

**St Mary's Priory
Fernham
Residual Fund**

Annual Report and Accounts

31 December 2024

Charity Registration Number
229393

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Reference and administrative information

Trustees	Rt Rev David Cuthbert Brogan – Visitor Mother Winsome Angela Durrant Rev Dom Brendan Patrick Creeden Rev Dom Michal Dymitr Mycka Fra Richard John Berkley-Matthews Mr Richard Hawker
Bursar	Rev Dom Michal Dymitr Mycka
Principal address	Saint Michael's Abbey 280 Farnborough Road Farnborough Hampshire GU14 7NQ
Charity registration number	229393
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Metro Bank plc One Southampton Row London WC1B 5HA
Investment managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
Solicitors	Irwin Mitchell LLP Davidson House Forbury Square Reading RG1 3EU

The trustees present their report together with the accounts of St Mary's Priory Fernham Residual Fund (the 'charity' or the 'trust') for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 20 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of Statement of Recommended Practice on Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

The charity was created by a deed dated 16 May 1963 and was known, until 7 March 2003, as the Community of Benedictine Nuns of St Mary's Priory. The deed was amended on 1 December 1998 by a Scheme of the Charity Commissioners. A further Deed of Variation, dated 7 March 2003, was accepted by the Charity Commissioners following a decision to close the house at Fernham and disperse the individual members of the Community to other locations. Under this latter Deed of Variation, although the Community did not cease to exist, it ceased to carry on or direct any charitable works as a Community. The trustees now hold the assets of the charity for such charitable purposes connected with the advancement of the Roman Catholic Religion as they decide.

OVERALL OBJECTIVES

The trustees aim to use the assets of the charity, and the income thereof, for the support of the remaining member of the Community, and for the advancement of the Roman Catholic religion - primarily by giving grants. The trustees are mindful of the need for the charity to demonstrate that it provides public benefit and they have had regard to the general guidance on the provision of public benefit published by the Charity Commission.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Activities and specific objectives

The activities of the charity can be divided into two main areas: caring for the sole remaining member of the Community, including supporting her ministry; and the advancement of the Roman Catholic religion - primarily by giving grants.

Care of the remaining member of St Mary's Priory

The trustees have a moral and legal obligation to care for the one remaining member of the Community. The sister has no private income of her own as all earnings, gifts or donations, and pensions have been covenanted to the charity.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Grants for the advancement of the Roman Catholic religion

The trustees continue the material work of the former monastic community of Fernham by giving grants from the Fernham Residual Fund. Their current priority is to support the English Province of the Subiaco-Cassinese Congregation to which St Mary's Priory belonged. Other particular interests of the trust include the wider Benedictine world and other causes which advance the Catholic Faith.

Investment policy

The trustees agreed in 2003 that the assets of the charity would be invested with a view to producing a return to cover future charitable expenditure. The trustees reviewed their investment policy in 2023 and agreed that the investment objective is to achieve a balanced return from income and capital growth while accepting a moderate degree of risk consistent with the charity's ethical investment policies.

There are no restrictions on the charity's power to invest. However, the trustees have requested that the investment managers do not invest in any company whose primary business is concerned with the manufacture of armaments, tobacco or any products which would be used in connection with contraception or abortion or whose primary business entails labour exploitation. The trustees have delegated discretionary powers of management to Rathbone Investment Management Limited. The portfolio is managed with a view to producing a balance between income and capital returns

Grant making policy

The trustees give consideration to applications for grants in accordance with the provisions of the trust. The primary aim of grants would be, as stated in the trust deed, the advancement of the Roman Catholic religion. The trustees' policy is to distribute excess income but this does not preclude the expenditure of capital. The trustees have continued the priorities which have always been those of the charity, namely the Subiaco-Cassinese Congregation English Province, the wider Subiaco-Cassinese Congregation, and the other Catholic causes.

The trustees currently take a pro-active approach, aiming in particular to focus on the historic Grade One and Grade Two Listed buildings in the care of the Province. These restorations will be attentive to public access, health and safety, heating and lighting, wheelchair access, sounds systems etc., which are all of public benefit. The Abbot Visitor is an *ex officio* trustee but it is the properly constituted Trust body that makes decisions concerning the management policy of the trust and, as a civil trust, it is not subject or answerable to any ecclesiastical individual or body, and has absolute discretion to make grants as it sees fit in accordance with the Trust Deed.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Policy on receipt of donations and legacies

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It protects donors' data and never sells data, it never swaps data and ensures that communication preference can be changed at any time. The charity does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its approach to those who give it money and to learn from them. During the year, the charity received no such complaints.

ACHIEVEMENTS AND PERFORMANCE

Review of the activities

Care of member

The charity continued to support the remaining member of the St Mary's Priory, Fernham, community.

Grants for the advancement of the Roman Catholic religion

The trustees made various grants and donations to advance the Roman Catholic religion. In 2023 a number of grants were made to assist religious students. The Trust continued to fund course fees for a young Polish priest who is undertaking doctoral research in liturgy at the Benedictine Liturgical Institute of Sant Anselmo in Rome. Two monk students of the English Province of the Subiaco-Cassinese Congregation were assisted. One was ordained deacon in 2024 and is due to complete his studies and be ordained priest in 2025. Another monk studies at the Collegio Beda in Rome and was recently made acolyte in his second year of his four year course.

The Trust responded favourably to a request of the diocese of Cairo of the Coptic Catholic Church in Egypt and assisted in buying a car to assist a priest in pastoral work in his extensive parish.

The wider monastic family was assisted in the decision to award a grant to a house of Benedictine nuns to send one of its members to the established conference for monastic formators in Rome. The trustees continued in 2024 to fund the concluding stages of the major project of the restoration of the Grade One Listed Buildings of St Michael's Abbey, Farnborough, Hampshire. This included provision of geo-thermal heating. The renewal of the electrics has not only provided a sympathetic lighting system, but also fire detection system (including the roof space) and equipment for live-streaming of the liturgical offices, thereby giving extensive public access to the daily round of monastic worship of this young and thriving community.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the activities (continued)

Grants for the advancement of the Roman Catholic religion (continued)

The Trust was notified in the early Summer of 2024 of a complaint to the Charity Commission. Although neither the author nor the nature of the complaint was made known to the Trust, the Trustees readily answered the queries put to them by the Commission and cooperated fully with the investigation. Since the queries were raised, the Trust has again presented fully audited annual accounts to the Commission. Although changes in the trustee body had previously been envisaged, the Trustees decided that they would make no major changes or significant new grants until the conclusion of the Charity Commission's examination of the Trust. In May 2025 the Charity Commission reported to the Trustees that this matter is now concluded.

The Trustees have carried out a careful review of the management of their investments, reviewing their ethical investment policy and risk levels. The Trust body met in person with Mr Julian Booth from Rathbones, their investment broker, to examine, amend, and confirm these policies. Likewise, the Trustees discussed their relationship with their accountants and auditors and decided to continue this relationship.

FUTURE PLANS

It is not anticipated that there will be any significant changes to the charity's activities in the forthcoming year.

The trustees will pay due heed to the impact of the current macroeconomic and geopolitical environment, both socially and economically, and will continue to work towards the good stewardship of the funds they hold for the present and future beneficiaries.

FINANCIAL REVIEW

Income for the year was £139,680 (2023 – negative £46,281). Income comprises £128,834 (2023 – £192,468) from investments and donations were £8,718 (2023 – negative £240,471). Donations include £8,718 (2023 – £8,502) from pensions of individual religious received under Deed of Covenant and in 2023 included the reimbursement of a restricted donation of £250,000 from St Barnabas Society to fund the Prinknash Abbey project, which was cancelled during that year.

Expenditure totalled £1,426,969 compared to £1,243,423 in 2023. During the current and the previous year, the living expenses of the one remaining member of the Community who lives alone were paid. Expenditure on grants and donations, excluding allocated support costs and the costs of the feasibility study at Prinknash Abbey, totalled £1,343,244 as compared to £1,094,878 in the previous year. Further details of grants and donations are provided in note 4 to the attached accounts and earlier in this report.

FINANCIAL REVIEW (continued)

Net expenditure before investment gains for the year amounted to £1,287,289 (2023 – £1,289,704). Investment gains totalled £309,010 (2023 – £227,390 gains) and net expenditure and net decrease in funds therefore, amounted to £978,279 (2023 – £1,062,314).

Investment performance

The charity has a portfolio of investments with a market value at 31 December 2024 of £4,185,444 (2023 – £5,396,629) including cash awaiting investment of £36,744 (2023 – £16,503).

During the year, the charity's investments achieved an income yield of 2.70% (2023 – 3.00%) and a capital yield of plus 6.49% (2023 – plus 3.55%). The performance of the portfolio reflected the condition of the markets generally throughout the period. The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report and in compliance with the ethical guidelines given to them. Further details of the investment portfolio are included in note 10 to the attached accounts.

The trustees continue to take a long-term view regarding investment strategy and believe their policy remains appropriate.

Reserves policy and financial position

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees agreed in 2003 that the bulk of the sale proceeds of the Fernham property would be invested with a view to producing a return to cover the future charitable expenditure outlined above. The trustees' policy is to distribute excess income but this does not preclude the expenditure of capital.

The trustees are considering whether a sum of the reserves should be designated for the care of the last member of the community, given the age profile of the last remaining member and the high costs of care should such need arise. As the potential amount for these purposes has not yet been quantified, no such designation is reflected in this years' accounts.

The objectives of the charity would outlive the last member of the Community and funds should be invested with this in mind, though the trustees have no intention in declaring these invested funds as permanent endowment, as they may wish to spend capital.

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to generate sufficient income to meet annual expenditure after accounting for investment gains. The trustees are of the opinion that this provides sufficient flexibility, provides adequate working capital to cover core costs, and will allow the charity to cope and respond to changes in the arrangements for the care of the last remaining member of the Community.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position

The balance sheet shows funds of £4,327,083 (2023 – £5,305,362) of which £ nil (2023 – £ nil) are restricted funds and £4,327,083 (2023 – £5,305,362) are free reserves. The trustees are of the opinion that this level of free reserves meets the reserves policy outlined above.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Community continues to exist as an entity in Canon Law under the care of the Abbot Visitor of the English Province of the Benedictine Subiaco-Cassinese Congregation, even though, following the decision of the Community in December 2001, the house at Fernham was closed and the individuals dispersed to other locations.

The charity is governed by the trustees. The Prioress appointed the original trustees. The minimum number of trustees is five, to include any ex officio trustee and a maximum of two community members. Further trustees are appointed by the Visitor, who is an ex officio trustee, and is the Abbot Visitor of the English Province of the Benedictine Subiaco-Cassinese Congregation. The Visitor has the power to remove trustees.

The names of the trustees who served during the year are shown on page 1.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers, e.g. investments managers, solicitors and accountants.

Statement of trustees' responsibilities

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

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key management personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

No trustees received remuneration in connection with their duties as a trustee (2023: none).

No trustees received reimbursement for travel expenses in the year (2023 – £nil).

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charity currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

The Community currently has one member. The trustees are aware that there is both a moral and legal obligation to care for the member, as she has no substantial resources of her own. As the sister grows older, so the need to provide care for the sister may increase. A key element of the management of this risk is ensuring that the charity has the available financial resources to finance this care both now and, in the years, ahead by carefully reviewing reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The charity donates significant sums in donations to advance the Roman Catholic religion. The trustees currently see their priorities as beginning with the support of the English Province of the Subiaco-Cassinese Congregation where there may be need; radiating outwards to the Congregation worldwide, the Benedictine world, particularly in the UK; other monastic and religious needs wherever they may arise; and ultimately the needs of the Church in general.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet with the investment managers regularly and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs both now and in the future. Given the current macroeconomic and geopolitical environment, the trustees continue to communicate with the charity's investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long-term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Approved by the trustees and signed on their behalf by:



Trustee



Date:

Independent auditor's report to the trustees of St Mary's Fernham Residual Fund

Opinion

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

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its 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 auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In 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 trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

How the audit was considered capable of detecting irregularities including fraud

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

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

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

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

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested and reviewed journal entries to identify unusual transactions;
- ◆ performed substantive testing on expenditure including the authorisation thereof;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions.

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

- ◆ agreeing accounts disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of trustees; and
- ◆ enquiring of representatives from the trustees as to actual and potential litigation and claims.

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

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

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

Use of our report

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



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

7 August 2025

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

Statement of financial activities Year to 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income from:							
Donations and grants	1	8,718	—	8,718	9,529	(250,000)	(240,471)
Investments and interest receivable	2	130,962	—	130,962	194,190	—	194,190
Total income		139,680	—	139,680	203,719	(250,000)	(46,281)
Expenditure on:							
Raising funds							
. Investment management and related advisory fees		30,591	—	30,591	35,005	—	35,005
Charitable activities							
. Care of members of the Community and the support of their ministry	3	16,711	—	16,711	15,227	—	15,227
. Advancement of the Roman Catholic religion through the provision of grants	4	1,379,667	—	1,379,667	1,114,678	78,513	1,193,191
Total expenditure		1,426,969	—	1,426,969	1,164,910	78,513	1,243,423
Net (expenditure) income before net investment (losses) gains	6	(1,287,289)	—	(1,287,289)	(961,191)	(328,513)	(1,289,704)
Net investment gains		309,010	—	309,010	227,390	—	227,390
Net (expenditure) income before transfers		(978,279)	—	(978,279)	(733,801)	(328,513)	(1,062,314)
Transfers between funds	13	—	—	—	(148,995)	148,995	—
Net (expenditure) income and net movement in funds		(978,279)	—	(978,279)	(882,796)	(179,518)	(1,062,314)
Reconciliation of funds:							
Total funds brought forward at 1 January 2024		5,305,362	—	5,305,362	6,188,158	179,518	6,367,676
Total funds carried forward at 31 December 2024		4,327,083	—	4,327,083	5,305,362	—	5,305,362

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

All activities of the charity derived from continuing operations during the above two financial years.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		168,617		168,617
Investments					
. Listed investments	10		4,185,444		5,396,629
			<u>4,354,061</u>		<u>5,565,246</u>
Current assets					
Debtors	11	8,046		7,956	
Cash at bank and in hand		15,023		36,543	
		<u>23,069</u>		<u>44,499</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(50,047)		(304,383)	
Net current liabilities			(26,978)		(259,884)
Total net assets			<u>4,327,083</u>		<u>5,305,362</u>
Represented by:					
The funds of the charity					
Restricted funds	13		—		—
Unrestricted funds			4,327,083		5,305,362
			<u>4,327,083</u>		<u>5,305,362</u>

Approved by the trustees
and signed on their behalf by:

Trustee



Approved on:

6.8.25

Principal accounting policies 31 December 2024

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2024 with comparatives provided for the year to 31 December 2023.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make judgments and estimates. There are no key estimates for the year ended 31 December 2024 or 2023.

Assessment of going concern

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

The trustees will continue to keep both income and expenditure under review. Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

Income comprises donations, grants, investment income and interest receivable.

Income recognition (continued)

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

In accordance with the Charities SORP FRS 102 volunteer time is not valued and recognised in these accounts.

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

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

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Expenditure comprise costs of raising funds and charitable activities. Costs of raising funds comprises investment management fees. Expenditure on charitable activities includes expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- (i) Expenditure on the care of members of the Community and their ministry. Such expenditure enables the members to contribute to religious work.
- (ii) The advancement of the Roman Catholic religion through the provision of grants. These are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial procedures, provision of office services and equipment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs have been allocated directly to costs as incurred on activities.

Services provided by members of the Community

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

Tangible fixed assets

All assets costing more than £200 and with an expected useful life exceeding one year are capitalised.

- ◆ **Freehold land**

The freehold land held by the charity comprises the cemetery attached to Fernham House in which some thirty members of the Community are buried. It is held in the accounts at £1.

- ◆ **Freehold residential building**

The freehold residential building is designed, and used wholly, as private residential accommodation. It is stated at cost but not depreciated. The value and condition of the property is reviewed annually by the trustees, who are satisfied that its residual value is not materially less than its book value.

Disposals and additions are accounted for on legal completion of the relevant transaction.

- ◆ **Motor vehicles and computer equipment**

Expenditure on the purchase and replacement of both motor vehicles and computer equipment is stated at cost and depreciated over a four year period on a straight line basis.

Investments

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

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

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

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

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

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

Fund structure

The reserves are used to fulfil the charity's objectives. The reserves policy is set out in the trustees' report.

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

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

Cash flow statement

The charity has taken advantage of the exemptions within the Charities SORP FRS 102 from the requirement to prepare a statement of cashflows.

1 Income from: Donations and grants

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Unrestricted funds £
Pensions or other income of individual religious received under Deed of Covenant	8,718	—	8,718	8,502
Grants receivable (see below)	—	—	—	(250,000)
Donations received	—	—	—	1,027
Total	8,718	—	8,718	(240,471)

During 2022, the charity agreed a partnership with the St Barnabas Society (formerly the Converts' Aid Society) to find a solution to the problems of the Sisters of the Blessed Virgin Mary in Kingstanding in Birmingham. This community was living in temporary rented accommodation and is in urgent need of a permanent home. The monks of Prinknash Abbey offered them shelter on their property. The St Barnabas Society and the charity worked together to see if the Prinknash Abbey property might prove suitable and the St Barnabas Society agreed to make a grant of £1 million available to the charity to assist with the refurbishment of the Prinknash Abbey property, of which £250,000 was made available to the charity during 2022. However, in 2023, an alternative property became available to the Sisters which was accepted given their urgent needs. The grant received of £250,000 was reimbursed during 2023 and the agreement with the St Barnabas Society formally and amicably ended. (See also note 13).

2 Income from: Investments and interest receivable

	2024 Unrestricted funds £	2023 Unrestricted funds £
Investment income		
. UK fixed interest	31,381	30,760
. UK equities	26,634	60,374
. Overseas fixed interest	—	5,551
. Overseas equities	40,223	56,811
. Alternatives	30,596	38,972
	128,834	192,468
Interest received		
. Interest on cash held by investment managers	2,128	1,723
Total	130,962	194,191

3 Expenditure on: Care of members of the Community and the support of their ministry

	2024 Unrestricted funds £	2023 Unrestricted funds £
Living and personal expenses	15,150	13,500
Depreciation of motor vehicle	—	501
	15,150	14,001
Allocated support costs (note 5)	1,561	1,226
	16,711	15,227

4 Expenditure on: Advancement of the Roman Catholic religion through the provision of grants

	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Unrestricted funds £
Grants and donations	1,343,244	—	1,343,244	1,094,878	—	1,094,878
Feasibility study costs	—	—	—	—	78,513	78,513
Allocated support costs (note 5)	36,423	—	36,423	19,800	—	19,800
	1,379,667	—	1,379,667	1,114,678	78,513	1,193,191

Feasibility study costs include expenditure on architects, surveyors and other professionals to establish the feasibility of the plans for development of a property on the estate of Prinknash Abbey, Gloucestershire (see notes 1 and 13).

The charity makes grants to advance the Roman Catholic religion. Grants are made to organisations in accordance with the policy set out in the trustees' report.

The grants payable during the year were as follows:

Recipient	Purpose of grant	2024 £	2023 £
St Michael's Abbey Trust, Farnborough	Repairs after water ingress	—	(3,761)
	For the restoration of the historic Cavaillé-Coll organ at Farnborough	6,407	—
	For the restoration of the bell turret	57,122	38,478
	For conservation works on the Farnborough Abbey church interior and windows	—	(29,636)
	Towards the restoration of Farnborough Abbey including ongoing projects including heating for the Abbey Church, and disabled access	—	196,410
	Restoration of sacred vessels and ecclesiastical metalworks	—	11,404
	Furnishings for the Grade One historic abbey church	—	(43,503)
	Church audio/security/livestream system	103,424	29,058
	Renewal of heating and electrics	753,389	561,742
	Restoration of historic paintings	—	(18,928)
	Studies – Monk recipient	2,298	—
	Studies – Sister Recipient	6,301	—
	Towards Church Building Works	324,439	343,861
Carried forward		1,253,380	1,085,125

4 Expenditure on: Advancement of the Roman Catholic religion through the provision of grants (continued)

Recipient	Purpose of grant	2024 £	2023 £
Brought forward		1,253,380	1,085,125
Brazil Monestary	Study assistance for one of the Brothers	5,000	1,146
Prinknash Abbey	For their garden project	3,707	(20,000)
Stanbrook Abbey	Study Day for 500 th Anniversary	—	500
	Studies - Sister Recipient	3,300	—
Benedictine University of Sant Anselmo	To finance the liturgical studies of a priest student at the Benedictine University of Sant Anselmo	1,341	1,785
Milane Kakone	Monk recipient - studies maintenance donation	2,000	3,500
Church in Slovakia (St Joseph-Bzovik)	Restoration of the historic altar	32,235	6,036
Corpus Christi Maiden Lane	For the Shrine of Blessed Carlo	—	—
Portsmouth Diocese	Visa Processing	—	419
Monk Recipient	Towards Theological Studies in Rome	12,000	12,000
Abbey of Santa Cecilia	Gregorian Chant Programme	5,000	4,367
Congregation	Towards Running Costs	8,782	—
English Province	General Expenses for the Abbot Visitor's work	10,000	—
Monk Recipient	Towards a Car for Parish Related Work	6,500	—
		1,343,245	1,094,878

Negative items included above relate to grants which were cancelled during the year as a result of the expenditure incurred being less than the initial award.

The Right Reverend Dom Cuthbert Brogan is a trustee of St Michael's Abbey Charitable Trust, Farnborough and The Prinknash Abbey Charities. As Abbot Visitor of the English Province, he is Major Superior of the Province and, therefore involved with every monastery of the Province. He has made the other trustees aware of his various offices and membership of various trusts when seeking approval of grants payable to those charities.

As noted above, grants of £1,257,087 (2023 – £1,085,125) were payable to these charities during the year. Grants of £21,787 (2023 – £256,217) payable to the St Michael's Abbey Charitable Trust, were unpaid at 31 December 2024 and are included within creditors (note 12). Grants of £3,707 were made to Prinknash Abbey during 2024 (2023 – £20,000 written back). Donations of £nil (2023 – £6,250) were received from Prinknash.

In addition to these grants towards the Abbot Visitor's related parties, a grant towards the Abbot Visitor's general expenses, to advance his work, was made for £10,000 (2023 – £nil).

A grant of £2,298, included within the grants to Saint Michael's Abbey Trust, was awarded towards the Latin Studies of Dom Stanislaus Mycka.

5 Support costs

	Advancement of the Roman Catholic religion through the provision of grants £	Care of members of the Community and the support of their ministry £	2024 £	2023 £
Insurance	—	1,561	1,561	1,226
Other expenses	26	—	26	—
Depreciation of computer equipment	—	—	—	—
Governance costs	—	—	—	—
. Auditor's remuneration	24,960	—	24,960	19,800
Legal Fees	11,437	—	11,437	—
	<u>36,423</u>	<u>1,561</u>	<u>37,984</u>	<u>21,026</u>

Support costs have been allocated directly to costs as incurred on charitable activities.

	2024 £	2023 £
Advancement of the Roman Catholic religion through the provision of grants	36,423	19,800
Care of members of the Community and the support of their ministry	1,561	1,226
	<u>37,984</u>	<u>21,026</u>

6 Net (expenditure) income before net investment (losses) gains

This is stated after charging:

	2024 £	2023 £
Depreciation	—	501
Auditor's remuneration (including VAT)		
. Statutory audit services		
.. Current year	15,120	14,400
.. Prior year	1,800	—
. Other services: accountancy support		
.. Current year	5,640	5,400
.. Prior year	2,400	—

7 Staff costs, key management personnel and trustees' remuneration

The charity did not employ any staff during the year (2023 – none).

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. No trustees received any remuneration (2023 – none). No trustees were reimbursed expenses during the current or the previous year.

8 Taxation

St Mary's Priory Fernham Residual Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

9 Tangible fixed assets

	Freehold land £	Freehold Residential building £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2024 and 31 December 2024	1	168,616	2,387	12,405	183,409
Depreciation					
At 1 January 2024	—	—	2,387	12,405	14,792
Charge for the year	—	—	—	—	—
At 31 December 2024	—	—	2,387	12,405	14,792
Net book values					
At 31 December 2024	1	168,616	—	—	168,617
At 31 December 2023	1	168,616	—	—	168,617

10 Listed investments

	2024 £	2023 £
Listed investments		
Market value (fair value) at 1 January 2024	5,380,126	7,446,749
Additions at cost	945,605	543,518
Disposals at book value (see below)	(2,431,074)	(2,809,283)
Net unrealised (losses) gains	254,043	199,142
Market value (fair value) 31 December 2024	4,148,700	5,380,126
Cash held by investment managers	36,744	16,503
	4,185,444	5,396,629
Cost of listed investments at 31 December 2024	3,293,049	4,297,318

Disposals at book value included above are made up of the following:

	2024 £	2023 £
Proceeds	2,486,041	2,837,531
Net realised losses (gains)	(54,967)	(28,248)
Disposals at book value	2,431,074	2,809,283

10 Listed investments (continued)

Listed investments held at 31 December 2024 comprised the following:

	2024 £	2023 £
UK fixed interest	799,757	914,330
UK equities	600,680	1,176,855
Overseas fixed interest	—	—
Overseas equities	2,311,342	2,514,848
Alternatives	436,921	774,093
	4,148,700	5,380,126

11 Debtors

	2024 £	2023 £
Investment income and interest receivable	8,046	7,956
	8,046	7,956

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Donations payable	21,787	273,083
Investment managers' fees	7,500	8,500
Accruals	20,760	22,800
	50,047	304,383

13 Restricted funds

The income funds of the charity include restricted funds comprising the following donation held on trust and to be applied for specific purposes:

	At 1 January 2024 £	Income £	Expenditure £	Transfers £	At 31 December 2024 £
St Barnabas Society fund	—	—	—	—	—

	At 1 January 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
St Barnabas Society fund	179,518	(250,000)	(78,513)	148,995	—

The above fund related to a grant received from St Barnabas Society that was due to be used towards the refurbishment of a designated portion of the monastic buildings at Prinknash, Abbey, Cranham, Gloucester so as to provide a suitable and permanent residence for the Sisters of the Blessed Virgin Mary of Kingstanding (the "Sisters"); the provision and maintenance of ongoing accommodation at Prinknash Abbey for the Sisters; and such other related work that St Barnabas Society and the charity were to agree. A grant of £1 million was awarded to the charity in accordance with an agreement dated 21 July 2022, of which £250,000 was received during the year ended 31 December 2024. Before the agreement with the St Barnabas Society ended, the charity expensed monies in relation to the feasibility study on the project. During the prior year, the grant was reimbursed when the agreement with the St Barnabas Society formally and amicably ended (see notes 1 and 16).

14 Analysis of net assets between funds

	General fund £	Restricted funds £	Total 2024 £
Fund balances at 31 December 2024 are represented by:			
Tangible fixed assets	168,617	—	168,617
Listed investments	4,185,444	—	4,185,444
Net current (liabilities) assets	(26,978)	—	(26,978)
Total net assets	4,327,083	—	4,327,083

14 Analysis of net assets between funds (continued)

	General fund £	Restricted funds £	Total 2023 £
<i>Fund balances at 31 December 2023 are represented by:</i>			
<i>Tangible fixed assets</i>	168,617	—	168,617
<i>Listed investments</i>	5,396,629	—	5,396,629
<i>Net current (liabilities) assets</i>	(259,884)	—	(259,884)
<i>Total net assets</i>	5,305,362	—	5,305,362

The funds of the charity include unrealised gains as follows:

	2024 £	2023 £
Total unrealised gains:		
On investments	855,651	1,082,808
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2024	1,082,808	1,542,100
In respect to disposals in year	(478,349)	(658,434)
Net gains arising on revaluation in the year	254,043	199,142
Adjustments for non-market transactions	(2,851)	—
Unrealised gains at 31 December 2024	855,651	1,082,808

15 Transactions with trustees and related parties

Transactions connected to trustees are disclosed in notes 4 and 7 to the accounts with additional detail in note 1.

There were no other related party transactions requiring disclosure (2023 – none).