

**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

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| 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

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|-------------------|--|
| 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.

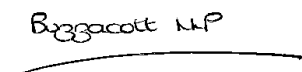
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



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 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.

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 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. 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 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> | 1,016,250 |
| At 31 December 2019 | <u>375,620</u> | <u>600,000</u> | <u>12,457</u> | <u>3,934</u> | 992,011 |

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 |
| | 10,843,806 | 10,115,423 |

| | 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 | 10,511,558 | 9,902,903 |
| Historical cost of listed investments as at 31 December 2020 | 8,651,541 | 8,148,510 |

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 | | | Restricted funds | Total 2019 |
|---|--------------------|-----------------------------|------------------|------------------|-------------------|
| | General funds | Tangible fixed assets funds | Designated 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.