

Charity number: 1189834

ST. JOHN'S SEMINARY CIO

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2021

ST. JOHN'S SEMINARY CIO

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ST. JOHN'S SEMINARY CIO

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 JULY 2021**

Trustees (all from 8 June 2020)

Most Rev John Wilson
Right Rev Richard Moth
Rev Canon Jonathan Martin
Right Rev Paul Hendricks
Mr Jonathan Walsh

Charity registered number

1189834

Principal office

St. John's Seminary, Womersley, Guildford, Surrey, GU5 0QX

Rector

Monsignor Gerald Ewing

Independent auditors

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers

HSBC, 69 Pall Mall, London, SW1Y 5EY

Solicitors

DMH Stallard, 100 Queen's Road, Brighton, East Sussex, BN1 3YB

Investment Managers

Barclays Wealth, 1 Churchill Place, London, E14 5HP

ST. JOHN'S SEMINARY CIO

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 JULY 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governing document of St John's Seminary CIO (hereinafter described as "the Seminary"), a constitution dated 8 June 2020, states that its objects are more than one or all of the following objects as shall be directed from time to time by the members in their absolute discretion:

- (1) the provision of a seminary for the education of seminarians being candidates for holy orders in the roman catholic church either gratuitously or otherwise;
- (2) the maintenance upkeep and equipping of any such seminary including extensions and any rebuilding or re-equipping;
- (3) the education maintenance and support of seminarians being candidates for holy orders in the roman catholic church;
- (4) the ongoing formation and training of those in holy orders in the roman catholic church; and
- (5) such other lawful charitable purposes connected with the maintenance and propagation of the roman catholic religion as the members shall from time to time decide.

Organisation

The Rector is appointed by the Trustees, and is responsible for the administration and running of the Seminary. He appoints a Premises Manager and a Finance & Admin Officer, who are responsible for the day-to-day management of the Seminary and its finances respectively. The Rector reports twice a year to the Seminary Finance Committee, which makes decisions concerning major financial matters in consultation with the Trustees. The Finance Committee consists of the Rector, who is Chairman, the Chief Operating Officers of the Archdiocese of Southwark and the Diocese of Arundel & Brighton, the Finance & Admin Officer, and the Seminary accountant. Its meetings may also be attended by co-opted members of staff and representatives of the Seminary Auditors, Surveyors and Investment Managers.

The normal running costs of the Seminary are funded principally through fees charged per student, which are paid by the Bishop or Religious Superior who is sponsoring the particular student. Students are not personally liable for the costs of their formation. The level of fees for a given year is set by the Finance Committee in the meeting which takes place in the March of the previous academic year. In order to coincide with the academic year, the Seminary's financial year begins on 1 August and ends on 31 July. The income from fees is supplemented by income from investments, rents from properties, bursaries and donations.

With the closure of the seminary in Womersley in July 2021 the way that the charity delivers its charitable objectives also will change from that of directly providing training and education of seminarians to the facilitation of such education and training.

Recruitment and Training of Trustees

The Archbishop of Southwark and the Bishop of Arundel & Brighton appoint at least two Trustees each, which usually includes themselves and one other senior member of each Diocese. Trustees are appointed who have experience of the governance and management of ecclesiastical charities. Trustees receive a briefing on the operation of the Seminary and copies of key documents, including recent Annual reports. The induction programme for new Trustees includes the outlining of the responsibilities of Trustees, an overview of the operation of the Seminary, key personnel, the major risks to which the Trust is exposed and its financial position.

Risk Management and Public Benefit

The Trustees have assessed and reviewed the major risks to which the Trust is exposed, in particular those related to the operation and finances of the Trust, and are satisfied that systems are in place to mitigate their exposure to the major risks.

Risk 1. Loss of income due to low student numbers. To counter this risk, reserves fund used for 6 to 12 Months.

ST. JOHN'S SEMINARY CIO

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 JULY 2021

Risk 2. loss of income due to stock market falls. To counter this risk, reserves fund used for 6 to 12 Months

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Health and Safety specialists were employed to produce a Risk Assessment in order to ensure the safe return of students and staff after the Covid-19 lockdown in the spring of 2020, which led to the closure of the Seminary for some 6 months. The Seminary re-opened in September, and has stayed open since, and is fully compliant with the requirements and recommendations of the Covid-19 Risk Assessment and Government regulations.

With the changes mentioned above, the risks to which the charity are exposed are undoubtedly changing, and as such the risk register is being updated and the new identified risks and mitigating strategies will be reported in the 2022 financial statements.

OBJECT, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Seminary is a college training students in preparation for ordination as Catholic priests. It was originally a Diocesan Seminary, owned and administered by the Archdiocese of Southwark. When the Archdiocese of Southwark was divided, and the new Diocese of Arundel & Brighton created from its territory, the Seminary was established as a separate Charity in 1966. Although not canonically erected as a regional Seminary, it effectively functions as such, taking students from other Dioceses - including Clifton and Portsmouth, as well as from Southwark and Arundel & Brighton. Students from Religious Orders or Congregations may also be prepared at the Seminary for ordination as Catholic priests.

Aims

It is the policy of the Seminary to provide the conditions necessary to prepare students for ordination as Roman Catholic priests. This includes providing for the "human, spiritual, intellectual and pastoral areas of formation", as described in the Apostolic Exhortation of Pope St John Paul II, *Pastores Dabo Vobis* (1992), and the *Ratio Fundamental Institutionis Sacerdotalis* (2016) of the Congregation for the Clergy in Rome, commonly referred to as *The Gift of Priestly Vocation*, and even more commonly referred to as *The Ratio*. The Seminary also has the responsibility of making recommendations to the Bishops, Religious Orders or Congregations, who sponsor each student, concerning his suitability for ordination. There have been no material changes in policy during the past year.

Objectives and achievements for the period

The main objectives for the Charity were to facilitate the incorporation of the seminary and complete the transfer of the activities and assets to this CIO and then to effect the sale of the seminary property. The transfer was effected in December 2020 and the orderly closure of the seminary was completed in July 2021. Since the year end the Trustees have been working on the disposal of the property in Womersley and development of its strategy for 2022 onwards.

Investment policy

The Trustees have set an investment policy for a balanced return of capital growth and income subject to a medium level of risk. The Trustees require the portfolio to be managed so that they become shareholders only of companies which uphold standards consistent with this Trust. Its investment managers are specifically instructed not to invest in companies which are predominantly involved in production of armaments, tobacco or abortion products. The individual holdings are reviewed against these criteria and in the light of the Church's moral teaching, and the Trustees are satisfied that their managers comply with this policy.

In accordance with their duties under the Trustee Act 2000, in respect of a discretionary investment management agreement, the Trustees undertake an annual review of the performance of the Fund's managers.

ST. JOHN'S SEMINARY CIO

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 JULY 2021

Investment performance

There was a gain on the Seminary's investments of £46,688 during the period per note 8 to the accounts. The majority of the Walter Quinlan Fund has been transferred to the Dioceses of Southwark and Arundel & Brighton. The total fund now stands at £9,508.

The Trustees are satisfied that the returns on investments for the period are reasonable using the standard benchmark set by Barclays Wealth.

FINANCIAL REVIEW

The accounts for the period to 31 July 2021 show a net decrease in unrestricted funds, before the transfer from the predecessor entity and investment movements of £121,451.

Total income before the transfer from the predecessor entity in 2021 was £356,287. Total unrestricted expenditure was £606,424.

The process for setting remuneration of key management personnel

All staff pay is set against the "Living Wage". Should the "Living Wage" be increased by 2%, then key management would receive a 2% salary increase in April of the next year.

The Trustees are continuing to investigate ways of improving the ability of the Trust to meet its objectives, principally through the work of priestly formation.

Reserves Policy

Total reserves at the period end were £2,714,693. Free reserves were £971,768. The Trustees have reviewed the future needs of the Seminary and the reserves requirements.

Since the sale of the property in Womersley is anticipated to generate reserves, considerably in excess of the book value of the property, the Trustees will be looking to review and revise its reserves policy based on the strategic plans of the charity and the call for support. A new reserves policy will therefore be agreed by the Trustees for the 2022 financial statements.

Fundraising

The charity manages its own fundraising activities and does not employ the services of professional fundraisers. We do not engage in cold-calling, door to door or street fundraising. The charity is therefore not registered with the Fundraising Regulator.

No complaints about fundraising activities have been received during the period. The charity has policies in place to protect vulnerable donors.

The Trustees are of the opinion that the charity's overall fundraising performance was good and was conducted in full accordance with the above principles.

PLANS FOR THE FUTURE

As mentioned above the Trustees regretfully came to the decision that the Seminary could not continue in its present form and the 11 students who were still in priestly formation at the date of closure were registered at Allen Hall Seminary in Chelsea. While it was proposed to consider all options for the future use of the St John's Seminary buildings, the Trustees have decided to market the property and will hope to complete a sale in 2022.

ST. JOHN'S SEMINARY CIO

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 JULY 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Haysmacintyre LLP is proposed annually at a meeting of the Trustees.

Approved on *1st July* 2022 by:


Most Rev John Wilson
Trustee


Rev Mgr Gerald Ewing
Rector

ST. JOHN'S SEMINARY CIO

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST. JOHN'S SEMINARY CIO

Opinion

We have audited the financial statements of St. John's Seminary CIO (the 'Charity') for the period ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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 Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST. JOHN'S SEMINARY CIO

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements 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 for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements

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

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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to employment law and taxes and Charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing valuations of investments;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to estimating the economic useful life of tangible fixed assets.

ST. JOHN'S SEMINARY CIO

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST. JOHN'S SEMINARY CIO

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 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's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

..... 5 July 2022

Haysmacintyre LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ST. JOHN'S SEMINARY CIO

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 JULY 2021**

		Unrestricted funds	Restricted funds	Total funds 7 Months 2021
	Note	2021 £	2021 £	2021 £
INCOME FROM:				
Donations and legacies	3	29,367	225	29,592
Charitable activities:				
Theological education		283,187	-	283,187
Investments	3	10,416	4,288	14,704
Rents and visitor income		33,317	-	33,317
Other Income – transfer from predecessor entity	18	<u>2,799,093</u>	<u>324,013</u>	<u>3,123,106</u>
TOTAL INCOME		3,155,380	328,526	3,483,906
EXPENDITURE ON:				
Charitable activities:				
Teaching		190,856	2,061	192,917
Residential		257,821	-	257,821
Premises		157,747	38,497	196,244
Donations paid		<u>-</u>	<u>168,919</u>	<u>168,919</u>
TOTAL EXPENDITURE	5	<u>606,424</u>	<u>209,477</u>	<u>815,901</u>
NET INCOME BEFORE INVESTMENT GAINS		2,548,956	119,049	2,668,005
Net gains on investments	8	<u>26,043</u>	<u>20,645</u>	<u>46,688</u>
NET INCOME		2,574,999	139,694	2,714,693
Transfers between Funds	11	<u>128,686</u>	<u>(128,686)</u>	<u>-</u>
NET MOVEMENT IN FUNDS		2,703,685	11,008	2,714,693
RECONCILIATION OF FUNDS:				
Total funds brought forward		-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>2,703,685</u>	<u>11,008</u>	<u>2,714,693</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on the following pages form part of these financial statements.

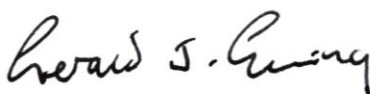
ST. JOHN'S SEMINARY CIO

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	£
FIXED ASSETS			
Tangible assets	7		1,731,917
Investments	8		<u>416,628</u>
			2,148,545
CURRENT ASSETS			
Debtors	9	280,581	
Cash at bank and in hand		<u>392,195</u>	
		672,776	
CREDITORS: amounts falling due within one year	10	<u>(106,628)</u>	
NET CURRENT ASSETS			<u>566,148</u>
NET ASSETS			<u><u>2,714,693</u></u>
CHARITY FUNDS			
Restricted funds	11		11,008
Unrestricted funds	11		<u>2,703,685</u>
TOTAL FUNDS			<u><u>2,714,693</u></u>

The financial statements were approved and authorised for issue by the Trustees on 1st July 2022
and signed on their behalf, by:


Most Rev John Wilson


Rev Mgr Gerald Ewing

The notes on the following pages form part of these financial statements.

ST. JOHN'S SEMINARY CIO

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2021

	Note	2021 7 Months £
Cash flows from operating activities		
Net cash provided by operating activities	13	<u>(414,038)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		<u>14,704</u>
Net cash used in investing activities		<u>14,704</u>
Change in cash and cash equivalents in the year		<u>(399,334)</u>
Cash and cash equivalents brought forward		<u>791,529</u>
Cash and cash equivalents carried forward	14	<u><u>392,195</u></u>

The notes on the following pages form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (Second Edition, effective 1 January 2020) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

St. John's Seminary CIO constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. See comments in the Plans for the Future section of the Trustees' Report regarding the relocation of the 11 students who will still be in priestly formation in September 2021 to Allen Hall Seminary in Chelsea. The review of our financial position, reserves levels and future plans gives Trustees confidence the Charity remains a going concern for at least one year after these accounts are approved even after the impact of Covid 19 on the Charity is considered.

1.3 Incoming resources

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, 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(s) to the Trust 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, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Furloughing grants are recognised on a receivable basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Depreciation

All assets costing more than £3,000 are capitalised.

Land and Buildings

Depreciation is provided at the rate of 2% pa on buildings, to write off their cost, less anticipated residual values, over their estimated useful lives. The Trustees are of the opinion that the standard of maintenance of the buildings will ensure that the residual value will be no less than half of the cost shown on the balance sheet. Rented property is an integral part of the Seminary property and is not therefore shown as investment property. No depreciation is provided on assets in the course of construction.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Furniture and Equipment	-	5 years
Motor vehicles	-	3 to 4 years
Tractor	-	10 years
Office equipment - general	-	3 years
Organ	-	20 years

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.7 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.8 Interest receivable

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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

1.11 Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are considered to be depreciation and estimation of legacy debtors.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

2. STAFF COSTS

Staff costs were as follows:

	2021 7 Months £
Gross wages and salaries	231,000
Social security costs	3,840
Other pension costs	14,184
Redundancy costs	52,633
	<u>301,657</u>

The average number of persons employed by the Charity during the period was as follows:

	2021 No.
Professors full time	5
Tutors Part time	1
Administration	4
Other - catering, domestic, grounds etc	<u>5</u>
	<u>15</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management comprise the Rector, Director of Human Formation, Director of Pastoral Formation, Director of Studies, Director of Liturgical Formation, Director of Spirituality, Premises Manager and Admin & Finance Officer. Total remuneration and benefits for the above in the period was £45,509.

3. DONATIONS AND LEGACIES

	2021 7 Months £
Donations	13,262
Furlough grants	16,330
	<u>29,592</u>

INVESTMENT INCOME

	Unrestricted funds 2021 7 Months £	Restricted funds 2021 7 Months £	Total funds 2021 7 Months £
Investment income	<u>10,416</u>	<u>4,288</u>	<u>14,704</u>

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

4. SUPPORT COSTS

	Teaching £	Residential £	Premises £	Total 7 Months 2021 £
Office	13,134	-	5,629	18,763
Chapel	1,107	1,107	1,107	3,321
Professional fees and charges	42,765	42,765	42,765	128,295
Wages and salaries	51,792	-	22,197	73,989
National insurance	3,553	-	1,522	5,075
Pension cost	1,115	-	478	1,593
	<u>113,466</u>	<u>43,872</u>	<u>73,698</u>	<u>231,036</u>

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 7 Months 2021 £
Teaching	120,820	-	72,097	192,917
Residential	156,640	-	101,181	257,821
Premises	24,197	22,250	149,797	196,244
Donations to dioceses	-	-	168,919	168,919
	<u>301,657</u>	<u>22,250</u>	<u>491,994</u>	<u>815,901</u>

6. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £12,500.

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

7. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
Transfer from predecessor entity	1,651,406	-	102,761	1,754,167
Additions	-	-	-	-
At 31 July 2021	<u>1,651,406</u>	<u>-</u>	<u>102,761</u>	<u>1,754,167</u>
Depreciation				
Transfer from predecessor entity	-	-	-	-
Charge for the period	-	-	22,250	22,250
At 31 July 2021	<u>-</u>	<u>-</u>	<u>22,250</u>	<u>22,250</u>
Net book value				
At 31 July 2021	<u>1,651,406</u>	<u>-</u>	<u>80,511</u>	<u>1,731,917</u>
At 17 December 2020	<u>1,651,406</u>	<u>-</u>	<u>102,761</u>	<u>1,754,167</u>

The insurance value of the Seminary buildings, which were first brought into use in 1891, is approximately £15.7 million. All assets are used for the furtherance of the Charity's objects.

8. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 17 December 2020	540,481
Disposals	(170,541)
Gains/(Losses)	<u>46,688</u>
At 31 July 2021	<u>416,628</u>

Investments at market value comprise:

	2021 £
Listed investments	<u>416,628</u>

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

9. DEBTORS

	2021 £
Trade debtors	1,693
Other debtors	4,626
Legacies accrued	255,000
Prepayments and accrued income	19,262
	<hr/>
	<u>280,581</u>

10. CREDITORS: Amounts falling due within one year

	2021 £
Trade creditors	55,495
Other creditors	4,875
Accruals and deferred income	46,258
	<hr/>
	<u>106,628</u>

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

11. STATEMENT OF FUNDS**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 17 Dec 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
General Funds	-	3,155,380	(606,424)	128,686	26,043	2,703,685
Restricted funds						
Knights of St Colombia Fund	-	2,061	(2,061)	-	-	-
Walter Quinlan Fund	-	157,783	(168,920)	-	20,645	9,508
Refurbishment Fund	-	87,417	(33,146)	(54,271)	-	-
Chapel Challenge	-	69,177	(5,350)	(62,327)	-	1,500
Other Funds	-	12,088	-	(12,088)	-	-
	-	328,526	(209,477)	(128,686)	20,645	11,008
Total of funds	-	3,483,906	(815,901)	-	46,688	2,714,693

The Knights of St Columba Fund is for meeting the needs of individual students.

Walter Quinlan Fund represents the residual balance for funds from the Walter Quinlan Trust to be used for the support of personal needs of seminarians. This fund was paid to the Dioceses of Southwark and Arundel & Brighton during the year.

Chapel Challenge income is specifically for the redecoration and refurbishment of the main Seminary Chapel. Transfers represent donations that the donors have confirmed can be used for general purposes.

The Refurbishment Fund is used for the refurbishment of the Seminary.

Following the announcement to close the Seminary last year, the Trustees went through the process of dealing with the restricted funds. This included writing to the original donors to give them the option to request that the donations be used for other purposes. A large proportion opted for the donations to be used for the general purposes of the charity and these were therefore transferred to General Funds.

ST. JOHN'S SEMINARY CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,731,917	-	1,731,917
Fixed asset investments	416,628	-	416,628
Current assets	661,768	11,008	672,776
Creditors due within one year	(106,628)	-	(106,628)
	<u>2,703,685</u>	<u>11,008</u>	<u>2,714,693</u>

13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES

	2021 £
Net income for the period (as per Statement of Financial Activities)	2,714,693
Adjustment for:	
Depreciation charges	22,250
Gains/Losses on investments	(46,688)
Dividends, interest and rents from investments	(14,704)
Transfer of Walter Quinlan Fund to Diocese of Southwark and A&B	170,541
Transfer from predecessor entity	(3,123,106)
(Increase)/decrease in debtors	(48,353)
Increase in creditors	<u>(88,671)</u>
Net cash provided by operating activities	<u><u>(414,038)</u></u>

ST. JOHN'S SEMINARY CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £
Cash in hand	<u>392,195</u>
Total	<u>392,195</u>

15. CAPITAL COMMITMENTS

There are no capital commitments at the year end.

16. TRUSTEES' REMUNERATION AND EXPENSES

No Trustees received any remuneration or reimbursement of expenses during the period.

17. RELATED PARTY TRANSACTIONS

The Walter Quinlan Fund was transferred to the Diocese of Southwark and the Diocese of Arundell and Brighton. Some Trustees are also Trustees of the Dioceses.

There were no other related party transactions in the period.

18. TRANSFER FROM PREDECESSOR ENTITY

St John's Seminary Charitable Incorporated Organisation (CIO) was established by a constitution dated 8 June 2020. On 18 December 2020, the assets and liabilities of St. John's Seminary (charity number 251342), the predecessor charity, were transferred into the CIO. The analysis of net assets transferred was:

	£
Fixed assets	1,754,167
Investments	540,481
Net current assets	828,458
	<u>3,123,106</u>