

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales · Charity number 221617

Details

Other names	BURFORD PRIORY
Status	Registered
Legal form	Charitable company
Company number	00479317
Registered	1963-05-17
Register	View on the Charity Commission register

Contact

Address	Mucknell Abbey Mucknell Farm Lane Stoulton Worcester WR7 4RB
Phone	01905345900
Website	www.mucknellabbey.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN RELIGION, RELIEF OF THE SICK AND POOR, AND TO CO-OPERATE WITH THE CHRISTIAN DENOMINATIONS AND ANY OTHER BODY IN THE PROMOTION OF THE OBJECTS OF THE SOCIETY AS SET OUT IN THE MEMORANDUM OF ASSOCIATION.

Activities: Advancement of Christianity, primarily by maintaining the life and work of a Benedictine Religious Community

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND FOREIGN
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£583,523	£452,282	£10,847,521	1
2024-12-31	£448,792	£382,416	-	-
2023-12-31	£362,130	£400,297	-	-
2022-12-31	£334,555	£419,694	-	-
2021-12-31	£303,456	£373,958	-	-
2020-12-31	£310,680	£358,739	-	-

Trustees

Name	Role	Appointed
Br. Thomas Gregory Quin	Chair	
BR Philip Dulson		2015-06-01
Michael Andre Philippe Brossard		2022-05-06
REVD ALISON FRY		2018-05-04
Sir Hector William Hepburn Sants		2023-01-01
The Very Rev Michael Tavinor		2016-05-06

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Company registration number 479317 (England and Wales)

Charity registration number 221617 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Councillors	Thomas Quin Michael Tavinor Philip Dulson Alison Fry Michaël Brossard Sir Hector Sants
Charity number	221617
Company number	479317
Principal address	Mucknell Abbey Mucknell Farm Lane Stoulton Worcestershire WR7 4RB
Registered office	First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Principal Bankers	Barclays Bank plc 30 Market Square Witney Oxon OX28 6BJ
Investment advisors	Charles Stanley Stockbrokers Willow Court West Way Minns Business Park Oxford Oxon OX2 0JB

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially.

The councillors present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association, the principal object of the Charity is the advancement of the Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and users of the public right of way to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

The councillors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Achievements and performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work is carried out each year with the advice of Acanthus Clews. In 2025, the Community continued renewing flooring in parts of the Abbey, repaired the balcony of the Community building and erected the roundhouse to extend the facilities available to day guests and small groups. The Insurance Surveyor inspected the whole property and some of the recommended improvements were made - with others to be completed in 2026. Meanwhile work continues in the grounds to enhance their amenity and conservation value including further hedge-laying and trimming.

The regular pattern of public worship continued all year. The demand for hospitality remained high, however there were still disappointing numbers of last minute cancellations. 350 resident guests (2024: 369) and 183 quiet day visitors (2024: 190) came to the monastery during the year. Maintaining the practice of inviting people to live alongside the community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community engaged with several enquirers and welcomed one new 'alongsider' during the year.

Members of the Order continued to accept a few requests to minister outside the abbey. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England. Two other Members serve on the House of Bishops Advisory Council for Religious Communities, and one on the committee of Anglican Religious Communities in England, which regulate and assist all Church of England Religious Communities. One Member, who is a Methodist presbyter, accepted part-time stationing by the Methodist Church within their Bristol District: his income and expenditure are distinctly noted in the financial statements.

Financial review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the '*Accounting and Reporting by Charities: Statement of Recommended Practice*' applicable to charities in the UK and Republic of Ireland from 1 January 2019 under FRS 102.

The audited accounts show significant changes from last year, again mainly attributable to a further instalment of a legacy, which was much larger than anticipated, and restricted donations towards the roundhouse project. Guest donations have increased again, as have Pensions and Benefits made over to the Charity by Members. Investment Income fell, prompting a review by the investment manager. Sale of Work remained at a similar level. On the expenditure side the cost of living has increased significantly and the Charity has taken on an employee.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the Charles Stanley investment portfolio, net of cash injected, rose by 11%, underperforming the FTSE 100 (rose by 21%) but exceeding the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery.

'Donations received' include £24,408 of Trustees' pensions and benefits made over to the Charity; other **major funding sources** during the year were investment income and donations.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Reserves policy

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible.

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain **Designated Funds** which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair, maintenance and long term care of the functional property; this Fund is stated at 15% of construction costs, with subsequent increases by inflation and decreases according to Major Repair expenditure (standing at £973,229). The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation (standing at £658,523). The third is the Opportunity Fund (standing at £751,850): when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase; part of it might have been used in 2025 for the roundhouse but, in the event, the cost was raised from outside through an appeal. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery.

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation.

Investment policy

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last reviewed in 2022) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Risk assessment

The councillors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. These are being monitored by the Council and kept under discussion with the investment managers. Additionally, although inflation is now moderate, increased costs are still affecting the Charity. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is used for the Friends accounts and for the secondary bank account.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial inspection (last made April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order participate in Safeguarding training (latest course in January 2023 and November 2024) and the safeguarding officers have attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain. Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

Plans for future periods

The principal plan and hope for the monastery is the maintenance of daily worship and to continue providing pastoral care and hospitality. Meanwhile economic uncertainty and geopolitical concerns demand careful monitoring and prudent responses in the financial management of the Charity. 2026 will see a review of investment policy and another quinquennial inspection of the property.

Since moving to Mucknell, the monastic Community has received 33 Alongsiders, of whom ten have joined the Community as novices and six of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Structure, governance and management

The Charity is a company limited by guarantee, incorporated 9th March 1950, registered company number 00479317; charity registration number 221617.

The Trustees of the Charity are the Councillors of the Society and are also the directors for the purpose of company law. The Councillors who served during the year and up to the date of signature of the financial statements were:

Thomas Quin
Michael Tavinor
Philip Dulson
Alison Fry
Michaël Brossard
Sir Hector Sants

The financial officers of the Charity during 2025 were:

Thomas Quin (trustee)
Michaël Brossard (trustee)

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

None of the councillors has any beneficial interest in the company. All of the councillors are members of the company and guarantee to contribute £1 in the event of a winding up.


Auditor

According to good practice the role of auditor was put out to tender during Spring of 2024. The appointed auditor, Gravita Audit Oxford LLP, conducted their first audit during 2025.

Disclosure of information to auditor

Each of the councillors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The councillors' report was approved by the Board of Councillors.



.....
Thomas Quin

Director/Trustee

Dated: 21 May 2026

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF COUNCILLORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

The councillors, who are also the directors of The Society of the Salutation of Mary the Virgin Limited for the purpose of company law, are responsible for preparing the Councillors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the councillors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the councillors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The councillors are responsible for keeping adequate 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 Companies Act 2006. 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.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 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 councillors' 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 councillors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The councillors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the councillors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
 - the directors' report included within the councillors' report has been prepared in accordance with applicable legal requirements.
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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the councillors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the councillors' report and from the requirement to prepare a strategic report.

Responsibilities of councillors

As explained more fully in the statement of councillors' responsibilities, the councillors, who are also the directors of the charity for the purpose of company law, 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 councillors 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 councillors 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 councillors either intend to liquidate the charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor

Chartered Accountants

First Floor, Park Central

40-41 Park End Street

Oxford

OX1 1JD

Date:12/6/2026.....

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	359,564	45,892	405,456	251,015	17,127	268,142
Charitable activities	4	37,849	-	37,849	27,487	-	27,487
Investments	5	131,552	-	131,552	141,349	-	141,349
Other material income		8,666	-	8,666	11,814	-	11,814
Total income		537,631	45,892	583,523	431,665	17,127	448,792
Expenditure on:							
Raising funds	6	35,227	-	35,227	28,412	-	28,412
Charitable activities	7	411,131	5,924	417,055	348,612	5,392	354,004
Total expenditure		446,358	5,924	452,282	377,024	5,392	382,416
Net gains on investments	12	483,524	-	483,524	80,329	-	80,329
Net income		574,797	39,968	614,765	134,970	11,735	146,705
Transfers between funds		45,032	(45,032)	-	-	-	-
Net movement in funds	9	619,829	(5,064)	614,765	134,970	11,735	146,705
Reconciliation of funds:							
Fund balances at 1 January 2025		10,219,657	13,099	10,232,756	10,084,687	1,364	10,086,051
Fund balances at 31 December 2025		10,839,486	8,035	10,847,521	10,219,657	13,099	10,232,756

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

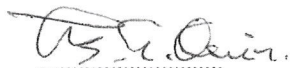
THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	14		5,039,323		5,130,637
Investments	15		5,229,983		4,581,191
			<u>10,269,306</u>		<u>9,711,828</u>
Current assets					
Debtors	16	16,937		20,111	
Cash at bank and in hand		628,721		567,720	
		<u>645,658</u>		<u>587,831</u>	
Creditors: amounts falling due within one year	17		<u>(12,220)</u>		<u>(11,680)</u>
Net current assets			<u>633,438</u>		<u>576,151</u>
Total assets less current liabilities			<u>10,902,744</u>		<u>10,287,979</u>
Creditors: amounts falling due after more than one year	18		<u>(55,223)</u>		<u>(55,223)</u>
Net assets			<u><u>10,847,521</u></u>		<u><u>10,232,756</u></u>
The funds of the charity					
Restricted income funds	19		8,035		13,099
Unrestricted funds - general	20		3,501,443		2,790,024
Designated funds			7,338,043		7,429,633
			<u>10,847,521</u>		<u>10,232,756</u>

The financial statements were approved by the councillors on 21/5/26



Thomas Quin
Director/Trustee

Company registration number 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	23		162,676		71,985
Investing activities					
Purchase of tangible fixed assets		(68,317)		(15,193)	
Proceeds from disposal of tangible fixed assets		358		3,036	
Purchase of investments		(754,621)		(493,965)	
Proceeds from disposal of investments		589,353		346,510	
Investment income received		131,552		141,349	
Net cash used in investing activities			(101,675)		(18,263)
Net cash generated from financing activities			-		-
Net increase in cash and cash equivalents			61,001		53,722
Cash and cash equivalents at beginning of year			567,720		513,998
Cash and cash equivalents at end of year			628,721		567,720

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

The Society of the Salutation of Mary the Virgin Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is First Floor, Park Central, 40-41 Park End Street, Oxford, OX1 1JD

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the councillors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the councillors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the councillors in furtherance of their charitable objectives.

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a designated provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property a designated reserve, represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Dividend income is accounted for on a due and receivable basis.

Interest on deposit accounts is credited when received.

1.5 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. Depreciation charges are allocated on the portion of the asset's use.

Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.

Charitable expenditure comprises direct expenditure attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Furniture and equipment	5 years straight line
Fixtures and fittings	10 - 20 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies (Continued)

1.11 Dowry monies

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the councillors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed Asset Depreciation

Depreciation was calculated based on management's estimate of the useful economic lives of tangible fixed assets. During the year ended 31 December 2025, depreciation totalled £158,174 (2024: £153,789).

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	212,190	45,892	258,082	184,515	17,127	201,642
Legacies	147,374	-	147,374	66,500	-	66,500
	<u>359,564</u>	<u>45,892</u>	<u>405,456</u>	<u>251,015</u>	<u>17,127</u>	<u>268,142</u>

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Sale of goods	29,554	27,487
Other income	8,295	-
	<u>37,849</u>	<u>27,487</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	111,968	119,375
Interest receivable	19,584	21,974
	<u>131,552</u>	<u>141,349</u>

6 Raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Costs of goods sold	17,590	11,713
Investment management	17,637	16,699
	<u>35,227</u>	<u>28,412</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7 Charitable activities

	Abbey (religious community)	Donations	Total 2025	Abbey (religious community)	Donations	Total 2024
	2025	2025		2024	2024	
	£	£	£	£	£	£
Staff costs	2,804	-	2,804	-	-	-
Depreciation and impairment	159,273	-	159,273	153,789	-	153,789
Abbey (religious community)	236,770	5,816	242,586	183,876	4,577	188,453
	<u>398,847</u>	<u>5,816</u>	<u>404,663</u>	<u>337,665</u>	<u>4,577</u>	<u>342,242</u>
Share of governance costs (see note 8)	12,392	-	12,392	11,762	-	11,762
	<u>411,239</u>	<u>5,816</u>	<u>417,055</u>	<u>349,427</u>	<u>4,577</u>	<u>354,004</u>
Analysis by fund						
Unrestricted funds	405,315	5,816	411,131	344,035	4,577	348,612
Restricted funds	5,924	-	5,924	5,392	-	5,392
	<u>411,239</u>	<u>5,816</u>	<u>417,055</u>	<u>349,427</u>	<u>4,577</u>	<u>354,004</u>

8 Governance costs

	Governance costs	2025	Governance costs	2024
	£	£	£	£
Audit fees	4,625	4,625	4,405	4,405
Accountancy	7,767	7,767	7,357	7,357
	<u>12,392</u>	<u>12,392</u>	<u>11,762</u>	<u>11,762</u>
Analysed between Charitable activities	<u>12,392</u>	<u>12,392</u>	<u>11,762</u>	<u>11,762</u>

Governance costs includes payments to the auditors of £4,625 (2024: £4,405) for audit fees.

9 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	4,625	4,405
Depreciation of owned tangible fixed assets	<u>159,273</u>	<u>153,789</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

10 Councillors

None of the councillors (or any persons connected with them) received any remuneration or expenses from the charity during the year.

Living expenses of those trustees and members of the charity's key management personnel who are also members of the Order were borne by the charity during the year. However all members of the Order donate personal income to the charity. Total donations received from members of the council in the year amounted to £24,408 (2024: £26,912)

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	-	-
	<u> </u>	<u> </u>
	2025	2024
Employment costs	£	£
	2,804	-
	<u> </u>	<u> </u>

There was one employee as at 31 December 2025 (2024: none)

There were no employees whose annual remuneration was £60,000 or more.

12 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	483,524	80,329
	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14 Tangible fixed assets

	Freehold land and buildings	Furniture and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2025	7,169,316	86,326	183,274	34,283	7,473,199
Additions	-	18,405	49,912	-	68,317
Disposals	-	(9,368)	-	-	(9,368)
At 31 December 2025	7,169,316	95,363	233,186	34,283	7,532,148
Depreciation and impairment					
At 1 January 2025	2,075,490	67,708	182,254	17,110	2,342,562
Depreciation charged in the year	139,386	8,713	2,603	8,571	159,273
Eliminated in respect of disposals	-	(9,010)	-	-	(9,010)
At 31 December 2025	2,214,876	67,411	184,857	25,681	2,492,825
Carrying amount					
At 31 December 2025	4,954,440	27,952	48,329	8,602	5,039,323
At 31 December 2024	5,093,826	18,618	1,020	17,173	5,130,637

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000, which is not depreciated.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2025	4,578,291	2,900	4,581,191
Additions	749,621	5,000	754,621
Valuation changes	483,524	-	483,524
Disposals	(589,353)	-	(589,353)
	<u>5,222,083</u>	<u>7,900</u>	<u>5,229,983</u>
Carrying amount			
At 31 December 2025	<u>5,222,083</u>	<u>7,900</u>	<u>5,229,983</u>
At 31 December 2024	<u>4,578,291</u>	<u>2,900</u>	<u>4,581,191</u>

Cost of investments £3,575,547 (2024: £3,310,128).

At 31 December 2025 no single investment comprised more than 5% of the portfolio value.

16 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	800	600
Other debtors	2,722	8,098
Prepayments and accrued income	13,415	11,413
	<u>16,937</u>	<u>20,111</u>

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals and deferred income	<u>12,220</u>	<u>11,680</u>

18 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Interest free loans	<u>55,223</u>	<u>55,223</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2024		Movement in funds		Balance at 1 January 2025		Movement in funds		Balance at 31 December 2025	
	£	£	Income	Expenditure	Income	Expenditure	Income	Expenditure	Transfers	£
Inter-Novitiate Study Fund	1,364		5,957	(4,084)	3,237	(4,522)	2,220	(4,522)	-	935
Novice Guardian Fund	-		1,170	(1,308)	(138)	(1,402)	1,540	(1,402)	-	-
Cabin Fund	-		10,000	-	10,000	-	35,032	-	(45,032)	-
Paths	-		-	-	-	-	7,100	-	-	7,100
	<u>1,364</u>		<u>17,127</u>	<u>(5,392)</u>	<u>13,099</u>	<u>(5,924)</u>	<u>45,892</u>	<u>(5,924)</u>	<u>(45,032)</u>	<u>8,035</u>

The Inter-Novitiate Study Fund is to support the formation of novices in Anglican religious communities in the UK.

The Novice Guardians Fund covers the annual Novice Guardian conference.

The Cabin Fund has been set up to fund a cabin in the grounds which will give additional space for group work.

The Paths Fund has been set up following donations for replacement path.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2025
	£	£	£	£	£	£
Fabric Repairs Fund	982,282	-	(9,053)	-	-	973,229
Future Care Fund	631,980	-	-	26,543	-	658,523
Opportunity Fund	721,545	-	-	30,305	-	751,850
Abbey Property	5,093,827	-	(139,386)	-	-	4,954,441
General funds	2,790,023	537,631	(297,919)	(11,816)	483,524	3,501,443
	<u>10,219,657</u>	<u>537,631</u>	<u>(446,358)</u>	<u>45,032</u>	<u>483,524</u>	<u>10,839,486</u>
Previous year:						
	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Fabric Repairs Fund	986,243	-	(3,961)	-	-	982,282
Future Care Fund	610,608	-	-	21,371	-	631,979
Opportunity Fund	700,529	-	-	21,016	-	721,545
Abbey Property	5,233,213	-	(139,386)	-	-	5,093,827
General funds	2,554,094	431,665	(233,677)	(42,387)	80,329	2,790,024
	<u>10,084,687</u>	<u>431,665</u>	<u>(377,024)</u>	<u>-</u>	<u>80,329</u>	<u>10,219,657</u>

Details of each fund can be found in the accounting policies note 1.3

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 December 2025:			
Tangible assets	5,039,323	-	5,039,323
Investments	5,229,983	-	5,229,983
Current assets/(liabilities)	625,403	8,035	633,438
Long term liabilities	(55,223)	-	(55,223)
	<u>10,839,486</u>	<u>8,035</u>	<u>10,847,521</u>
	<u>10,839,486</u>	<u>8,035</u>	<u>10,847,521</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	5,130,637	-	5,130,637
Investments	4,581,191	-	4,581,191
Current assets/(liabilities)	563,052	13,099	576,151
Long term liabilities	(55,223)	-	(55,223)
	<u>10,219,657</u>	<u>13,099</u>	<u>10,232,756</u>
	<u>10,219,657</u>	<u>13,099</u>	<u>10,232,756</u>

22 Related party transactions

During the year costs of £6,543 (2024 - £nil) were paid on behalf of one of the Trustees for them to visit family overseas, this was fully reimbursed from an external source. There were no other transactions paid to or on behalf of Trustees in 2025 (2024 - £nil).

23 Cash generated from operations	2025 £	2024 £
Surplus for the year	614,765	146,705
Adjustments for:		
Investment income recognised in statement of financial activities	(131,552)	(141,349)
Fair value gains and losses on investments	(483,524)	(80,329)
Depreciation and impairment of tangible fixed assets	159,273	153,789
Movements in working capital:		
Decrease/(increase) in debtors	3,174	(6,215)
Increase/(decrease) in creditors	540	(616)
Cash generated from operations	<u>162,676</u>	<u>71,985</u>
	<u>162,676</u>	<u>71,985</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Charity registration number 221617 (England and Wales)

Company registration number 479317

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Councillors	Thomas Quin Michael Taviner Philip Dulson Alison Fry Michaël Brossard Sir Hector Sants
Charity number	221617
Company number	479317
Principal address	Mucknell Abbey Mucknell Farm Lane Stoulton Worcestershire WR7 4RB
Registered office	First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Principal Bankers	Barclays Bank plc 30 Market Square Witney Oxon OX28 6BJ
Investment advisors	Charles Stanley Stockbrokers Willow Court West Way Minns Business Park Oxford Oxon OX2 0JB

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially.

The councillors present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association, the principal object of the Charity is the advancement of the Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and users of the public right of way to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

The councillors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work is carried out each year with the advice of Acanthus Clews. In 2024, the Community started renewing floors in some part of the Abbey and updated the lightning protection system according to current fire safety - and insurance - advice, as well as a variety of repairs and improvements. Meanwhile work continues in the grounds to enhance their amenity and conservation value including some replanting and hedge-laying (assisted, respectively, by the Woodland Trust and Countryside Stewardship grants)

The regular pattern of public worship continued all year. The demand for hospitality has continued to grow, despite the number of last minute cancellations which have been offset in part by offering the Hermitage to regular guests. 369 resident guests (2023: 326) and 190 quiet day visitors (2023:161) came to the monastery during the year. Maintaining the practice of inviting people to live alongside the community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community engaged with several enquirers and welcomed one new 'alongsider' during the year.

Members of the Order continued to accept a few requests to minister outside the abbey. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England. Two other Members serve on the House of Bishops Advisory Council for Religious Communities, and one on the committee of Anglican Religious Communities, which regulate and assist all Church of England Religious Communities.

Financial review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the '*Accounting and Reporting by Charities: Statement of Recommended Practice*' applicable to charities in the UK and Republic of Ireland from 1 January 2015 under FRS 102.

The audited accounts show appreciable financial changes from last year which are mainly attributable to unanticipated legacies and a significant donation towards a project for 2025. Guest donations increased again, in part due to a 13% increase in Resident Guests and 18% in the number of Quiet Day visitors, offset by a decrease in Pensions and Benefits made over to Charity by Members. Interest Received again increased significantly due to the Bank base rate. Sale of Work remained at a similar level. On the expenditure side, the major differences were again in repairs and maintenance of buildings and grounds as well as lower energy costs.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the investment portfolio, net of cash injected, rose by 3%, underperforming the FTSE 100 (rose by 5.8%) and the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery. For the last three years the disparate volatilities of different sectors and geopolitical reasons have resulted in divergences between benchmarks and portfolio valuations.

'Donations received' include £26,912 of Trustees' pensions and benefits made over to the Charity; other **major funding sources** during the year were investment income and donations.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible. The general unrestricted fund stands at £2,790,024 (2023: 2,554,094)

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain **Designated Funds** which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair, maintenance and long term care of the functional property; this Fund is stated at 15% of construction costs, with subsequent increases by inflation and decreases according to Major Repair expenditure (standing at £982,282). The Fabric Repair Project during 2024 was taken from this fund. The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation (standing at £631,979). The third is the Opportunity Fund (standing at £721,545): when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery).

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation. A separate designated fund is held for this asset standing at £5,233,213.

Restricted funds that represent the unspent balance of funds given for specific purposes stands at £13,099. Details of each fund are in note 20.

Investment policy

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last reviewed in 2022) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Risk assessment

The councillors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. These are being monitored by the Council and kept under discussion with the investment managers. Additionally, although inflation is now moderate, increased costs are still affecting the Charity. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is used for the Friends accounts and for the secondary bank account.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial inspection (last made April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order participate in Safeguarding training (latest course in January 2023 and November 2024) and the safeguarding officers have attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain. Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

Plans for future periods

The principal plan and hope for the monastery is the maintenance of daily worship and to continue providing pastoral care and hospitality. Meanwhile economic uncertainty and geopolitical concerns demand careful monitoring and prudent responses in the financial management of the Charity. The Community is planning a review of practical work arrangements which may demand a budget review mid-year.

Since moving to Mucknell, the monastic Community has received 32 Alongsiders, of whom nine have joined the Community as novices and six of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away.

Work continues in the light of the last Quinquennial Inspection, and the Members have agreed an addition to our visitor accommodation which will be effected during 2025.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The Charity is a company limited by guarantee, incorporated 9th March 1950, registered company number 00479317; charity registration number 221617.

The Trustees of the Charity are the Councillors of the Society and are also the directors for the purpose of company law. The Councillors who served during the year and up to the date of signature of the financial statements were:

Thomas Quin
Michael Tavinor
Philip Dulson
Alison Fry
Michaël Brossard
Sir Hector Sants

The financial officers of the Charity during 2024 were:

Thomas Quin (trustee)
Michaël Brossard (trustee)

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

None of the councillors has any beneficial interest in the company. All of the councillors are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

According to good practice the role of auditor was put out to tender during Spring of 2024. Three firms were short listed and following discussion in Council in May 2024, Gravita Audit Oxford LLP were appointed as auditor of the company.

Disclosure of information to auditor

Each of the councillors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The councillors' report was approved by the Board of Councillors.



.....
Thomas Quin

Director/Trustee

Dated: ..8..5..25..

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF COUNCILLORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The councillors, who are also the directors of The Society of the Salutation of Mary the Virgin Limited for the purpose of company law, are responsible for preparing the Councillors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the councillors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the councillors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The councillors are responsible for keeping adequate 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 Companies Act 2006. 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.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 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 councillors' 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 councillors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The councillors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the councillors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the councillors' report has been prepared in accordance with applicable legal requirements.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the councillors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the councillors' report and from the requirement to prepare a strategic report.

Responsibilities of councillors

As explained more fully in the statement of councillors' responsibilities, the councillors, who are also the directors of the charity for the purpose of company law, 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 councillors 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 councillors 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 councillors either intend to liquidate the charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor

Chartered Accountants

First Floor, Park Central

40-41 Park End Street

Oxford

OX1 1JD

Date: ..9/5/2025.....

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	251,015	17,127	268,142	181,911	7,230	189,141
Charitable activities	4	27,487	-	27,487	25,939	-	25,939
Investments	5	141,349	-	141,349	136,384	-	136,384
Other material income		11,814	-	11,814	10,666	-	10,666
Total income		431,665	17,127	448,792	354,900	7,230	362,130
Expenditure on:							
Raising funds	6	28,412	-	28,412	28,349	-	28,349
Charitable activities	7	348,612	5,392	354,004	365,802	6,146	371,948
Total expenditure		377,024	5,392	382,416	394,151	6,146	400,297
Net gains on investments	12	80,329	-	80,329	153,427	-	153,427
Net income		134,970	11,735	146,705	114,176	1,084	115,260
Transfers between funds		-	-	-	1,637	(1,637)	-
Net movement in funds	9	134,970	11,735	146,705	115,813	(553)	115,260
Reconciliation of funds:							
Fund balances at 1 January 2024		10,084,687	1,364	10,086,051	9,968,874	1,917	9,970,791
Fund balances at 31 December 2024		10,219,657	13,099	10,232,756	10,084,687	1,364	10,086,051

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		5,130,637		5,272,269
Investments	15		4,581,191		4,353,407
			<u>9,711,828</u>		<u>9,625,676</u>
Current assets					
Debtors	16	20,111		13,896	
Cash at bank and in hand		567,720		513,998	
			<u>587,831</u>	<u>527,894</u>	
Creditors: amounts falling due within one year	17	(11,680)		(12,296)	
Net current assets			<u>576,151</u>		<u>515,598</u>
Total assets less current liabilities			<u>10,287,979</u>		<u>10,141,274</u>
Creditors: amounts falling due after more than one year	18		(55,223)		(55,223)
Net assets			<u>10,232,756</u>		<u>10,086,051</u>
The funds of the charity					
Restricted income funds	20		13,099		1,364
Unrestricted funds - general	21		2,790,024		2,554,094
Designated funds			7,429,633		7,530,593
			<u>10,232,756</u>		<u>10,086,051</u>

The financial statements were approved by the councillors on 8.5.25



Thomas Quin
Director/Trustee

Company registration number 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Society of the Salutation of Mary the Virgin Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is First Floor, Park Central, 40-41 Park End Street, Oxford, OX1 1JD

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the councillors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the councillors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the councillors in furtherance of their charitable objectives.

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a designated provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property a designated reserve, represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Dividend income is accounted for on a due and receivable basis.

Interest on deposit accounts is credited when received.

1.5 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. Depreciation charges are allocated on the portion of the asset's use.

Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.

Charitable expenditure comprises direct expenditure attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Furniture and equipment	5 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Dowry monies

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the councillors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed Asset Depreciation

Depreciation was calculated based on management's estimate of the useful economic lives of tangible fixed assets. During the year ended 31 December 2024, depreciation totalled £153,789 (2023: £156,227).

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	184,515	17,127	201,642	181,411	7,230	188,641
Legacies	66,500	-	66,500	500	-	500
	<u>251,015</u>	<u>17,127</u>	<u>268,142</u>	<u>181,911</u>	<u>7,230</u>	<u>189,141</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Sale of goods	<u>27,487</u>	<u>25,939</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	119,375	120,195
Interest receivable	21,974	16,189
	<u>141,349</u>	<u>136,384</u>

6 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Costs of goods sold	11,713	12,804
Investment management	16,699	15,545
	<u>28,412</u>	<u>28,349</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Charitable activities

	Abbey (religious community)	Donations	Total 2024	Abbey (religious community)	Donations	Total 2023
	2024	2024		2023	2023	
	£	£	£	£	£	£
Depreciation and impairment Abbey (religious community)	153,789	-	153,789	156,228	-	156,228
	183,876	4,577	188,453	200,078	4,618	204,696
	<u>337,665</u>	<u>4,577</u>	<u>342,242</u>	<u>356,306</u>	<u>4,618</u>	<u>360,924</u>
Share of governance costs (see note 8)	11,762	-	11,762	11,024	-	11,024
	<u>349,427</u>	<u>4,577</u>	<u>354,004</u>	<u>367,330</u>	<u>4,618</u>	<u>371,948</u>
Analysis by fund						
Unrestricted funds	344,035	4,577	348,612	361,184	4,618	365,802
Restricted funds	5,392	-	5,392	6,146	-	6,146
	<u>349,427</u>	<u>4,577</u>	<u>354,004</u>	<u>367,330</u>	<u>4,618</u>	<u>371,948</u>

8 Governance costs

	Governance costs	2024	Governance costs	2023
	£	£	£	£
Audit fees	4,405	4,405	4,080	4,080
Accountancy	7,357	7,357	6,944	6,944
	<u>11,762</u>	<u>11,762</u>	<u>11,024</u>	<u>11,024</u>
Analysed between Charitable activities	<u>11,762</u>	<u>11,762</u>	<u>11,024</u>	<u>11,024</u>

Governance costs includes payments to the auditors of £4,405 (2023: £4,080) for audit fees.

9 Net movement in funds

The net movement in funds is stated after charging/(crediting):

	2024	2023
	£	£
Fees payable for the audit of the charity's financial statements	4,405	4,080
Depreciation of owned tangible fixed assets	<u>153,789</u>	<u>156,228</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Councillors

None of the councillors (or any persons connected with them) received any remuneration or expenses from the charity during the year.

Living expenses of those trustees and members of the charity's key management personnel who are also members' of the Order were borne by the charity during the year. However all members of the Order donate personal income to the charity. Total donations received from members of the council in the year amounted to £26,912 (2023: £17,990).

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There are no employees as at 31 December 2024 (2023: none)

There were no employees whose annual remuneration was £60,000 or more.

12 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	80,329	153,427

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets

	Freehold land and buildings	Furniture and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	7,169,316	80,605	183,000	49,427	7,482,348
Additions	-	14,119	1,074	-	15,193
Disposals	-	(8,398)	(800)	(15,144)	(24,342)
At 31 December 2024	7,169,316	86,326	183,274	34,283	7,473,199
Depreciation and impairment					
At 1 January 2024	1,936,104	68,237	183,000	22,737	2,210,078
Depreciation charged in the year	139,386	4,832	54	9,517	153,789
Eliminated in respect of disposals	-	(5,361)	(800)	(15,144)	(21,305)
At 31 December 2024	2,075,490	67,708	182,254	17,110	2,342,562
Carrying amount					
At 31 December 2024	5,093,826	18,618	1,020	17,173	5,130,637
At 31 December 2023	5,233,212	12,367	-	26,690	5,272,269

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000, which is not depreciated.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2024	4,350,507	2,900	4,353,407
Additions	493,965	-	493,965
Valuation changes	80,329	-	80,329
Disposals	(346,510)	-	(346,510)
	<u>4,578,291</u>	<u>2,900</u>	<u>4,581,191</u>
At 31 December 2024			
Carrying amount			
At 31 December 2024	<u>4,578,291</u>	<u>2,900</u>	<u>4,581,191</u>
At 31 December 2023	<u>4,350,507</u>	<u>2,900</u>	<u>4,353,407</u>

Cost of investments £3,310,128 (2023: £3,111,437).

At 31 December 2024 no single investment comprised more than 5% of the portfolio value.

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	600	300
Other debtors	8,098	2,002
Prepayments and accrued income	11,413	11,594
	<u>20,111</u>	<u>13,896</u>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	<u>11,680</u>	<u>12,296</u>

18 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Interest free loans	<u>55,223</u>	<u>55,223</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Contingent asset

The charity has been notified of an £18,000 legacy which will be received when certain conditions have been met.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2023		Movement in funds		Transfers		Balance at 1 January 2024		Movement in funds		Balance at 31 December 2024	
	£	£	Income	Expenditure	£	£	£	£	Income	Expenditure	£	£
Inter-Novitiate Study Fund	1,917	2,250	2,250	(2,803)	-	1,364	5,957	(4,084)	3,237	-	-	-
Visa renewal fund	-	2,968	2,968	(3,343)	375	-	-	-	-	-	-	-
Wheelchair replacement fund	-	2,012	2,012	-	(2,012)	-	-	-	1,170	(1,308)	(138)	-
Novice Guardian Fund	-	-	-	-	-	-	10,000	-	10,000	-	10,000	-
Cabin Fund	-	-	-	-	-	-	-	-	17,127	(5,392)	13,099	-
	<u>1,917</u>	<u>7,230</u>	<u>7,230</u>	<u>(6,146)</u>	<u>(1,637)</u>	<u>1,364</u>	<u>17,127</u>	<u>(5,392)</u>	<u>13,099</u>			

The Inter-Novitiate Study Fund is to support the formation of novices in Anglican religious communities in the UK.

The Novice Guardians Fund covers the annual Novice Guardian conference.

The Cabin Fund has been set up to fund a cabin in the grounds which will give additional space for group work.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Fabric Repairs Fund	986,243	-	(3,961)	-	-	982,282
Future Care Fund	610,608	-	-	21,371	-	631,979
Opportunity Fund	700,529	-	-	21,016	-	721,545
Abbey Property	5,233,213	-	(139,386)	-	-	5,093,827
General funds	2,554,094	431,665	(233,677)	(42,387)	80,329	2,790,024
	<u>10,084,687</u>	<u>431,665</u>	<u>(377,024)</u>	<u>-</u>	<u>80,329</u>	<u>10,219,657</u>
Previous year:						
	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Fabric Repairs Fund	988,751	-	(2,508)	-	-	986,243
Future Care Fund	580,426	-	-	30,182	-	610,608
Opportunity Fund	665,902	-	-	34,627	-	700,529
Abbey Property	5,372,601	-	(139,388)	-	-	5,233,213
General funds	2,361,194	354,900	(252,255)	(63,172)	153,427	2,554,094
	<u>9,968,874</u>	<u>354,900</u>	<u>(394,151)</u>	<u>1,637</u>	<u>153,427</u>	<u>10,084,687</u>

Details of each fund can be found in the accounting policies note 1.3

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	5,130,637	-	5,130,637
Investments	4,581,191	-	4,581,191
Current assets/(liabilities)	563,052	13,099	576,151
Long term liabilities	(55,223)	-	(55,223)
	<u>10,219,657</u>	<u>13,099</u>	<u>10,232,756</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	5,272,269	-	5,272,269
Investments	4,353,407	-	4,353,407
Current assets/(liabilities)	514,234	1,364	515,598
Long term liabilities	(55,223)	-	(55,223)
	<u>10,084,687</u>	<u>1,364</u>	<u>10,086,051</u>

23 Related party transactions

There were no transactions paid to or on behalf of Trustees in 2024 (2023 - £1,547).

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Charity registration number 221617

Company registration number 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Councillors	Thomas Quin Michael Tavinor Philip Dulson Alison Fry Michael Brossard Sir Hector Sants	(Appointed 1 January 2023)
Charity number	221617	
Company number	479317	
Principal address	Mucknell Abbey Mucknell Farm Lane Stoulton Worcestershire WR7 4RB	
Registered office	Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Principal Bankers	Barclays Bank plc 30 Market Square Witney Oxon OX28 6BJ	
Investment advisors	Charles Stanley Stockbrokers Willow Court West Way Minns Business Park Oxford Oxon OX2 0JB	

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially.

The councillors present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association, the principal object of the Charity is the advancement of the Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and users of the public right of way to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

The councillors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work is carried out each year with the advice of Acanthus Clews. In 2023, as per previous years, the Community continued its focus on renewing bathrooms and associated plumbing as well as a variety of repairs and improvements. Meanwhile work continues in the grounds to enhance their amenity and conservation value including planting a new area of woodland.

Given the diminishing impact of Covid, public worship remained open to the public all year. The demand for hospitality has continued to grow, returning to pre-pandemic figures, despite the number of last minute cancellations which have been offset in part by offering the Hermitage to regular guests. 326 resident guests (2022: 313) and 161 quiet day visitors (2022:121) came to the monastery during the year. Maintaining the practice of inviting people to live alongside the community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community engaged with several enquirers and welcomed one new 'alongsider' during the year.

Members of the Order continued to accept a few requests to minister outside the abbey. Some pastoral work which would have taken place on site continues to be effected by virtual means. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England. Two other Members serve on the House of Bishops Advisory Council for Religious Communities, and one on the committee of Anglican Religious Communities, which regulate and assist all Church of England Religious Communities.

Financial review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities in the UK and Republic of Ireland from 1 January 2015 under FRS 102.

The audited accounts show modest financial changes from last year which are, on the whole, attributable to a lesser number of large repairs and remedial works being undertaken. Guest donations increased again, in part due to a 33% increase in the number of Quiet Day visitors (in an effort to maximise occupancy). Interest received increased significantly again due to the changing Bank base rate. Members' contributions (largely from pensions) saw a slight increase: loss of one member's pension for a third of the year and Mobility allowance of one member being now received as cash. Sale of Work increased particularly with more sales of hand painted icons. On the expenditure side, the major differences were in repairs and maintenance of buildings and grounds as well as higher energy costs, some contract cleaning, and lower IT costs.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the investment portfolio, net of cash injected, rose by 4.6%, outperforming the FTSE 100 (rose by 2.4%) but not the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery. For the last three years the disparate volatilities of different sectors and geopolitical reasons have resulted in divergences between benchmarks and portfolio valuations.

'Donations received' include £80,453 of Community members' pensions and benefits made over to the Charity to provide for their living expenses (of which Trustees' contributions were £17,990); other **major funding sources** during the year were investment income and donations.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves Policy:

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible.

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain **Designated Funds** which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair, maintenance and long term care of the functional property; this Fund is stated at 15% of construction costs, with subsequent increases by inflation and decreases according to Major Repair expenditure. The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation. The third is the Opportunity Fund: when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery.

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation.

Investment policy

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last revised in January 2020) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Risk assessment

The councillors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. These are being monitored by the Council and kept under discussion with the investment managers. Additionally, although inflation is falling, increased costs are still affecting the Charity. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is used for the Friends accounts and for the secondary bank account.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial inspection (last made April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order participate in Safeguarding training (latest course in November 2021 and January 2023) and the safeguarding officers have attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain. Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

Plans for future periods

The principal plan and hope for the monastery is the maintenance of daily worship and to continue providing pastoral care and hospitality. Meanwhile the high energy costs, the political climate and wider geopolitical concerns, demand careful monitoring and prudent responses in the financial management of the Charity, including reviews of the annual budget as appropriate.

Since moving to Mucknell, the monastic Community has received 31 Alongsiders, of whom nine have joined the Community as novices and five of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away.

Work continues in the light of the last Quinquennial Inspection, and the Members are considering a potential addition to our visitor accommodation.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The Charity is a company limited by guarantee, incorporated 9th March 1950, registered company number 00479317; charity registration number 221617.

The Trustees of the Charity are the Councillors of the Society and are also the directors for the purpose of company law. The Councillors who served during the year and up to the date of signature of the financial statements were:

Thomas Quin

Michael Tavinor

Philip Dulson

Alison Fry

Michael Brossard

Sir Hector Sants

(Appointed 1 January 2023)

The financial officers of the Charity during 2023 were:

Thomas Quin (trustee)

Philip Dulson (trustee)

Michaël Brossard (trustee)

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

None of the councillors has any beneficial interest in the company. All of the councillors are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that Critchleys Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the councillors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The councillors' report was approved by the Board of Councillors.



.....
Thomas Quin

Director/Trustee

Dated: 8 May 2024

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF COUNCILLORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The councillors, who are also the directors of The Society of the Salutation of Mary the Virgin Limited for the purpose of company law, are responsible for preparing the Councillors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the councillors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the councillors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The councillors are responsible for keeping adequate 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 Companies Act 2006. 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.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT**



**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 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 councillors' 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 councillors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The councillors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the councillors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the councillors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the councillors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the councillors' report and from the requirement to prepare a strategic report.

Responsibilities of councillors

As explained more fully in the statement of councillors' responsibilities, the councillors, who are also the directors of the charity for the purpose of company law, 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 councillors 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 councillors 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 councillors either intend to liquidate the charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP**

9/5/2024
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**Chartered Accountants
Statutory Auditor**

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	181,911	7,230	189,141	179,497	1,460	180,957
Charitable activities	4	25,939	-	25,939	24,179	-	24,179
Investments	5	136,384	-	136,384	117,912	-	117,912
Other material income		10,666	-	10,666	11,507	-	11,507
Total income		354,900	7,230	362,130	333,095	1,460	334,555
Expenditure on:							
Raising funds	6	28,349	-	28,349	24,975	-	24,975
Charitable activities	7	365,802	6,146	371,948	390,995	3,724	394,719
Total expenditure		394,151	6,146	400,297	415,970	3,724	419,694
Net gains/(losses) on investments	11	153,427	-	153,427	(393,316)	-	(393,316)
Net income/(expenditure)		114,176	1,084	115,260	(476,191)	(2,264)	(478,455)
Transfers between funds		1,637	(1,637)	-	-	-	-
Net movement in funds		115,813	(553)	115,260	(476,191)	(2,264)	(478,455)
Reconciliation of funds:							
Fund balances at 1 January 2023		9,968,874	1,917	9,970,791	10,445,065	4,181	10,449,246
Fund balances at 31 December 2023		10,084,687	1,364	10,086,051	9,968,874	1,917	9,970,791

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		5,272,269		5,386,804
Investments	14		4,353,407		4,055,762
			<u>9,625,676</u>		<u>9,442,566</u>
Current assets					
Debtors	15	13,896		9,416	
Cash at bank and in hand		513,998		628,938	
		<u>527,894</u>		<u>638,354</u>	
Creditors: amounts falling due within one year	16	(12,296)		(13,442)	
Net current assets			<u>515,598</u>		<u>624,912</u>
Total assets less current liabilities			<u>10,141,274</u>		<u>10,067,478</u>
Creditors: amounts falling due after more than one year	17		(55,223)		(96,687)
Net assets			<u>10,086,051</u>		<u>9,970,791</u>
The funds of the charity					
Restricted income funds	18		1,364		1,917
Unrestricted funds			10,084,687		9,968,874
			<u>10,086,051</u>		<u>9,970,791</u>

The financial statements were approved by the councillors on 8.5.24



Thomas Quin
Trustee

Company registration number 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Society of the Salutation of Mary the Virgin Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the councillors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the councillors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the councillors in furtherance of their charitable objectives.

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a designated provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property a designated reserve, represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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. Depreciation charges are allocated on the portion of the asset's use.

Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.

Charitable expenditure comprises direct expenditure attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Website 4 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Furniture and equipment	5 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Dowry monies

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the councillors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed Asset Depreciation

Depreciation was calculated based on management's estimate of the useful economic lives of tangible fixed assets. During the year ended 31 December 2023, depreciation totalled £156,227 (2022: £151,043).

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	181,411	7,230	188,641	177,449	1,460	178,909
Legacies receivable	500	-	500	2,048	-	2,048
	<u>181,911</u>	<u>7,230</u>	<u>189,141</u>	<u>179,497</u>	<u>1,460</u>	<u>180,957</u>

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Sale of goods	<u>25,939</u>	<u>24,179</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	120,195	115,096
Interest receivable	16,189	2,816
	<u>136,384</u>	<u>117,912</u>

6 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Costs of goods sold	12,804	9,484
Investment management	15,545	15,491
	<u>28,349</u>	<u>24,975</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Abbey (religious community)	Donations	Total 2023	Abbey (religious community)	Donations	Total 2022
	2023	2023		2022	2022	
	£	£	£	£	£	£
Depreciation and impairment	156,228	-	156,228	151,050	-	151,050
Abbey (religious community)	200,078	4,618	204,696	228,793	4,200	232,993
	<u>356,306</u>	<u>4,618</u>	<u>360,924</u>	<u>379,843</u>	<u>4,200</u>	<u>384,043</u>
Share of governance costs (see note 8)	11,024	-	11,024	10,676	-	10,676
	<u>367,330</u>	<u>4,618</u>	<u>371,948</u>	<u>390,519</u>	<u>4,200</u>	<u>394,719</u>
Analysis by fund						
Unrestricted funds	361,184	4,618	365,802	386,795	4,200	390,995
Restricted funds	6,146	-	6,146	3,724	-	3,724
	<u>367,330</u>	<u>4,618</u>	<u>371,948</u>	<u>390,519</u>	<u>4,200</u>	<u>394,719</u>

8 Governance costs

	Governance costs	2023	Governance costs	2022
	£	£	£	£
Audit fees	4,080	4,080	3,710	3,710
Accountancy	6,944	6,944	6,966	6,966
	<u>11,024</u>	<u>11,024</u>	<u>10,676</u>	<u>10,676</u>
Analysed between Charitable activities	<u>11,024</u>	<u>11,024</u>	<u>10,676</u>	<u>10,676</u>

Governance costs includes payments to the auditors of £4,080 (2022: £3,710) for audit fees.

9 Councillors

None of the councillors (or any persons connected with them) received any remuneration or expenses from the charity during the year.

Living expenses of those trustees and members of the charity's key management personnel who are also members' of the Order were borne by the charity during the year. However all members of the Order donate personal income to the charity. Total donations received from members of the council in the year amounted to £17,990 (2022: £20,262).

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There are no employees as at 31 December 2023 (2022: none)

There were no employees whose annual remuneration was £60,000 or more.

11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	153,427	(393,316)

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets

	Freehold land and buildings	Furniture and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	7,169,316	75,373	183,000	20,068	7,447,757
Additions	-	9,408	-	34,283	43,691
Disposals	-	(4,177)	-	(4,924)	(9,101)
At 31 December 2023	7,169,316	80,604	183,000	49,427	7,482,347
Depreciation and impairment					
At 1 January 2023	1,796,716	66,801	183,000	14,435	2,060,952
Depreciation charged in the year	139,388	5,460	-	11,380	156,228
Eliminated in respect of disposals	-	(4,024)	-	(3,078)	(7,102)
At 31 December 2023	1,936,104	68,237	183,000	22,737	2,210,078
Carrying amount					
At 31 December 2023	5,233,212	12,367	-	26,690	5,272,269
At 31 December 2022	5,372,600	8,571	-	5,633	5,386,804

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000, which is not depreciated.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 January 2023	4,052,862	2,900	4,055,762
Additions	383,487	-	383,487
Valuation changes	153,427	-	153,427
Disposals	(239,269)	-	(239,269)
At 31 December 2023	<u>4,350,507</u>	<u>2,900</u>	<u>4,353,407</u>
Carrying amount			
At 31 December 2023	<u>4,350,507</u>	<u>2,900</u>	<u>4,353,407</u>
At 31 December 2022	<u>4,052,862</u>	<u>2,900</u>	<u>4,055,762</u>

Cost of investments £3,111,437 (2022: £2,938,736).

At 31 December 2023 no single investment comprised more than 5% of the portfolio value.

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	300	300
Other debtors	2,002	2,233
Prepayments and accrued income	11,594	6,883
	<u>13,896</u>	<u>9,416</u>

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	<u>12,296</u>	<u>13,442</u>

17 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Interest free loans	<u>55,223</u>	<u>96,687</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2022		Movement in funds		Balance at 1 January 2023		Movement in funds		Balance at 31 December 2023	
	£	£	Income	Expenditure	Income	Expenditure	Income	Expenditure	Transfers	£
Inter Novitiate Study Fund	4,181		1,460	(3,724)	1,917	(2,803)	2,250	(2,803)	-	1,364
Visa renewal fund	-		-	-	-	(3,343)	2,968	(3,343)	375	-
Wheelchair replacement fund	-		-	-	-	-	2,012	-	(2,012)	-
	<u>4,181</u>		<u>1,460</u>	<u>(3,724)</u>	<u>1,917</u>	<u>(6,146)</u>	<u>7,230</u>	<u>(6,146)</u>	<u>(1,637)</u>	<u>1,364</u>

The Inter Novitiate Study Fund has been renamed in the year and was included in previous years accounts as Novice Guardians Fund.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 January 2022	Movement in funds			Balance at 1 January 2023	Movement in funds			Balance at 31 December 2023
		Income	Expenditure	Transfers		Income	Expenditure	Transfers	
	£	£	£	£	£	£	£	£	£
Fabric Repairs Fund	1,032,362	-	-	(43,611)	988,751	-	(2,508)	-	986,243
Future Care Fund	511,840	-	-	68,587	580,426	-	-	30,182	610,608
Opportunity Fund	587,216	-	-	78,687	665,902	-	-	34,627	700,529
Abbey Property	5,511,885	-	(139,284)	-	5,372,601	-	(139,388)	-	5,233,213
	7,643,303	-	(139,284)	103,663	7,607,680	-	(141,896)	64,809	7,530,593

Details of each fund can be found in the accounting policies note 1.3

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	5,272,269	-	5,272,269
Investments	4,353,407	-	4,353,407
Current assets/(liabilities)	514,234	1,364	515,598
Long term liabilities	(55,223)	-	(55,223)
	<u>10,084,687</u>	<u>1,364</u>	<u>10,086,051</u>
	<u>10,084,687</u>	<u>1,364</u>	<u>10,086,051</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	5,386,804	-	5,386,804
Investments	4,055,762	-	4,055,762
Current assets/(liabilities)	622,995	1,917	624,912
Long term liabilities	(96,687)	-	(96,687)
	<u>9,968,874</u>	<u>1,917</u>	<u>9,970,791</u>
	<u>9,968,874</u>	<u>1,917</u>	<u>9,970,791</u>

21 Related party transactions

During the year a flight costing £1,547 was paid on behalf of one of the trustees for them to visit family, this was fully reimbursed from an external source (2022 - £1,743).

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Charity registration number 221617

Company registration number 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Councillors	Thomas Quin Michael Tavinor Philip Dulson Alison Fry Michael Brossard	(Appointed 6 May 2022)
Charity number	221617	
Company number	479317	
Principal address	Mucknell Abbey Mucknell Farm Lane Stoulton Worcestershire WR7 4RB	
Registered office	Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Principal Bankers	Barclays Bank plc 30 Market Square Witney Oxon OX28 6BJ	
Investment advisors	Charles Stanley Stockbrokers Willow Court West Way Minns Business Park Oxford Oxon OX2 0JB	

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially.

The councillors present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association, the principal object of the Charity is the advancement of the Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and users of the public right of way to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

The councillors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work is carried out each year with the advice of Acanthus Clews: in 2022 particular attention was given to renewing external pathways, fire detection equipment, bathrooms and associated plumbing. Meanwhile work continues in the grounds to enhance their amenity and conservation value.

With the lessening impact of covid the Community has resumed all its **beneficial activities** in full. Public worship was only restricted in March 2022 when Members of the Order had covid. Similarly, hospitality has picked up significantly, 317 resident guests and 121 quiet day visitors came to the monastery during the year, compared to pre-covid figures of 330 and 149 respectively. Maintaining the practice of inviting people to live alongside the community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community engaged with several enquirers and welcomed two new 'alongsiders' during the year.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Members of the Order continued to accept a few requests to minister outside the abbey. Some pastoral work which would have taken place on site continues to be effected by virtual means. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England. Two other Members serve on the House of Bishops Advisory Council for Religious Communities, and one on the committee of Anglican Religious Communities, which regulate and assist all Church of England Religious Communities.

Financial review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities in the UK and Republic of Ireland from 1 January 2015 under FRS 102.

The audited accounts show modest financial changes from last year. Guest donations increased again due to the absence of covid restrictions and Interest Received increased significantly due to the changing Bank base rate. Members' contributions (largely from pensions) were very similar to the previous year's. Sale of Work increased particularly with recovering Incense sales. On the expenditure side, the major differences were in repairs and maintenance of buildings and grounds as well as food costs and some contract cleaning.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the investment portfolio, net of cash injected, fell by 8.5% (TR basis), underperforming the FTSE 100 (rose by 0.9%) and the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery. For the last three years the disparate volatilities of different sectors and geopolitical reasons have resulted in divergences between benchmarks and portfolio valuations.

'Donations received' include £77,116 of Community members' pensions and benefits made over to the Charity to provide for their living expenses (of which Trustees' contributions were £20,262); other **major funding sources** during the year were investment income and donations.

Reserves Policy:

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible.

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain **Designated Funds** which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair and maintenance; while the functional property is quite newly built or refurbished, the Council has become aware of some unsatisfactory workmanship and in any case must prepare for long term care, and therefore decided to state this Fund at 15% of construction costs, with subsequent increases by inflation and decreases according to Major Repair expenditure. The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation. The third is the Opportunity Fund: when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery.

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment policy

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last revised in January 2020) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

Risk assessment

The councillors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. This year has seen market volatility owing to geopolitical factors and the aftermath of Brexit: these are being monitored by the Council and kept under discussion with the investment managers. Additionally, increased costs and higher inflation are affecting the Charity. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is used for the Friends accounts and occasionally for the secondary bank account.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial inspection (last made April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order participate in Safeguarding training (latest course in November 2021 and January 2023) and the safeguarding officers have attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain. Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

In the area of **Risks** to the Charity's beneficial activities, apart from the risks and responses detailed above, guest and visitor statistics are kept so that years may be compared, and the guest wing is kept in good order. 2020 saw the opening of Worcestershire Parkway station one mile from the monastery; while this has the benefit of promising easier transport links for visitors and Community members alike, there is an expectation that noise and local land development will make the monastery a less attractive place for people to come on Retreat. This has not proved a problem for existing urban monasteries but, as proposals are developed, some trustees have attended local stakeholder meetings, discussed plans with the local Parish and District Councils and continue to engage with relevant parties. Brexit makes it as difficult to welcome Alongsiders from EU countries as it already was for candidates from further afield, since any such are subject to restrictive immigration rules.

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods

The principal plan and hope for the monastery is the maintenance of daily worship and to continue providing pastoral care and hospitality. Meanwhile the current upsurge in inflation, exacerbated by geopolitical concerns, demand careful monitoring and prudent responses in the financial management of the Charity, including reviews of the annual budget as appropriate.

Since moving to Mucknell, the monastic Community has received 30 Alongsiders, of whom nine have joined the Community as novices and five of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away.

Further building work is anticipated during 2023/4 following our Quinquennial Inspection, and the Members are considering a potential addition to the visitor accommodation.

Structure, governance and management

The Charity is a company limited by guarantee, incorporated 9th March 1950, registered company number 00479317; charity registration number 221617.

The Trustees of the Charity are the Councillors of the Society and are also the directors for the purpose of company law. The Councillors who served during the year and up to the date of signature of the financial statements were:

Thomas Quin

Michael Tavinor

Philip Dulson

Sally Paley

(Retired 6 May 2022)

Alison Fry

Mossman Roueche

(Resigned 22 January 2022)

Michael Brossard

(Appointed 6 May 2022)

The financial officers of the Charity during 2022 were:

Thomas Quin (trustee)

Philip Dulson (trustee)

Michaël Brossard (trustee)

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

None of the councillors has any beneficial interest in the company. All of the councillors are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that Critchleys Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

Each of the councillors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The councillors' report was approved by the Board of Councillors.



.....
Thomas Quin

Director/Trustee

Dated: *5 May 2023*

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF COUNCILLORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The councillors, who are also the directors of The Society of the Salutation of Mary the Virgin Limited for the purpose of company law, are responsible for preparing the Councillors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the councillors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the councillors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The councillors are responsible for keeping adequate 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 Companies Act 2006. 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.



**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT**

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 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 councillors' 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 councillors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The councillors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the councillors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the councillors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the councillors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the councillors' report and from the requirement to prepare a strategic report.

Responsibilities of councillors

As explained more fully in the statement of councillors' responsibilities, the councillors, who are also the directors of the charity for the purpose of company law, 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 councillors 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 councillors 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 councillors either intend to liquidate the charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP**

9/9/2023
.....

**Chartered Accountants
Statutory Auditor**

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	179,497	1,460	180,957	174,374	175,389
Charitable activities	4	24,179	-	24,179	17,153	17,153
Investments	5	117,912	-	117,912	105,356	105,356
Other income		11,507	-	11,507	5,558	5,558
Total income		333,095	1,460	334,555	302,441	303,456
Expenditure on:						
Raising funds	6	24,975	-	24,975	21,419	21,419
Charitable activities	7	390,995	3,724	394,719	349,853	352,539
Total expenditure		415,970	3,724	419,694	2,686	373,958
Net gains/(losses) on investments	11	(393,316)	-	(393,316)	463,205	463,205
Gross transfers between funds		-	-	-	480	-
Net movement in funds		(476,191)	(2,264)	(478,455)	393,894	392,703
Fund balances at 1 January 2022		10,445,065	4,181	10,449,246	5,372	10,056,543
Fund balances at 31 December 2022		9,968,874	1,917	9,970,791	4,181	10,449,246

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		5,386,804		5,536,029
Investments	13		4,097,280		4,478,075
			<u>9,484,084</u>		<u>10,014,104</u>
Current assets					
Debtors	15	9,416		16,711	
Cash at bank and in hand		587,420		522,517	
		<u>596,836</u>		<u>539,228</u>	
Creditors: amounts falling due within one year	16	(13,442)		(9,433)	
Net current assets			583,394		529,795
Total assets less current liabilities			<u>10,067,478</u>		<u>10,543,899</u>
Creditors: amounts falling due after more than one year	17		(96,687)		(94,653)
Net assets			<u>9,970,791</u>		<u>10,449,246</u>
Income funds					
Restricted funds	18		1,917		4,181
<u>Unrestricted funds</u>					
Designated funds	19	7,607,682		7,643,303	
General unrestricted funds		2,361,192		2,801,762	
		<u>9,968,874</u>		<u>10,445,065</u>	
			<u>9,970,791</u>		<u>10,449,246</u>

The financial statements were approved by the Councillors on 5 May 2023



Thomas Quin
Trustee

Company registration number 479317

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Society of the Salutation of Mary the Virgin Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the councillors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the councillors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the councillors in furtherance of their charitable objectives.

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a designated provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property a designated reserve, represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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. Depreciation charges are allocated on the portion of the asset's use.

Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.

Charitable expenditure comprises direct expenditure attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Website 4 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Furniture and equipment	5 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Dowry monies

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the councillors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	177,449	1,460	178,909	155,139	1,015	156,154
Legacies receivable	2,048	-	2,048	19,235	-	19,235
	<u>179,497</u>	<u>1,460</u>	<u>180,957</u>	<u>174,374</u>	<u>1,015</u>	<u>175,389</u>

4 Charitable activities

	Sale of work 2022	Sale of work 2021
	£	£
Sales within charitable activities	<u>24,179</u>	<u>17,153</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	115,096	104,939
Interest receivable	2,816	417
	<u>117,912</u>	<u>105,356</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Costs of goods sold	9,484	6,024
	<hr/>	<hr/>
<u>Investment management</u>	15,491	15,395
	<hr/>	<hr/>
	<u>24,975</u>	<u>21,419</u>

7 Charitable activities

	Abbey (religious community)	Donations	Total 2022	Abbey (religious community)	Donations	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Staff costs	-	-	-	790	-	790
Depreciation and impairment	151,050	-	151,050	164,759	-	164,759
Abbey (religious community)	228,793	4,200	232,993	174,399	3,903	178,302
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	379,843	4,200	384,043	339,948	3,903	343,851
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Share of governance costs (see note 8)	10,676	-	10,676	8,688	-	8,688
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	390,519	4,200	394,719	348,636	3,903	352,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Analysis by fund						
Unrestricted funds	386,795	4,200	390,995	345,950	3,903	349,853
Restricted funds	3,724	-	3,724	2,686	-	2,686
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	390,519	4,200	394,719	348,636	3,903	352,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Governance costs

	Governance costs £	2022 £	Governance costs £	2021 £
Audit fees	3,710	3,710	3,370	3,370
Accountancy	6,966	6,966	5,318	5,318
	<u>10,676</u>	<u>10,676</u>	<u>8,688</u>	<u>8,688</u>
Analysed between Charitable activities	<u>10,676</u>	<u>10,676</u>	<u>8,688</u>	<u>8,688</u>

Governance costs includes payments to the auditors of £3,710 (2021: £3,370) for audit fees.

9 Councillors

None of the councillors (or any persons connected with them) received any remuneration or expenses from the charity during the year.

Living expenses of those trustees and members of the charity's key management personnel who are also members' of the Order were borne by the charity during the year. However all members of the Order donate personal income to the charity. Total donations received from members of the council in the year amounted to £20,262 (2021: £38,154).

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Housekeeping	<u>-</u>	<u>1</u>
Employment costs	2022 £	2021 £
Wages and salaries	<u>-</u>	<u>790</u>

There are no employees as at 31 December 2022.

There were no employees whose annual remuneration was £60,000 or more.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(393,316)	463,205

12 Tangible fixed assets

	Freehold land and buildings	Furniture and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	7,169,316	75,458	183,000	20,068	7,447,842
Additions	-	1,817	-	-	1,817
Disposals	-	(1,903)	-	-	(1,903)
At 31 December 2022	7,169,316	75,372	183,000	20,068	7,447,756
Depreciation and impairment					
At 1 January 2022	1,657,330	62,064	183,000	9,418	1,911,812
Depreciation charged in the year	139,386	6,640	-	5,017	151,043
Eliminated in respect of disposals	-	(1,903)	-	-	(1,903)
At 31 December 2022	1,796,716	66,801	183,000	14,435	2,060,952
Carrying amount					
At 31 December 2022	5,372,600	8,571	-	5,633	5,386,804
At 31 December 2021	5,511,988	13,392	-	10,649	5,536,029

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000, which is not depreciated.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2022	4,475,175	2,900	4,478,075
Additions	149,972	-	149,972
Valuation changes	(393,316)	-	(393,316)
Disposals	(137,452)	-	(137,452)
	<u>4,094,379</u>	<u>2,900</u>	<u>4,097,279</u>
Carrying amount			
At 31 December 2022	<u>4,094,379</u>	<u>2,900</u>	<u>4,097,279</u>
At 31 December 2021	<u>4,475,175</u>	<u>2,900</u>	<u>4,478,075</u>

Cost of investments £2,938,736 (2021: £2,854,589).

At 31 December 2022 no single investment comprised more than 5% of the portfolio value.

14 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	4,094,380	4,662,218
	<u>4,094,380</u>	<u>4,662,218</u>
15 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	300	300
Other debtors	2,233	6,650
Prepayments and accrued income	6,883	9,761
	<u>9,416</u>	<u>16,711</u>
16 Creditors: amounts falling due within one year	2022	2021
	£	£
Accruals and deferred income	13,442	9,433
	<u>13,442</u>	<u>9,433</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Interest free loans	96,687	94,653

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021	Movement in funds		Transfers 1 January 2022	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
		Income	Expenditure			Income	Expenditure	
	£	£	£	£	£	£	£	£
Novice Guardians Fund	3,717	840	(376)	-	4,181	1,460	(3,724)	1,917
Guest Wing Furniture Fund	1,655	175	(2,310)	480	-	-	-	-
	<u>5,372</u>	<u>1,015</u>	<u>(2,686)</u>	<u>480</u>	<u>4,181</u>	<u>1,460</u>	<u>(3,724)</u>	<u>1,917</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021		Movement in funds			Movement in funds			Balance at 31 December 2022	
	£	£	Income	Expenditure	Transfers	Income	Expenditure	Transfers	£	£
Fabric Repairs Fund	1,049,250	-	-	-	(16,888)	-	-	(43,611)	988,751	
Future Care Fund	476,130	-	-	-	35,710	-	-	68,587	580,427	
Opportunity Fund	546,247	-	-	-	40,969	-	-	78,687	665,903	
Abbey Property	5,662,471	-	-	(150,586)	-	-	(139,284)	-	5,372,601	
	<u>7,734,098</u>	<u>-</u>	<u>-</u>	<u>(150,586)</u>	<u>59,791</u>	<u>-</u>	<u>(139,284)</u>	<u>103,663</u>	<u>7,607,682</u>	

Details of each fund can be found in the accounting policies note 1.3

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	5,386,804	-	5,386,804	5,536,029	-	5,536,029
Investments	4,097,280	-	4,097,280	4,478,075	-	4,478,075
Current assets/(liabilities)	581,477	1,917	583,394	525,614	4,181	529,795
Long term liabilities	(96,687)	-	(96,687)	(94,653)	-	(94,653)
	<u>9,968,874</u>	<u>1,917</u>	<u>9,970,791</u>	<u>10,445,065</u>	<u>4,181</u>	<u>10,449,246</u>

21 Related party transactions

During the year a flight costing £1,743 was paid on behalf of one of the trustees for them to visit family, this was fully reimbursed from an external source (2021 - none).

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Charity Registration No. 221617

Company Registration No. 479317 (England and Wales)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Councillors	Thomas Quin Michael Tavinor Philip Dulson Sally Paley Alison Fry
Charity number	221617
Company number	479317
Principal address	Mucknell Abbey Mucknell Farm Lane Soulton Worcestershire WR7 4RB
Registered office	Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford Oxfordshire OX1 2EP
Principal Bankers	Barclays Bank plc 30 Market Square Witney Oxon OX28 6BJ
Investment advisors	Charles Stanley Stockbrokers Willow Court West Way Minns Business Park Oxford Oxon OX2 0JB

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The councillors present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are the advancement of Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community. The policies adopted in furtherance of these objects are as detailed below and there has been no change in these during the year.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and local residents to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

The councillors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work is carried out each year with the advice of Acanthus Clews: in 2021 particular attention was given to renewing windows, bathrooms and associated plumbing. Meanwhile work continues in the grounds to enhance their amenity and conservation value.

The Community struggled to maintain all its **beneficial activities** during the covid pandemic, but was able to resume all activities - on a reduced scale - in the second half of the year. Worship has continued without break - although government restrictions forbade public attendance in the earlier part of the year; the small size of the oratory and its position within the monastery made social distancing difficult. Maintaining the practice of inviting people to live alongside the Community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community engaged with several enquirers but covid restrictions prevented them from visiting until late in the year.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Members of the Order continued to accept a few requests to minister outside the abbey when this was permissible and could be effected in a safe manner. Some pastoral work which would have taken place on site was shifted to virtual meetings, though this tailed off as visitors were able to return to the abbey. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England. Two other Members serve on the House of Bishops Advisory Council for Religious Communities, and one on the committee of Anglican Religious Communities, which regulate and assist all Church of England Religious Communities.

Financial review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities in the UK and Republic of Ireland from 1 January 2015 under FRS 102.

The audited accounts show modest financial changes from last year. Guest donations increased by nearly 50% due to the easing of covid restrictions and Investment income increased by about 15% due to the resumption of business activity and payment of dividends. Supporters of the Charity continued to respond generously to this situation. Members' contributions (largely from pensions) decreased from the previous year's exceptional figure. Sale of Work increased but this item is variable, especially due to the production of particular hand-painted icons. On the expenditure side, the chief difference was an increased cost of repairs, as well the running costs given higher guest numbers.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the investment portfolio, net of cash injected, rose by 14.4% (TR basis), slightly underperforming the FTSE 100 (rose by 15%) but outperforming the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery.

'Donations received' include £79,918 of Community members' pensions and benefits made over to the Charity to provide for their living expenses (of which Trustees' contributions were £38,154); other **major funding sources** during the year were investment income, donations and legacies.

Reserves policy

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible.

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain **Designated Funds** which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair and maintenance; while the functional property is quite newly built or refurbished, the Council has become aware of some unsatisfactory workmanship and in any case must prepare for long term care, and therefore decided to state this Fund at 15% of construction costs, with subsequent increases by inflation and decreases according to Major Repair expenditure. The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation. The third is the Opportunity Fund: when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery.

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Investment policy

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last revised in January 2020) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

Risk assessment

The councillors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. This year has seen market volatility owing to the pandemic and restrictions on business activity: these are being monitored by the Council and kept under discussion with the investment managers. Additionally, the loss of donations from guests and visitors, due to covid restrictions, seems to be diminishing, but now geo-political factors are expected to impinge negatively on the Charity due to higher inflation and disturbances in international trade. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is used for the Friends accounts and occasionally for the secondary bank account.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial inspection (last made April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order participate in Safeguarding training (latest course in November 2021) and the safeguarding officers have attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain.

Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In the area of **Risks** to the Charity's beneficial activities, apart from the risks and responses detailed above, guest and visitor statistics are kept so that years may be compared, and the guest wing is kept in good order. 2020 saw the opening of Worcestershire Parkway station one mile from the monastery; while this has the benefit of promising easier transport links for visitors and Community members alike, there is a risk that noise and local land development will make the monastery a less attractive place for people to come on Retreat. This has not proved a problem for existing urban monasteries but, as proposals are developed, some trustees have attended local stakeholder meetings, discussed plans with the local Parish and District Councils and continue to engage with relevant parties.

Brexit makes it as difficult to welcome Alongsiders from EU countries as it already was for candidates from further afield, since any such are subject to restrictive immigration rules.

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

Plans for future periods

The principal plan and hope for the monastery is the maintenance of daily worship and a return to the pre-pandemic pattern of pastoral work and hospitality. Meanwhile the current upsurge in inflation, exacerbated by geopolitical concerns, demand careful monitoring and prudent responses in the financial management of the Charity, including reviews of the annual budget as appropriate.

Since moving to Mucknell, the monastic Community has received 28 Alongsiders, of whom nine have joined the Community as novices and four of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away.

Further building work is anticipated during 2022/3 following our Quinquennial Inspection, and we are considering a potential addition to our visitor accommodation.

Structure, governance and management

The charity is a company limited by guarantee governed by the Memorandum and Articles of Association.

The councillors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Thomas Quin

Mossman Roueche

(Retired 22 January 2022)

Michael Tavinor

Philip Dulson

Sally Paley

Alison Fry

The financial officers of the charity during 2021 were:

Thomas Quin (trustee)

Philip Dulson (trustee)

Michaël Brossard

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

COUNCILLORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially.

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

None of the councillors has any beneficial interest in the company. All of the councillors are members of the company and guarantee to contribute £1 in the event of a winding up.

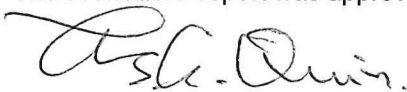
Auditor

In accordance with the company's articles, a resolution proposing that Critchleys Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the councillors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The councillors' report was approved by the Board of Councillors.



.....
Thomas Quin

Director/Trustee

Dated: 6 May 2022

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF COUNCILLORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The councillors, who are also the directors of The Society of the Salutation of Mary the Virgin Limited for the purpose of company law, are responsible for preparing the Councillors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the councillors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the councillors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The councillors are responsible for keeping adequate 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 Companies Act 2006. 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.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED
INDEPENDENT AUDITOR'S REPORT**



**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 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 councillors' 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 councillors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The councillors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the councillors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the councillors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the councillors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the councillors' report and from the requirement to prepare a strategic report.

Responsibilities of councillors

As explained more fully in the statement of councillors' responsibilities, the councillors, who are also the directors of the charity for the purpose of company law, 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 councillors 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 councillors 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 councillors either intend to liquidate the charitable company 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.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE COUNCILLORS OF THE SOCIETY OF THE SALUTATION OF MARY THE
VIRGIN LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP**

6/5/2022

**Chartered Accountants
Statutory Auditor**

Beaver House
23-38 Hythe Bridge Street
Oxford
Oxfordshire
OX1 2EP

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	174,374	1,015	175,389	195,952	3,913	199,865
Charitable activities	4	17,153	-	17,153	12,414	-	12,414
Investments	5	105,356	-	105,356	91,786	-	91,786
Other income		5,558	-	5,558	6,615	-	6,615
Total income		302,441	1,015	303,456	306,767	3,913	310,680
Expenditure on:							
Raising funds	6	21,419	-	21,419	17,785	-	17,785
Charitable activities	7	349,853	2,686	352,539	340,531	423	340,954
Total resources expended		371,272	2,686	373,958	358,316	423	358,739
Net gains/(losses) on investments	11	463,205	-	463,205	229,258	-	229,258
Net incoming/(outgoing) resources before transfers		394,374	(1,671)	392,703	177,709	3,490	181,199
Gross transfers between funds		(480)	480	-	-	-	-
Net movement in funds		393,894	(1,191)	392,703	177,709	3,490	181,199
Fund balances at 1 January 2021		10,051,171	5,372	10,056,543	9,873,462	1,882	9,875,344
Fund balances at 31 December 2021		10,445,065	4,181	10,449,246	10,051,171	5,372	10,056,543

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

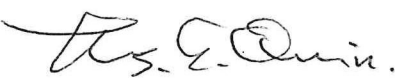
THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	12		-		1,026
Tangible assets	13		5,536,029		5,697,686
Investments	14		4,478,075		3,918,594
			<u>10,014,104</u>		<u>9,617,306</u>
Current assets					
Debtors	16	16,711		9,492	
Cash at bank and in hand		522,517		533,054	
		<u>539,228</u>		<u>542,546</u>	
Creditors: amounts falling due within one year	17	(9,433)		(8,656)	
Net current assets			<u>529,795</u>		<u>533,890</u>
Total assets less current liabilities			<u>10,543,899</u>		<u>10,151,196</u>
Creditors: amounts falling due after more than one year	18		(94,653)		(94,653)
Net assets			<u><u>10,449,246</u></u>		<u><u>10,056,543</u></u>
Income funds					
Restricted funds	19		4,181		5,372
<u>Unrestricted funds</u>					
Designated funds	20	7,643,303		7,734,098	
General unrestricted funds		2,801,762		2,317,073	
			<u>10,445,065</u>		<u>10,051,171</u>
			<u><u>10,449,246</u></u>		<u><u>10,056,543</u></u>

The financial statements were approved by the Councillors on 6 May 2022



Thomas Quin
Trustee

Company Registration No. 479317

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Society of the Salutation of Mary the Virgin Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the councillors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the councillors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the councillors in furtherance of their charitable objectives.

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a designated provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property a designated reserve, represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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. Depreciation charges are allocated on the portion of the asset's use.

Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.

Charitable expenditure comprises direct expenditure attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website

4 years straight line

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Furniture and equipment	5 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Dowry monies

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the councillors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	155,139	1,015	156,154	175,620	3,913	179,533
Legacies receivable	19,235	-	19,235	20,332	-	20,332
	<u>174,374</u>	<u>1,015</u>	<u>175,389</u>	<u>195,952</u>	<u>3,913</u>	<u>199,865</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Sale of work 2021 £	Sale of work 2020 £
Sales within charitable activities	17,153	12,414

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from listed investments	104,939	88,556
Interest receivable	417	3,230
	<u>105,356</u>	<u>91,786</u>

6 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Fundraising and publicity</u>		
Costs of goods sold	6,024	4,998
	<u>15,395</u>	<u>12,787</u>
<u>Investment management</u>		
	<u>21,419</u>	<u>17,785</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Abbey (religious community)	Donations	Total 2021	Abbey (religious community)	Donations	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Staff costs	790	-	790	1,861	-	1,861
Depreciation and impairment	164,759	-	164,759	174,347	-	174,347
Abbey (religious community)	174,399	3,903	178,302	152,605	4,045	156,650
	<u>339,948</u>	<u>3,903</u>	<u>343,851</u>	<u>328,813</u>	<u>4,045</u>	<u>332,858</u>
Share of governance costs (see note 8)	8,688	-	8,688	8,096	-	8,096
	<u>348,636</u>	<u>3,903</u>	<u>352,539</u>	<u>336,909</u>	<u>4,045</u>	<u>340,954</u>
Analysis by fund						
Unrestricted funds	345,950	3,903	349,853	336,486	4,045	340,531
Restricted funds	2,686	-	2,686	423	-	423
	<u>348,636</u>	<u>3,903</u>	<u>352,539</u>	<u>336,909</u>	<u>4,045</u>	<u>340,954</u>

8 Governance costs

	Governance costs	2021	Governance costs	2020
	£	£	£	£
Audit fees	3,370	3,370	3,210	3,210
Accountancy	5,318	5,318	4,886	4,886
	<u>8,688</u>	<u>8,688</u>	<u>8,096</u>	<u>8,096</u>
Analysed between Charitable activities	<u>8,688</u>	<u>8,688</u>	<u>8,096</u>	<u>8,096</u>

Governance costs includes payments to the auditors of £3,370 (2020: £3,210) for audit fees.

9 Councillors

None of the councillors (or any persons connected with them) received any remuneration or expenses from the charity during the year.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Councillors

(Continued)

Living expenses of those trustees and members of the charity's key management personnel who are also members' of the Order were borne by the charity during the year. However all members of the Order donate personal income to the charity. Total donations received from members of the council in the year amounted to £38,154 (2020: £59,905).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Housekeeping	1	1
Employment costs	2021	2020
	£	£
Wages and salaries	790	1,861

There are no employees as at 31 December 2021.

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	463,205	229,258

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

	Website £
Cost	
At 1 January 2021 and 31 December 2021	4,104
Amortisation and impairment	
At 1 January 2021	3,078
Amortisation charged for the year	1,026
At 31 December 2021	4,104
Carrying amount	
At 31 December 2021	-
At 31 December 2020	1,026

13 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Fixtures and Motor fittings vehicles £	£	Total £
Cost					
At 1 January 2021	7,169,316	75,777	183,000	20,068	7,448,161
Additions	-	2,823	-	-	2,823
Disposals	-	(3,142)	-	-	(3,142)
At 31 December 2021	7,169,316	75,458	183,000	20,068	7,447,842
Depreciation and impairment					
At 1 January 2021	1,517,942	56,331	171,800	4,402	1,750,475
Depreciation charged in the year	139,386	8,720	11,200	5,017	164,323
Eliminated in respect of disposals	-	(2,985)	-	-	(2,985)
At 31 December 2021	1,657,328	62,066	183,000	9,419	1,911,813
Carrying amount					
At 31 December 2021	5,511,988	13,392	-	10,649	5,536,029
At 31 December 2020	5,651,374	19,446	11,200	15,666	5,697,686

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000, which is not depreciated.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2021	3,915,694	2,900	3,918,594
Additions	251,147	-	251,147
Valuation changes	463,205	-	463,205
Disposals	(154,871)	-	(154,871)
At 31 December 2021	<u>4,475,175</u>	<u>2,900</u>	<u>4,478,075</u>
Carrying amount			
At 31 December 2021	<u>4,475,175</u>	<u>2,900</u>	<u>4,478,075</u>
At 31 December 2020	<u>3,915,694</u>	<u>2,900</u>	<u>3,918,594</u>

Cost of investments £2,854,589 (2020: £2,692,880).

At 31 December 2021 no single investment comprised more than 5% of the portfolio value.

15 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>4,662,218</u>	<u>3,915,694</u>
16 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	300	450
Other debtors	6,650	3,257
Prepayments and accrued income	9,761	5,785
	<u>16,711</u>	<u>9,492</u>
17 Creditors: amounts falling due within one year	2021	2020
	£	£
Accruals and deferred income	<u>9,433</u>	<u>8,656</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Interest free loans	94,653	94,653

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Movement in funds	
	Balance at 1 January 2020	Income	Expenditure	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£
Novice Guardians Fund	1,882	2,258	423	3,717	840	(376)	-	4,181
Guest Wing Furniture Fund	-	1,655	-	1,655	175	(2,310)	480	-
	1,882	3,913	423	5,372	1,015	(2,686)	480	4,181

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Movement in funds	
	Balance at 1 January 2020	Income	Expenditure	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£
Fabric Repairs Fund	1,053,272	-	-	1,049,250	-	-	(16,888)	1,032,362
Future Care Fund	470,484	-	-	476,130	-	-	35,710	511,840
Opportunity Fund	539,770	-	-	546,247	-	-	40,969	587,216
Abbey Property	5,820,357	-	(157,886)	5,662,471	-	(150,586)	-	5,511,885
	7,883,883	-	(157,886)	7,734,098	-	(150,586)	59,791	7,643,303

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Intangible fixed assets	-	-	-	1,026	-	1,026
Tangible assets	5,536,029	-	5,536,029	5,697,686	-	5,697,686
Investments	4,478,075	-	4,478,075	3,918,594	-	3,918,594
Current assets/ (liabilities)	525,614	4,181	529,795	528,518	5,372	533,890
Long term liabilities	(94,653)	-	(94,653)	(94,653)	-	(94,653)
	<u>10,445,065</u>	<u>4,181</u>	<u>10,449,246</u>	<u>10,051,171</u>	<u>5,372</u>	<u>10,056,543</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

England & Wales - Charity number 221617

Accounts

Company registration number: 479317

Charity registration number: 221617

**THE SOCIETY OF THE SALUTATION OF MARY
THE VIRGIN LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**COUNCILLORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2020**

INDEX

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THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT

A. Reference and administrative information

The Charity is a company limited by guarantee, incorporated 9th March 1950 certificate number 479317; charity registration number 221617.

The Trustees of the Charity are the Councillors of the Society (*see also 'C' below*). The Councillors who served during the year were:

Thomas Gregory Quin
 Mossman Roueché
 Michael Edward Tavinor
 Philip Dulson
 Sally Anne Paley
 Alison Jacquelyn Fry

The financial officers of the Charity during 2020 were:

Thomas Quin (trustee)
 Philip Dulson (trustee)
 Michaël Brossard.

Definitions: "Members" refers to Members of the Society, bound by its Articles of Association; "members" of any other body are given a lower-case 'm' and the relevant body is mentioned in the text. "Abbey" or "monastery" are synonymous and refer either to the functional property of the Charity or to the Community resident at that property, whose worship and hospitality provide the public benefit. "Order" refers to the Benedictine Order of which this abbey and its members are a part; however this abbey is autonomous, legally and financially

Functional Property: Mucknell Abbey, Mucknell Farm Lane, Stoulton, Worcs., WR7 4RB.

Auditors: Critchleys Audit LLP, Chartered Accountants, Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP (also the registered address of the Charity).

Bankers: Barclays Bank plc, West Oxfordshire Group, 30 Market Square, Witney, Oxon, OX8 7BJ.

Investment Managers: Charles Stanley Stockbrokers, Willow Court, West Way, Minns Business Park, Oxford OX2 0JB.

Solicitors: Darbys Solicitors LLP, 52 New Inn Hall St, Oxford OX1 2DN.

B. Objectives and Activities

In accordance with the Memorandum of Association, the principal object of the Charity is the advancement of the Christian Religion and the promotion of its practice, primarily by maintaining the life of a Benedictine Religious Community.

Since 1952 the Members have pursued this object by maintaining the Benedictine monastic life, within the Church of England; the majority of Members are also members of the Order, living the Religious Life under Vows according to the Rule of St Benedict, at Mucknell Abbey. In accordance with this Rule, public Christian worship is offered several times daily throughout the year, pastoral counsel is offered (to those who seek it) and hospitality (including Quiet Days and Retreats) is given; these constitute the most visible forms of **public benefit**. Some external engagements such as preaching, the conducting of services, teaching days or Retreats elsewhere, are also undertaken.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT (CONTINUED)

Hospitality is an important part of the Benedictine monastic tradition. People of all ages and from all walks of life, from a variety of religious backgrounds and none, have discovered Benedictine monasteries to be places of restoration, reconciliation and peace, and many look to members of this Community for friendship and spiritual guidance. They value the opportunity the monastery affords for quiet and reflection. Grounds are maintained in ways that foster this atmosphere, and to allow guests, visitors and local residents to enjoy their unspoilt quiet.

The bulk of the work of the Charity is carried out by volunteers, indeed the members of the Order make over any income they might receive to the Charity. Voluntary help is provided by some members of the Friends Association (the informal support group who raise funds for the Charity and publicise its work) who help with the administration of the Friends and the organisation of Friends' events. The Councillors (Directors/Trustees) give their time and expertise on a voluntary basis.

C. Structure, Governance and Management

The Council consists of some members of the Order and some lay persons (two currently) co-opted onto the Council for their particular expertise and appreciation of the objects of the Charity. The Council meets at least twice each calendar year. The Articles of Association provide for retirement of Councillors in rotation; new Councillors are co-opted by the continuing Councillors until the next AGM when they must stand for election by the Members.

Induction of Councillors who are members of the Order is by the system of monastic formation (training) which involves living and learning the life under supervision for a minimum of five years. Members of the Order become Members of the Society before being eligible for Council and thus have previous exposure to the work of the Council. Lay persons on the Council are inducted into the particular work and needs of the Charity by those Councillors who are members of the Order. Councillors are regularly referred to the guidance put out by the Charity Commission.

The Charity's **Risk assessment** and **Fire Risk assessment** policies remain under regular review.

Financial risk comprises investment risks and fraud risks. The statement of investment policy covers the following: manager, liquidity, political, custodial, currency, market and inflation risks. Most of these are addressed by employing professional investment managers, whose performance is regularly reviewed, and agreeing appropriate risk levels, asset allocation and diversification. This year has seen currency and market volatility owing to political uncertainty and international tensions: these are being monitored by the Council and kept under discussion with the investment managers. The risk of fraud is mitigated by a double-signature requirement for all significant payments, professional accounting software and material locks as well as password protection in IT; internet banking is only used for the Friends accounts.

Property risk affects the functional property of the Charity and all the furnishings and equipment used there. This is largely addressed by a schedule of inspections, from the architects' Quinquennial (last made November 2015 – next planned April 2021) to regular observational checks on roof slates, maintenance contracts on all significant equipment, and a bespoke insurance policy designed with the particular needs of Religious Communities in mind.

Reputation risk comprises products and care for guests. While the Charity does not set out to work with young people or vulnerable adults, some retreatants or visitors might be so described: in any case the Charity has a written **Safeguarding policy** which matches all the objects and requirements of the wider Church of England Safeguarding instruments. As a consequence of this, all the members of the Order attended a Safeguarding training day in November 2018 and the safeguarding officer has attended further information and training days organised centrally by the Church of England and/or the Methodist Church of Great Britain.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT (CONTINUED)

Product quality is checked by the use in-house of our own products, and Product liability insurance is held in regard to products sold.

In the area of Risks to the Charity's beneficial activities, apart from the risks and responses detailed above, guest and visitor statistics are kept so that years may be compared, and the guest wing is kept in good order. 2020 saw the opening of Worcestershire Parkway station one mile from the monastery; while this has the benefit of promising easier transport links for visitors and Community members alike, there is a risk that noise and local land development may in time make the monastery a less attractive place for people to come on Retreat. This has not proved a problem for existing urban monasteries but, as proposals are developed, some trustees have attended local stakeholder meetings, discussed plans with the local Parish Council and begun engagement with the District Council.

Brexit now poses a risk to the welcoming of Alongsiders from EU countries, since any such candidates would become subject to all the immigration rules currently affecting those from further afield

In accordance with best practice there is also a written **health and safety policy**, which is reviewed at least annually.

D. Achievements and Performance

The abbey constitutes the functional property of the Charity and was designed in order to provide suitable buildings for monastic life, accommodation for guests on Retreat, and a more sustainable way of life which - by incorporating appropriate 'green' technologies - reduces the Charity's carbon footprint. Maintenance work was carried out during the year with the advice of Acanthus Clews: several issues have been addressed successfully but there is still trouble with some window embrasures on the south side. Meanwhile work continues in the grounds to enhance their amenity and conservation value.

The Community has struggled to maintain all its beneficial activities due to the covid pandemic. Worship has continued without break – except that for much of the year government restrictions forbade public attendance; the small size of the oratory and its position within the monastery made social distancing difficult . After two normal months, from March onwards the number of guests was almost zero due to the lockdowns and other restrictions. The Community carried out a careful and rigorous risk assessment and was able to devise means to welcome safely some Quiet Day visitors in the late summer and autumn. Maintaining the practice of inviting people to live alongside the Community for a period of several months (i.e., longer than that ordinarily spent by a Retreatant), the Community welcomed two such persons, given covid-tests and self-isolation, to experience at a deeper level the Benedictine life and spiritual tradition during 2020.

Members of the Order continued to accept a few requests to minister outside the abbey when this was still permissible and could be effected in a safe manner. Much pastoral work which would have taken place on site was shifted to virtual meetings, and additional material was posted on the website. One Member has continued to serve as a representative of Religious Communities on the General Synod of the Church of England; and two other members of the Order serve on the House of Bishops Advisory Council for Religious Communities which regulates and assists all Church of England Religious Communities.

The Charity successfully registered as a Sponsor of Foreign Voluntary Workers in order to welcome a US citizen as an Alongsider. The effects of Brexit have not yet been significant for the Charity.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT (CONTINUED)

E. Financial Review

The financial statements alongside this report comply with the Charities Act 2011, the Companies Act 2006 and the 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities in the UK and Republic of Ireland from 1 January 2015 under FRS 102.

The audited accounts show significant financial changes from last year. Guest donations fell by about 75% due to the lockdowns and Investment income by 23% due to the decrease in business activity and the consequent halting or reduction in dividends. However, supporters of the Charity responded to these conditions by doubling their voluntary contributions. At the same time, Members' contributions (largely from pensions) increased, resulting in a net increase in Donations for the year. Sale of Work almost halved because of the reduction in visitors and the closure of churches across the nation. On the expenditure side, several categories showed some decrease owing to having fewer people on site and Members travelling very little outside, but overall expenditure only decreased by about 5%.

On Investments, the cash held is in an aggregated charity cash deposit which returns consistently higher than the 7-day LIBOR. The capital value of the investment portfolio, net of cash injected, rose by 7.3% (TR basis) outperforming the FTSE 100 (fell 14.3% for the Total Return) and outperforming the 'RPI + 4%' benchmark. While index benchmarks indicate the portfolio performance, or perhaps its asset allocation relative to the FTSE100 index, the 'RPI + 4%' benchmark relates to the costs of running the monastery.

'Donations received' include £99,598 of Community members' pensions and benefits made over to the Charity to provide for their living expenses (of which Trustees' contributions were £59,095); other **major funding sources** during the year were investment income, donations, legacies which were more substantial than in 2019.

Financial Policy: Investments and Reserves

Investment powers are described by the Charity's Memorandum of Association, and by the Trustee Investments Act 1961, with such amendments as given in the Charities Act 2011 and the Trustees Act 2000. The Council determines investment policy; to ensure that investment decisions are taken only by persons or organisations with the skills and resources necessary to take them effectively, the Council delegates routine investment decisions to investment managers. The investment performance, which aims at a long-term balance of overall capital and income growth, is reviewed at least twice each year. The Statement of Investment Policy (last revised in January 2020) addresses such parameters as asset allocation, performance benchmarks, suitability of investments and ethical criteria.

Although the Charity's assets are unrestricted, the investment portfolio is maintained in order to provide unearned income to enable the Members to continue doing the charitable work which does not generate income of itself.

The Council has monitored the property's running costs and the returns on investments and has concluded that, since the current activities are dependent on the level of pensions made over to the Charity by Members, it is prudent to build up the **Reserves** as and when possible.

In accord with the policy of clarifying the accounts and the financial policy of the Charity, the Council now divides the Reserves (although these are neither permanent nor restricted) according to certain Designated Funds which represent future plans and needs. Three such Funds are allocated. The first is the Fabric Repair Fund which is an allocation for repair and maintenance; while the functional property is quite newly built or refurbished, the Council has become aware of some unsatisfactory workmanship and in any case must prepare for long term care, and therefore decided to state this Fund at 15% of construction costs, with

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT (CONTINUED)

subsequent increases by inflation and decreases according to Major Repair expenditure. The second is the Future Care Fund which is a provision for the cost of residential care of elderly Members should they need it towards the end of their lives: this cost has been a sudden and considerable addition to costs in the history of the Community and is set to cover local care costs for two persons for six years, with annual uplift for inflation. The third is the Opportunity Fund: when the design for Mucknell Abbey was agreed by the Council, planning and cost constraints determined which facilities for retreatants and visitors might be provided, and the emphasis was on the core needs of those coming to the abbey for residential retreats; this fund represents an approximate cost of providing further facilities on site or in the vicinity should the size of the Community and the skills it can offer increase. The Opportunity Fund also provides one source for major expenditure which may be necessitated by the development of the proposed new town around the monastery.

The principal material asset of the Charity has long been its functional property. The book value of Land and Buildings, in the balance sheet, represents the purchase cost of Mucknell Farm and the building additions to date, less depreciation.

F. Plans for Future Periods

The principal plan and hope for the monastery is the maintenance of daily worship and a return – when safe - to something like the pre-pandemic pattern of pastoral work and hospitality. Until then, a cautious budget and stringent safety precautions will be followed.

Since moving to Mucknell, the monastic Community has received 28 Alongsiders, of whom nine have joined the Community as novices and three of these have since made their monastic Life Profession and become Members of the Society. Increasing numbers strengthen the Benedictine life, enhance the public worship and enable the Society to provide more hospitality and spiritual accompaniment.

The evolution of the South Worcestershire Development Plan will undoubtedly affect future plans and may prompt pastoral work with more local residents as well as retreatants from further away. Some building work is anticipated during 2021/2 following our Quinquennial Inspection, due in the spring of 2021.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

TRUSTEES' REPORT (CONTINUED)

COUNCILLORS' RESPONSIBILITIES

The Councillors (who are also directors of the Society for the Salutation of Mary the Virgin Limited) for the purposes of company law) 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).

Company law requires the Councillors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.
-

The Councillors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, the Councillors, as the company's directors, certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by Council and signed on their behalf on 07.05.21. by:



.....
T G Quin (Director/Trustee)

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Society of the Salutation of Mary the Virgin Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet and 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 charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2020

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of 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.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors' 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:

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 charitable company through discussions with directors/trustees and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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 journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2020

- 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 those charged with governance;
- enquiring of management 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 directors/trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors_responsibilities.

This description forms part of our auditor's report

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland, Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditors
Beaver House
23 – 38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 11 May 2021

**THE SOCIETY OF THE SALUTATION OF MARY
THE VIRGIN LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2020**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

	Unrestricted			2020	2019
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Income from					
Donations and legacies:					
Donations	175,620	-	3,913	179,533	163,519
Legacies	20,332	-	-	20,332	4,500
Other trading activities	12,414	-	-	12,414	21,234
Investments:					
Dividend income	88,556	-	-	88,556	116,665
Interest received	3,230	-	-	3,230	2,073
Other income	<u>6,615</u>	<u>-</u>	<u>-</u>	<u>6,615</u>	<u>8,088</u>
Total income	<u>306,767</u>	<u>-</u>	<u>3,913</u>	<u>310,680</u>	<u>316,079</u>
Expenditure on					
Cost of raising funds:					
Fundraising trading: cost of goods sold	4,998	-	-	4,998	9,177
Investment management costs	12,787	-	-	12,787	13,095
Expenditure on charitable activities:					
Donations made	4,045	-	-	4,045	4,013
Abbey (religious community)	<u>178,600</u>	<u>157,886</u>	<u>423</u>	<u>336,909</u>	<u>346,466</u>
Total expenditure	<u>200,430</u>	<u>157,886</u>	<u>423</u>	<u>358,739</u>	<u>372,751</u>
Net income/(expenditure) before gains and losses on investment:	106,337	(157,886)	3,490	(48,059)	(56,672)
Gains/(losses) on investments	<u>229,258</u>	<u>-</u>	<u>-</u>	<u>229,258</u>	<u>451,959</u>
Net income/(expenditure)	335,595	(157,886)	3,490	181,199	395,287
Transfers between funds	<u>(8,101)</u>	<u>8,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	<u>327,494</u>	<u>(149,785)</u>	<u>3,490</u>	<u>181,199</u>	<u>395,287</u>
Funds brought forward	<u>1,989,579</u>	<u>7,883,883</u>	<u>1,882</u>	<u>9,875,344</u>	<u>9,480,057</u>
Funds carried forward	<u>2,317,073</u>	<u>7,734,098</u>	<u>5,372</u>	<u>10,056,543</u>	<u>9,875,344</u>

**THE SOCIETY OF THE SALUTATION OF MARY
THE VIRGIN LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2019**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

	Unrestricted			2019	2018
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Income and endowments					
Donations and legacies:					
Donations	161,287	-	2,232	163,519	153,307
Legacies	4,500	-	-	4,500	12,942
Income from other trading activities	21,234	-	-	21,234	15,613
Income from investments:					
Dividend income	116,665	-	-	116,665	115,838
Interest received	2,073	-	-	2,073	1,474
Other income	<u>8,088</u>	-	-	<u>8,088</u>	<u>13,408</u>
Total income	<u>313,847</u>	<u>-</u>	<u>2,232</u>	<u>316,079</u>	<u>312,582</u>
Expenditure on					
Cost of raising funds:					
Fundraising trading: cost of goods sold	9,177	-	-	9,177	10,984
Investment management costs	13,095	-	-	13,095	10,685
Expenditure on charitable activities:					
Donations made	4,013	-	-	4,013	4,053
Abbey (religious community)	<u>188,230</u>	<u>157,886</u>	<u>350</u>	<u>346,466</u>	<u>341,786</u>
Total expenditure	<u>214,515</u>	<u>157,886</u>	<u>350</u>	<u>372,751</u>	<u>367,508</u>
Net income/(expenditure) before gains and losses on investment:	99,332	(157,886)	1,882	(56,672)	(54,926)
Gains/(losses) on investments	<u>451,959</u>	-	-	<u>451,959</u>	<u>(202,547)</u>
Net income/(expenditure)	551,291	(157,886)	1,882	395,287	(257,473)
Transfers between funds	<u>2,130</u>	<u>(2,130)</u>	-	-	-
Net movement in funds	553,421	(160,016)	1,882	395,287	(257,473)
Funds brought forward	<u>1,436,158</u>	<u>8,043,899</u>	-	<u>9,480,057</u>	<u>9,737,530</u>
Funds carried forward	<u>1,989,579</u>	<u>7,883,883</u>	<u>1,882</u>	<u>9,875,344</u>	<u>9,480,057</u>

**THE SOCIETY OF THE SALUTATION OF MARY
THE VIRGIN LIMITED**

(Company registration number: 479317)

**BALANCE SHEET
AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed Assets			
Intangible assets	6	1,026	2,052
Tangible assets	7	5,697,686	5,847,460
Investments	8	<u>3,918,594</u>	<u>3,551,440</u>
		9,617,306	9,400,952
Current Assets			
Debtors	9	9,492	9,449
Cash in bank and in hand		<u>533,054</u>	<u>568,546</u>
		542,546	577,995
Creditors: Amounts falling due within one year	10	<u>(8,656)</u>	<u>(8,950)</u>
Net current assets		<u>533,890</u>	<u>569,045</u>
Total assets less current liabilities		10,151,196	9,969,997
Creditors: falling due after more than one year	11	<u>(94,653)</u>	<u>(94,653)</u>
Net Assets		<u>10,056,543</u>	<u>9,875,344</u>
Reserves			
Designated funds	12	7,734,098	7,883,883
General revenue		2,317,073	1,989,579
Restricted funds		<u>5,372</u>	<u>1,882</u>
Total Funds		<u>10,056,543</u>	<u>9,875,344</u>

The notes on pages 14 to 22 form part of these accounts.

These accounts were approved and authorised for issue by the Council on 07/05/21.....and signed on their behalf by:



.....
Thomas Gregory Quin (Trustee)

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts:

a) **BASIS OF ACCOUNTING**

The financial statements 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 UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102) and the Companies Act 2006.

SSMV meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) **INCOME**

Income is generally recognised on a receivable basis and reported gross of related expenditure, where the amounts are reasonably certain and when there is adequate certainty of receipt.

The following specific policies are applied to particular categories of income:

- Donations are included in full in the Statement of Financial Activities when receivable. Gift Aid recoverable is accounted for in the same period as the related donation.
- Legacies are recognised as income only when the charity becomes entitled to the income, receipt is certain and the amount concerned is measurable.
- Grants, where entitlement is not conditional on delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from activities for generating funds consists of income from sale of work, which is recognised when earned.
- Investment income is accounted for when receivable.

c) **EXPENDITURE**

Expenditure is accounted for on an accruals basis and gross of any related income. They are classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

- Costs of generating funds comprise the costs associated with income generation via sale of work and costs associated with the investment portfolio.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs include those costs, such as statutory audit and legal and professional fees, associated with constitutional and statutory requirements

d) **RESTRICTED FUNDS**

Where a donor has specified a particular purpose for a donation, the income is shown as restricted income in the Statement of Financial Activities. Any such income unexpended at the year end is shown as a restricted fund in the balance sheet. Any expenditure in anticipation of restricted income is carried forward as a negative balance on the restricted fund.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

e) **UNRESTRICTED & DESIGNATED FUNDS**

The Fabric Repair Fund is a designated reserve established to cover repairs and maintenance costs anticipated in the long term care of Mucknell Abbey. Council has initially set this Fund at 15% of reconstruction costs.

The Future Care Fund is a provision for residential care of elderly members should they need it. This is currently set at a level to cover estimated local care costs for two persons for six years.

The Opportunity Fund is a designated reserve representing an approximate cost of providing further facilities should the size of the Community and the skills it can offer continue to increase.

Abbey Property represents the historic cost (as subsequently depreciated) of the functional property and fixtures and fittings of the Charity and therefore does not represent funds available for expenditure on general charitable purposes.

General Unrestricted Funds represents all other unrestricted funds.

f) **INTANGIBLE FIXED ASSETS AND AMORTISATION**

Intangible fixed assets are stated at historical cost less accumulated amortisation. Amortisation is provided on a straight line basis over the estimated useful life. The useful economic life of the website is 4 years.

g) **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided using various bases and rates which reflect the anticipated useful lives of the various assets and their estimated residual values.

Depreciation is charged on the following bases:

Land and buildings	50 years straight line
Motor vehicles	4 years straight line
Fixtures and fittings	10 years straight line
Furniture and equipment	5 years straight line

Where the recoverable amount of a fixed asset is found to be below its net book value, the asset is written down to the recoverable amount and the loss on impairment is recognised in the SOFA.

h) **INVESTMENTS**

Investments are shown at mid-market value as at the year-end. Movements in value are shown in the income and expenditure account and allocated to the capital surplus account.

i) **DOWRY MONIES**

Dowry monies received are treated as long term, interest free loans, held within creditors on the balance sheet.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

		2020	2019	
		£	£	
2	Surplus/deficit on ordinary activities			
	Surplus/deficit is stated after charging:			
	Amortisation	1,026	1,026	
	Depreciation	173,321	168,560	
	Auditors' remuneration - audit	3,210	3,100	
	Auditors' remuneration – non audit	4,886	6,406	
	Donations made	4,045	4,013	
	(Profit)/Loss on sale of assets	<u>(2,650)</u>	<u>-</u>	
3	Income	2020	2019	
		£	£	
	Members' contributions	98,958	63,284	
	Visitors' contributions	13,963	57,894	
	General donations	34,956	16,974	
	Targeted donations	5,681	3,286	
	Pastoral donations	1,481	3,135	
	Friends donations	20,581	18,946	
	Legacies	20,332	4,500	
	Sale of work	12,414	21,234	
	Investment income	91,786	118,738	
	Other restricted income	3,913	-	
	Other receipts	<u>6,615</u>	<u>8,088</u>	
		<u>310,680</u>	<u>316,079</u>	
4	Expenditure	Amortisation &	Total	Total
		Direct	Depreciation	2020
		£	£	£
	Costs of raising funds			
	Fundraising trading (cost of goods sold)	4,998	-	4,998
	Investment management costs	12,787	-	12,787
	Expenditure on charitable activities			
	Donations made	4,045	-	4,045
	Abbey (religious community) general unrestricted	155,069	15,535	170,604
	Abbey (religious community) designated	-	157,786	157,786
	Abbey (religious community) restricted	423	-	423
	Governance costs	<u>8,096</u>	<u>-</u>	<u>8,096</u>
		<u>185,418</u>	<u>173,321</u>	<u>358,739</u>
				<u>372,751</u>

Direct costs are those associated with providing a specific charitable activity.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

5 Staff and Trustees

	Total 2020 £	Total 2019 £
Salaries and wages	<u>1,861</u>	<u>1,828</u>

There was one part time employee during the year (2019: One).

Living expenses of those trustees and members of the charity's key management personnel who are also members' of the Order were borne by the charity during the year. However all members of the Order make over personal income to the charity [Members' Contributions – see note 3]. Total donations received from members of the council in the year amounted to £59,905 (2019: £31,061).

No trustees received remuneration, reimbursement of expenses or other benefits in connection with their duties as trustees during the year.

6 Intangible Fixed Assets

	Website £
Cost	
1 January 2020 and 31 December 2020	<u>4,104</u>
Amortisation	
1 January 2020	2,052
Charge for the year	<u>1,026</u>
31 December 2020	<u>3,078</u>
Net book value	
31 December 2020	<u>1,026</u>
31 December 2019	<u>2,052</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

7 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Furniture and equipment £	Total £
Cost or valuation					
1 January 2020	7,169,316	185,000	23,800	72,920	7,451,036
Additions	-	-	20,068	3,479	23,547
Disposals	<u>-</u>	<u>(2,000)</u>	<u>(23,800)</u>	<u>(622)</u>	<u>(26,422)</u>
31 December 2020	<u>7,169,316</u>	<u>183,000</u>	<u>20,068</u>	<u>75,777</u>	<u>7,448,161</u>
Depreciation					
1 January 2020	1,378,556	155,400	23,800	45,820	1,603,576
Charge for the year	139,386	18,400	4,402	11,133	173,321
On disposals	<u>-</u>	<u>(2,000)</u>	<u>(23,800)</u>	<u>(622)</u>	<u>(26,422)</u>
31 December 2020	<u>1,517,942</u>	<u>171,800</u>	<u>4,402</u>	<u>56,331</u>	<u>1,750,475</u>
Net book value					
31 December 2020	<u>5,651,374</u>	<u>11,200</u>	<u>15,666</u>	<u>19,446</u>	<u>5,697,686</u>
31 December 2019	<u>5,790,760</u>	<u>29,600</u>	<u>-</u>	<u>27,100</u>	<u>5,847,460</u>

Freehold land and buildings comprise the Community's monastery, known as Mucknell Abbey. This includes freehold land of £200,000 which is not depreciated.

8 Fixed Asset Investments

	Unquoted investments £	Quoted investments £	Total investments £
Market value at 1 January 2020	173,429	3,378,011	3,551,440
Additions at cost	-	323,527	323,527
Disposal proceeds	-	(174,544)	(174,544)
Cash movement	-	(11,087)	(11,087)
Movement in value in year	<u>(5,899)</u>	<u>235,157</u>	<u>229,258</u>
Market value at 31 December 2020	<u>167,530</u>	<u>3,751,064</u>	<u>3,918,594</u>

Cost of investments £2,691,880 (2019: £2,575,693).

All investments are held for the purpose of generating an investment return for the charity.

At 31 December 2020 no single investment comprised more than 5% of the portfolio value

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

9	Debtors	2020	2019
		£	£
	Trade debtors	450	-
	Prepayments and accrued income	5,785	5,592
	Other debtors	<u>3,257</u>	<u>3,857</u>
		<u>9,492</u>	<u>9,449</u>
10	Creditors: Amounts falling due within one year	2020	2019
		£	£
	Accruals	<u>8,656</u>	<u>8,950</u>
		<u>8,656</u>	<u>8,950</u>
11	Creditors: Amounts falling due after more than one year	2020	2019
		£	£
	Interest free loans brought forward	94,653	94,653
	New loans	-	-
	Loans repaid	<u>-</u>	<u>-</u>
	Interest free loans carried forward	<u>94,653</u>	<u>94,653</u>

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

12	Funds 2020	General unrestricted	Fabric Repairs Fund	Future care Fund	Opportunity Fund	Abbey Property	Total Designated	Novice Guardians Fund	Guest Wing Furniture Fund	Total restricted funds	Total Funds
		£	£	£	£	£	£	£	£	£	£
	Funds brought forward	1,989,579	1,053,272	470,484	539,770	5,820,357	7,883,883	1,882	-	1,882	9,875,344
	Income	306,767	-	-	-	-	-	2,258	1,655	3,913	310,680
	Expenditure	(200,430)	-	-	-	(157,886)	(157,886)	(423)	-	(423)	(358,739)
	Net gains/(losses) on investments	229,258	-	-	-	-	-	-	-	-	229,258
	Transfers between func	<u>(8,101)</u>	<u>(4,022)</u>	<u>5,646</u>	<u>6,477</u>	<u>-</u>	<u>8,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Funds carried forward	<u>2,317,073</u>	<u>1,049,250</u>	<u>476,130</u>	<u>546,247</u>	<u>5,662,471</u>	<u>7,734,098</u>	<u>3,717</u>	<u>1,655</u>	<u>5,372</u>	<u>10,056,543</u>
	Funds 2019		General unrestricted	Fabric Repairs Fund	Future care Fund	Opportunity Fund	Abbey Property	Total Designated	Restricted Novice Guardians Fund	Total Funds	
			£	£	£	£	£	£	£	£	
	Funds brought forward		1,436,158	1,077,150	460,356	528,150	5,978,243	8,043,899	-	9,480,057	
	Income		313,847	-	-	-	-	-	2,232	316,079	
	Expenditure		(214,515)	-	-	-	(157,886)	(157,886)	(350)	(372,751)	
	Net gains/(losses) on investments		451,959	-	-	-	-	-	-	451,959	
	Transfers between funds		<u>2,130</u>	<u>(23,878)</u>	<u>10,128</u>	<u>11,620</u>	<u>-</u>	<u>(2,130)</u>	<u>-</u>	<u>-</u>	
	Funds carried forward		<u>1,989,579</u>	<u>1,053,272</u>	<u>470,484</u>	<u>539,770</u>	<u>5,820,357</u>	<u>7,883,883</u>	<u>1,882</u>	<u>9,875,344</u>	

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

13	Analysis of net assets between funds	Restricted Funds £	Unrestricted Funds £	Total £
	Fund balances as 31 December 2020 are represented by:			
	Intangible fixed assets	-	1,026	1,026
	Tangible fixed assets	-	5,697,686	5,697,686
	Investments	-	3,918,594	3,918,594
	Current assets	5,372	537,174	542,546
	Current liabilities	-	(8,656)	(8,656)
	Non-current liabilities	<u>-</u>	<u>(94,653)</u>	<u>(94,653)</u>
	Total net assets	<u>5,372</u>	<u>10,051,171</u>	<u>10,056,453</u>

14 Related Party Transactions

There were no related party transactions in the year (2019: no transactions) except for the Trustee transactions disclosed in note 5.

15 General information

SSMV is a company limited by guarantee incorporated and domiciled in England. Its registered office address is Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP. Its principal place of business is Mucknell Abbey, Mucknell Farm Lane, Stoulton, Worcestershire, WF7 4RB.

The liability of the members in the event of the company being liquidated is limited to one pound per member.

THE SOCIETY OF THE SALUTATION OF MARY THE VIRGIN LIMITED
SUPPLEMENTARY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable activities	Donations Made	Abbey	Governance costs	Total Costs 2020	Total Costs 2019
	£	£	£	£	£
Water rates	-	791	-	791	464
Council tax	-	1,774	-	1,774	1,710
Heating and lighting	-	22,158	-	22,158	20,511
Insurance	-	8,966	-	8,966	8,674
Repairs and renewals	-	42,782	-	42,782	49,189
Cleaning materials	-	1,858	-	1,858	1,936
Salaries	-	1,861	-	1,861	1,828
Grounds and Garden	-	6,382	-	6,382	6,073
National insurance (Community members)	-	4,918	-	4,918	5,636
Provisions	-	20,173	-	20,173	20,906
Medical	-	2,101	-	2,101	3,101
Clothing	-	609	-	609	783
Books and periodicals	-	1,092	-	1,092	1,172
Postage, stationery and printing	-	2,570	-	2,570	932
IT costs	-	9,060	-	9,060	9,777
Telephone	-	2,771	-	2,771	3,657
Travelling and conference expenses	-	11,994	-	11,994	21,202
Audit and accountancy	-	-	8,096	8,096	9,506
Legal and professional fees	-	-	-	-	10
Miscellaneous	-	3,864	-	3,864	6,471
Exceptional costs	-	7,138	-	7,138	-
Bank charges	-	1,345	-	1,345	1,542
Donations made	4,045	-	-	4,045	4,013
Depreciation	-	173,321	-	173,321	168,550
Amortisation	-	1,026	-	1,026	1,026
(Profit)/loss on disposal of assets	-	(2,650)	-	(2,650)	-
Restricted expenditure	-	423	-	423	-
Net chapel costs	-	<u>2,486</u>	-	<u>2,486</u>	<u>1,810</u>
	<u>4,045</u>	<u>328,813</u>	<u>8,096</u>	<u>340,954</u>	<u>350,479</u>

Where noted, costs are allocated according to the use of resources by members of the community and guests or the proportion of staff time dedicated to specific tasks. All other costs are capable of direct allocation.

CASH AT BANK AND IN HAND

	2020	2019
	£	£
Current bank account	18,376	14,233
Deposit fund (held for development of functional property)	390,000	390,000
CafCash account	51,515	58,860
Friends' bank accounts	17,706	20,583
Cash account	758	945
Instant AS account	6,431	23,777
Business active saver	<u>48,268</u>	<u>60,148</u>
	<u>533,054</u>	<u>568,546</u>