losses of £277,867 (2022 – net losses of £1,838,061) arose during the period on the revaluation and disposal of the Charity's investment assets and the overall net movement in funds for the period, therefore, was a decrease of £501,355 (2022 – increase of £2,223,695).

Reserves policy and financial position

The reader will discern from the foregoing that the Charity carries out various activities and is responsible for the care and support of its religious members whose average age is increasing and whose needs are continually changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves required, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activities.

Financial review (continued)

Reserves policy and financial position (continued)

Given the nature of the Charity's work and the increasing, often unpredictable call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to five years' worth of expenditure without giving rise to concern.

As previously mentioned, the economic after-effects of the pandemic, the continuing war in Ukraine, the outbreak of warfare in the Middle-East, and fluctuating inflation levels with increasing interest rates have encouraged changes in the global markets and resulted in the Charity's investment portfolio experiencing increased volatility. One of the consequences of trying to manage the uncertainty that exists with the investment portfolio, is anticipating the level of dividend income that will be available to the Charity during 2024. The trustees therefore rely on the free reserves to help with cashflow requirements to meet operational expenditure in the year.

At 31 December 2023, the Charity had net assets totalling £15,311,180 (2022 - £15,812,535).

Of this, £1,014,972 (2022 - £1,031,990) was represented by equipment, motor vehicles and the properties used to house the members of the Society and to support their work. This balance was separated in recognition of the importance of such assets to the Charity's operational activities, and thus unavailable to meet the Charity's day-to-day commitments.

Restricted funds of £13,085 (2022 - £340,018) at the balance sheet date represent the balance of funds remaining from the significant legacy received in 2020, the application of which is restricted to overseas special missions' projects that are controlled and monitored by the Charity and administered via the General Administration in Rome.

The trustees of the Charity are mindful of the need to set aside reserves to safeguard the future of the members and their charitable work when considering the age profile of the members of the Society and the annual cost of supporting them and their residential properties. In accordance with the reserve policy, the trustees rely on professional assistance in carrying out an actuarial calculation to establish the costs of maintaining and supporting all the present members of the Society to the end of their natural life. The age of the members ranges from 62 to 89 years.

Based on advice received, the trustees continue to designate an accumulated sum of £6.7 million (2022: £8.5 million) as a reserve to provide for the members of the Society in their continuing ministry and retirement and to be able to help in unforeseen circumstances. The current cost of care for any member who needs residential/nursing care is estimated to be circa £45,000 per annum. Whenever possible, the Charity will apply to the State for financial assistance, but this may be limited due to the receipt of occupational pensions.

In 2022, the trustees created a new designated Grant Making reserve from the receipt of the sales proceeds of St. Mary's College in Blackburn. The funds now stand at £3,780,000.

The trustees have also designated £92,432 being monies held in the Pilgrimage Fund reserve, to be applied towards the overseas mission of the Marist Fathers within the next seven years.

Financial review (continued)

Reserves policy and financial position (continued)

At 31 December 2023, the Charity had free reserves of £3,710,691 (2022 - £1,790,603), which is in line with the policy set out above and importantly, is regarded as being sufficient to enable the charity to meet the challenges presented within today's environment.

Investment policy and performance

After a review, Quilter Cheviot Limited has been retained to manage the Charity's listed investment portfolio and did so throughout the period of this report. Custody of the investments is held by a nominee company.

The Charity invests in a diverse range of listed investments to enable it to spread risk. In 2023 the portfolio benchmarks were realigned to rebalance the proportion of equities and bonds according to the risk appetite of the trustees and advice received from the fund managers. The dynamic changes affecting the global markets has resulted in the investment portfolio experiencing significant movements during the year, which has culminated in a decrease of 2% in the portfolio's performance in 2023, after taking into account the withdrawal of £1.4 million for donations and grant funding. The market value of the Charity's listed investments at 31 December 2023 stood at £12,887,929 (2022 - £13,890,856). Listed investment income for the year totalled £613,041 (2022 - £371,600).

The Charity has an investment policy for its listed investments, which is distributed to members and reviewed annually by the trustees. The Board's investment strategy is to maximise total returns within an acceptable level of risk in order to meet the Charity's on-going needs. The investment managers are instructed to endeavour to achieve long-term growth of both capital and income in order to provide the level of income that the trustees require to meet their programme and responsibilities in any one year. Advice is sought from the fund managers before the trustees embark on any programme involving significant finance.

It is the trustees' policy to invest all non-recurring income (including legacy funds, short term), as well as any proceeds from the disposal of assets for the benefit of the Charity.

The trustees provide the fund managers with a copy of their investment policy statement which details the Charity's position on ethical and moral principles. It is the policy of the Charity to not normally, or knowingly invest in any company with a material exposure in:

- ◆ Arms manufacturers;
- ◆ Tobacco manufacture, alcohol, pornography, gambling;
- ◆ Support of oppressive regimes;
- ◆ Anti-social sales and marketing practices relating to alcohol and tobacco; and
- ◆ Violations of international conventions and norms in the areas of human rights, employment practices and climate change.

Financial review (continued)

Investment policy and performance (continued)

The policy states that investment choices should never be made in activities that would conflict with the objectives of the Charity. Whenever prudent and possible, the trustees seek to invest in those areas of the developing world where the Society works.

During the year, the National Administrator, who is also a trustee, and the Chief Finance Officer receive quarterly reports as well as monthly performance updates from the fund manager. Regular monthly summaries contain information concerning the acquisition and disposal of equities and daily information can be provided by online access to the portfolios.

The trustees meet with the fund managers annually to review progress of the portfolio.

The National Administrator and Chief Finance Officer will meet with the fund manager every six months to receive and review informative explanatory reports. During 2023, a mix of face-to-face and video conferencing meetings were held with the investment managers.

The board of trustees has agreed a grant-making policy whereby 25% of the funds under investment within the 'B' portfolio will be distributed annually to religious organisations within the UK and to Overseas Marist Provinces to promote the works of the Society of Mary.

Future plans

The trustees are mindful of their members decreasing numbers, their age profile and fragility. Following decisions reached at the Assembly held in May 2022 in Hull, a new lease arrangement with the Diocese of East Anglia for a further three-year occupation of the property in Wells was agreed and became operational in October 2023. This lease will terminate in October 2026 and carries a pre-determined break clause notice if required.

The Charity ceased its community presence in Blackburn in September 2023 and the community property is currently on the open market for resale.

Following careful consideration by the board of trustee and the Province of Europe, a decision was taken by the Charity to offer the title deeds of the land and buildings used by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of which are members of the Nicholas Postgate Catholic Academy Trust) to the Diocese of Middlesbrough as a charitable gift.

The Diocese of Middlesbrough has accepted the charitable gift of the properties and professional advisers are presently engaged in arranging the legal transfer of assets with an 25 year overage clause to protect the value of the assets, if in the future, the properties are no longer used for catholic education.

The board of trustees continue to be involved in preparing a programme of grant funding initiatives both within the UK and for Overseas Marist Provinces.

Principal risks and uncertainties

Many factors have contributed to 2023 being another challenging year for the Society in England. External economic factors are still having a detrimental effect on the value of investments held, however portfolio values managed to rally towards the year-end. An increase in investment income received in the year has compensated for the decrease in other income sources. The trustees are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

Risk management procedures are regularly carried out to identify and assess any major risk factors which if not detected could impact on the Charity's ability to perform effectively and affect the members' work and role in carrying out their mission.

The trustees frequently seek professional advice to ensure compliance with their statutory obligations and regulatory duties are observed. All major risks are identified and recorded within a "Risk Assessment Register" and reviewed annually by the trustees and half-yearly by management. The identification of any serious risk automatically becomes an agenda item for forthcoming trustee meetings, with the necessary actions noted and outcomes monitored.

The key risks for the Charity are described below, together with the principal ways in which they are mitigated:

◆ ***Caring for the elderly***

Members of the Society in England are becoming increasingly older; their needs for professional healthcare and assistance with supported living are increasing too. Members' care needs are met through the provision of supportive care, medical and/or nursing care, either in-house or externally.

It is a fact that considerable resources will be required to provide an appropriate level and quality of care (particularly if nursing or specialist dementia care is required). Such resources are the responsibility of the Charity itself, input from the State, or a mixture of the two.

The trustees are aware that it is essential for proper financial planning to exist so that when members require additional help, there are adequate funds in place to finance this support.

◆ ***Deterioration in the value of the investment portfolio***

The Charity places substantial reliance on the dividend income received from its investment portfolio to maintain its operations and the capital appreciation of its funds. Stock market fluctuations are monitored on a regular basis and robust control mechanisms are in place to deal with any adverse conditions.

Global equity markets continued to experience significant volatility during 2023 due in part to the war in Ukraine, the conflict in the Middle-East; the economic after-effects of the pandemic, inflationary pressures and increasing interest rates. In absolute terms the value of the portfolio has fallen by 2% during the year after accounting for withdrawals to support operations and finance grant-making. The investment portfolio continues to be closely monitored as trustees acknowledge their dependence on the dividend income stream it provides for its operational structure.

Principal risks and uncertainties (continued)

◆ ***Deterioration in the value of the investment portfolio (continued)***

In September 2023, an external review and tender process was carried out to assess the performance and possible appointment of a new professional fund manager from a range of reputable investment management companies. The Charity's investment policy strategy was updated for the CIO's future needs.

The trustees were assisted in their endeavours by their professional advisers and attended a panel interview to decide on their new fund manager. After deliberation, all parties agreed with the retention of the present incumbent - Quilter Cheviot Limited, on revised terms.

The National Administrator and Chief Finance Officer will continue to receive detailed monthly and quarterly reports of the movement and performance of the portfolios. While the trustees will receive copies of the annual reports, meet with the fund manager on an annual basis and receive regular updates from the National Administrator and CFO.

◆ ***Age profile of members***

The increasing age profile and diminishment of members has increased the risk of dilution in the ministry of the Society and the associated income for the Charity.

The Charity continues to demonstrate public benefit by members providing social and pastoral work within local communities and through the provision of charitable donations to the Society's missions overseas, including the Generalate. Legacy funding has provided the Charity with an opportunity for grant-making to specific overseas missions' projects. Members of the Society work in close partnership with professional lay people using their financial and administrative skills to ensure financial viability.

◆ ***Safeguarding***

Operationally, the Charity may work with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. Members of the Society who engage in any form of ministry in England and Wales, and all those who work or volunteer for the Charity and may come into contact with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS).

The Charity maintains contractual membership with the Catholic Safeguarding Standards Agency (CSSA) and Religious Life Safeguarding Service (RLSS). Together, these organisations are accountable for the implementation of the safeguarding recommendations (safeguarding standards) from the Elliott Review and have responsibility for regulatory oversight, compliance work and the provision of safeguarding training to religious congregations. Both organisations became fully active during 2022.

Internally, one of the Charity's trustees holds the position of Religious Safeguarding Lead for the Society and has responsibility for all safeguarding matters. He is assisted in his endeavours by the Safeguarding Coordinator and they regularly feedback to the board of trustees.

Principal risks and uncertainties (continued)

♦ **Safeguarding** (continued)

Both appointees have undertaken a series of safeguarding training modules and are responsible for ensuring the Society's safeguarding policy is adhered to in respect to all members, employees and volunteers.

At the start of 2023, the Charity was informed by the RLSS of an historic allegation made against a deceased member of the Society. The allegation was immediately investigated with all relevant parties (including the Charity Commission) notified of the event. After a full investigation and professional advice, the victim received a private financial settlement of £30,000 in full and final settlement of the claim. The RLSS has now closed this case.

During May 2023, the National Administrator and Chief Finance Officer worked with Marsh Commercial's insurance broker managers to carry out a detailed examination / re-assessment of insurance cover for the Charity. The report produced was presented to the board of trustees and accepted. All major risks are covered by practical and well-tried procedures.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, annual budgeting, comprehensive insurance cover, internal controls and centralising responsibility for major expenditure, they have prudent effective systems in place to minimise foreseeable risks.

Structure, governance, and management

Since July 2016, the Society in England is administered on a day-to-day basis by the National Administrator and his Council, which includes the Chief Finance Officer. The National Administrator shall automatically by virtue of holding this office, be ex-officio, the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

The trustees – as distinct from the National Administrator and Administrative Council – aim to formally meet four times each year, to review developments and assess the functioning of the Charity in order to monitor the present, and plan for the future as English law stipulates. Should occasion arise, they meet with the Provincial Superior of Europe to further the aims of the Charity. The trustees wish it to be noted that the 2022 elected Provincial Superior of Europe is a member of the Society in England. He was appointed a trustee of the Charity in April 2019 and wishes to retain this position.

The names of the trustees who served during the period of this report and up to the date of approval of this report are listed on page 1.

Apart from the first trustees, every appointed trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator and they shall, subject to clause 15 (retirement and removal of trustees):

- (a) in the case of an individual who is a member of the Society be appointed for a period of three years or such period of office as the National Administrator shall determine;
- (b) in all other cases be appointed for:

Structure, governance, and management (continued)

- (I) an initial term of one year; and,
- (II) if reappointed (subject to clause 16 of this Constitution) for a term of three years; or such other term as the National Administrator shall decide; and they may (subject to Clause 16 of this constitution) be reappointed.

Members are selected for appointment as trustees based on their skills, knowledge and experience, necessary for the effective administration of the Charity. Trustees are invited and encouraged to attend training presentations and webinars to familiarise themselves with the context within which the Charity operates.

Briefing packs are prepared and distributed to trustees regularly, which draws upon the information from various Charity Commission publications, signposted through the Commission's guide CC3 "The Essential Trustee" as a follow up to these sessions.

The trustees are committed to developing high standards of governance and make use of the seven fundamental principles within the Charity Governance Code to review their governance procedures, functions and policies to address compliance needs. Trustees receive regular briefing updates and attend training workshops on the Governance Code.

All trustees receive a copy of the audited annual reports and representative trustees meet annually with the fund managers and insurance brokers in order to review and assess their performance.

Key management personnel

The trustees consider that they together with the Chief Finance Officer (who is also known as the National Bursar of the Society and Charity Secretary) represent the key management of the Charity, and are charged with directing, controlling, running and operating the Charity on a day-to-day basis. The National Administrator, to whom the main duties are entrusted, is a trustee of the Charity and he is assisted in his endeavours by the Chief Finance Officer.

All of the trustees are members of the Charity and whilst their living and personal expenses are borne by the Charity they receive no remuneration in connection with their duties as trustees.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Statement of trustees' responsibilities (continued)

- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's Constitution. 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.

Employees, volunteers and members of the Society

The trustees wish to record their appreciation of the dedicated, enthusiastic and positive approach of all members of the Society often in the most difficult of circumstances and they underline the support and commitment of all their staff and volunteers. This has enabled the Charity to continue to pursue its objectives.

In accordance with UK law, the trustees provide a workplace pension, which offers a pension to each of the Charity's employees. All employees are able to become members of this scheme after a successful probation period. The Charity makes a contribution of 6% of gross salary in to the pension scheme.

Approved by the trustees and signed on their behalf by:

Trustee *Dhanrabar S* (REV DESMOND HANRAHAN)

Approved by the trustees on: 9 July 2024

Independent auditor's report to the trustees of The Society of Mary (Marist Fathers) CIO

Opinion

We have audited the accounts of The Society of Mary (Marist Fathers) CIO (the 'charity') for the period ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees;
- ◆ Enquiring of as to actual and potential litigation and claims; and
- ◆ Reviewing any available correspondence with the Charity Commission and other regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

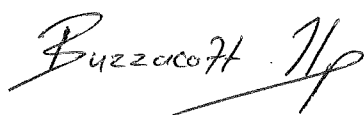
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



15 JULY 2024

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 December 2023 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2022 Total funds £
Income from:							
Donations and legacies	1	297,675	43,636	341,311	293,860	27,736	321,596
Investments and interest receivable	2	615,332	—	615,332	371,922	—	371,922
Other Income	3	764	—	764	78,465	—	78,465
Disposal of tangible fixed assets	4	258	—	258	1,200	—	1,200
		914,029	43,636	957,665	745,447	27,736	773,183
Proceeds from the disposal of St. Mary's College Site Blackburn	5	—	—	—	5,300,000	—	5,300,000
Total income		914,029	43,636	957,665	6,045,447	27,736	6,073,183
Expenditure on:							
Raising funds	6	—	—	—	56,552	—	56,552
Charitable activities							
· Support of members of the Society and their ministry	7	449,344	37,652	486,996	653,138	—	653,138
· Grants and donations	8	330,899	363,258	694,157	1,095,903	205,834	1,301,737
Total expenditure		780,243	400,910	1,181,153	1,805,593	205,834	2,011,427
Net income (expenditure) before investment losses		133,786	(357,274)	(223,488)	4,239,854	(178,098)	4,061,756
Net investment losses	14	(277,867)	—	(277,867)	(1,838,061)	—	(1,838,061)
Net (expenditure) income		(144,081)	(357,274)	(501,355)	2,401,793	(178,098)	2,223,695
Transfers between funds	18	(31,880)	31,880	—	(5,514)	5,514	—
Net movement in funds	10	(175,961)	(325,394)	(501,355)	2,396,279	(172,584)	2,223,695
Reconciliation of funds							
Total funds brought forward at 1 January 2023		15,472,517	340,018	15,812,535	13,076,238	512,602	13,588,840
Total funds carried forward at 31 December 2023		15,296,556	14,624	15,311,180	15,472,517	340,018	15,812,535

All recognised gains and losses are included in the above statement of financial activities.

All activities were continuing as at 31 December 2023.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	13		1,014,972		1,031,990
Investments	14		14,073,023		15,380,487
			15,087,995		16,412,477
Current assets					
Debtors	15	117,331		31,370	
Cash at bank and in hand		317,275		408,770	
		434,606		440,140	
Liabilities					
Creditors: amounts falling due within one year	17	(191,421)		(1,040,082)	
Net current assets (liabilities)			243,185		(599,942)
Creditors: amounts falling due After more than year			(20,000)		—
Total net assets			15,311,180		15,812,535
The funds of the charity					
Income funds					
Restricted funds	18		14,624		340,018
Unrestricted funds					
. Tangible fixed assets fund	19	1,014,972		1,031,990	
. Designated funds	20	10,572,432		12,649,924	
. General fund		3,709,152		1,790,603	
			15,296,556		15,472,517
			15,311,180		15,812,535

Approved by the trustees
and signed on their behalf by:

Trustee *D. Harrahan* (REV DESMOND HANBAHAN)

Approved on: 9 July 2024

Statement of cash flows Year to 31 December 2023

	Notes	Year to 31 December 2023 £	Year to 31 December 2022 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(1,679,454)	4,708,364
Cash flows from investing activities:			
Investment income and interest received		578,084	368,360
Proceeds from the disposal of tangible fixed assets		258	1,200
Purchase of tangible fixed assets		(16,298)	(9,990)
Proceeds from the disposal of listed investments		5,228,875	2,183,322
Purchase of listed investments		(4,503,812)	(6,144,795)
Net cash provided by (used in) investing activities		1,287,107	(3,601,903)
Change in cash and cash equivalents in the year		(392,347)	1,106,461
Cash and cash equivalents at 31 December 2022		1,898,397	783,152
Change in cash and cash equivalents due to exchange rate movements		(3,683)	8,789
Cash and cash equivalents at 31 December 2023	B	1,502,369	1,898,397

Notes to the statement of cash flows for the period ended 31 December 2023

A Reconciliation of net income for the year to net cash provided by operating activities

	Year to 31 December 2023 £	Year to 31 December 2022 £
Net (expenditure) income for the year (as per the statement of financial activities)	(501,355)	2,223,695
Adjustments for:		
Depreciation charge	33,316	34,628
Net losses on investments	277,867	1,838,061
Surplus on disposal of tangible fixed assets	(258)	(1,200)
Investment income and interest receivable	(615,332)	(371,922)
Foreign exchange losses (gains)	3,683	(8,789)
Increase in debtors	(48,714)	(21,794)
(Decrease) increase in creditors	(828,661)	1,015,685
Net cash (used in) provided by operating activities	(1,679,454)	4,708,364

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	317,275	408,770
Cash held by investment managers	1,185,094	1,489,627
Total cash and cash equivalents	1,502,369	1,898,397

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2023 with comparatives given for the period 1 January 2022 to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope of accounts

These accounts do not include the funds of parishes managed by the members of the Society as parish priests. Such funds are the property of the relevant diocesan charity of which the parish is part.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimate of future income and expenditure flows for the purposes of assessing the charity's going concern status.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period (i.e. the year ending 31 December 2024), as described in the trustees' report, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable and sundry income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate.

Income (continued)

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of the disposal and after deducting any costs associated with the disposal.

The proceeds from the disposal of the site of St Mary's College, Blackburn comprise the gross proceeds and have been included as income as from the date of legal completion of the transaction at which point the charity was entitled to the monies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:

Expenditure (continued)

- ◆ Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure includes governance costs, which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice; and
- ◆ Grants and donations payable which in the main, relate to the support of the Society's Generalate and overseas missions. Grants and donations payable are included in the statement of financial activities when approved. Grants approved but not paid at the end of the financial period are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

◆ *Colleges and schools*

At 31 December 2023, the trustees were still the legal owners of land and buildings used by one Sixth Form College in Middlesbrough and one voluntary aided primary school situated in Middlesbrough, which are exempt charities and publicly funded. The land and buildings are valued at £nil for the purpose of these accounts. These educational establishments were originally founded by the Society, but are now under separate control and publicly funded. Historically some developments to the estate were partially funded by state aid according to government policy at the time and there is no reliable information as to their cost.

Occupation of the land and buildings by both educational establishments in Middlesbrough is indefinite and rent free (or at a peppercorn rent) until there is a breach by, or change in the relationship with, the tenants. The trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to alternative use whilst such occupation continues.

◆ *Non-specialised buildings*

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.

◆ *Specialised buildings*

Specialised buildings include residential properties which have undergone significant adaption works in order to serve the wider operational needs of the charity. Depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

Tangible fixed assets (continued)

Furniture, equipment and motor vehicles

Furniture, equipment and motor vehicles are depreciated in order to write assets off over their expected useful lives at the following rates per annum:

- ◆ Furniture and equipment 20% on cost
- ◆ Motor vehicles 25% on cost

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Services provided by members of the Society

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by members of the Society.

1 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Salaries and pensions of members of the Society received under gift aid and/or deed of covenant	292,791	—	292,791	263,375	—	263,375
Other donations	4,884	43,636	48,520	30,485	27,736	58,221
	297,675	43,636	341,311	293,860	27,736	321,596

There were no legacies receivable by the charity in either of the above years.

2 Income from investments and interest receivable

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Income from listed investments	613,041	—	613,041	371,600	—	371,600
Interest receivable	2,291	—	2,291	322	—	322
	615,332	—	615,332	371,922	—	371,922

3 Income from other sources

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Rent receivable	—	—	—	66,667	—	66,667
Miscellaneous income	764	—	764	11,798	—	11,798
	764	—	764	78,465	—	78,465

4 Income from disposal of tangible fixed assets

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Surplus on disposal of motor vehicles	258	—	258	1,200	—	1,200

5 Income from disposal of St. Mary's College Site, Blackburn

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Proceeds from sale of the site of St Mary's College, Blackburn	—	—	—	5,300,000	—	5,300,000

The above proceeds represent the gross proceeds from the disposal of the site of St Mary's College, Blackburn in October 2022.

6 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Investment manager's fees	—	—	—	56,552	—	56,552

There were no investment manager fees incurred this year due to a rebate in costs (2022: £56,552).

7 Expenditure on charitable activities:

Support of the members of the Society and their ministry

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Staff costs (note 10)	129,245	—	129,245	152,712	—	152,712
Property expenses	58,174	—	58,174	63,292	—	63,292
Personal living costs	128,587	—	128,587	130,272	—	130,272
Training	3,590	—	3,590	1,950	—	1,950
Expenses of ministry	64,914	37,652	102,566	62,561	—	62,561
Depreciation	33,316	—	33,316	34,628	—	34,628
Loss on foreign exchange	4,112	—	4,112	—	—	—
Disposal and other costs for St. Mary's College, Blackburn	1,089	—	1,089	191,230	—	191,230
Governance costs (note 9)	26,317	—	26,317	16,493	—	16,493
	449,344	37,652	486,996	653,138	—	653,138

8 Expenditure on charitable activities:

Grants and donations

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
The Generalate of the Society	64,183	—	64,183	1,006,141	—	1,006,141
Marist missions overseas	—	36,325	36,325	—	33,250	33,250
Overseas missions grant funding	—	326,933	326,933	15,000	172,584	187,584
Marist Way Laity	—	—	—	8,398	—	8,398
The Salvation Army	—	—	—	5,000	—	5,000
Open Doors	15,000	—	15,000	5,000	—	5,000
Eternal Benefits	5,000	—	5,000	5,000	—	5,000
SVP	10,000	—	10,000	5,000	—	5,000
Hull Foodbank	5,000	—	5,000	—	—	—
Welcome House	7,200	—	7,200	—	—	—
St John Bosco Camp	60,000	—	60,000	—	—	—
Diocese of Salford	150,000	—	150,000	—	—	—
Notre Dame Refugee Centre	3,000	—	3,000	45,000	—	45,000
Notre Dame De France CIO	10,000	—	10,000	—	—	—
Other donations of less than £1,000	1,516	—	1,516	1,364	—	1,364
	330,899	363,258	694,157	1,095,903	205,834	1,301,737

9 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2023 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £
Professional fees	26,317	—	26,317	16,493	—	16,493

10 Net movement in funds

This is stated after charging:

	Year to 31 December 2023 £	Year to 31 December 2022 £
Staff costs (note 11)	129,245	152,712
Auditor's remuneration including VAT		
. Statutory audit – current year	10,200	9,600
. Non-audit services – Tax consultancy	1,782	1,944
. Non-audit services – Trustee Investment services	6,600	—
Depreciation (note 13)	33,316	34,628

11 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	Year to 31 December 2023 £	Year to 31 December 2022 £
Wages and salaries	115,973	120,770
Social security costs	4,599	5,089
Pension costs	6,673	26,853
Termination payments	2,000	—
	129,245	152,712

The average number of employees during the year ended 31 December 2023 was 4 (2022 – 6). The full-time equivalent number of employees during the same period, analysed by function, was 2.54 (2022 – 3.6).

There were no employees who earned £60,000 (2022 - none) per annum or more (excluding benefits) during the period.

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society and Charity Secretary) comprise the key management of the Charity. The National Administrator, to whom certain duties are entrusted, is also a trustee of the charity.

The total remuneration (including benefits) payable to the charity's key management personnel during the period ended 31 December 2023 was £57,688 (2022 - £59,861).

All of the trustees are members of The Society of Mary (Marist Fathers) CIO and whilst their living and personal expenses are borne by the charity they receive no remuneration.

12 Taxation

The Society of Mary (Marist Fathers) CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	<u>Freehold land and buildings</u>		Furniture and equipment £	Motor vehicles £	Total £
	Non- specialised £	Specialised £			
Cost					
At 1 January 2023	375,620	1,208,268	47,304	43,202	1,674,394
Additions	—	—	16,298	—	16,298
Disposals	—	—	—	(5,800)	(5,800)
At 31 December 2023	<u>375,620</u>	<u>1,208,268</u>	<u>63,602</u>	<u>37,402</u>	<u>1,684,892</u>
Depreciation and impairment					
At 1 January 2023	—	568,652	39,792	33,960	642,404
Depreciation charge	—	24,165	4,903	4,248	33,316
On disposals	—	—	—	(5,800)	(5,800)
At 31 December 2023	—	<u>592,817</u>	<u>44,695</u>	<u>32,408</u>	<u>669,920</u>
Net book values					
At 31 December 2023	<u>375,620</u>	<u>615,451</u>	<u>18,907</u>	<u>4,994</u>	<u>1,014,972</u>
At 31 December 2022	<u>375,620</u>	<u>639,616</u>	<u>7,512</u>	<u>9,242</u>	<u>1,031,990</u>

14 Fixed asset investments

	2023 £	2022 £
Listed investments	12,887,929	13,890,856
Cash held by investment managers for re-investment	1,185,094	1,489,627
	<u>14,073,023</u>	<u>15,380,483</u>
	2023 £	2022 £
Listed investments		
Market value 1 January 2023	13,890,856	11,767,445
Additions at cost	4,503,815	6,144,794
Disposal at book value (proceeds: £5,228,875; losses: £252,013)	(5,480,888)	(2,479,724)
Net unrealised investment gains	(25,854)	(1,541,659)
Market value at 31 December 2023	<u>12,887,929</u>	<u>13,890,856</u>
Historical cost of listed investments as at 31 December 2023	<u>12,347,549</u>	<u>13,405,202</u>

14 Fixed asset investments (continued)

At 31 December 2023, the listed investments comprised the following:

	2023 £	2022 £
UK fixed interest	5,193,091	3,059,433
Overseas fixed interest	1,139,336	1,375,184
UK equities and unit trusts	1,075,393	1,215,861
Overseas equities and unit trusts	2,885,524	3,194,583
Commodities, absolute return and infrastructure	2,398,678	4,069,949
Cash Products	195,907	975,846
	12,887,929	13,890,856

15 Debtors

	2023 £	2022 £
Investment income receivable	110,105	8,827
Prepayments and accrued income	7,226	22,543
	117,331	31,370

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Amount due to the Generalate of the Society (see below)	—	950,000
Other creditors and accruals	171,421	90,082
Grants payable	20,000	—
	191,421	1,040,082

In 2022, the trustees agreed that 20% of proceeds from the disposal of the site of St Mary's College, Blackburn after deducting all related costs should be donated to the Generalate of the Society to be applied towards the work of the Society worldwide.

17 Creditors: amount falling due after one year

	2023 £	2022 £
Grants payable (see below)	20,000	—
	20,000	—

Grants payable are in respect to a pledge of £60,000 made during the year to fund St. John Bosco Camp in London towards the provision of summer holiday camps for disadvantaged children in the local area. A sum of £20,000 was paid by the Charity in the year ended 31 December 2023, and two further instalments of £20,000 each will become payable in the year ending 31 December 2024 and the year ending 31 December 2025.

18 Restricted funds

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
Overseas missions fund	—	4,445	(36,325)	31,880	—
Overseas legacy funds	340,018	—	(326,933)	—	13,085
Marist Way Conference	—	39,191	(37,652)	—	1,539
	340,018	43,636	(400,910)	31,880	14,624

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Overseas missions fund	—	27,736	(33,250)	5,514	—
Overseas legacy funds	512,602	—	(172,584)	—	340,018
	512,602	27,736	(205,834)	5,514	340,018

The overseas mission fund comprises donations received for the specific purpose of funding the Society's mission overseas. The transfer from the charity's unrestricted general funds is made to cover the shortfall of donations against the actual charitable expenditure on overseas missions.

The overseas legacy fund relates to a significant legacy receivable, the application of which is restricted towards overseas projects.

The Marist Way Conference relates to funds received and used for the Marist Way Conference held.

19 Tangible fixed assets fund

	2023 £	2022 £
At 1 January 2023	1,031,990	1,056,627
Net movements in year	(17,018)	(24,637)
At 31 December 2023	1,014,972	1,031,990

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. This fund was established in recognition of the fact that the assets were used in the day to day work of the Charity and therefore did not represent reserves available to finance its operations.

20 Designated funds

The unrestricted funds of the charity included the following designated funds, which were set aside by the trustees for specific purposes:

	At 1 January 2023 £	New designations £	Utilised/ released £	At 31 December 2023 £
Retirement reserve	8,500,000	—	(1,800,000)	6,700,000
Grant making fund	4,050,000	—	(270,000)	3,780,000
Pilgrimages fund	99,924	—	(7,492)	92,432
	12,649,924	—	(2,077,492)	10,572,432
	At 1 January 2022 £	New designations £	Utilised/ released £	At 31 December 2022 £
Retirement reserve	8,500,000	—	—	8,500,000
Grant making fund	—	5,000,000	(950,000)	4,050,000
Pilgrimages fund	109,478	3,095	(12,649)	99,924
	8,609,478	5,003,095	(962,649)	12,649,924

The retirement reserve represented funds set aside to provide for members of the Society in their retirement. The reserve had been calculated using actuarial principles, but was adjusted as necessary in the light of available resources.

The grant making fund comprises funds from the disposal of the site of St Mary's College, Blackburn which will be applied by the trustees towards future grant making activities.

The Pilgrimages fund represented monies set aside by the trustees to be applied in due course towards the mission of the Marist Fathers.

21 Analysis of net assets between funds

The following assets and liabilities represent the fund balances:

	Unrestricted funds				Total 2023 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	—	1,014,972	—	—	1,014,972
Investments	3,487,506	—	10,572,432	13,085	14,073,023
Current assets	433,067	—	—	1,539	434,606
Creditors: amounts falling due within one year	(191,421)	—	—	—	(191,421)
Creditors: amounts falling due after one year	(20,000)	—	—	—	(20,000)
Total net assets	3,709,152	1,014,972	10,572,432	14,624	15,311,180

21 Analysis of net assets between funds (continued)

	<i>Unrestricted funds</i>				<i>Total 2022</i>
	<i>General funds</i>	<i>Tangible fixed assets funds</i>	<i>Designated funds</i>	<i>Restricted funds</i>	
	£	£	£	£	£
<i>Fund balances at 31 December 2022 are represented by:</i>					
<i>Tangible fixed assets</i>	—	1,031,990	—	—	1,031,990
<i>Investments</i>	2,390,545	—	12,649,924	340,018	15,380,487
<i>Current assets</i>	440,140	—	—	—	440,140
<i>Creditors: amounts falling due within one year</i>	(1,040,082)	—	—	—	(1,040,082)
<i>Total net assets</i>	1,790,603	1,031,990	12,649,924	340,018	15,812,535

The total unrealised gains constitute movements on the revaluation of listed investments and are as follows:

	2023 £	2022 £
Total unrealised gains at 31 December 2023	541,484	485,654
Reconciliation of movements in unrealised gains on listed investments		
At 1 January 2023	485,654	2,403,300
Add: net (losses) gains arising on revaluation arising in the year	(25,854)	(1,541,659)
Less: in respect to disposals in the year	81,684	(375,987)
Total unrealised gains at 31 December 2023	541,484	485,654

22 Ultimate control

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing from the National Administrator.

23 Related party transactions

Bishop Alan Williams and Father Desmond Hanrahan are trustees of the Charity and were appointed as trustees of Notre Dame de France – Society of Mary CIO ('NDF') (Charity Registration Number 1177995) and Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 22 June 2018.

During the year to 31 December 2023, NDF contributed £62,276 (2022 - £46,255) to the Charity for the support of the clergy and the Charity made donations of £3,000 to Notre Dame Refugee Centre CIO. Bishop Alan Williams and Father Desmond Hanrahan were not involved in either decision.

There was one further related party transaction during the year of £10,000 (2022 – none) to Notre Dame de France – Society of Mary CIO in respect of professional fees for dealing with the transfer of UKIV sponsorship activity directly to them.

Income from donations includes the pensions of the trustees of the charity received under Gift Aid or deed of covenant. For the year ended 31 December 2023, £39,454 of pension's income donated by the trustees was receivable by the charity.

Other than the above, there were no other related party transactions during the period of report (2022: no other transactions).

THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales - Charity number 1179085

Accounts

**The Society of Mary
(Marist Fathers)
CIO**

Annual Report and Accounts

31 December 2022

Charity Registration Number
1179085

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Rev Peter Corcoran Rev Kevin Duffy Rev Desmond Hanrahan Rev Ivan Vodopivec Rev Alan Williams
National Administrator	Rev Ivan Vodopivec (from 1 July 2022) Rev Kevin Duffy (until 30 June 2022)
Charity Correspondent and Chief Finance Officer	Mrs Margaret Stevenson margaret@maristfathers.karoo.co.uk
Administration office	Newman House 729 Beverley Road Hull HU6 7ER
Telephone	01482 801360
Charity registration number	1179085
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc West End Commercial Centre 70 Pall Mall London SW1Y 5EY
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB

Reference and administrative details of the charity, its trustees and advisers

Solicitors Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

The trustees present their annual statutory report together with the accounts of The Society of Mary (Marist Fathers) CIO (the "Charity") for the year to 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 and comply with the Charity's constitution, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Society of Mary (Marist Fathers) (the "Society") is an international male Roman Catholic religious group, founded in France in 1816 by Jean Claude Colin. Worldwide, the Society comprise of six provinces (Europe, USA, Australia, New Zealand, Oceania and Canada) and five districts (Africa, Asia, Brazil, Mexico and South America) in which there are 602 (629 as at 31 December 2021) members worldwide working in more than 20 countries. The Mother House is in Rome. The Society in England has 15 members, of which 13 are ordained ministers and two are brothers, who all belong to the Province of Europe. Eight former provinces (Italy, Ireland, France, Germany, England, the Netherlands, Norway, and Spain) amalgamated on 1 June 2008 to form one Province of Europe. The administrative base for the constituted province is in Paris and the person with overall responsibility is Rev Kevin Duffy at 104 Rue de Vaugirard, 75006, Paris.

Of the 15 members in England, four members are currently assigned abroad, in France, Spain, Ireland and in Russia. Two of our members are bishops: The Bishop for the Diocese of Brentwood in Essex, East London and until his retirement, the Bishop Emeritus of Menevia, who now resides in a parish in Newport, Wales. Currently, another three members of the Society are working in England and based in London. Of these, two members are from France and one member is from Senegal. We also have a Dutch member of the Society staying in England, enjoying his active retirement, and engaged in pastoral work in the local parish. The Society in England is governed in day-to-day matters by its own democratically agreed and approved constitution.

In July 2016, the Province of Europe became an administrative entity for the purposes of Canon Law, implementing negotiated and agreed processes that apply across the eight constitutive national units within Europe. The national regions as separate administrative units ceased to exist on 30 June 2016. The Society in England made amendments to its trust deed in 2016 to permit and promote co-operation within the Province of Europe and beyond and the trustees sought legal advice before agreeing to this development in governmental structure.

In 2018, the trustees of The Society of Mary (Marist Fathers) Charitable Trust (previously carrying Registered Charity Number 235412) applied to the Charity Commission for approval to convert the Charitable Trust's legal structure into a Charitable Incorporated Organisation ("CIO"). Permission was granted and The Society of Mary (Marist Fathers) CIO was entered on the Register of Charities on 5 July 2018 with Registered Charity Number 1179085.

Introduction (continued)

With effect from midnight on 31 December 2018, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the Charitable Trust were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO), The Society of Mary (Marist Fathers) CIO.

The accounts accompanying this report are the accounts of The Society of Mary (Marist Fathers) CIO through which the assets of the Society in England are administered and through which its finances operate. The Charity is governed by a constitution dated 5 July 2018 and is registered under the Charities Act 2011. The income and expenditure reported in this annual report represent the activities for the year ended 31 December 2022 with comparative information provided for the year ended 31 December 2021.

Principal aims and activities

The general aim of the Charity is the advancement and support of the charitable work carried on by the Society in England and overseas; this work includes in particular the advancement of the Roman Catholic religion. The objects are fulfilled through supporting parish-based ministries, the provision of spiritual guidance, educational support, missionary work and grant-making funds for specific overseas missionary projects.

The emergence of the Province of Europe as an administrative entity has resulted in an increase of members of the Society assigned to work in England from other units of the Province. The transfer (normally temporary) of members from England to one of the other seven European units is already a reality, with members currently working in France, Ireland, Spain and Russia.

Prior to July 2018, members of the Society in England administered in two parishes in England (Hull and Walsingham) under the direction of the local bishops. However, in July 2018, due to the diminishment in member numbers, the Province took the decision to withdraw from the parish in Hull. On leaving the Hull parish, the Charity gifted the title deeds for the parish property to the Diocese of Middlesbrough to continue with their religious works. Members of the Society in England continue to make themselves available for supply work in the districts of Hull and Blackburn, to facilitate local clergy leave according to needs and the availability of resources.

Members of the Society in England continue to administer in the parish of Walsingham for which there are four churches, although security and safety place a few restrictions on use. Parishioners and others keep the churches run by the members open for use on a daily basis. The shrine in Walsingham receives regular and frequent attendance by pilgrims of all nationalities and faiths.

All income received by members, from whatever source is Gift Aided (and covenanted) to the Charity. The Charity remains responsible for the maintenance and support of all of its members in England as they go about their varied activities. Many members continue to actively support and promote the mission of the Society in England, often well into their seventies and beyond.

Principal aims and activities (continued)

As members, the religious remain entirely dependent upon the Charity to provide for them during their retirement, through to the end of their natural lives. The Society in England continues its commitment to all members, especially and increasingly those who are impaired through age and/or ill health.

The trustees of the Charity provide land and buildings for use by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of which are members of the Nicholas Postgate Catholic Academy Trust). They also provided the land and buildings for use by St Mary's College in Blackburn to help further educational provision in the local communities until the college closed on 31 July 2022.

These educational establishments were originally founded by the Society in England, but are now under separate control and publicly funded. The provision of land and buildings in Middlesbrough is at a peppercorn rent, whereas St. Mary's College paid rent to the Charity for the use of the land and buildings in Blackburn under the terms of their Lease as the College had undergone structural changes prior to its closure in July 2022.

The Society in England recognises and promotes the values and importance of offering spiritual guidance and pastoral advice to people of all ages, irrespective of their social, political or religious background. This work is offered through face-to-face consultation, retreats, pilgrimages and chaplaincy work, all of which had to cease during the Covid-19 pandemic. Since the easing of Covid restrictions, the members in England have recommenced their work and are continuing with the use of video conferencing technology as an effective communication tool, as it has proved so successful to connect up with people from all walks of life during the pandemic.

Four members of the Society in England continue to provide ongoing support to the international work of the Society with secondments in France, Ireland, Spain and Russia.

Funds used for the overseas missionary aspect of the Charity's work are technically termed "restricted" and one member in England has responsibility for raising funds for this purpose. Each year, an area of England or Wales is designated by the English Bishops' Conference for England & Wales where appeals for funds may be made, normally at Sunday church services. Full use is made of the Gift Aid scheme for the donations received.

Increasingly, more of the Charity's financial resources are assigned to provide for the costs for members in their retirement after a life of active ministry, and to support those members with life-long care needs. The Charity also supports the international work of the Society through the provision of donations to the Generalate in Rome and to the Province of Europe.

In compliance with established policy, the trustees have agreed to contribute 10% of any annual operating surplus of the Charity for the promotion of formation and training of new members of the Society of Mary and for 20% of the net sales proceeds (after accounting for professional fees and management costs) from the disposal of St. Mary's College in Blackburn to facilitate the work of Society worldwide.

Public benefit

The trustees have carefully considered the Charity Commission's guidance on public benefit, in line with their constitution, when setting annual objectives, planning the work to be undertaken for the year and when encouraging the work of individual members.

The members of the Society in England operate within, work with and are deeply involved with the local communities surrounding the locations of their residential properties. The Society in England enables members to give their services freely to promote the Charity's objects. Details are given above under the heading "Principal aims and activities".

The Society in England also supports the international work of the Society, with four of its members of England currently ministering overseas; financial assistance is provided through the General Administration in Rome in support of this work.

Annual donations are used to promote the Society's work chiefly in Oceania, the Philippines and Africa. The promotion is funded largely through appeals in parishes in various parts of England and Wales as permitted by the Roman Catholic bishops. Further assistance when needed, is provided by occasional legacies and donations made from the Pilgrimage Fund.

Achievements and performance

From an investment perspective, a number of factors have made 2022 a very challenging period for the Society in England. The war in Ukraine, the economic aftereffects of Covid-19, increasing inflation and rapidly rising interest rates have encouraged changes in the global markets and resulted in the investment portfolio experiencing significant movements during the year, which has culminated in a decrease of 15.7% in the portfolio's value over the year.

In May 2022, the Society in England held an annual assembly (in person) in Hull, which was well attended by members of the Society in England. We were also blessed with the presence of the Superior General and General Assistant for England from the Generalate in Rome accompanied by the Provincial Superior and members of the Provincial Council for Europe. The assembly worked on strategic options for the future works of the Society in England.

In June 2022 we sadly lost one of our members from the Hull Community, Father Simison who served in various ministries during his lifetime

Currently, there are 11 members of the Society resident in England, all of whom provide different aspects of ministry works and service in community, in tune with the spirit and aims of the Society and their advancing years. The Charity continues to have one member working as a parish priest in the parish of Walsingham, whilst another fulfils his role as bishop for the Diocese of Brentwood.

We have one elderly member engaged in the development of the extension of the Charity's work involving lay people in fostering possible future work of the Society among the laity. This same member has continued to organise and manage a handful of pilgrimage trips to various shrines within Europe – work that has been ongoing for more than thirty years. Any surplus proceeds from these pilgrimage activities are devoted to the Charity's work both at home and overseas.

Achievements and performance (continued)

Another member of the Society in England continues to promote fundraising efforts for overseas missionary work through making appeals in parish churches in various parts of England and Wales as permitted by the Roman Catholic bishops.

Some of the further services and activities carried out by members during 2022 are:

- ◆ Producing personal reflections and poems distributed digitally to around 150 people each month.
- ◆ Editing a respected, multilingual academic journal, the *Ephemerides Liturgicae*.
- ◆ Maintaining a web of ecumenical contacts particularly with Anglicans, in Hull and Beverley.
- ◆ Saying masses in a local care home in Blackburn (2 members).
- ◆ Doing supply work in local parishes in Hull and Blackburn (4 members).
- ◆ Volunteering with local refugee centres in Hull, providing hospitality, signposting and support to disadvantaged individuals and families in the neighbourhood (1 member).
- ◆ Delivering a regular “thought for the day” message via the local radio network.
- ◆ Participating as a priest online in an international Catholic organisation for grandparents.
- ◆ Serving as chair of an organisation of UK Catholic missionary orders.
- ◆ Serving as trustees on the board of two faith-based CIOs: a refugee centre and an international French francophone parish in London.
- ◆ Working as secretary for the Council of the Marist Fathers European Province until July 2022.

Overseas, one member continues to manage the mission in Moscow within an international parish in the Russian capital. The principal languages used are Russian, English, French and Tagalog.

Another member is involved in work with the pilgrimage mission in Sahagun, Spain on the Camino de Santiago trail, providing spiritual support and a listening ear to those on a personal journey.

At the end of December 2022, the trustees had responsibility for one parish in Walsingham, in the Diocese of East Anglia under the direction of the local bishop. Three members of the Society continue to work in the four churches, which encompass the Walsingham parish, with members continuing to help out at the National Marian Shrine in Walsingham, although this responsibility passed to the Hierarchy in England & Wales in December 2014.

Achievements and performance (continued)

The Charity continues to provide the freehold land and buildings for occupation by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough at a peppercorn rent.

Inevitably, with 95% of the members in the Society in England now beyond historic retirement age, concomitant health deteriorations are leading to adjustments in the apostolate. The Charity maintains its support for the international work of the Society, with four members currently working overseas and donations are made to the Generalate in support of this work.

The receipt of a substantial legacy in 2020 from the Will of a longstanding parishioner, continues to provide funds to support additional overseas missionary projects to benefit those who are needy, poor and disadvantaged.

During 2022 the following special grant-making projects received funds:

- ◆ The provision of circa £41,000 funding assistance to the Marist Centre in the Ranong Mission in Thailand to cover staffing costs, administrative expenditure, supplies and office equipment. The support will help fund a HIV AIDS health project, a migrant outreach program and learning programs.
- ◆ The provision of circa £46,000 funding assistance to support with the construction of a Parish Church, in Voundou, Cameroun.
- ◆ The provision of circa £85,500 funding assistance to support the construction of a village school with eighteen classrooms in a poor area of Bujumbura in Burundi.

Throughout 2022, the trustees continued to work with their legal and professional advisers and various stakeholders involved with the closure of St Mary's College in Blackburn on 31 July 2022. At this date, the Charity became active landlords with the return of the college site and involved with its management, and associated costs of security and insurance until the property was subsequently disposed of on 28 October 2022 to a local large charitable organisation.

The trustees continue to participating in training aspects concerning the principles and rationales of the Charity Governance code which was refreshed in December 2020 and safeguarding updates provided by the Religious Life Safeguarding Service.

Financial review

Financial highlights

During the year, income included the sale proceeds of St Mary's College of £5.3 million. There was an increase in dividend earnings from investments - £371,600 (2021 - £331,114) but a fall in rents from College property to £66,667 (2021 - £100,000). No legacies were received in the period (2021 - £nil).

Financial review (continued)

Financial highlights (continued)

The significant restricted legacy receipt received in 2020 has now helped to fund 16 overseas missionary projects in total: – 3 during 2022, (2021 - 8), where approval and authorisation is granted by the trustees. At 31 December 2022, the General Administration in Rome had received grant making funds totalling £172,584 (€198,500) to oversee the implementation of 3 specific legacy funded projects from the restricted legacy (2021 - £330,582 (€ 387,400)).

The Charity operates a centralised policy for key administrative expenditure and provides local community properties with monthly subsidies to assist with members' living costs.

The following transactions were carried out during the year:

- ◆ Project work at Hull community property – £nil (2021 - £73,402).
- ◆ Medical and residential costs amounted to circa £25,000 (2021 - £19,000) for elderly members and those with severe ill health. When available, the provision of State aid financial assistance with these costs has lessened the call on the trustees' financial resources.
- ◆ As in previous years, the trustees contributed to the work of the Society in Europe – £1,006,141 (2021 - £56,588). The 2022 figure includes £950,000 being the monies from the sale of St Mary's College described on page 5. The trustees also contributed towards overseas mission activity – £33,250 (2021 –£34,251), which was partly funded through Mission appeals and the Pilgrimage Fund.
- ◆ Formation of grant-making funding projects £nil (2021 - £72,178).
- ◆ Quilter Cheviot investment managers received £56,552 (2021 – £55,803) in fees for the year.
- ◆ The investment portfolio performance decreased by 15.7% in the year (2021 an increase of 12.8%).

Income and expenditure in summary

A summary of the results for the year to 31 December 2022 can be found on page 22 of this report and accounts.

Total income for the year amounted to £6,073,183 (2021 - £789,452) and includes disposal proceeds from the sale of the College of £5.3 million.

£321,596 (2021 - £358,322) of total income represents income from donations and legacies. Income earned on the Charity's listed investments totalled £371,600 (2021 - £331,114) and £323 (2021 - £16) was received as bank interest.

Financial review (continued)

Income and expenditure in summary (continued)

Total expenditure for the year was £2,011,427 (2021 - £950,015). £653,138 (2021 - £445,869) of the expenditure was incurred maintaining the members of the Society and enabling them to carry out their work. £1,301,737 (2021 - £448,343) was expended on grants and donations.

Net investment losses of £1,838,061 (2021 – net gains of £1,116,276) arose during the period on the revaluation and disposal of the Charity's investment assets and the overall net movement in funds for the period, therefore, was an increase of £2,223,695 (2021 - £955,713).

Reserves policy and financial position

The reader will discern from the foregoing that the Charity carries out a diverse range of activities and is responsible for care and support of the religious members whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activity.

Given the nature of the Charity's work and the increasing, often unpredictable, call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to five years' worth of expenditure without giving rise to concern.

As previously mentioned, the war in Ukraine, the economic aftereffects of Covid-19, increasing inflation and rapidly rising interest rates in the UK and elsewhere have changed the whole dynamic of the global stock markets and resulted in the Charity's investment portfolio experiencing increased volatility. One of the consequences of trying to manage the uncertainty that exists with the investment portfolio, is anticipating the level of dividend income that will be available to the Charity during 2023. The trustees therefore rely on the free reserves to help with cashflow requirements to meet operational expenditure in the year.

At 31 December 2022, the Charity had net assets totalling £15,812,535 (2020 - £13,588,840).

Of this, £1,031,990 (2021 - £1,056,627) was represented by equipment, motor vehicles and the properties used to house the members of the Society and to support their work. This balance was separated in recognition of the importance of such assets to the Charity's operational activities, and thus unavailable to meet the Charity's day-to-day commitments.

Restricted funds of £340,018 (2021 - £512,602) at the balance sheet date represent the balance of funds remaining from the significant legacy received in 2020, the application of which is restricted to overseas special missions' projects that are controlled and monitored by the Charity and administered via the General Administration in Rome.

Financial review (continued)

Reserves policy and financial position (continued)

The trustees of the Charity are mindful of the need to set aside reserves to safeguard the future of the members and their charitable work when considering the age profile of the members of the Society and the annual cost of supporting them and their residential properties. In accordance with the reserve policy, the trustees rely on professional assistance in carrying out an actuarial calculation to establish the costs of maintaining and supporting all the present members of the Society to the end of their natural life. The age of the members ranges from 61 to 88 years.

Based on advice received, the trustees continue to designate an accumulated sum of £8.5 million (2021: £8.5 million) as a reserve to provide for the members of the Society in their continuing ministry and retirement and to be able to help in unforeseen circumstances. The current cost of care for any member who needs residential/nursing care is estimated to be circa £44,500 per annum. Whenever possible, the Charity will apply to the State for financial assistance, but this may be limited due to the receipt of occupational pensions.

The trustees have created a new designated Grant Making reserve from the receipt of the sales proceeds of St. Mary's College in Blackburn. After the deduction of disposal costs and a 20% net contribution to the Generalate in Rome, the fund stands at £4,050,000.

The trustees have also designated £99,924 being monies held in the Pilgrimage Fund, to be applied towards the overseas mission of Marist Fathers within the next ten years.

At 31 December 2022, the Charity had free reserves of £1,790,603 (2021 - £3,410,133), which is in line with the policy set out above and importantly, is regarded as being sufficient to enable the charity to meet the challenges presented by the after effects of Covid-19.

Investment policy and performance

Quilter Cheviot Limited continues to manage the Charity's listed investment portfolio throughout the period of this report. Custody of the investments is held by a nominee company.

The Charity invests in a diverse range of listed investments to enable it to spread risk. In 2019 the portfolio benchmarks were realigned to rebalance the proportion of equities and bonds according to advice received from the fund managers. The dynamic changes in the global markets during 2022 has resulted in the investment portfolio experiencing significant movements during the year, which has culminated in a decrease of 15.7% in the portfolio's performance for the year. The market value of the Charity's listed investments at 31 December 2022 stood at £13,890,856 (2021 - £11,767,445). Listed investment income for the year totalled £371,600 (2021 - £331,114).

Financial review (continued)

Investment policy and performance (continued)

The Charity has an investment policy for its listed investments, which is distributed to members and reviewed annually. The Board's investment strategy is to maximise total returns within an acceptable level of risk in order to meet the Charity's on-going needs. The investment managers are instructed to endeavour to achieve long-term growth of both capital and income in order to provide the level of income that the trustees require to meet their programme and responsibilities in any one year. Advice is sought from the fund managers before the trustees embark on any programme involving significant finance.

It is the trustees' policy to invest all non-recurring income (including legacy funds, short term), as well as any proceeds from the disposal of assets for the benefit of the Charity.

The trustees provide the fund managers with a copy of their investment policy which details the Charity's position on ethical and moral principles. It is the policy of the Charity to not normally, or knowingly invest in any company with a material exposure in:

- ◆ Arms manufacturers;
- ◆ Tobacco manufacture, alcohol, pornography, gambling;
- ◆ Support of oppressive regimes;
- ◆ Anti-social sales and marketing practices relating to alcohol and tobacco; and
- ◆ Violations of international conventions and norms in the areas of human rights, employment practices and climate change.

The policy states that investment choices should never be made in activities that would conflict with the objectives of the Charity. Whenever prudent and possible, the trustees seek to invest in those areas of the developing world where the Society works.

During the year, the National Administrator, who is also a trustee, and the Chief Finance Officer receive quarterly reports and monthly performance updates from the fund manager. Regular briefings and contract notes concerning the acquisition and disposal of equities are provided. The trustees meet with the fund managers annually to review progress of the portfolio. The National Administrator and Chief Finance Officer will meet with the fund manager every six months to receive and review informative explanatory reports. During 2022, all meetings with the investment managers were held by Zoom video conferencing due to travel restrictions and rail strikes.

In October, following the receipt from the sale of St. Mary's College, a specific investment fund was opened with Quilter Cheviot to hold the funds under investment for grant-making purposes. The board of trustees have agreed on a grant-making policy whereby 25% of the funds under investment will be distributed annually to religious organisations within the UK and to overseas Marist communities to promote the works of the Society of Mary.

Future plans

The trustees are mindful of their members decreasing numbers, age profile and fragility. At the assembly held in May in Hull, members attended workshops where different working scenarios were presented based on members' level of needs and support requirements. Options were provided for consultation and discussion, concluding with a vote on a strategy for the way forwards. This has resulted in a programme of works for the future of the Society in England.

The lease arrangement for occupation of the diocesan property in Wells expires in October 2023. It has been agreed that the trustees will request a new short lease arrangement for three years ending in October 2026, carrying a predetermined break clause notice.

The Charity will cease its presence in Blackburn and the community house will close.

Further consideration and analysis are required to discern the future of the land and buildings held for educational establishments in Middlesbrough.

Principal risks and uncertainties

Many factors have made 2022 a challenging year for the Society in England. External economic factors have led to a detrimental effect on the value of investments held, a reduction in income receipts in the form of donations and increases in everyday expenditure. However, the position was compensated by the receipt of £5.3m from the sale of the college site in October 2022. The trustees are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

Risk management procedures are regularly carried out to identify and assess any major risk factors which if not detected could impact on the Charity's ability to perform effectively and affect the members' work and role in carrying out their mission. The trustees frequently seek out professional advice to ensure compliance with their statutory obligations and regulatory duties are observed. All major risks are identified and recorded within a "Risk Assessment Register" and reviewed annually by the trustees. The identification of any serious risk automatically becomes an agenda item for forthcoming trustee meetings, with the necessary actions noted and outcomes monitored.

The key risks for the Charity are described below, together with the principal ways in which they are mitigated:

◆ *Caring for the elderly*

Members of the Society in England are becoming increasingly older; their needs for professional healthcare and assistance with supported living are increasing too. Members' care needs are met through the provision of supportive care, medical and/or nursing care, either in-house or externally.

Considerable resources are required to provide an appropriate level and quality of care (particularly if nursing or specialist dementia care is required). Such resources are the responsibility of the Charity itself, the State, or a mixture of the two.

The trustees are aware that it is essential for proper financial planning to exist so that when members require additional help, there are adequate funds in place to finance this support.

Principal risks and uncertainties (continued)

◆ ***Deterioration in the value of the investment portfolio***

The Charity places reliance on the income received in the form of dividends from its investment portfolio to maintain its operations. Stock market fluctuations are monitored on a regular basis and robust control mechanisms are in place to deal with any adverse conditions.

Global equity markets have experienced significant volatility during 2022 due in part to the war in Ukraine, economic aftereffects of Covid-19, inflationary pressures and raising interest rates. By December 2022, the value of the portfolio had fallen by 15.7% from its opening position on 1 January 2022. The investment portfolio continues to be closely monitored as trustees acknowledge that they are dependent on the dividend income stream it provides for operational expenditure.

Every three to five years, a review is carried out to assess the performance and possible appointment of a new professional fund manager from a reputable company. The trustees carry out a regular review of the Charity's investment policy with an up-to-date copy of the policy supplied to the investment manager, Quilter Cheviot Limited. The National Administrator and Chief Finance Officer receive detailed monthly and quarterly reports of the portfolio movements. The trustees receive copies of the annual reports and meet with the fund manager on an annual basis.

◆ ***Age profile of members***

The increasing age profile and diminishment of members leads to the risk of dilution in the ministry of the Society and the associated income for the Charity.

The Charity continues to demonstrate public benefit by members providing social and pastoral work within local communities and through the provision of charitable donations to the Society's missions overseas, including the Generalate. Legacy funding has provided the Charity with an opportunity for grant-making to specific overseas missions' projects. Members of the Society work in close partnership with professional lay people using their financial and administrative skills to ensure financial viability.

◆ ***Safeguarding***

Operationally, the Charity may work with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. Members of the Society who engage in any form of ministry in England and Wales, and all those who work or volunteer for the Charity and may come into contact with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS).

The Charity's trustees have entered into new contracts with the Catholic Safeguarding Standards Agency (CSSA) and Religious Life Safeguarding Service (RLSS). Together, these organisations are accountable for the implementation of the new safeguarding recommendations (safeguarding standards) from the Elliott Review and have responsibility for regulatory oversight, compliance work and the provision of safeguarding training to religious congregations. Both organisations became fully active during 2022.

Principal risks and uncertainties (continued)

◆ **Safeguarding** (continued)

Internally, one of the Charity's trustees holds the position of Religious Safeguarding Lead for the Society and has responsibility for all safeguarding matters. He is assisted in his endeavours by the Safeguarding Coordinator and they regularly report back to the board of trustees.

Both appointees have undertaken a series of safeguarding training modules and are responsible for ensuring the Society's safeguarding policy is adhered to in respect to all members, employees and volunteers.

During October 2022, the Charity was informed by the RLSS of two historic allegations made against deceased members of the Society. Both allegations are in the process of investigation, with all relevant parties (including the Charity Commission) notified of events.

In June 2022, the National Administrator and Chief Finance Officer carried out a detailed examination / re-assessment of insurance cover for the Charity via Zoom video conferencing and received advice from Marsh Commercial's insurance broker managers, which was reported to the trustees. All major risks are covered by practical and well-tried procedures.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, annual budgeting, comprehensive insurance cover, internal controls and centralising responsibility for major expenditure, they have prudent effective systems in place to minimise foreseeable risks.

Structure, governance, and management

Since July 2016, the Society in England is administered on a day-to-day basis by the National Administrator and his Council, which includes the Chief Finance Officer. The National Administrator shall automatically by virtue of holding this office, be ex-officio, the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

The trustees – as distinct from the National Administrator and Administrative Council – aim to formally meet four times each year, to review developments and assess the functioning of the Charity in order to monitor the present, and plan for the future as English law stipulates. Should occasion arise, they meet with the Provincial Superior of Europe to further the aims of the Charity. The trustees wish it to be noted that the newly elected Provincial Superior of Europe is a member of the Society in England, who was appointed a trustee of the Charity in April 2019 and wishes to maintain in this position.

The names of the trustees who served during the period of this report are listed on page 1.

Structure, governance, and management (continued)

Apart from the first trustees, every appointed trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator and they shall, subject to clause 15 (retirement and removal of trustees):

- (a) in the case of an individual who is a member of the Society be appointed for a period of three years or such period of office as the National Administrator shall determine;
- (b) in all other cases be appointed for:
 - (I) an initial term of one year; and,
 - (II) if reappointed (subject to clause 16 of this Constitution) for a term of three years;or such other term as the National Administrator shall decide; and they may (subject to Clause 16 of this constitution) be reappointed.

Members are selected for appointment as trustees based on their skills, knowledge and experience, necessary for the effective administration of the Charity. Trustees are invited and encouraged to attend training presentations and webinars to familiarise themselves with the context within which the Charity operates. Briefing packs are prepared and distributed to trustees regularly, which draws upon the information from various Charity Commission publications, signposted through the Commission's guide CC3 "The Essential Trustee" as a follow up to these sessions.

The trustees are committed to developing high standards of governance and make use of the seven fundamental principles within the Charity Governance Code to review their governance procedures, functions and policies to address compliance needs. Trustees receive regular briefing updates and attend training workshops on the Governance Code.

All trustees receive a copy of the audited annual reports and representative trustees meet annually with the fund managers and insurance brokers in order to review and assess their performance.

Key management personnel

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society and Charity Secretary) comprise the key management of the Charity, charged with directing and controlling, running and operating the Charity on a day-to-day basis. The National Administrator, to whom the main duties are entrusted, is also a trustee of the Charity and he is assisted in his endeavours by the Chief Finance Officer.

All of the trustees are members of the Charity and whilst their living and personal expenses are borne by the Charity they receive no remuneration in connection with their duties as trustees.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Structure, governance, and management (continued)

Statement of trustees' responsibilities (continued)

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's Constitution. 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.

Employees, volunteers and members of the Society

The trustees wish to record their appreciation of the dedicated, enthusiastic and positive approach of all members of the Society often in the most difficult of circumstances and they underline the support and commitment of all their staff and volunteers. This has enabled the Charity to continue to pursue its objectives.

In accordance with UK law, the trustees provide a workplace pension, which offers a pension to each of the Charity's employees. All employees are able to become members of this scheme after a successful probation period. The trustees make a contribution of 6% of gross salary in to the pension scheme.

Approved by the trustees and signed on their behalf by:

Trustee

D. Newahan 10th July 2023

Approved by the trustees on:



Independent auditor's report to the trustees of The Society of Mary (Marist Fathers) CIO

Opinion

We have audited the accounts of The Society of Mary (Marist Fathers) CIO (the 'charity') for the period ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 202 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims..

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

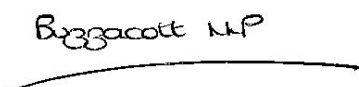
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 August 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 December 2022 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2021 Total funds £
Income from:							
Donations and legacies	1	293,860	27,736	321,596	344,408	13,914	358,322
Investments and interest receivable	2	371,922	—	371,922	331,130	—	331,130
Other Income	3	78,465	—	78,465	100,000	—	100,000
Disposal of tangible fixed assets	4	1,200	—	1,200	—	—	—
		745,447	27,736	773,183	775,538	13,914	789,452
Proceeds from the disposal of St. Mary's College Site Blackburn	5	5,300,000	—	5,300,000	—	—	—
Total income		6,045,447	27,736	6,073,183	775,538	13,914	789,452
Expenditure on:							
Raising funds	6	56,552	—	56,552	55,803	—	55,803
Charitable activities							
. Support of members of the Society and their ministry	7	653,138	—	653,138	445,869	—	445,869
. Grants and donations	8	1,095,903	205,834	1,301,737	155,670	292,653	448,343
Total expenditure		1,805,593	205,834	2,011,427	657,362	292,653	950,015
Net income (expenditure) before investment (losses) gains		4,273,854	(178,098)	4,061,756	118,176	(278,739)	(160,563)
Net investment (losses) gains	14	(1,838,061)	—	(1,838,061)	1,116,276	—	1,116,276
Net income (expenditure)		2,401,793	(178,098)	2,223,695	1,234,452	(278,739)	955,713
Transfers between funds	18	(5,514)	5,514	—	(20,337)	20,337	—
Net movement in funds	10	2,396,279	(172,584)	2,223,695	1,214,115	(258,402)	955,713
Reconciliation of funds							
Total funds brought forward at 1 January 2022		13,076,238	512,602	13,588,840	11,862,123	771,004	12,633,127
Total funds carried forward at 31 December 2022		15,472,517	340,018	15,812,535	13,076,238	512,602	13,588,840

All recognised gains and losses are included in the above statement of financial activities.

All activities were continuing as at 31 December 2022.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		1,031,990		1,056,627
Investments	14		<u>15,380,487</u>		<u>12,264,993</u>
			<u>16,412,477</u>		<u>13,321,620</u>
Current assets					
Debtors	16	31,370		6,013	
Cash at bank and in hand		<u>408,770</u>		<u>285,604</u>	
		<u>440,140</u>		<u>291,617</u>	
Liabilities					
Creditors: amounts falling due within one year	17	<u>(1,040,082)</u>		<u>(24,397)</u>	
Net current (liabilities) assets			(599,942)		267,220
Total net assets			<u>15,812,535</u>		<u>13,588,840</u>
The funds of the charity					
Income funds					
Restricted funds	18		340,018		512,602
Unrestricted funds					
Tangible fixed assets fund	19	1,031,990		1,056,627	
Designated funds	20	12,649,924		8,609,478	
General fund		<u>1,790,603</u>		<u>3,410,133</u>	
			<u>15,472,517</u>		<u>13,076,238</u>
			<u>15,812,535</u>		<u>13,588,840</u>

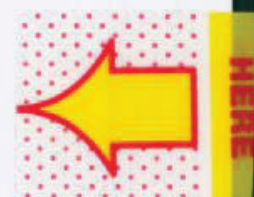
Approved by the trustees
and signed on their behalf by:

Trustee

A. Hanrahan

Approved on:

10th July 2023



Statement of cash flows Year to 31 December 2022

	Notes	Year to 31 December 2022 £	Year to 31 December 2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	4,708,364	4,734
Cash flows from investing activities:			
Investment income and interest received		368,359	334,895
Proceeds from the disposal of tangible fixed assets		1,200	—
Purchase of tangible fixed assets		(9,990)	(97,514)
Proceeds from the disposal of listed investments		2,183,322	3,081,567
Purchase of listed investments		(6,144,795)	(3,190,413)
Net cash (used in) provided by investing activities		(3,601,903)	128,535
Change in cash and cash equivalents in the year		1,106,461	133,269
Cash and cash equivalents at 31 December 2021		783,152	656,435
Change in cash and cash equivalents due to exchange rate movements		8,789	(6,552)
Cash and cash equivalents at 31 December 2022	B	1,898,403	783,152

Notes to the statement of cash flows for the period ended 31 December 2022

A Reconciliation of net income for the year to net cash provided by operating activities

	Year to 31 December 2022 £	Year to 31 December 2021 £
Net income for the year (as per the statement of financial activities)	2,223,695	955,713
Adjustments for:		
Depreciation charge	34,628	33,025
Net gains on investments	1,838,061	(1,116,276)
Surplus on disposal of tangible fixed assets	(1,200)	—
Investment income and interest receivable	(371,922)	(331,130)
Foreign exchange (gains) losses	(8,789)	6,552
(Increase) decrease in debtors	(21,794)	457,471
Increase (decrease) in creditors	1,015,685	(621)
Net cash provided by operating activities	4,708,364	4,734

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	408,770	285,604
Cash held by investment managers	1,489,627	497,548
Total cash and cash equivalents	1,898,397	783,152

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2022 with comparatives given for the period 1 January 2021 to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope of accounts

These accounts do not include the funds of parishes managed by the members of the Society as parish priests. Such funds are the property of the relevant diocesan charity of which the parish is part.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimate of future income and expenditure flows for the purposes of assessing the charity's going concern status.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period (i.e. the year ending 31 December 2023), as described in the trustees' report, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable and sundry income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the amount can be measured and when the charity is entitled to receipt.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of the disposal and after deducting any costs associated with the disposal.

The proceeds from the disposal of the site of St Mary's College, Blackburn comprise the gross proceeds and have been included as income as from the date of legal completion of the transaction at which point the charity was entitled to the monies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:

Expenditure (continued)

- ◆ Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure includes governance costs, which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice; and
- ◆ Grants and donations payable which in the main, relate to the support of the Society's Generalate and overseas missions. Grants and donations payable are included in the statement of financial activities when approved. Grants approved but not paid at the end of the financial period are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

◆ *Colleges and schools*

At the 31 December 2022, the trustees are the legal owners of land and buildings used by one Sixth Form College in Middlesbrough and one voluntary aided primary school situated in Middlesbrough, which are exempt charities and publicly funded. The land and buildings are valued at £nil for the purpose of these accounts. These educational establishments were originally founded by the Society, but are now under separate control and publicly funded. Historically some developments to the estate were partially funded by state aid according to government policy at the time and there is no reliable information as to their cost.

Occupation of the land and buildings by both educational establishments in Middlesbrough is indefinite and rent free (or at a peppercorn rent) until there is a breach by, or change in the relationship with, the tenants. The trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to alternative use whilst such occupation continues.

◆ *Non-specialised buildings*

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.

◆ *Specialised buildings*

Specialised buildings include residential properties which have undergone significant adaption works in order to serve the wider operational needs of the charity. Depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

Tangible fixed assets (continued)

Furniture, equipment and motor vehicles

Furniture, equipment and motor vehicles are depreciated in order to write assets off over their expected useful lives at the following rates per annum:

- ◆ Furniture and equipment 20% on cost
- ◆ Motor vehicles 25% on cost

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Deferred annuity contracts represent annuity contracts with an insurance company to assist provision for individual members of the Society on their retirement. The fund is revalued at each balance sheet date by the insurance company. The retirement scheme was closed in October 2021, when the only remaining member's payment was received under the annuity contract by the Charity.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Services provided by members of the Society

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by members of the Society.

1 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Salaries and pensions of members of the Society received under gift aid and/or deed of covenant	263,375	—	263,375	249,791	—	249,791
Other donations	30,485	27,736	58,221	94,617	13,914	108,531
	293,860	27,736	321,596	344,408	13,914	358,322

There were no legacies receivable by the charity in either of the above years.

2 Income from investments and interest receivable

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Income from listed investments	371,600	—	371,600	331,114	—	331,114
Interest receivable	322	—	322	16	—	16
	371,922	—	371,922	331,130	—	331,130

3 Income from other sources

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Rent receivable	66,667	—	66,667	100,000	—	100,000
Miscellaneous income	11,798	—	11,798	—	—	—
	78,465	—	78,465	100,000	—	100,000

4 Income from disposal of tangible fixed assets

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Surplus on disposal of motor vehicles	1,200	—	1,200	—	—	—

5 Income from disposal of St. Mary's College Site, Blackburn

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Proceeds from sale of the site of St Mary's College, Blackburn	5,300,000	—	5,300,000	—	—	—

The above proceeds represent the gross proceeds from the disposal of the site of St Mary's College, Blackburn.

6 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Investment manager's fees	56,552	—	56,552	55,803	—	55,803

7 Expenditure on charitable activities:

Support of the members of the Society and their ministry

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Staff costs (note 10)	152,712	—	152,712	111,166	—	111,166
Property expenses	63,292	—	63,292	57,050	—	57,050
Personal living costs	130,272	—	130,272	114,276	—	114,276
Training	1,950	—	1,950	2,634	—	2,634
Expenses of ministry	62,561	—	62,561	48,082	—	48,082
Depreciation	34,628	—	34,628	33,025	—	33,025
Disposal and other costs for St. Mary's College, Blackburn	191,230	—	191,230	17,655	—	17,655
Governance costs (note 9)	16,493	—	16,493	61,981	—	61,981
	653,138	—	653,138	445,869	—	445,869

8 Expenditure on charitable activities:

Grants and donations

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
The Generalate of the Society	1,006,141	—	1,006,141	56,588	—	56,588
Marist missions overseas	—	33,250	33,250	—	34,251	34,251
Overseas missions grant funding	15,000	172,584	187,584	72,178	258,402	330,580
Marist Way Laity	8,398	—	8,398	—	—	—
The Salvation Army	5,000	—	5,000	—	—	—
Open Doors	5,000	—	5,000	—	—	—
Eternal Benefits	5,000	—	5,000	—	—	—
SVP	5,000	—	5,000	—	—	—
Notre Dame Refugee Centre	45,000	—	45,000	—	—	—
Religious Life Safeguarding Service	—	—	—	25,000	—	25,000
Other donations of less than £1,000	1,364	—	1,364	1,924	—	1,924
	1,095,903	205,834	1,301,737	155,690	292,653	448,343

9 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2022 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £
Professional fees	16,493	—	16,493	61,981	—	61,981

10 Net movement in funds

This is stated after charging:

	Year to 31 December 2022 £	Year to 31 December 2021 £
Staff costs (note 11)	152,712	111,166
Auditor's remuneration including VAT		
· Statutory audit – current year	9,600	8,400
· Non-audit services –Tax consultancy	1,944	2,592
Depreciation (note 13)	34,628	33,025

11 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	Year to 31 December 2022 £	Year to 31 December 2021 £
Wages and salaries	120,770	101,900
Social security costs	5,089	4,388
Pension costs	26,853	4,878
	152,712	111,166

The average number of employees during the year ended 31 December 2022 was 6 (2021 – 5). The full-time equivalent number of employees during the same period, analysed by function, was 3.6 (2021 – 3.2).

There were no employees who earned £60,000 (2021 - none) per annum or more (excluding benefits) during the period.

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society and Charity Secretary) comprise the key management of the Charity. The National Administrator, to whom certain duties are entrusted, is also a trustee of the charity.

The total remuneration (including benefits) payable to the charity's key management personnel during the period ended 31 December 2022 was £59,861 (2021 - £51,751).

All of the trustees are members of The Society of Mary (Marist Fathers) CIO and whilst their living and personal expenses are borne by the charity they receive no remuneration.

12 Taxation

The Society of Mary (Marist Fathers) CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment £	Motor vehicles £	Total £
	Non-specialised £	Specialised £			
Cost					
At 1 January 2022	375,620	1,208,268	47,304	40,961	1,672,153
Additions	—	—	—	9,990	9,990
Disposals	—	—	—	(7,749)	(7,749)
At 31 December 2022	<u>375,620</u>	<u>1,208,268</u>	<u>47,304</u>	<u>43,202</u>	<u>1,674,394</u>
Depreciation and impairment					
At 1 January 2022	—	544,487	34,889	36,149	615,525
Depreciation charge	—	24,165	4,903	5,560	34,628
On disposals	—	—	—	(7,749)	(7,749)
At 31 December 2022	<u>—</u>	<u>568,652</u>	<u>39,792</u>	<u>33,960</u>	<u>642,404</u>
Net book values					
At 31 December 2022	<u>375,620</u>	<u>639,616</u>	<u>7,512</u>	<u>9,242</u>	<u>1,031,990</u>
At 31 December 2021	<u>375,620</u>	<u>663,781</u>	<u>12,415</u>	<u>4,812</u>	<u>1,056,628</u>

14 Fixed asset investments

	2022 £	2021 £
Listed investments	13,890,856	11,767,445
Cash held by investment managers for re-investment	1,489,627	497,548
	<u>15,380,483</u>	<u>12,264,993</u>

	2022 £	2021 £
Listed investments		
Market value 1 January 2022	11,767,445	10,511,558
Additions at cost	6,144,794	3,190,413
Disposal at book value (proceeds: £2,183,322; losses: £296,402)	(2,479,724)	(2,917,202)
Net unrealised investment gains	(1,541,659)	982,676
Market value at 31 December 2022	<u>13,890,856</u>	<u>11,767,445</u>
Historical cost of listed investments as at 31 December 2022	<u>13,405,202</u>	<u>9,364,145</u>

At 31 December 2022, the listed investments comprised the following:

	2022 £	2021 £
UK fixed interest	3,059,433	1,811,902
Overseas fixed interest	1,375,184	1,476,790
UK equities and unit trusts	1,215,861	1,593,646
Overseas equities and unit trusts	3,194,583	4,046,677
Commodities, absolute return and infrastructure	4,069,949	2,838,430
Cash Products	975,846	—
	<u>13,890,856</u>	<u>11,767,445</u>

14 Fixed asset investments (continued)

At 31 December 2022 no individual investment holding was deemed significant in the context of the overall portfolio value.

Deferred annuity contracts	2022	2021
	£	£
Value at 1 January 2021	—	30,765
Maturity value	—	33,628
Surplus on revaluation	—	2,863
Value at 31 December 2021	—	—

The deferred annuity contracts with Zurich Assurance plc concluded in September 2021.

15 Debtors

	2022	2021
	£	£
Investment income receivable	8,827	5,453
Prepayments and accrued income	22,543	560
	31,370	6,013

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amount due to the Generalate of the Society (see below)	950,000	—
Other creditors and accruals	90,082	24,397
	1,040,082	24,397

The trustees agreed that 20% of proceeds from the disposal of the site of St Mary's College, Blackburn after deducting all related costs should be donated to the Generalate of the Society to be applied towards the work of the Society worldwide.

17 Restricted funds

	At 1	Income	Expenditure	Transfers	At 31
	January	£	£	£	December
	2022				2022
	£	£	£	£	£
Overseas missions fund	—	27,736	(33,250)	5,514	—
Overseas legacy funds	512,602	—	(172,584)	—	340,018
	512,602	27,736	(205,834)	5,514	340,018

	At 1	Income	Expenditure	Transfers	At 31
	January	£	£	£	December
	2021				2021
	£	£	£	£	£
Overseas missions fund	—	13,914	(34,251)	20,337	—
Overseas legacy funds	771,004	—	(258,402)	—	512,602
	771,004	13,914	(292,653)	20,337	512,602

17 Restricted funds (continued)

The overseas mission fund comprises donations received for the specific purpose of funding the Society's mission overseas. The transfer from the charity's unrestricted general funds is made to cover the shortfall of donations against the actual charitable expenditure on overseas missions.

The overseas legacy fund relates to a significant legacy receivable, the application of which is restricted towards overseas projects.

18 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	1,056,627	1,016,250
Net movements in year	(24,637)	40,377
At 31 December 2022	1,031,990	1,056,627

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. This fund was established in recognition of the fact that the assets were used in the day to day work of the Charity and therefore did not represent reserves available to finance its operations.

19 Designated funds

The unrestricted funds of the charity included the following designated funds, which were set aside by the trustees for specific purposes:

	At 1 January 2022 £	New designations £	Utilised/ released £	At 31 December 2022 £
Retirement reserve	8,500,000	—	—	8,500,000
Grant making fund	—	5,000,000	(950,000)	4,050,000
Pilgrimages fund	109,478	3,095	(12,649)	99,924
	8,609,478	5,003,095	(962,649)	12,649,924

	At 1 January 2021 £	New designations £	Utilised/ released £	At 31 December 2021 £
Retirement reserve	7,300,000	1,200,000	—	8,500,000
Pilgrimages fund	135,853	3,625	(30,000)	109,478
	7,435,853	1,203,625	(30,000)	8,609,478

The retirement reserve represented funds set aside to provide for members of the Society in their retirement. The reserve had been calculated using actuarial principles, but was adjusted as necessary in the light of available resources.

The grant making fund comprises funds from the disposal of the site of St Mary's College, Blackburn which will be applied by the trustees towards future grant making activities.

The Pilgrimages fund represented monies set aside by the trustees to be applied in due course towards the mission of the Marist Fathers.

20 Analysis of net assets between funds

The following assets and liabilities represent the fund balances:

	Unrestricted funds				Total 2022 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	—	1,031,990	—	—	1,031,990
Investments	2,390,545	—	12,649,924	340,018	15,380,487
Current assets	440,140	—	—	—	440,140
Creditors: amounts falling due within one year	(1,040,082)	—	—	—	(1,040,082)
Total net assets	1,790,603	1,031,990	12,649,924	340,018	15,812,535

	Unrestricted funds				Total 2021 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
<i>Fund balances at 31 December 2021 are represented by:</i>					
<i>Tangible fixed assets</i>	—	1,056,627	—	—	1,056,627
<i>Investments</i>	3,142,913	—	8,609,478	512,602	12,264,993
<i>Current assets</i>	291,617	—	—	—	291,617
<i>Creditors: amounts falling due within one year</i>	(24,397)	—	—	—	(24,397)
<i>Total net assets</i>	<i>3,410,133</i>	<i>1,056,627</i>	<i>8,609,478</i>	<i>512,602</i>	<i>13,588,840</i>

The total unrealised gains constitute movements on the revaluation of listed investments and are as follows:

	2022 £	2021 £
Total unrealised gains at 31 December 2022	485,654	2,403,300
Reconciliation of movements in unrealised gains on listed investments		
At 1 January 2022	2,403,300	1,860,017
Add: net (losses) gains arising on revaluation arising in the year	(1,541,659)	982,677
Less: in respect to disposals in the year	(375,987)	(439,394)
Total unrealised gains at 31 December 2022	485,654	2,403,300

21 Ultimate control

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator

22 Related party transactions

Bishop Alan Williams and Father Desmond Hanrahan are trustees of the Charity and were appointed as trustees of Notre Dame de France – Society of Mary CIO ('NDF') (Charity Registration Number 1177995) and Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 22 June 2018. During the year to 31 December 2022, NDF contributed £46,255 (2021 - £nil) to the Charity for the support of the clergy and the Charity made donations of £45,000 to Notre Dame Refugee Centre CIO. Bishop Alan Williams and Father Desmond Hanrahan were not involved in either decision.

Income from donations includes the pensions of the trustees of the charity received under Gift Aid or deed of covenant. For the year ended 31 December 2022, £41,702 of pension's income donated by the trustees was receivable by the charity.

Father Peter Corcoran, Father Desmond Hanrahan and Brother Ivan Vodopivec, trustees of the CIO charity were also trustees of The Society of Mary (Marist Fathers) Charitable Trust.

There were no further related party transactions during the year (2021 – none).

THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales - Charity number 1179085

Accounts

**The Society of Mary
(Marist Fathers)
CIO**

Annual Report and Accounts

31 December 2021

Charity Registration Number
1179085

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Rev Peter Corcoran Rev Kevin Duffy Rev Desmond Hanrahan Rev Ivan Vodopivec Rev Alan Williams
National Administrator	Rev Kevin Duffy (from 1 January 2021) Rev Peter Corcoran (until 31 December 2020)
Charity Correspondent and Chief Finance Officer	Mrs Margaret Stevenson margaret@maristfathers.karoo.co.uk
Administration office	Newman House 729 Beverley Road Hull HU6 7ER
Telephone	01482 801360
Charity registration number	1179085
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc 70 Pall Mall London SW1Y 5EY
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London WC2B 6AN

Reference and administrative details of the charity, its trustees and advisers

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

The trustees present their annual statutory report together with the accounts of The Society of Mary (Marist Fathers) CIO (the "Charity") for the period from 1 January 2021 to 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 33 and comply with the Charity's constitution, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Society of Mary (Marist Fathers) (the "Society") is an international male Roman Catholic religious group, founded in France in 1816 by Jean Claude Colin. Worldwide, the Society comprises of seven provinces (Europe, USA, Australia, New Zealand, Oceania, Mexico and Canada) and four districts (Africa, Asia, Brazil and South America) in which there are 629 (656 as at 31 December 2020) members working in more than 20 countries. The Mother House is in Rome. The Society in England has 16 members, of which 14 are ordained ministers and two are brothers, who all belong to the Province of Europe. Seven former provinces (Italy, Ireland, France, Germany, England, the Netherlands including Norway, and Spain) amalgamated on 1 June 2008 to form one Province of Europe. The administrative base for the constituted province is in Paris and the person with overall responsibility is Rev Martin McAnaney at 104 Rue de Vaugirard, 75006, Paris.

Of the 16 members in England, four members are currently assigned abroad, in Italy, Spain, Ireland and in Russia. Two of our members are bishops: The Bishop for the Diocese of Brentwood in Essex, East London and until his recent retirement, the Bishop Emeritus of Menevia, who now resides in a parish in Newport, Wales. Currently, another three members of the Society are working in England and based in London. Of these, two members are from France and one member is from Senegal. We also have a Dutch member of the Society staying in England, enjoying his active retirement, who is engaged in pastoral work in the local parish. The Society in England is governed in day-to-day matters by its own democratically agreed and approved constitution.

In July 2016, the Province of Europe became an administrative entity for the purposes of Canon Law, implementing negotiated and agreed processes that apply across the seven constitutive national units within Europe. The national regions as separate administrative units ceased to exist on 30 June 2016. The Society in England made amendments to its trust deed in 2016 to permit and promote co-operation within the Province of Europe and beyond and the trustees sought legal advice before agreeing to this development in governmental structure.

In 2018, the trustees of The Society of Mary (Marist Fathers) Charitable Trust (previously carrying Registered Charity Number 235412) applied to the Charity Commission for approval to convert the Charitable Trust's legal structure into a Charitable Incorporated Organisation ("CIO"). Permission was granted and The Society of Mary (Marist Fathers) CIO was entered on the Register of Charities on 5 July 2018 with Registered Charity Number 1179085.

Introduction (continued)

The accounts accompanying this report are the accounts of The Society of Mary (Marist Fathers) CIO through which the assets of the Society in England are now administered and through which its finances operate. The Charity is governed by a constitution dated 5 July 2018 and is registered under the Charities Act 2011. The income and expenditure reported in this annual report represent the activities for the year ended 31 December 2021 with comparative information provided for the year ended 31 December 2020.

Principal aims and activities

The general aim of the Charity is the advancement and support of the charitable work carried on by the Society in England and overseas; this work includes in particular the advancement of the Roman Catholic religion. The objects are fulfilled through supporting parish-based ministries, the provision of spiritual guidance, educational support, missionary work and grant-making funds for specific overseas missionary projects.

The emergence of the Province of Europe as an administrative entity has resulted in an increase in the members of the Society assigned to work in England from other units of the Province. The transfer (normally temporary) of members from England to one of the other six European units is already a reality, with members currently working in Italy, Ireland, Spain and Russia.

Prior to July 2018, members of the Society in England administered in two parishes in England (Hull and Walsingham) under the direction of the local bishops. However, in July 2018, due to the diminishment in members numbers, the Province took the decision to withdraw from the parish in Hull. On leaving the Hull parish, the Charity gifted the title deeds for the parish property to the Diocese of Middlesbrough to continue with their religious works. Members of the Society in England continue to make themselves available for supply work in the Hull & District, to facilitate local clergy leave according to needs and the availability of resources.

Members of the Society in England continue to administer in the parish of Walsingham for which there are four churches, although security and safety place a few restrictions on use. Parishioners and others keep the churches run by the members open for use on a daily basis. The shrine in Walsingham receives regular and frequent attendance by pilgrims of all nationalities and faiths.

All income received by members, from whatever source is Gift Aided (and covenanted) to the Charity. The Charity remains responsible for the maintenance and support of all of its members in England as they go about their varied activities. Many members continue to actively support and promote the mission of the Society in England, often well into their seventies and beyond.

As members, the religious remain entirely dependent upon the Charity to provide for them during their retirement, through to the end of their natural lives. The Society in England continues its commitment to all members, especially and increasingly those who are impaired through age and/or ill health.

Principal aims and activities (continued)

The trustees of the Charity provide land and buildings for use by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of whom are members of the Nicholas Postgate Catholic Academy Trust), and for St Mary's College in Blackburn to help further educational provision in the local communities. These educational establishments were originally founded by the Society in England, but are now under separate control and publicly funded. The provision of land and buildings in Middlesbrough is at a peppercorn rent, whereas St. Mary's College pays rent for the use of the land and buildings in Blackburn under the terms of their lease as the College has undergone structural changes and will close in July 2022.

The Society in England recognises and promotes the values and importance of offering spiritual guidance and pastoral advice to people of all ages, irrespective of their social, political or religious background. This work is offered through face-to face consultation, retreats, pilgrimages and chaplaincy work, all of which had to cease during the Covid-19 pandemic. As Covid restrictions start to ease, the work of members in England has recommenced, together with the continued use of video conferencing technology which has proved an effective means of communication.

Four members of the Society in England continue to provide ongoing support to the international work of the Society with secondments in Italy, Ireland, Spain and Russia.

Funds used for the overseas missionary aspect of the Charity's work are technically termed "restricted" and one member in England has responsibility for raising funds for this purpose. Each year, an area of England is designated by the English Bishops' Conference for England & Wales where appeals for funds may be made, normally at Sunday church services. Full use is made of the Gift Aid scheme for these donations. During the Covid-19 pandemic, Sunday church service appeals were temporarily suspended and only recommenced in the second half of 2021 when restrictions allowed.

Increasingly, more of the Charity's financial resources are assigned to meet the costs of those members with life-long care needs and to provide for members in their retirement after a life of active ministry. The Charity also supports the international work of the Society through the provision of donations to the Generalate in Rome and to the Province of Europe.

In compliance with established policy, the trustees have agreed to contribute 10% of the annual operating surplus of the Charity for the promotion of formation and training of new members of the Society of Mary and for mission funding to facilitate the work of the Society worldwide.

Public benefit

The trustees have given careful consideration to the Charity Commission's guidance on public benefit in line with their constitution when setting annual objectives, planning the work to be undertaken for the year and when encouraging the work of individual members.

Public benefit (continued)

The members of the Society in England operate within, work with and are deeply involved with the local communities where their residential properties are located. The Society in England enables members to give their services freely to promote the Charity's objects. Details are given above under the heading "Principal aims and activities".

The Society in England also supports the international work of the Society, with four members from England currently ministering overseas; financial assistance is provided through the General Administration in Rome in support of this work.

Annual donations are made to promote the Society's work chiefly in Oceania, the Philippines and Africa. The promotion is funded largely through appeals in parishes in various parts of England and Wales as permitted by the Roman Catholic bishops. Further help, when needed, is provided by occasional legacies and donations from the Pilgrimage Fund.

Achievements and performance

The outbreak of Covid-19 affected many local economies around the globe. Following the outbreak in the UK, the Charity had to modify its operations to cope with the impact and effects of the lockdown restrictions imposed by the UK Government to combat the virus and it is only in the last few months that face-to-face activities have recommenced. Despite the lockdown restrictions in the UK, the changing parameters of the global stock markets has resulted in the investment portfolio experiencing larger movements during the year, which has culminated in an increase of 12.8% in the portfolio's performance in the year.

In response to the lockdown restrictions, the Charity reappraised the work carried out by its members in England as a significant number of members are advanced in years, many with associated health conditions. Members continued to practise self-isolation and social distancing, electing to remain inside communities and only going outside for essentials or medical reasons. Very few face-to-face pastoral meetings, religious services, supply work or mission appeals were carried out during the first half of the year with social distancing and lockdown restrictions in operation. Instead, meetings took place using Zoom video conferencing facility, contact with parishioners and providing support was conducted by telephone and one member was involved with the local radio network in preparing and delivering a regular "thought for the day" message.

Currently, there are 12 members of the Society resident in England, with one being fully retired. The Charity has one member working as a parish priest in the parish of Walsingham and another fulfilling his role as bishop for the Diocese of Brentwood. All other members provide different levels of service in community in tune with the spirit and aims of the Society.

Of those, one member is directly responsible for the development of the extension of the Charity's work to involve lay people in fostering possible future work of the Society among the laity. The same member organises and manages pilgrimage trips to various shrines in Europe for more than 80 people each year – work that has been ongoing for more than thirty years. Any surplus proceeds from pilgrimage activities are devoted to the Charity's work both at home and overseas.

Achievements and performance (continued)

During Covid restrictions, the pilgrimage travel programme was cancelled, but meetings were arranged via Zoom video conferencing so that a programme of events could be coordinated to commence when travel restrictions were lifted in the latter part of 2021.

There are two members involved with promoting fundraising efforts for overseas missionary work through making appeals in parish churches in various parts of England and Wales as permitted by the Roman Catholic bishops. Activities were halted in March 2020 and appeals recommenced in June 2021 when it was deemed safe to do so.

Some of the further services and activities carried out by members during 2021 are:

- ◆ Producing personal reflections and poems distributed digitally to around 150 people each month.
- ◆ Editing a respected, multilingual academic journal, the *Ephemerides Liturgicae*.
- ◆ Writing a 200-page theological book being published by *Bloomsbury plc*.
- ◆ Maintaining a web of ecumenical contacts particularly with Anglicans, in Hull and Beverley
- ◆ Saying masses in a local care home in Blackburn (2 members).
- ◆ Doing supply work in local parishes in Hull (2 members)
- ◆ Working part-time in an ecumenical team serving visiting seafarers in Hull.
- ◆ Participating as a priest online in an international Catholic organisation for grandparents.
- ◆ Serving as chair of an organisation of UK Catholic missionary orders
- ◆ Serving as a governor of a secondary school run by the Marist Sisters.
- ◆ Serving as trustees on the board of two faith-based CIOs: a refugee centre and an international French language parish in London
- ◆ Working as secretary for the Council of the Marist Fathers European province

Overseas, one member continues to manage the mission in Moscow within an international parish in the Russian capital. The principal languages used are Russian, English, French and Tagalog.

Another member has been heavily involved in work with the pilgrimage mission in Sahagun on the Camino de Santiago trail, providing spiritual support and a listening ear to those on a personal journey.

At the end of December 2021, the trustees had responsibility for one parish in Walsingham, in the Diocese of East Anglia, under the direction of the local bishop. Two members of the Society continue to work in the four churches, which encompass the Walsingham parish, with members continuing to help out at the National Marian Shrine in Walsingham, although this responsibility passed to the Hierarchy in England & Wales in December 2014.

Achievements and performance (continued)

The Charity continues to provide the freehold land and buildings for occupation by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough at a peppercorn rent.

Inevitably, with 95% of the members in the Society in England now beyond historic retirement age, concomitant health deterioration is leading to adjustments in the apostolate. The Charity continues to support the international work of the Society, with four members currently working overseas and donations are made to the Generalate in support of this work.

Since 2017, the community property in Hull (Newman House) has undergone a series of modifications. The ground floor extension to the building was completed in February 2020 along with the landscaping of the grounds and surrounding area later that year. During 2021, all of the first-floor bedrooms in the property were refurbished too.

The receipt of a substantial legacy last year (2020) has provided the funds to support additional overseas missionary projects to benefit those who are needy, poor and disadvantaged. To date the special grant-making projects that have been funded are:

- ◆ The purchase of a reliable community vehicle for the rugged roads of the rural areas of Bougainville, in Oceania to support the Marist Hahela community members meet their transportation needs and serve four parishes which are situated in the rough terrain.
- ◆ The purchase of a reliable vehicle for the rugged roads of Buin, Bougainville which is suitable for wet crossings as there are rivers without bridges to negotiate.
- ◆ The purchase of a new vehicle for Sacred Heart Parish Levuka, Fiji Islands, which suffers from rising sea levels, to assist the parish priests in their pastoral care and community support roles.
- ◆ The purchase of a vehicle to help the mission at Port Orly, Vanuatu.
- ◆ The provision of replacement equipment to support the Castro Castro prison chaplaincy in Peru to re-establish workshop facilities which were lost in a fire.
- ◆ The assistance with the build costs to replace the church in Dala, Solomon Islands which serves 4,000 people in 18 communities but was in poor condition and no longer safe to use.
- ◆ The assistance with the build costs for the additional building at the Cerdon Novitiate campus in Davos, Philippines.
- ◆ The assistance with the build costs of a chapel for the local seminary in Davao City, Philippines
- ◆ The provision of funds to complete the construction of a school at the Marist Centre in the Ranong Mission in Thailand which will provide education facilities to 60 young Burmese refugees

Achievements and performance (continued)

Throughout 2021, the trustees have continued to work with their legal and professional advisers and St Mary's College in Blackburn to establish a precise plan for the future disposal of the site in Blackburn, when it becomes unoccupied, on the closure of St Mary's College in July 2022.

The trustees are also participating in training aspects concerning the principles and rationales of the Charity Governance Code which was refreshed in December 2020.

Financial review

Financial highlights

During the year, income receipts benefited from an increase in dividend earnings from investments - £331,114 (2020 - £278,027) and rents from College property - £100,000 (2020 - £16,667). No legacies were received in the year (2020 - £907,464).

To date, the significant restricted legacy receipt received in 2020 has helped to fund 13 overseas missionary projects in total - 8 during 2021 (2020 - 5) when approval and authorisation was received by the trustees. At 31 December 2021, the General Administration in Rome had received grant making funds totalling £330,580 (€387,400) to oversee the implementation of 8 special legacy funded projects funded through legacy income and an additional two projects funded by the Charity - £72,178 (€84,875).

The Charity operates a centralised policy for key administrative expenditure and provides subsidies to local community properties to assist with members' living costs.

The following transactions were carried out during the year:

- ◆ Project work at Hull community property – £73,402 (2020 - £38,371).
- ◆ Medical and residential costs amounted to circa £19,000 (2020 - £27,000) for elderly members and those with severe ill health. The provision of State aid financial assistance with these costs has lessened the call on the trustees' financial resources.
- ◆ As in previous years, the trustees contributed to the work of the Society in Europe – £56,588 (2020 - £49,954), and towards overseas mission activity – £34,251 (2020 - £34,955), which was partly funded through Mission appeals and the Pilgrimage Fund.
- ◆ Funding of a formation grant-giving project £72,178 (2020 - £nil).
- ◆ Quilter Cheviot Investment managers received £55,803 (2020 – £45,625) in fees for the year.
- ◆ The investment portfolio performance increased by 12.8% in the year (2020 – 7.2%).
- ◆ Donations gifted to the Charity from members following the receipt of legacies £94,450 (2020 - £nil).

Financial review (continued)

Income and expenditure in summary

A summary of the results for the year to 31 December 2021 can be found on page 23 of this report and accounts.

Total income for the year amounted to £789,452 (2020 - £1,505,927). £358,322 (2020 - £1,198,462) of this amount represents income from donations and legacies. In 2020, legacies including one significant legacy of £907,464 restricted to the promotion of the overseas mission of the Society.

Income earned on the Charity's listed investments totalled £331,114 (2020 - £278,027) and £16 (2020 - £112) was received as bank interest.

Total expenditure for the year was £950,015 (2020 - £686,917). £445,869 (2020 - £442,838) of the expenditure was incurred maintaining the members of the Society and enabling them to carry out their work. £448,343 (2020 - £198,454) was expended on grants and donations.

Net investment gains of £1,116,276 (2020 - £468,991) arose during the period on the revaluation and disposal of the Charity's investment assets and the overall net movement in funds for the period, therefore, was an increase of £955,713 (2020 - £1,288,001).

Reserves policy and financial position

The reader will discern from the foregoing that the Charity carries out a diverse range of activities and is responsible for care and support of the religious members whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activity.

Given the nature of the Charity's work and the increasing, often unpredictable, call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to five years' worth of expenditure without giving rise to concern.

Since the outbreak of Covid-19 in January 2020, the pandemic has severely affected many local economies around the globe including the UK. In order to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus, the Charity has had to modify its operations. The UK lockdown and the turbulence experienced by global stock markets resulted in the Charity's investment portfolio experiencing increased volatility. There is also the added complication of rising inflation entering the economy. One of the consequences of trying to manage the uncertainty that exists with the investments is anticipating the level of investment income that will be available for the Charity during 2022, thereby placing reliance on the free reserves to assist with meeting operational expenditure in the year.

At 31 December 2021, the Charity had net assets totalling £13,588,840 (2020 - £12,633,127).

Financial review (continued)

Reserves policy and financial position (continued)

Of this, £1,056,627 (2020 - £1,016,250) was represented by equipment, motor vehicles and the properties used to house the members of the Society and to support their work. This balance was separated in recognition of the importance of such assets to the Charity's operational activities, and thus unavailable to meet the Charity's day-to-day commitments.

Restricted funds of £512,602 (2020 - £771,004) at the balance sheet date represents the balance of funds remaining from the significant legacy received in 2020, the application of which is restricted to overseas special missions' projects that are controlled and monitored by the Charity and administered via the General Administration in Rome.

The trustees of the Charity are mindful of the need to set aside reserves to safeguard the future of the members and their charitable work when considering the age profile of the members of the Society and the annual cost of supporting them and their residential properties. In accordance with the reserve policy, the trustees rely on professional assistance in carrying out an actuarial calculation to establish the costs of maintaining and supporting all the present members of the Society to the end of their natural life. The age of the members ranges from 60 to 87 years.

Based on advice received, the trustees have designated an accumulated sum of £8.5 million (2020: £7.3 million) as a reserve to provide for the members of the Society in their continuing ministry and retirement and to be able to help in unforeseen circumstances. The increase in designated funds has been met by a transfer of £1.2 million from free reserves. The current cost of care for any member who needs residential/nursing care is estimated to be circa £44,500 per annum. Whenever possible, the Charity will apply to the State for financial assistance, but this may be limited due to the receipt of occupational pensions.

The trustees have also designated £109,478 being monies held in the Pilgrimage Fund, to be applied towards the overseas mission of Marist Fathers within the next ten years.

At 31 December 2021, the Charity had free reserves of £3,410,133 (2020 - £3,410,020), which is in line with the policy set out above and importantly, is regarded as being sufficient to enable the charity to meet the challenges presented by Covid-19 and its after effects.

Investment policy and performance

Quilter Cheviot Limited continues to manage the Charity's listed investment portfolio throughout the period of this report. Custody of the investments is held by a nominee company.

Financial review (continued)

Investment policy and performance (continued)

The Charity invests in a diverse range of listed investments to enable it to spread risk. In 2019 the portfolio benchmarks were realigned to rebalance the proportion of equities and bonds according to advice received from the fund managers. Despite the uncertainties within the investment markets due in part to the continuance of the Covid-19 pandemic, the portfolio has continued to flourish in the year to December 2021. The market value of the Charity's listed investments at 31 December 2021 stood at £11,767,445 (2020 - £10,511,558). The investment portfolio's performance outperformed the performance of the markets generally with a return of 12.8%. Listed investment income for the year totalled £331,144 (2020 - £278,027).

The Charity has an investment policy for its listed investments, which is distributed to members and reviewed annually. The Board's investment strategy is to maximise total returns within an acceptable level of risk in order to meet the Charity's on-going needs. The investment managers are instructed to endeavour to achieve long-term growth of both capital and income in order to provide the level of income that the trustees required to meet their programme and responsibilities in any one year. Advice is sought from the fund managers before the trustees embark on any programme involving significant finance.

It is trustee policy to invest all non-recurring income (including legacy funds, short term), as well as any proceeds from the disposal of assets and maturing life insurance policies taken out in the 1980s to provide cover for each member, for the benefit of the Charity.

The trustees provide the fund managers with a copy of their investment policy which details the Charity's position on ethical and moral principles. The policy states that investment choices should never be made in activities that would conflict with the objectives of the Charity. Whenever prudent and possible, the trustees seek to invest in those areas of the developing world where the Society works.

During the year, the National Administrator, who is a trustee, and the Chief Finance Manager receive quarterly reports and monthly performance updates from the fund manager. Regular briefings and contract notes concerning the acquisition and disposal of equities are provided. The board of trustees meet with the fund managers annually to review progress of the portfolio. The National Administrator and Chief Finance Officer will meet with the fund manager every six months to receive and review informative explanatory reports. During 2021, all meetings with the investment managers were held by Zoom video conferencing.

At the December meeting, following COP 26, the trustees expressed their wishes to capitalise on their 'responsible investments', and for their investments to 'make a difference' and assist with bringing about positive change for the environment. The trustees were provided with details of up and coming companies where their mission is to make positive change. After discussion, the trustees approved an investment of up to 3% of the value of the portfolio in a basket of small companies mentioned.

Future plans

The Charity anticipates that members will become more involved in activities following the release of the restrictions. The trustees are mindful of their members decreasing numbers, their age profile and fragility.

The Charity will continue to work with their legal and professional advisers and St. Mary's College in Blackburn on the closure of the College in July 2022, release of the lease agreement and disposal of the site. Full marketing of the site premises commenced in late January 2022.

Members will be consulted on the requirement to consolidate community properties, based on their level of needs and support options available to the Society in England. The Charity is actively considering its presence in Blackburn.

Principal risks and uncertainties

Since the outbreak of Covid-19 in early 2020, the Charity has modified its operations to cope with the impact and effects of the lockdown restrictions imposed by the UK Government to combat the virus. As lockdown restrictions ease, members of the Charity are actively returning to parts of their ministry. The full impact of Covid -19 on the financial position and results of the Charity for future periods are still uncertain. It had a detrimental effect on income receipts in the form of donations, expenditure and reserves for 2020 but the position has improved for 2021. The trustees are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

The trustees have identified and discussed the types of major risks, which may impact the Charity and affect their work and role in carrying out their mission. They regularly seek out professional advice to ensure compliance with their statutory obligations and regulatory duties are observed. All major risks are recorded within a "Risk Assessment Register" and reviewed annually by the trustees. The identification of any serious risks is automatically an agenda item for forthcoming trustee meetings with the necessary actions and outcomes monitored.

The key risks for the Charity are described below, together with the principal ways in which they are mitigated:

◆ ***Caring for the elderly***

Members of the Society are becoming increasingly older; their needs for professional care and assistance are increasing too. Members' needs are met through the provision of nursing and medical care, either in-house or externally.

Considerable resources are required to provide an appropriate level and quality of care (particularly if nursing or specialist dementia care is required). Such resources are the responsibility of the Charity itself, the State, or a mixture of the two.

The trustees are aware that it is essential for proper financial planning to exist so that when additional help is required by members, there are adequate funds in place to provide this support.

Principal risks and uncertainties (continued)

◆ ***Deterioration in the value of the investment portfolio***

The Charity places reliance on the income received in the form of dividends from its investment portfolio to maintain its operations. Stock market fluctuations are monitored on a regular basis and robust control mechanisms are in place to deal with any adverse conditions.

Since the outbreak of Covid-19, global equity markets have experienced significant volatility and recovery in the last quarter of 2020. During 2021, the value of the portfolio has rallied as markets have settled. At the year-end the portfolio had experienced an uplift of 12.8% from its previous year-end position. The investment portfolio continues to receive close monitoring as trustees acknowledge that they are dependent on the dividend income it provides for operational expenditure.

Every three years, a review is carried out to assess the performance and possible appointment of a new professional fund manager from a reputable company. The trustees carry out a regular review of the Charity's investment policy with an up-to-date copy of the policy supplied to the investment manager, Quilter Cheviot Limited. The National Administrator and Chief Finance Officer receive detailed monthly and quarterly reports of the portfolio movements. The trustees receive copies of the annual reports and meet with the fund manager on an annual basis.

◆ ***Age profile of members***

The increasing age profile of members leads to the risk of dilution in the ministry of the Society and the associated income for the Charity.

The Charity continues to demonstrate public benefit by members providing social and pastoral work within local communities and through the provision of charitable donations to the Society's missions overseas, including the Generalate. Legacy funding has provided the Charity with an opportunity for grant-funding specific overseas missions' projects. Members of the Society work in close partnership with lay people using their financial and administrative skills to ensure financial viability.

◆ ***Safeguarding***

Operationally the Charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. Members of the Society who engage in any ministry in England and Wales and all those who work or volunteer for the Charity and work with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS).

The Charity trustees have expressed their firm intention of entering into new contracts with Catholic Safeguarding Standards Agency (CSSA) and Religious Life Safeguarding Service (RLSS) who together are the organisations accountable for implementing the new safeguarding recommendations (safeguarding standards) from the Elliott Review and are responsible for oversight, compliance and safeguarding training of religious congregations. This process was completed during the year ended 31 December 2021.

Principal risks and uncertainties (continued)

◆ **Safeguarding**

Internally, one of the members of the Society, with the help of a lay expert, is responsible for ensuring the safeguarding policy is adhered to in respect to all members, employees and volunteers.

◆ **Freehold land and buildings in Blackburn**

The closure of St. Mary's College in July 2022 presents challenges for the Charity. The costs associated with the disposal of the site and holding an asset no longer in use is considerable. During 2021, the Charity resolved any concern it held over dealing with a parcel of land transferred from Lancashire County Council under the direction of the Education Assets Board pursuant to the provisions of the Further & Higher Education Act 1992 and Education Order 1993 by consulting with the Education & Skills Funding Agency. The disposal of the land which is written in trust requires approval from the Charity Commission.

The Charity's legal advisers have removed any legal implications (if any) in clarifying the full ownership position of the site. The Charity has also received expressions of interest in the site with potential offers after soft marketing of the site in late October. Full marketing of the site commenced in late January with further expressions of interest forthcoming. The trustees are confident that a purchaser for the site will be in place prior to December 2022.

The National Administrator and Chief Finance Officer carried out a detailed examination / re-assessment of insurance cover in June 2021 via Zoom video conferencing with the advice of Marsh Commercial's insurance broker managers, and reported to the trustees. The major risks were covered by practical and well-tried procedures.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, annual budgeting, comprehensive insurance cover and centralising responsibility for major expenditure, they have prudent effective systems in place to minimise foreseeable risks.

Structure, governance, and management

Since July 2016, the Society in England has been administered on a day-to-day basis by the National Administrator and his Administrative Council, which includes the Chief Finance Officer.

The National Administrator shall automatically by virtue of holding this office, be ex-officio, the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

The board of trustees – as distinct from the National Administrator and Administrative Council – aim to formally meet four times each year, to review developments and assess the functioning of the Charity in order to monitor the present, and plan for the future as English law stipulates. Should occasion arise, they meet with the Provincial of Europe to further the aims of the Charity.

Structure, governance, and management (continued)

The names of the trustees who served during the period of this report are listed on page 1.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator and they shall, subject to clause 15 (retirement and removal of Trustees):

- (a) in the case of an individual who is a member of the Society be appointed for a period of three years or such period of office as the National Administrator shall determine;
- (b) in all other cases be appointed for:
 - (I) an initial term of one year; and,
 - (II) if reappointed (subject to clause 16 of this Constitution) for a term of three years;or such other term as the National Administrator shall decide; and they may (subject to Clause 16 of this constitution) be reappointed.

Members are selected for appointment as trustees based on their skills, knowledge and experience, necessary for the effective administration of the Charity. Trustees are invited and encouraged to attend training presentations and webinars to familiarise themselves with the context within which the Charity operates. Briefing packs are prepared and distributed to trustees regularly, which draws upon the information from various Charity Commission publications, signposted through the Commission's guide CC3 "The Essential Trustee" as a follow up to these sessions.

The trustees are committed to developing high standards of governance and make use of the seven fundamental principles within the Charity Governance Code to review their governance procedures, functions and policies to address compliance needs.

All trustees receive a copy of the audited annual reports and representative trustees meet annually with the fund managers and insurance broker in order to review and assess their performance.

Key management personnel

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society) comprise the key management of the Charity, charged with directing and controlling, running and operating the Charity on a day-to-day basis. The National Administrator, to whom the main duties are entrusted, is also a trustee of the Charity and he is assisted in his endeavours by the Chief Finance Officer.

All of the trustees are members of the Charity and whilst their living and personal expenses are borne by the Charity they receive no remuneration in connection with their duties as trustees.

Structure, governance, and management (continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's Constitution. 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.

Employees, volunteers and members of the Society

The trustees wish to record their appreciation of the dedicated, enthusiastic and positive approach of all members of the Society often in the most difficult of circumstances and they underline the support and commitment of all their staff and volunteers. This has enabled the Charity to continue to pursue its objectives.

In accordance with UK law, the trustees provide a workplace pension, which offers a pension to each of the Charity's employees. All employees are able to become members of this scheme after a successful probation period. The trustees make a contribution of 6% of gross salary in to the pension scheme.

Approved by the trustees and signed on their behalf by:

Trustee 

Approved by the trustees on: 15/07/2022

Independent auditor's report to the trustees of The Society of Mary (Marist Fathers) CIO

Opinion

We have audited the accounts of The Society of Mary (Marist Fathers) CIO (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

20 July 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Year to 31 December 2021 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2020 Total funds £
Income from:							
Donations and legacies	1	344,408	13,914	358,322	280,601	917,861	1,198,462
Investments and interest receivable	2	331,130	—	331,130	278,139	—	278,139
Other sources							
· Miscellaneous income	3	100,000	—	100,000	29,076	—	29,076
· Disposal of tangible fixed assets	4	—	—	—	250	—	250
Total income		775,538	13,914	789,452	588,066	917,861	1,505,927
Expenditure on:							
Raising funds	5	55,803	—	55,803	45,625	—	45,625
Charitable activities							
· Support of members of the Society and their ministry	6	445,869	—	445,869	442,838	—	442,838
· Grants and donations	7	155,690	292,653	448,343	27,039	171,415	198,454
Total expenditure		657,362	292,653	950,015	515,502	171,415	686,917
Net income (expenditure) before investment gains		118,176	(278,739)	(160,563)	72,564	746,446	819,010
Net investment gains	13	1,116,276	—	1,116,276	468,991	—	468,991
Net income (expenditure)		1,234,452	(278,739)	955,713	541,555	746,446	1,288,001
Transfer between funds	16	(20,337)	20,337	—	(24,558)	24,558	—
Net movement in funds	9	1,214,115	(258,402)	955,713	516,997	771,004	1,288,001
Reconciliation of funds							
Total funds brought forward at 1 January 2021		11,862,123	771,004	12,633,127	11,345,126	—	11,345,126
Total funds carried forward at 31 December 2021		13,076,238	512,602	13,588,840	11,862,123	771,004	12,633,127

All recognised gains and losses are included in the above statement of financial activities.

All activities were continuing as at 31 December 2021.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		1,056,627		1,016,250
Investments	13		12,264,993		10,843,806
			<u>13,321,620</u>		<u>11,860,056</u>
Current assets					
Debtors	14	6,013		467,249	
Cash at bank and in hand		285,604		354,952	
		<u>291,617</u>		<u>822,201</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(24,397)		(49,130)	
Net current assets			267,220		773,071
Total net assets			<u>13,588,840</u>		<u>12,633,127</u>
The funds of the charity					
Income funds					
Restricted funds	16		512,602		771,004
Unrestricted funds					
· Tangible fixed assets fund	17	1,056,627		1,016,250	
· Designated funds	18	8,609,478		7,435,853	
· General fund		<u>3,410,133</u>		<u>3,410,020</u>	
			13,076,238		11,862,123
			<u>13,588,840</u>		<u>12,633,127</u>

Approved by the trustees
and signed on their behalf by:

Trustee *D. Kaurahar*

Approved on: *15/07/2022*

Statement of cash flows Year to 31 December 2021

Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Cash flows from operating activities:		
A	4,734	79,212
Cash flows from investing activities:		
	334,895	276,026
	—	250
	(97,514)	(96,219)
	3,081,567	2,844,018
	(3,190,413)	(2,985,367)
	128,535	38,708
	133,269	117,920
	656,435	535,824
	(6,552)	2,691
B	783,152	656,435

Notes to the statement of cash flows for the period ended 31 December 2021

A Reconciliation of net income for the year to net cash provided by operating activities

	Year to 31 December 2021 £	Year to 31 December 2020 £
Net income for the year (as per the statement of financial activities)	955,713	1,288,001
Adjustments for:		
Depreciation charge	33,025	30,454
Net gains on investments	(1,116,276)	(468,991)
Surplus on disposal of tangible fixed assets	—	(250)
Investment income and interest receivable	(331,130)	(278,139)
Foreign exchange losses (gains)	6,552	(2,691)
Increase (decrease) in debtors	457,471	(457,002)
Decrease in creditors	(621)	(32,170)
Net cash provided by operating activities	4,734	79,212

Statement of cash flows Year to 31 December 2021

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	285,604	354,952
Cash held by investment managers	497,548	301,483
Total cash and cash equivalents	783,152	656,435

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2021 with comparatives given for the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope of accounts

These accounts do not include the funds of parishes managed by the members of the Society as parish priests. Such funds are the property of the relevant diocesan charity of which the parish is part.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimate of future income and expenditure flows for the purposes of assessing the charity's going concern status.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Following the outbreak of Covid-19, the Charity had to modify its operations to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus. The duration and impact of Covid-19 still remains unclear at this time and it is not possible to reliably estimate the impact on the financial position and results of the Charity for future periods. The trustees are aware that Covid-19 may continue to affect income, expenditure and reserves. However, they are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period (i.e. the year ending 31 December 2022), as described in the trustees' report, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable, the surplus on disposal of tangible fixed assets (if any) and miscellaneous income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income (continued)

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the amount can be measured and when the charity is entitled to receipt.

Rental income is credited to the statement of financial activities when the charity is entitled to receipt under the relevant lease agreement.

The surplus on disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of the disposal and after deducting any costs associated with the disposal.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees only.

Expenditure (continued)

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure includes governance costs, which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice; and
 - ◇ Grants and donations payable which in the main, relate to the support of the Society's Generalate and overseas missions. Grants and donations payable are included in the statement of financial activities when approved. Grants approved but not paid at the end of the financial period are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

◆ *Colleges and schools*

The trustees are the legal owners of land and buildings used by two Sixth Form Colleges in Blackburn and Middlesbrough and one voluntary aided primary school situated in Middlesbrough, which are exempt charities and publicly funded. The land and buildings are valued at £nil for the purpose of these accounts. All of these educational establishments were originally founded by the Society, but are now under separate control and publicly funded. Historically some developments to the estate were partially funded by state aid according to government policy at the time and there is no reliable information as to their cost.

Occupation of the land and buildings by the two educational establishments in Middlesbrough is indefinite and rent free (or at a peppercorn rent) until there is a breach by, or change in the relationship with, the tenants. The trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to alternative use whilst such occupation continues.

Tangible fixed assets (continued)

Freehold land and buildings (continued)

◆ *Colleges and schools* (continued)

Until the end of October 2020, St Mary's College, Blackburn (the College) operated as a Catholic sixth form college. With effect from 1 November 2020 it was agreed that as the College no longer met the requirements to be termed "Catholic" it would hence forth operate as a sixth form college. Occupation by the College of the land and buildings situated in Blackburn and owned by the Charity was rent free until 31 October 2020 but with effect from 1 November 2020 is subject to a formal rental arrangement. Following a Structures and Prospects Appraisal (SPA) Review under the control of the FE Commissioner's Office, the College was notified that it would close at the end of July 2022. With the College closure in July 2022 it is anticipated that control of the property will return to the Charity as from that date. The trustees consider that no meaningful value can be attributed to these assets until 31 July 2022 since they are not used directly by the Charity and cannot be disposed of in the open market or put to an alternative use whilst occupation by the College continues.

◆ *Non-specialised buildings*

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.

◆ *Specialised buildings*

Specialised buildings include residential properties which have undergone significant adaption works in order to serve the wider operational needs of the charity. Depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

Furniture, equipment and motor vehicles

Furniture, equipment and motor vehicles are depreciated in order to write assets off over their expected useful lives at the following rates per annum:

- | | |
|---------------------------|-------------|
| ◆ Furniture and equipment | 20% on cost |
| ◆ Motor vehicles | 25% on cost |

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Deferred annuity contracts represent annuity contracts with an insurance company to assist provision for individual members of the Society on their retirement. The fund is revalued at each balance sheet date by the insurance company. The retirement scheme was closed in October 2021, when the only remaining member's payment was received under the annuity contract by the Charity.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Services provided by members of the Society

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by members of the Society.

1 Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Year to 31 December 2021	Unrestricted Funds	Restricted Funds	Year to 31 December 2020
	£	£	£	£	£	£
Salaries and pensions of members of the Society received under gift aid and/or deed of covenant	249,791	—	249,791	276,921	—	276,921
Legacies	—	—	—	—	907,464	907,464
Other donations	94,617	13,914	108,531	3,680	10,397	14,077
	344,408	13,914	358,322	280,601	917,861	1,198,462

2 Income from investments and interest receivable

	Unrestricted Funds	Restricted Funds	Year to 31 December 2021	Unrestricted Funds	Restricted Funds	Year to 31 December 2020
	£	£	£	£	£	£
Income from listed investments	331,114	—	331,114	278,027	—	278,027
Interest receivable	16	—	16	112	—	112
	331,130	—	331,130	278,139	—	278,139

3 Income from other sources

	Unrestricted Funds	Restricted Funds	Year to 31 December 2021	Unrestricted Funds	Restricted Funds	Year to 31 December 2020
	£	£	£	£	£	£
Coronavirus Job Retention Scheme grant	—	—	—	7,516	—	7,516
Rent receivable from St Mary's College, Blackburn	100,000	—	100,000	16,667	—	16,667
Miscellaneous income	—	—	—	4,893	—	4,893
	100,000	—	100,000	29,076	—	29,076

4 Income from disposal of tangible fixed assets

	Unrestricted Funds	Restricted Funds	Year to 31 December 2021	Unrestricted Funds	Restricted Funds	Year to 31 December 2020
	£	£	£	£	£	£
Surplus on disposal of motor vehicles	—	—	—	250	—	250

5 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £
Investment manager's fees	55,803	—	55,803	45,625	—	45,625

6 Expenditure on charitable activities: Support of the members of the Society and their ministry

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £
Staff costs (note 10)	111,166	—	111,166	111,984	—	111,984
Property expenses	57,050	—	57,050	44,431	—	44,431
Personal living costs	114,276	—	114,276	121,305	—	121,305
Training	2,634	—	2,634	3,431	—	3,431
Expenses of ministry	48,082	—	48,082	27,127	—	27,127
Depreciation	33,025	—	33,025	30,454	—	30,454
Loss on foreign exchange transactions	17,655	—	17,655	744	—	744
Governance costs (note 8)	61,981	—	61,981	103,362	—	103,362
	445,869	—	445,869	442,838	—	442,838

7 Expenditure on charitable activities: Grants and donations

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £
The Generalate of the Society	56,588	—	56,588	49,954	—	49,954
Marist missions overseas	—	34,251	34,251	—	34,955	34,955
Overseas missions grant funding	72,178	258,402	330,580	2,902	136,460	139,362
Notre Dame Refugee Centre	—	—	—	3,000	—	3,000
Religious Life Safeguarding Service	25,000	—	25,000	—	—	—
St. Mary's College	—	—	—	(30,000)	—	(30,000)
Other donations of less than £1,000	1,924	—	1,924	1,183	—	1,183
	155,690	292,653	448,343	27,039	171,415	198,454

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2021 £	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £
Professional fees	61,981	—	61,981	103,362	—	103,362

9 Net movement in funds

This is stated after charging:

	Year to 31 December 2021 £	Year to 31 December 2020 £
Staff costs (note 10)	111,166	111,984
Auditor's remuneration including VAT		
· Statutory audit – current year	8,400	8,160
· Statutory audit – prior year	—	840
· Non-audit services –Tax consultancy	2,592	—
Depreciation (note 12)	33,025	30,454

10 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	Year to 31 December 2021 £	Year to 31 December 2020 £
Wages and salaries	101,900	102,123
Social security costs	4,388	4,059
Pension costs	4,878	5,802
	111,166	111,984

The average number of employees during the year ended 31 December 2021 was 5 (2020 – 5). The full-time equivalent number of employees during the same period, analysed by function, was 3.2 (2020 – 3.2).

There were no employees who earned £60,000 (2020 - none) per annum or more (excluding benefits) during the period.

The trustees consider that they together with the Chief Finance Officer (who is also the National Bursar of the Society) comprise the key management of the Charity. The National Administrator, to whom certain duties are entrusted, is also a trustee of the charity.

The total remuneration (including benefits) payable to the charity's key management personnel during the period ended 31 December 2021 was £51,751 (2020 - £55,540).

All of the trustees are members of The Society of Mary (Marist Fathers) CIO and whilst their living and personal expenses are borne by the charity they receive no remuneration.

11 Taxation

The Society of Mary (Marist Fathers) CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment £	Motor vehicles £	Total £
	Non-specialised £	Specialised £			
Cost					
At 1 January 2021	375,620	1,136,726	45,444	40,961	1,598,751
Additions	—	71,542	1,860	—	73,402
At 31 December 2021	375,620	1,208,268	47,304	40,961	1,672,153
Depreciation and impairment					
At 1 January 2021	—	520,322	29,091	33,088	582,501
Depreciation charge	—	24,166	5,798	3,061	33,025
At 31 December 2021	—	544,488	34,889	36,149	615,525
Net book values					
At 31 December 2021	375,620	663,780	12,415	4,812	1,056,627
At 31 December 2020	375,620	616,404	16,353	7,873	1,016,250

13 Fixed asset investments

	2021 £	2020 £
Listed investments	11,767,445	10,511,558
Cash held by investment managers for re-investment	497,548	301,483
Deferred annuity contracts	—	30,765
	12,264,993	10,843,806

	2021 £	2020 £
Listed investments		
Fair (market) value 1 January 2021	10,511,558	9,902,903
Additions at cost	3,190,413	2,985,367
Disposal at book value (proceeds: £3,047,939; gains: £130,736)	(2,917,203)	(3,022,014)
Net unrealised investment gains	982,677	645,302
Fair (market) value at 31 December 2021	11,767,445	10,511,558
Historical cost of listed investments as at 31 December 2021	9,364,145	8,651,541

13 Fixed asset investments (continued)

At 31 December 2021, the listed investments comprised the following:

	2021 £	2020 £
UK fixed interest	1,811,902	1,765,439
Overseas fixed interest	1,476,790	1,305,112
UK equities and unit trusts	1,593,646	1,315,046
Overseas equities and unit trusts	4,046,677	3,755,632
Commodities, absolute return and infrastructure	2,838,430	2,370,329
	11,767,445	10,511,558

At 31 December 2021 no individual investment holding was deemed significant in the context of the overall portfolio value.

	2021 £	2020 £
Deferred annuity contracts		
Value at 1 January 2021	30,765	29,080
Maturity value	(33,628)	—
Gain realised on maturity	2,863	—
Surplus on revaluation	—	1,685
Value at 31 December 2021	—	30,765

The deferred annuity contracts were with Zurich Assurance plc.

Since the year end, investment markets have fallen and remain volatile due to the geopolitical and macroeconomic climate. At the date on which these accounts were approved, the listed investment portfolio had a market value of £10,338,667.

14 Debtors

	2021 £	2020 £
Investment income receivable	5,453	9,785
Legacy receivable	—	457,464
Prepayments and accrued income	560	—
	6,013	467,249

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts payable towards the purchase of tangible fixed assets	—	22,112
Other creditors and accruals	24,397	27,018
	24,397	49,130

16 Restricted funds

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Overseas missions fund	—	13,914	(34,251)	20,337	—
Overseas legacy funds	771,004	—	(258,402)	—	512,602
	771,004	13,914	(292,653)	20,337	512,602

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Overseas missions fund	—	10,397	(34,955)	24,558	—
Overseas legacy funds	—	907,464	(136,460)	—	771,004
	—	917,861	(171,415)	24,558	771,004

The overseas mission fund comprises donations received for the specific purpose of funding the Society's mission overseas. The transfer from the charity's unrestricted general funds is made to cover the shortfall of donations against the actual charitable expenditure on overseas missions.

Similarly, the overseas legacy fund relates to a significant legacy receivable, the application of which is restricted towards overseas projects.

17 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	1,016,250	992,011
Other net movements in year	40,377	24,239
At 31 December 2021	1,056,627	1,016,250

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. This fund was established in recognition of the fact that the assets were used in the day to day work of the Charity and therefore did not represent reserves available to finance its operations.

18 Designated funds

The unrestricted funds of the charity included the following designated funds, which were set aside by the trustees for specific purposes:

	At 1 January 2021 £	New designa- -tions £	Utilised/ released £	At 31 December 2021 £
Retirement reserve	7,300,000	1,200,000	—	8,500,000
Pilgrimages fund	135,853	3,625	(30,000)	109,478
	7,435,853	1,203,625	(30,000)	8,609,478

	At 1 January 2020 £	New designa- -tions £	Utilised/ released £	At 31 December 2020 £
Retirement reserve	8,000,000	—	(700,000)	7,300,000
Pilgrimages fund	156,389	9,319	(29,855)	135,853
	8,156,389	9,319	(729,855)	7,435,853

The retirement reserve represents funds set aside to provide for members of the Society in their retirement. The reserve has been calculated using actuarial principles, but is adjusted as necessary in the light of available resources.

The Pilgrimages fund represents monies set aside by the trustees to be applied in due course towards the mission of the Marist Fathers.

19 Analysis of net assets between funds

The following assets and liabilities represent the fund balances:

	Unrestricted funds				Total 2021 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	1,056,627	—	—	1,056,627
Investments	3,142,913	—	8,609,478	512,602	12,264,993
Current assets	291,617	—	—	—	291,617
Creditors: amounts falling due within one year	(24,397)	—	—	—	(24,397)
Total net assets	3,410,133	1,056,627	8,609,478	512,602	13,588,840

19 Analysis of net assets between funds (continued)

	Unrestricted funds				Total 2020 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	1,016,250	—	—	1,016,250
Investments	3,094,413	—	7,435,853	313,540	10,843,806
Current assets	364,737	—	—	457,464	822,201
Creditors: amounts falling due within one year	(49,130)	—	—	—	(49,130)
Total net assets	3,410,020	1,016,250	7,435,853	771,004	12,633,127

The total unrealised gains constitute movements on the revaluation of listed investments and are as follows:

	2021 £	2020 £
Total unrealised gains at 31 December 2021	2,403,300	1,860,017
Reconciliation of movements in unrealised gains on listed investments		
At 1 January 2021	1,860,017	1,754,393
Add: net gains arising on revaluation arising in the year	982,677	645,302
Less: in respect to disposals in the year	(439,394)	(539,678)
Total unrealised gains at 31 December 2021	2,403,300	1,860,017

20 Ultimate control

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator

21 Related party transactions

Father Desmond Hanrahan, a trustee of the Charity was appointed as a trustee of Notre Dame de France – Society of Mary CIO ('NDF') (Charity Registration Number 1177995) and Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 22 June 2018. During the period ended 31 December 2021 NDF contributed £43,035 to the Charity for the support of the clergy.

21 Related party transactions (continued)

Income from donations includes the pensions of the trustees of the charity received under Gift Aid or deed of covenant. For the year ended 31 December 2021, £35,180 of pensions income donated by the trustees was receivable by the charity

There were no further related party transactions during the year (2020 – none).

22 Contingent asset

As noted under principal accounting policies, the CIO is the legal owner of the land and buildings currently occupied by St Mary's Sixth Form College, Blackburn. Until the end of October 2020, St Mary's College, Blackburn (the College) operated as a Catholic sixth form college. With effect from 1 November 2020 it was agreed that as the College no longer met the requirements to be termed "Catholic" it would hence forth operate as a sixth form college. Occupation by the College of the land and buildings situated in Blackburn and owned by the Charity was rent free until 31 October 2020 but with effect from 1 November 2020 is subject to a formal rental arrangement.

Following a Structures and Prospects Appraisal (SPA) Review under the control of the FE Commissioner's Office, the College was notified that it would close at the end of July 2022. With the College closure in July 2022, it is anticipated that control of the property will return to the Charity from that date. At this point the land and buildings will be recognised in these accounts. Until this date, the trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to an alternative use whilst occupation by the College continues.

Since late January 2022, the property has been marketed for sale by the charity's property surveyors and has attracted considerable interest. Following a series of 'best and final' offers, the board of trustees have entered into negotiations with their preferred purchaser and anticipate that a sale will be finalised shortly after control of the land and buildings reverts to the charity in August 2022, with proceeds in excess of £5 million.

THE SOCIETY OF MARY (MARIST FATHERS) CIO

England & Wales - Charity number 1179085

Accounts

**The Society of Mary
(Marist Fathers)
CIO**

Annual Report and Accounts

31 December 2020

Charity Registration Number
1179085

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Rev Peter Corcoran Rev Kevin Duffy Rev Desmond Hanrahan Rev Ivan Vodopivec
National Administrator	Rev Kevin Duffy (from 1 January 2021) Rev Peter Corcoran (until 31 December 2020)
Charity Correspondent and Finance Manager	Mrs Margaret Stevenson margaret@maristfathers.karoo.co.uk
Administration office	Newman House 729 Beverley Road Hull HU6 7ER
Telephone	01482 801360
Charity registration number	1179085
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	HSBC Bank plc 70 Pall Mall London SW1Y 5EY
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London WC2B 6AN

Reference and administrative details of the charity, its trustees and advisers

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

The trustees present their annual statutory report together with the accounts of The Society of Mary (Marist Fathers) CIO (the "Charity") for the period from 1 January 2020 to 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 32 and comply with the Charity's constitution, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Society of Mary (Marist Fathers) (the "Society") is an international male Roman Catholic religious group, founded in France in 1816 by Jean Claude Colin. Worldwide, the Society comprises of seven provinces (Europe, USA, Australia, New Zealand, Oceania, Mexico and Canada) and four districts (Africa, Asia, Brazil and South America) in which there are 656 (678 as at 31 December 2019) members worldwide working in more than 20 countries. The Mother House is in Rome. There are 16 members based in England (including 14 ordained ministers) who belong to the Province of Europe. Seven former provinces (Italy, Ireland, France, Germany, England, the Netherlands including Norway, and Spain) amalgamated on 1 June 2008 to form one Province of Europe. The administrative base for the constituted province is in Paris and the person with overall responsibility is the Rev Martin McAnaney at 104 Rue de Vaugirard, 75006, Paris.

Of the members based in England, three are currently working abroad, one in Italy, one in Ireland and one in Russia; and there are two bishops: the bishop for the Diocese of Brentwood, East London and a retired bishop now residing in a parish in Newport, Wales. Presently, there are three members of the Society from other provinces working in England, one from Senegal, and two from France. The Society in England is governed in day-to-day matters by its own democratically agreed and approved constitution.

In July 2016, the Province of Europe became an administrative entity for the purposes of Canon Law, implementing negotiated and agreed processes that apply across the seven constitutive national units within Europe. The national regions as separate administrative units ceased to exist on 30 June 2016. The Society in England made amendments to its trust deed in 2016 to permit and promote co-operation within the Province of Europe and beyond and the trustees sought legal advice before agreeing to this development in governmental structure.

In 2018, the trustees of The Society of Mary (Marist Fathers) Charitable Trust (previously carrying Registered Charity Number 235412) applied to the Charity Commission for approval to convert the Charitable Trust's legal structure into a Charitable Incorporated Organisation ("CIO"). Permission was granted and The Society of Mary (Marist Fathers) CIO was entered on the Register of Charities on 5 July 2018 with Registered Charity Number 1179085. With effect from midnight on 31 December 2018, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the Charitable Trust were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO), The Society of Mary (Marist Fathers) CIO.

Introduction (continued)

The accounts accompanying this report are the accounts of The Society of Mary (Marist Fathers) CIO through which the assets of the Society in England are administered and through which its finances operate. The Charity is governed by a constitution dated 5 July 2018 and is registered under the Charities Act 2011. The income and expenditure reported in this annual report represent the activities for the year ended 31 December 2020 with comparative information provided for the period from 5 July 2018 to 31 December 2019.

Principal aims and activities

The general aim of the Charity is the advancement and support of the charitable work carried on by the Society; this work includes in particular the advancement of the Roman Catholic religion. The objects are fulfilled through parish-based ministries, spiritual guidance, educational support, missionary work and overseas missionary projects funded through grant making.

The emergence of the Province of Europe as an administrative entity may result in some increase in membership as members of the Society from other units of the Province are assigned to work in England. The transfer (normally temporary) of members based in England to one of the other six European units is already a reality, with one member currently working in Italy, one in Ireland and one in Russia.

Prior to July 2018, members of the Society administered in two parishes in England (Hull and Walsingham) under the direction of the local bishops. In July 2018, members of the Society withdrew from the parish in Hull, with title to the Charity's parish property being transferred to the Diocese of Middlesbrough. Members continue to support supply work to facilitate local clergy leave, according to need and availability of resources in Hull.

Members of the Society administer in the parish of Walsingham, although security and safety place a few restrictions on use, parishioners and others keep the churches run by members open for use on a daily basis. The shrine in Walsingham receives regular and frequent attendance by pilgrims of all nationalities and faiths.

Members' income from whatever source is Gift Aided (and covenanted) to the Charity. The Charity remains responsible for the maintenance and support of all of its members as they carry out their varied activities. Most members continue to actively support and promote the mission of the Society often well into their seventies and beyond, while remaining entirely dependent upon the Charity in their retirement for on-going support and maintenance. The Society in England continues its commitment to all members, especially and increasingly those who are impaired through age or ill health.

The trustees of the Charity provide land and buildings for use by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough (both of whom are members of the Nicholas Postgate Catholic Academy Trust), and for St Mary's College in Blackburn to help further educational provision in the local communities. These educational establishments were originally founded by the Society, but are now under separate control and publicly funded. Provision of the land and buildings in Middlesbrough is at a peppercorn rent. One member of the Society still acts as a Governor for St Mary's College in Blackburn.

Principal aims and activities (continued)

The Society recognises and promotes the value and importance of offering spiritual guidance and pastoral advice to people of all ages, irrespective of their social, political or religious background. This is offered through retreats, pilgrimages and chaplaincy work, which sadly has had to be halted with the onset of the Covid-19 pandemic.

The members based in England support the international work of the Society - three members from England work abroad, one in Italy, one in Ireland and one in Russia. Funds used for the overseas missionary aspect of the Charity's work are technically termed "restricted" and one member has the responsibility of fundraising for this purpose. Each year, an area of England is designated by the English Bishops' Conference for England & Wales where appeals for funds may be made, normally at Sunday church services. Full use is made of the Gift Aid scheme. However, Covid-19 has meant that appeals through Sunday church services have been temporarily suspended.

Some of the Charity's financial resources are used for the recruitment of members to the Society, for any initial and on-going training and, increasingly, for the life-long care and maintenance of those in retirement from full-time active ministry.

The Charity supports the international work of the Society through donations to the Generalate in Rome and to the Province of Europe. To comply with established policy, the trustees have agreed to forward 10% of the operating surplus of the CIO for the promotion of formation and training of new priests and mission funding to facilitate the work of Society worldwide.

Public benefit

The trustees have given careful consideration to the Charity Commission's guidance on public benefit in line with their constitution when setting annual objectives, planning the work to be undertaken for the year and when encouraging the work of individual members.

The members of the Society in England operate within, work with and are deeply involved with the local communities where their residential properties are located. The Society enables members to give their services freely to promote the Charity's objects. Details are given above under the heading "Principal aims and activities".

The Society in England also supports the international work of the Society, with three members from England currently ministering overseas; financial assistance is provided through the Mother House in support of this work.

Annual donations are made to promote the Society's work chiefly in Oceania, the Philippines and Africa. The promotion is funded largely through appeals in parishes in various parts of England and Wales as permitted by the Roman Catholic bishops. Further help, when needed, is provided by occasional legacies and donations from the Pilgrimage Fund.

Achievements and performance

The outbreak of Covid-19 has severely affected many local economies around the globe. Following the outbreak in the UK, the Charity has had to modify its operations to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus. The lockdown in the UK and the turbulence of global stock markets resulted in the investment portfolio experiencing great volatility during the year, with a rally at the year-end.

In response to the lockdown order, the Charity has had to reappraise the work of its members in England, as a significant number of members are advanced in years, many with associated health conditions. Members have had to practise self-isolation and social distancing, electing to remain in communities and only going outside for essentials or medical reasons. Therefore, very few face-to-face pastoral meetings, religious services, supply work or mission appeals were carried out in the year with social distancing and lockdown rules in operation.

Instead, members of the Society have had to readjust their ministry accordingly. Meetings have taken place using Zoom video conferencing facility, contact with parishioners and providing support has been conducted by telephone and one member has been involved with the local radio network in preparing and delivering a regular "thought for the day" message.

Two members of the Society sadly died during the year. Father Myles Moriarty and Father Clive Birch. Both members were retired and in their 80's. Before retirement, Father Moriarty taught in Marist colleges in England before teaching for a few years in Samoa before ill health brought him back to England when he was chaplain of a retreat house in East Anglia. Father Birch had been in residential nursing care after spending many years teaching in Marist schools, then was Director of the National Shrine at Walsingham, Rector of the French church in London, Provincial Superior of Marists in England, after which he established a community in Carmarthen before suffering a stroke that enforced his retirement.

Of the remaining 13 members of the Society resident in England, the Charity has one member working as a parish priest and another fulfilling his role as bishop for the Diocese of Brentwood. All other members provide levels of service in community in tune with the spirit and aims of the Society. Of those, one member is directly responsible for the development of the extension of the Charity's work to involve lay people in fostering possible future work of the Society among laity.

The same member organises and manages pilgrimage trips to various shrines in Europe for more than 100 people each year – work that has been ongoing for more than thirty years. Any surplus proceeds from pilgrimage activities are devoted to the Charity's work both at home and overseas. Due to Covid restrictions, all travel programmes were cancelled, but meetings have been held via Zoom video conferencing to enable an events programme to be planned and collated for later in 2021 when it is safe to travel again.

Another member, whose work involves promoting fundraising efforts for overseas missionary work through making appeals in parish churches in various parts of England and Wales as permitted by the Roman Catholic bishops, had to halt these activities from March 2020. Plans to recommence appeals in 2021 are in place when it is safe to do so.

Achievements and performance (continued)

In April 2020, the trustees gave notice on their option to renew a three-year lease on the Wells community accommodation held by the Diocese of East Anglia, which fell due in October. The Diocese has agreed to renew the lease for a second three-year term, which expires in October 2023.

On 1 November 2020, the trustees legally disengaged from the governance arrangement with St. Mary's College in Blackburn. This action led to an amendment of the ongoing lease agreement with the College for the provision of the freehold land and buildings to enable the College to continue its educational operations. The amendment places the lease on an arm's length basis and requires the College to pay rent to the Charity at market rate as determined by qualified property surveyors. The outcome of the FE Commissioners Structure and Prospects Appraisal (SPA) process has ruled in favour of an orderly closure of the College in Blackburn in July 2022.

At the end of December 2020, the trustees had responsibility for one parish in Walsingham, in the Diocese of East Anglia under the direction of the local bishop. Two members of the Society continue to work in the four churches, which encompass the Walsingham parish, with members continuing to provide assistance, when requested, to the management of the National Marian Shrine in Walsingham, which passed to the Hierarchy in England & Wales in December 2014.

The Charity continues to provide the freehold land and buildings for occupation by Trinity Catholic College & Sixth Form in Middlesbrough and St Edward's Primary School in Middlesbrough at a peppercorn rent.

Inevitably, with 95% of the members in the Society in England now beyond historic retirement age, concomitant health deterioration is leading to adjustments in apostolate. The Charity continues to support the international work of the Society, with three members from England currently overseas and donations are made to the Generalate in support of this work.

Key personnel have continued to work either remotely or part-time in the office during the Covid-19 restrictions. Domestic staff had to be furloughed under the Government's Job Retention Scheme for April and May 2020. The introduction of safe working practices in communities allowed domestic staff to return to work on 1 June 2020, with the addition of personal protective equipment (PPE), increased hygiene measures and social distancing rules.

Since 2017, the community property in Hull (Newman House) has undergone a series of internal modifications. The completion of the building work at the end of February 2020 which commenced in April 2019 was timely. The work consisted of adding a ground floor extension to the side of the property to accommodate four en-suite bedrooms. In late September, the plan to landscape the grounds and surrounding area at Newman House was able to go ahead.

Consequently, with the changes made to the operations of the Charity, the trustees saw a reduction of 15% in the level of income receipts budgeted for 2020 before accounting for the gift of an exceptional legacy.

Financial review

Financial highlights

The Charity recorded a significant legacy during the year totalling £907,464 (2019 - £16,000) from the Will of an elderly parishioner. The legacy funds are restrictive in nature, only to be used to advance overseas missionary projects. By 31 December 2020, five overseas projects had received trustee approval and the General House in Rome were in receipt of grant funding totalling £136,460 (€150,000) to oversee the commencement of activities.

In addition to the centralisation of all major community expenditure and with community houses receiving subsidies, the following transactions were carried out by the Charity:

- Project work at Hull community property – £38,371 (2019 - £435,536)
- Medical and residential costs amounted to circa £27,000 (2019 - £37,000) for elderly members and those with severe ill health. The provision of State aid financial assistance with these costs has lessened the call on the trustees' financial resources.
- As in previous years, the trustees contributed to the work of the Society in Europe – £49,954 (2019 - £48,927), and towards overseas mission activity – £34,955 (2019 - £34,865), which was partly funded through Mission appeals and the Pilgrimage Fund.
- Quilter Cheviot Investment managers received £45,625 (2019 – £47,013) in fees for the year.
- St. Mary's College in Blackburn - the final annual instalment of £30,000 (2019 - £30,000), was cancelled following the Charity's disengagement from governance arrangements with the College. These funds have been written back into the accounts.
- Double glazing to Hull community property – £Nil (2019 - £35,200)
- Property impairment provision of £Nil (2019 - £503,135) for Newman House.

Income and expenditure in summary

A summary of the results for the year to 31 December 2020 can be found on page 22 of this report and accounts.

Total income for the year amounted to £1,505,927 (2019 - £716,183 (before accounting for the net assets of £10,520,517 inherited upon incorporation of the CIO – see note 21 to the accounts)). £1,198,462 (2019 - £414,684) of this amount represents income from donations and legacies, including one significant legacy of £907,464 restricted to the promotion of the overseas mission of the Society (2019 – £nil). Income earned on the Charity's listed investments totalled £278,027 (2019 - £300,755) and £112 (2019 - £694) was received as bank interest.

Total expenditure for the year was £686,917 (2019 - £1,021,590). £442,838 (2019 - £886,991) of the expenditure was incurred maintaining the members of the Society and enabling them to carry out their work. £198,454 (2019 - £87,586) was expended on grants and donations.

Financial review (continued)

Income and expenditure in summary (continued)

Net investment gains of £468,991 (2019 - £1,130,016) arose during the period on the revaluation and disposal of the Charity's investment assets and the overall net movement in funds for the period, therefore, was an increase of £1,288,001 (2019 - £11,345,126).

Reserves policy and financial position

The reader will discern from the foregoing that the Charity carries out a diverse range of activities and is responsible for care and support of the religious members whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activity.

Given the nature of the Charity's work and the increasing, often unpredictable, call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to five years' worth of expenditure without giving rise to concern.

Since the spread of Covid-19 in January 2020, the pandemic has severely affected many local economies around the globe. Following the outbreak in the UK, the Charity has had to modify its operations to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus. The lockdown of the UK and the turbulence experienced by global stock markets has resulted in the Charity's investment portfolio experiencing great volatility. One of the consequence of the turbulence experienced by the portfolio is a reduction in the level of anticipated investment income for the Charity during 2021, thereby placing reliance on the free reserves to meet operational expenditure in the year.

At 31 December 2020, the Charity had net assets totalling £12,633,127 (2019 - £11,345,126).

Of this, £1,016,250 (2019 - £992,011) was represented by equipment, motor vehicles and the properties used to house the members of the Society and to support their work. This balance was separated in recognition of the importance of such assets to the Charity's operational activities, and thus unavailable to meet the Charity's day-to-day commitments.

Restricted funds of £771,004 (2019 - £nil) at the balance sheet date represents the balance of funds remaining from the significant legacy received during the year, the application of which is restricted to overseas missions in Rome.

Financial review (continued)

Reserves policy and financial position (continued)

Taking into account the age profile of the members of the Society and the annual cost of maintaining them and their residential properties, the trustees of the Charity are mindful of the need to set aside reserves to safeguard the future of the members and their charitable work. According to policy, the trustees obtained professional help in carrying out an actuarial calculation to establish the costs of maintaining all the present members of the Society into the future. Ages range from 59 to 86 years.

Based on advice received, the trustees have designated an accumulated sum of £7.3 million (2019: £8.0 million) as a reserve to provide for the members of the Society in their continuing ministry and retirement and to be able to offer assistance in unforeseen circumstances. This reduction in designated funds has released £700,000 to free reserves. The current cost of care for any member who needs residential/nursing care is estimated to be circa £41,000 per annum. The Charity will apply for financial assistance from the State whenever possible, which is sometimes limited because of occupational pensions received.

The trustees have also designated £135,853 being monies held in the Pilgrimage Fund, to be applied in due course towards the overseas mission of the Marist Fathers over the next ten years.

Therefore, at 31 December 2020, the Charity had free reserves of £3,410,020 (2019 - £2,196,726), which was in line with the policy set out above and importantly, is regarded as being sufficient to enable the charity to meet the challenges presented by Covid-19 and its aftermath.

Investment policy and performance

Quilter Cheviot Limited managed the Charity's listed investment portfolio throughout the period of report. Custody of the investments was held by a nominee company.

The Charity invests in a diverse range of listed investments to spread risk. The portfolio benchmarks were realigned in 2019 to rebalance the proportion of equities and bonds according to advice received from the fund managers. Despite the volatility in investment markets as a result of the Covid-19 pandemic, the portfolio saw a capital increase in the period from 1 January 2020 to 31 December 2020. The market value of the Charity's listed investments at 31 December 2020 stood at £10,511,558 (2019 - £9,902,903). The portfolio performance outperformed the performance of the markets generally with a return of 7.2% due to a late rally. Listed investment income for the year totalled £278,027 (2019 - £300,755).

The Charity has a policy, distributed to all members and reviewed annually, which applies to its portfolio of investments. The agreed strategy is to maximise total returns within acceptable levels of risk in order to meet the Charity's on-going needs. The investment managers are instructed to endeavour to achieve long-term growth of both capital and income in order to provide the level of income that the trustees required to meet their programme and responsibilities in any one year. Advice is sought from the fund managers before the trustees embark on any programme involving significant finance.

Financial review (continued)

Investment policy and performance (continued)

It is policy to invest all non-recurring income (including legacy funds, short term), as well as any proceeds from the disposal of assets and maturing life insurance policies taken out in the 1980s to provide cover for each member, for the benefit of the Charity.

The trustees have supplied the fund managers with a copy of their investment policy outlining the Charity's position on the ethical and moral principles. This confirms that investments should never be made in activities that would conflict with the objectives of the Charity. Whenever prudent and possible, the trustees seek to invest in those areas of the developing world where the Society works.

During the year, the National Administrator, who is a trustee, and the Finance Manager received quarterly reports and monthly performance updates from the fund manager. They also received regular information and contract notes concerning the acquisition and disposal of equities. The trustees have decided that they will meet with the fund managers annually to review progress of the portfolio and the National Administrator and Finance Manager will meet with the fund manager every six months to review and receive informative and explanatory reports. During 2020, all meetings were held by Zoom video conferencing.

Future plans

The Charity anticipates that the implementation of the vaccine programme will help to make Covid-19 become more manageable in the future. When social distancing rules are relaxed, members will once again be able to return to their activities but only when it is safe to do so. The trustees are mindful of their members decreasing numbers, their age profile and fragility.

One member will be engaged in writing books and articles, conducting courses and giving talks on the Catholic faith.

Plans for the further upgrade to the first floor accommodation in Hull, are scheduled to commence in July 2021.

The Charity will work with their legal and professional advisers to establish opportunities for the use of the freehold land and buildings in Blackburn, when it becomes unoccupied, on the closure of St Mary's College in July 2022.

The trustees will also look to explore the requirement to consolidate community properties, based on the needs of and support for the members of the Society in England. The Charity is actively considering its presence in Blackburn.

Principal risks and uncertainties

Following the outbreak of Covid-19, the Charity has had to modify its operations to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus. The duration and impact of Covid-19 remains unclear at this time and it is not possible to reliably estimate the full impact on the financial position and results of the Charity for future periods. The trustees are aware that Covid-19 will affect income, expenditure and reserves. However, they are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

In carrying out their mission, the trustees have identified the other major risks, which might impact the work of the Charity. Professional advice is sought and followed so that statutory obligations and regulations are observed. The major risks are recorded in a "Risk Assessment Policy" which the trustees review annually.

The key risks for the Charity are described below, together with the principal ways in which they are mitigated:

◆ ***Caring for the elderly***

Members of the Society are becoming increasingly older; their needs for professional care and assistance are increasing too. Members' needs are met through the provision of nursing and medical care, either in-house or externally.

Considerable resources are required to provide an appropriate level and quality of care (particularly if nursing or specialist dementia care is required). Such resources are the responsibility of the Charity itself, the State, or a mixture of the two.

The trustees are aware that it is essential for proper financial planning to exist so that when additional help is required by members, there are adequate funds in place to provide this support.

◆ ***Deterioration in the value of the investment portfolio***

The Charity places reliance on the income received in the form of dividends from its investment portfolio to maintain its operations. Stock market fluctuations are monitored on a regular basis and robust control mechanisms are in place to deal with any adverse conditions.

Since the outbreak of Covid-19, global equity markets have experienced significant volatility and weakness only to recover in the last quarter of 2020. The portfolio valuation has encountered much turbulence, at one point it experienced a 25% fall from its previous year-end position. The investment portfolio continues to be closely monitored and has made a significant recovery since reaching this low point. Nevertheless, the Charity anticipates that investment income receipts in the form of dividends and interest will decrease in the region of 10% for the coming year compared to pre Covid-19 levels.

Principal risks and uncertainties (continued)

A review of the appointment of a professional fund manager from a reputable company is carried out every three years. The trustees carry out a regular review of the Charity's investment policy with an up-to-date copy of the policy supplied to the investment manager, Quilter Cheviot Limited. The National Administrator and Finance Manager receive detailed monthly and quarterly reports of the portfolio movements. The trustees receive copies of the annual reports and meet with the fund manager on an annual basis.

◆ **Age profile of members**

The increasing age profile of members leads to the risk of dilution in the ministry of the Society and the associated income for the Charity.

The Charity continues to demonstrate public benefit by members providing social and pastoral work within local communities and through the provision of charitable donations to the Society's missions overseas, including the Generalate. Legacy funding has provided the Charity with an opportunity for grant-making specific overseas missions' projects. Members of the Society work in close partnership with lay people using their financial and administrative skills to ensure financial viability.

◆ **Safeguarding**

Operationally the Charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the Charity serves. Members of the Society who engage in any ministry in England and Wales and all those who work or volunteer for the Charity and work with children or vulnerable adults obtain clearance from the Disclosure and Barring Service (DBS). The trustees of the Charity are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS).

One of the members of the Society, with the help of a lay expert, is responsible for ensuring this policy is adhered to in respect to all members, employees and volunteers. In addition, a Safeguarding Team of three members is in place, which meets several times a year to take part in on-going safeguarding training; to update internal policies; and to ensure that priests, staff and volunteers are kept informed about good practice in work and ministry.

◆ **Freehold land and buildings in Blackburn**

The closure of St. Mary's College in July 2022 presents challenges for the Charity. The costs associated with the potential disposal of the site and holding an asset no longer in use; and, dealing with a parcel of land transferred from Lancashire County Council under the direction of the Education Assets Board pursuant to the provisions of the Further & Higher Education Act 1992 and Education Order 1993.

The Charity's legal advisers are actively researching the legal implications (if any) in an effort to clarify the full ownership position of the site. The Charity has also received tentative expressions of interest in the site once it becomes unoccupied.

Principal risks and uncertainties (continued)

The National Administrator and Finance Manager carried out a detailed examination / re-assessment of insurance cover in June 2020 via Zoom video conferencing with the advice of the insurance account managers, Marsh Commercial and reported to the trustees. The major risks were covered by practical and well-tried procedures.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, annual budgeting, comprehensive insurance cover and centralising responsibility for major expenditure, they have prudent effective systems in place to minimise foreseeable risks.

Structure, governance, and management

Since July 2016, the Society in England had been administered by the National Administrator assisted by his Administrative Council, which includes the Finance Manager.

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the members has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

The trustees – as distinct from the National Administrator and Administrative Council – aim to formally meet four times each year, to review developments and assess the functioning of the Charity in order to monitor the present and plan for the future as English law stipulates. Should occasion arise, they meet with the Provincial of Europe to further the aims of the Charity.

The names of the trustees who served during the period of report are listed on page 1.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator and they shall, subject to clause 15 (retirement and removal of Trustees):

- (a) in the case of an individual who is a member of the Society be appointed for a period of three years or such period of office as the National Administrator shall determine;
- (b) in all other cases be appointed for:
 - (I) an initial term of one year; and,
 - (II) if reappointed (subject to clause 16 of this Constitution) for a term of three years;

or such other term as the National Administrator shall decide; and they may (subject to Clause 16 of this constitution) be reappointed.

Members are selected for appointment as trustees based on their skills, knowledge and experience, necessary for the effective administration of the Charity. Trustees are invited and encouraged to attend training presentations to familiarise themselves with the context within which the Charity operates. Briefing packs are prepared and distributed to trustees regularly, which draws upon the information from various Charity Commission publications, signposted through the Commission's guide CC3 "The Essential Trustee" as a follow up to these sessions.

Structure, governance, and management (continued)

All trustees receive the audited reports each year and representative trustees meet annually with the fund managers and insurance broker in order to review and assess their performance.

Key management personnel

The trustees consider that they together with the Finance Manager (who is also the National Bursar of the Society) comprise the key management of the Charity, charged with directing and controlling, running and operating the Charity on a day-to-day basis. The National Administrator, to whom the main duties are entrusted, is also a trustee of the Charity and he is assisted in his endeavours by the Finance Manager.

All of the trustees are members of the Charity and whilst their living and personal expenses are borne by the Charity they receive no remuneration in connection with their duties as trustees.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

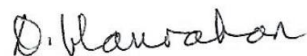
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's Constitution. 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.

Employees, volunteers and members of the Society

The trustees wish to record their appreciation of the dedicated, enthusiastic and positive approach of all members of the Society often in the most difficult of circumstances and they underline the support and commitment of all their staff and volunteers. This has enabled the Charity to continue to pursue its objectives.

In accordance with UK law, the trustees have set up a workplace pension, which offers a pension to each of the Charity's employees. All employees are able to become members of this scheme. The trustees make a contribution of 6% of gross salary in to the pension scheme.

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the trustees on: 01/07/2021.

Independent auditor's report to the trustees of The Society of Mary (Marist Fathers) CIO

Opinion

We have audited the accounts of The Society of Mary (Marist Fathers) CIO (the 'charity') for the period ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims..

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

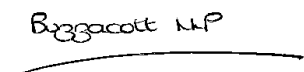
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive style and is positioned above a horizontal line that spans the width of the signature.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 July 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2020

		Year to 31 December 2020			Period from 5 July 2018 to 31 December 2019		
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:							
Donations and legacies	1	280,601	917,861	1,198,462	388,338	26,346	414,684
Investments and interest receivable	2	278,139	—	278,139	301,449	—	301,449
Other Income	3	29,076	—	29,076	—	—	—
Disposal of tangible fixed assets	4	250	—	250	50	—	50
		588,066	917,861	1,505,927	689,837	26,346	716,183
Transfer from The Society of Mary (Marist Fathers) Charitable Trust	22	—	—	—	10,520,517	—	10,520,517
Total income		588,066	917,861	1,505,927	11,210,354	26,346	11,236,700
Expenditure on:							
Raising funds	5	45,625	—	45,625	47,013	—	47,013
Charitable activities							
. Support of members of the Society and their ministry	6	442,838	—	442,838	886,991	—	886,991
. Grants and donations	7	27,039	171,415	198,454	52,721	34,865	87,586
Total expenditure		515,502	171,415	686,917	986,725	34,865	1,021,590
Net income (expenditure) before investment gains		72,564	746,446	819,010	10,223,629	(8,519)	10,215,110
Net investment gains	13	468,991	—	468,991	1,130,016	—	1,130,016
Net income (expenditure)		541,555	746,446	1,288,001	11,353,645	(8,519)	11,345,126
Transfer between funds	15	(24,558)	24,558	—	(8,519)	8,519	—
Net movement in funds	9	516,997	771,004	1,288,001	11,345,126	—	11,345,126
Reconciliation of funds							
Total funds brought forward at 1 January 2020		11,345,126	—	11,345,126	—	—	—
Total funds carried forward at 31 December 2020		11,862,123	771,004	12,633,127	11,345,126	—	11,345,126

All recognised gains and losses are included in the above statement of financial activities.

The Society of Mary (Marist Fathers) CIO commenced activities on 1 January 2019. All activities were continuing as at 31 December 2020.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		1,016,250		992,011
Investments	13		10,843,806		10,115,423
			11,860,056		11,107,434
Current assets					
Debtors	14	467,249		8,134	
Cash at bank and in hand		354,952		352,384	
		822,201		360,518	
Liabilities					
Creditors: amounts falling due within one year	15	(49,130)		(122,826)	
Net current assets			773,071		237,692
Total net assets			12,633,127		11,345,126
The funds of the charity					
Income funds					
Restricted funds	16		771,004		—
Unrestricted funds					
. Tangible fixed assets fund	17	1,016,250		992,011	
. Designated funds	18	7,435,853		8,156,389	
. General fund		3,410,020		2,196,726	
			11,862,123		11,345,126
			12,633,127		11,345,126

Approved by the trustees
and signed on their behalf by:



Trustee

Approved on: 01/07/2021

Statement of cash flows Year to 31 December 2020

	Notes	Year to 31 December 2020 £	Period from 5 July 2018 to 31 December 2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	79,212	(126,993)
Cash flows from investing activities:			
Investment income and interest received		276,026	303,780
Proceeds from the disposal of tangible fixed assets		250	50
Purchase of tangible fixed assets		(96,219)	(410,343)
Proceeds from the disposal of listed investments		2,844,018	1,644,652
Purchase of listed investments		(2,985,367)	(2,382,501)
Net cash used in investing activities		38,708	(844,362)
Change in cash and cash equivalents in the year		117,920	(971,355)
Cash and cash equivalents at 31 December 2019		535,824	—
Change in cash and cash equivalents due to exchange rate movements		2,691	(3,868)
Cash transferred from The Society of Mary (Marist Fathers) Charitable Trust (note 23)		—	1,511,047
Cash and cash equivalents at 31 December 2020	B	656,435	535,824

Notes to the statement of cash flows for the period ended 31 December 2020

A Reconciliation of net income for the year to net cash used in operating activities

	Year to 31 December 2020 £	Period from 5 July 2018 to 31 December 2019 £
Net income for the year (as per the statement of financial activities)	1,288,001	11,345,126
Adjustments for:		
Transfer from The Society of Mary (Marist Fathers) Charitable Trust	—	(10,520,517)
Depreciation charge	30,454	4,873
Impairment provision	—	503,135
Net gains on investments	(468,991)	(1,130,016)
Surplus on disposal of tangible fixed assets	(250)	(50)
Investment income and interest receivable	(278,139)	(301,449)
Foreign exchange (gain) loss	(2,691)	3,868
(Increase) decrease in debtors	(457,002)	3,848
Decrease in creditors	(32,170)	(35,811)
Net cash used in operating activities	79,212	(126,993)

Statement of cash flows Year to 31 December 2020

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	354,952	352,384
Cash held by investment managers	301,483	183,440
Total cash and cash equivalents	656,435	535,824

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparatives given for the period from the date of registration of the CIO on 5 July 2018 to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Scope of accounts

These accounts do not include the funds of parishes managed by the members of the Society as parish priests. Such funds are the property of the relevant diocesan charity of which the parish is part.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ the estimate of future income and expenditure flows for the purposes of assessing the charity's going concern status.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Following the outbreak of Covid-19, the Charity has had to modify its operations to cope with the impact and effects of the lockdown imposed by the UK Government to combat the virus. The duration and impact of Covid-19 remains unclear at this time and it is not possible to reliably estimate the impact on the financial position and results of the Charity for future periods. The trustees are aware that Covid-19 will affect income, expenditure and reserves, however they are confident that the level of reserves held by the Charity are sufficient to mitigate any foreseeable financial concerns about the Charity's ability to continue as a going concern.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period (i.e. the year ending 31 December 2021), as described in the trustees' report, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable and sundry income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the amount can be measured and when the charity is entitled to receipt.

Income (continued)

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of the disposal and after deducting any costs associated with the disposal.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees only.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:

Expenditure (continued)

- ◇ Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure includes governance costs, which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice; and
- ◇ Grants and donations payable which in the main, relate to the support of the Society's Generalate and overseas missions. Grants and donations payable are included in the statement of financial activities when approved. Grants approved but not paid at the end of the financial period are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

◆ *Colleges and schools*

The trustees are the legal owners of land and buildings used by two Sixth Form Colleges in Blackburn and Middlesbrough and one voluntary aided primary school situated in Middlesbrough, which are exempt charities and publicly funded. The land and buildings are valued at £nil for the purpose of these accounts. All of these educational establishments were originally founded by the Society, but are now under separate control and publicly funded. Historically some developments to the estate were partially funded by state aid according to government policy at the time and there is no reliable information as to their cost.

Occupation of the land and buildings by the two educational establishments in Middlesbrough is indefinite and rent free (or at a peppercorn rent) until there is a breach by, or change in the relationship with, the tenants. The trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to alternative use whilst such occupation continues.

Tangible fixed assets (continued)

Freehold land and buildings (continued)

◆ *Colleges and schools* (continued)

Until the end of October 2020, St Mary's College, Blackburn (the College) operated as a Catholic sixth form college. With effect from 1 November 2020 it was agreed that as the College no longer met the requirements to be termed "Catholic" it would henceforth operate as a sixth form college. Occupation by the College of the land and buildings situated in Blackburn and owned by the Charity was rent free until 31 October 2020 but with effect from 1 November 2020 is subject to a formal rental arrangement. Following a Structures and Prospects Appraisal (SPA) Review under the control of the FE Commissioner's Office, the College was notified that it would close at the end of July 2022. With the College closure in July 2022 it is anticipated that control of the property will return to the Charity. The trustees consider that no meaningful value can be attributed to these assets until 31 July 2022 since they are not used directly by the Charity and cannot be disposed of in the open market or put to an alternative use whilst occupation by the College continues.

◆ *Non-specialised buildings*

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.

◆ *Specialised buildings*

Specialised buildings include residential properties which have undergone significant adaptation works in order to serve the wider operational needs of the charity. Depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.

Furniture, equipment and motor vehicles

Furniture, equipment and motor vehicles are depreciated in order to write assets off over their expected useful lives at the following rates per annum:

- | | |
|---------------------------|-------------|
| ◆ Furniture and equipment | 20% on cost |
| ◆ Motor vehicles | 25% on cost |

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Deferred annuity contracts represent annuity contracts with an insurance company to assist provision for individual members of the Society on their retirement. The fund is revalued at each balance sheet date by the insurance company.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Services provided by members of the Society

For the purposes of these accounts no monetary value has been placed on administrative and other services provided by members of the Society.

1 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Salaries and pensions of members of the Society received under gift aid and/or deed of covenant	276,921	—	276,921	341,348	—	341,348
Legacies	—	907,464	907,464	16,000	—	16,000
Other donations	3,680	10,397	14,077	30,990	26,346	57,336
	280,601	917,861	1,198,462	388,338	26,346	414,684

2 Income from investments and interest receivable

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Income from listed investments	278,027	—	278,027	300,755	—	300,755
Interest receivable	112	—	112	694	—	694
	278,139	—	278,139	301,449	—	301,449

3 Income from other sources

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Coronavirus Job Retention Scheme grant	7,516	—	7,516	—	—	—
Rent receivable	16,667	—	16,667	—	—	—
Miscellaneous income	4,893	—	4,893	—	—	—
	29,076	—	29,076	—	—	—

4 Income from disposal of tangible fixed assets

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Surplus on disposal of motor vehicles	250	—	250	50	—	50

5 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Investment manager's fees	45,625	—	45,625	47,013	—	47,013

6 Expenditure on charitable activities: Support of the members of the Society and their ministry

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Staff costs (note 10)	111,984	—	111,984	102,741	—	102,741
Property expenses	44,431	—	44,431	39,102	—	39,102
Personal living costs	121,305	—	121,305	142,617	—	142,617
Training	3,431	—	3,431	3,869	—	3,869
Expenses of ministry	27,127	—	27,127	63,832	—	63,832
Depreciation	30,454	—	30,454	4,873	—	4,873
Impairment provision	—	—	—	503,135	—	503,135
Governance costs (note 8)	104,106	—	104,106	26,822	—	26,822
	442,838	—	442,838	886,991	—	886,991

7 Expenditure on charitable activities: Grants and donations

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
The Generalate of the Society	49,954	—	49,954	48,927	—	48,927
Marist missions overseas	—	34,955	34,955	—	34,865	34,865
Overseas missions grant funding	2,902	136,460	139,362	—	—	—
Notre Dame Refugee Centre	3,000	—	3,000	3,000	—	3,000
St. Mary's College	(30,000)	—	(30,000)	—	—	—
Other donations of less than £1,000	1,183	—	1,183	794	—	794
	27,039	171,415	198,454	52,721	34,865	87,586

All grants and donations are payable to institutions and there were no payments to individuals. An accrued grant of £30,000 for St. Mary's College was written back in the year as the College no longer met the conditions.

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 December 2020 £	Unrestricted Funds £	Restricted Funds £	Period from 5 July 2018 to 31 December 2019 £
Professional fees	104,106	—	104,106	26,822	—	26,822

9 Net movement in funds

This is stated after charging:

	Year to 31 December 2020 £	Period from 5 July 2018 to 31 December 2019 £
Staff costs (note 10)	111,984	102,741
Auditor's remuneration including VAT		
. Statutory audit – current year	8,160	7,920
. Statutory audit – prior year	840	1,608
. Non-audit services –VAT consultancy	—	3,360
Depreciation (note 11)	30,454	4,873
Impairment provision	—	503,135

10 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	Year to 31 December 2020 £	Period from 5 July 2018 to 31 December 2019 £
Wages and salaries	102,123	94,564
Social security costs	4,059	3,140
Pension costs	5,802	5,037
	111,984	102,741

The average number of employees during the year ended 31 December 2020 was 5 (2019 – 5). The full time equivalent number of employees during the same period, analysed by function, was 3.2 (2019 – 3.3).

There were no employees who earned £60,000 (2019 - none) per annum or more (excluding benefits) during the period.

The trustees consider that they together with the Finance Manager (who is also the National Bursar of the Society) comprise the key management of the Charity. The National Administrator, to whom certain duties are entrusted, is also a trustee of the charity.

The total remuneration (including benefits) payable to the charity's key management personnel during the period ended 31 December 2020 was £55,540 (2019 £56,952).

All of the trustees are members of The Society of Mary (Marist Fathers) CIO and whilst their living and personal expenses are borne by the charity they receive no remuneration.

11 Taxation

The Society of Mary (Marist Fathers) CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment £	Motor vehicles £	Total £
	Non-specialised £	Specialised £			
Cost					
At 1 January 2020	375,620	1,103,135	36,122	43,261	1,558,138
Additions	—	38,371	9,322	7,000	54,693
Disposals	—	(4,780)	—	(9,300)	(14,080)
At 31 December 2020	<u>375,620</u>	<u>1,136,726</u>	<u>45,444</u>	<u>40,961</u>	1,598,751
Depreciation and impairment					
At 1 January 2020	—	503,135	23,665	39,327	566,127
Depreciation charge	—	21,967	5,426	3,061	30,454
On disposals	—	(4,780)	—	(9,300)	(14,080)
At 31 December 2020	<u>—</u>	<u>520,322</u>	<u>29,091</u>	<u>33,088</u>	582,501
Net book values					
At 31 December 2020	<u>375,620</u>	<u>638,371</u>	<u>16,353</u>	<u>7,873</u>	<u>1,016,250</u>
At 31 December 2019	<u>375,620</u>	<u>600,000</u>	<u>12,457</u>	<u>3,934</u>	<u>992,011</u>

13 Fixed asset investments

	2020 £	2019 £
Listed investments	10,511,558	9,902,903
Cash held by investment managers for re-investment	301,483	183,440
Deferred annuity contracts	30,765	29,080
	<u>10,843,806</u>	<u>10,115,423</u>

	2020 £	2019 £
Listed investments		
Market value 1 January 2020	9,902,903	—
Transfer from The Society of Mary (Marist Fathers) Charitable Trust (note 23)	—	8,037,104
Additions at cost	2,985,367	2,382,501
Disposal at book value (proceeds: £2,844,018; losses: £177,996)	(3,022,014)	(1,515,000)
Net unrealised investment gains	645,302	998,298
Market value at 31 December 2020	<u>10,511,558</u>	<u>9,902,903</u>
Historical cost of listed investments as at 31 December 2020	<u>8,651,541</u>	<u>8,148,510</u>

13 Fixed asset investments (continued)

At 31 December 2020, the listed investments comprised the following:

	2020 £	2019 £
UK fixed interest	1,765,439	1,982,397
Overseas fixed interest	1,305,112	1,002,652
UK equities and unit trusts	1,315,046	1,383,538
Overseas equities and unit trusts	3,755,632	3,453,831
Commodities, absolute return and infrastructure	2,370,329	2,080,485
	10,511,558	9,902,903

At 31 December 2020 no individual investment holding was deemed significant in the context of the overall portfolio value.

	2020 £	2019 £
Deferred annuity contracts		
Value at 1 January 2020	29,080	—
Transfer from The Society of Mary (Marist Fathers) Charitable Trust (note 23)	—	27,014
Surplus on revaluation	1,685	2,066
Value at 31 December 2020	30,765	29,080

The deferred annuity contracts are with Zurich Assurance plc.

14 Debtors

	2020 £	2019 £
Investment income receivable	9,785	7,672
Legacy receivable	457,464	—
Prepayments and accrued income	—	462
	467,249	8,134

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Grants payable	—	30,000
Amounts payable towards the purchase of tangible fixed assets	22,112	63,638
Other creditors and accruals	27,018	29,188
	49,130	122,826

16 Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
Overseas missions fund	—	10,397	(34,955)	24,558	—
Overseas legacy funds	—	907,464	(136,460)	—	771,004
	—	917,861	(171,415)	24,558	771,004

	At 5 July 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Overseas missions fund	—	26,346	(34,865)	8,519	—

The overseas mission fund comprises donations received for the specific purpose of funding the Society's mission overseas. The transfer from the charity's unrestricted general funds is made to cover the shortfall of donations against the actual charitable expenditure on overseas missions.

Similarly, the overseas legacy fund relates to a significant legacy receivable, the application of which is restricted towards overseas projects.

17 Tangible fixed assets fund

	2020 £	2019 £
At 1 January 2020	992,011	—
Transfer from The Society of Mary (Marist Fathers) Charitable Trust (note 23)	—	1,024,038
Other net movements in year	24,239	(32,027)
At 31 December 2020	1,016,250	992,011

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. This fund was established in recognition of the fact that the assets were used in the day to day work of the Charity and therefore did not represent reserves available to finance its operations.

18 Designated funds

The unrestricted funds of the charity included the following designated funds, which were set aside by the trustees for specific purposes:

	At 1 January 2020 £	New designa- -tions £	Utilised/ released £	At 31 December 2020 £
Retirement reserve	8,000,000	—	(700,000)	7,300,000
Pilgrimages fund	156,389	9,319	(29,855)	135,853
	8,156,389	9,319	(729,855)	7,435,853

	At 5 July 2018 £	Transfer from Charitable Trust (note 21) £	New designa- -tions £	Utilised/ released £	At 31 December 2019 £
Retirement reserve	—	7,500,000	500,000	—	8,000,000
Pilgrimages fund	—	166,857	9,777	(20,245)	156,389
	—	7,666,857	509,777	(20,245)	8,156,389

The retirement reserve represented funds set aside to provide for members of the Society in their retirement. The reserve had been calculated using actuarial principles, but was adjusted as necessary in the light of available resources.

The Pilgrimages fund represented monies set aside by the trustees to be applied in due course towards the mission of the Marist Fathers.

19 Analysis of net assets between funds

The following assets and liabilities represent the fund balances:

	Unrestricted funds				Total 2020 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	1,016,250	—	—	1,016,250
Investments	3,094,413	—	7,435,853	313,540	10,843,806
Current assets	364,737	—	—	457,464	822,201
Creditors: amounts falling due within one year	(49,130)	—	—	—	(49,130)
Total net assets	3,410,020	1,016,250	7,435,853	771,004	12,633,127

19 Analysis of net assets between funds (continued)

	Unrestricted funds				Total 2019 £
	General funds £	Tangible fixed assets funds £	Designated funds £	Restricted funds £	
Fund balances at 31 December 2019 are represented by:					
Tangible fixed assets	—	992,011	—	—	992,011
Investments	1,959,034	—	8,156,389	—	10,115,423
Current assets	360,518	—	—	—	360,518
Creditors: amounts falling due within one year	(122,826)	—	—	—	(122,826)
Total net assets	2,196,726	992,011	8,156,389	—	11,345,126

The total unrealised gains constitute movements on the revaluation of listed investments and are as follows:

	2020 £	2019 £
Total unrealised gains at 31 December 2020	1,860,017	1,754,393
Reconciliation of movements in unrealised gains on listed investments		
At 1 January 2020	1,754,393	—
Transfer from The Society of Mary (Marist Fathers) Charitable Trust	—	1,123,234
	1,754,393	1,123,234
Add: net gains arising on revaluation arising in the year	645,302	998,298
Less: in respect to disposals in the year	(539,678)	(367,139)
Total unrealised gains at 31 December 2020	1,860,017	1,754,393

20 Ultimate control

The National Administrator shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as he holds that office. If the CIO is wound up, the member has no liability to contribute towards its assets and no personal liabilities for settling its debts and other liabilities.

Apart from the first Trustees, every appointed Trustee must be appointed, subject to the consent of the Superior General, by a resolution in writing by the National Administrator

21 Related party transactions

Father Desmond Hanrahan, a trustee of the Charity was appointed as a trustee of Notre Dame de France – Society of Mary CIO ('NDF') (Charity Registration Number 1177995) and Notre Dame Refugee Centre CIO (Charity Registration Number 1177990) on 22 June 2018. During the period ended 31 December 2020 NDF contributed £53,081 to the Charity for the support of the clergy.

22 Related party transactions (continued)

Income from donations includes the pensions of the trustees of the charity received under Gift Aid or deed of covenant. For the year ended 31 December 2020, £36,390 of pension's income donated by the trustees was receivable by the charity

Father Peter Corcoran, Father Desmond Hanrahan and Brother Ivan Vodopivec, trustees of the CIO charity were also trustees of The Society of Mary (Marist Fathers) Charitable Trust. Further details concerning the transfer of assets, liabilities and activities from The Society of Mary (Marist Fathers) Charitable Trust to The Society of Mary (Marist Fathers) CIO on 1 January 2019 is provided at note 23.

There were no further related party transactions during the year (2019 – none).

23 Transfer of activities, assets and liabilities

With effect from 1 January 2019, the activities, assets and liabilities of The Society of Mary (Marist Fathers) Charitable Trust were transferred to The Society of Mary (Marist Fathers) CIO. The net assets at that date comprised:

	£
Tangible fixed assets	
. Cost	1,086,152
. Depreciation	(62,114)
	<u>1,024,038</u>
Fixed asset investments	9,275,325
Debtors	14,317
Cash at bank and in hand	299,836
Creditors: amounts falling due within one year	(62,999)
Creditors: amounts falling due after one year	(30,000)
	<u>10,520,517</u>

The assets and liabilities were represented by the following funds:

	2018 £
Unrestricted funds	
. General funds	1,829,622
. Designated funds	7,666,857
. Tangible fixed assets	1,024,038
	<u>10,520,517</u>

24 Contingent asset

As noted under principal accounting policies, the CIO is the legal owner of the land and buildings currently occupied by St Mary's Sixth Form College, Blackburn. Until the end of October 2020, St Mary's College, Blackburn (the College) operated as a Catholic sixth form college. With effect from 1 November 2020 it was agreed that as the College no longer met the requirements to be termed "Catholic" it would hence forth operate as a sixth form college. Occupation by the College of the land and buildings situated in Blackburn and owned by the Charity was rent free until 31 October 2020 but with effect from 1 November 2020 is subject to a formal rental arrangement.

24 Contingent asset (continued)

Following a Structures and Prospects Appraisal (SPA) Review under the control of the FE Commissioner's Office, the College was notified that it would close at the end of July 2022. With the College closure in July 2022, it is anticipated that control of the property will return to the Charity. At this point the land and buildings will be recognised in these accounts. Until this date, the trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity and cannot be disposed of in the open market or put to an alternative use whilst occupation by the College continues. Once the control of the land and buildings reverts to the charity, the properties will be placed for sale on the open market at which time the charity anticipates inviting offers in excess of £4 million.