

THE ORDER OF FRIARS MINOR

England & Wales · Charity number 232177

Details

Other names	THE ORDER OF THE FRIARS MINOR
Status	Registered
Legal form	Trust
Registered	1964-01-21
Register	View on the Charity Commission register

Contact

Address	Church Of St. Thomas Of Canterbury 557 High Road Woodford Green IG8 0RB
Phone	02085047540
Website	www.friar.org

Activities

Objects: CHARITABLE PURPOSES CONNECTED WITH THE ROMAN CATHOLIC RELIGION.

Activities: Support of charitable purposes connected with the Roman Catholic Religion and the support of the Order generally.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services
- **What:** The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL.
- Belgium
- India
- Kenya
- Scotland
- South Africa
- Essex
- Kent
- Newham
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,655,420	£22,972,669	£0	0
2023-12-31	£1,700,364	£1,123,990	£21,617,265	0
2022-12-31	£1,173,495	£1,181,269	£20,790,198	0
2021-12-31	£1,319,474	£786,221	£24,013,602	0
2020-12-31	£802,623	£803,298	£21,450,515	0

Trustees

Name	Role	Appointed
Rev PATRICK LONSDALE OFM	Chair	2012-10-10
REV EDMUND HIGHTON OFM		
Rev Antony Jukes		2014-11-11
Rev George Smulski		2022-07-27
Rev Michael Copps OFM		2018-07-17

Accounts

**The
Order of Friars
Minor
Charitable
Trust**

Annual Report and Accounts

Period from 1 January 2024 to 31 March
2025

Charity Registration Numbers:
232177 (England and Wales)
SC039191 (Scotland)

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

Trustees	Rev Michael Copps OFM (Chairman) Rev Patrick Lonsdale OFM Rev Antony Jukes OFM Rev Edmund Highton OFM Rev George Smulski OFM The trustees are incorporated under the Charities Act 2011
Principal address	The Franciscan Friary 557 High Road Woodford Green Essex IG8 0RB
Charity registration numbers	232177 (England and Wales) SC039191 (Scotland)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Stockbrokers	J M Finn & Co 4 Coleman Street London EC2R 5TA
Principal bankers	NatWest Group 1st Floor 440 Strand London WC2R 0QS

The Trustees present their statutory report together with the accounts of The Order of Friars Minor Charitable Trust for the period ended 31 March 2025. At the end of the period the trust transferred all its assets and liabilities to the Order of Friars Minor CIO, which was established to allow non UK trustees join the board. The CIO will continue the activities of the Trust.

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

INTRODUCTION

The Order of Friars Minor was founded by St Francis of Assisi in 1209. It has maintained its essential character through the centuries. Friars live in communities, observing the Gospel of Our Lord Jesus Christ, under vows of poverty, celibate chastity and obedience, in accordance with the 'Rule of 1223' written by the Founder. The Minister General's headquarters are in Rome where he is assisted by a General Definitory or Council, governing the Order Worldwide.

CONSTITUTION

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the British Custody are held and through which its finances operate. The charity is governed by a trust deed dated 1 December 1963 as amended by a scheme dated 12 June 1973, and is registered under the Charities Act 2011. Since 2007 the trust has also been registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of the charity are an incorporated body under the Charities Act 2011.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES

The principal aims of the charity are the support of charitable purposes connected with the Roman Catholic Religion and the support of the charitable work of the Order generally. This work is described in more detail in the following paragraphs. Although the majority of friaries are situated in England, the charity has one house in Glasgow, Scotland. The objectives described below apply in Scotland with special emphasis on the overseas mission work.

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Pastoral

The Order of Friars Minor (in GB) has four parishes in its care. Most of the friars are engaged in pastoral and educational work – supporting and encouraging prayer and worship, administering the sacraments, preaching, teaching, providing spiritual and material sustenance to those in need. In addition, they give retreats and talks and missions to other parishes and to convents. There is an obvious public benefit from these activities, as they are designed to promote harmony and cooperation in the parishes and groups concerned and in the wider community

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Educational

To be able to provide the pastoral and spiritual support mentioned above, the members of the Province must have the opportunity to obtain firstly the initial formation needed in the preparation for their ministry and then the further training and formation to equip them to serve the Church and the faithful in a rapidly changing society. The trustees need, therefore, to keep a close eye on the requirements to remain active and fruitful preachers of the Gospel. In addition, the friars take an active interest and play a part in the provision of primary, secondary and tertiary education in the schools of their parishes. These schools have a Catholic ethos and have no restriction with regard to colour, race, or income, thus providing an obvious public benefit.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. The British Friars began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time, these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students.

Grant making policy

The bulk of the grants made by the charity usually arise through the restricted funds i.e. the Franciscan Missionary Union (FMU) and Saint Antony's Bread. In both cases money is deposited with the friars by the faithful to be used in the Franciscan missions and for the relief of poverty. The policy of the charity, therefore, is to use all the money so contributed for the furtherance of those two aims.

In total, grants of approximately £2,734,000 (2023 – £424,000) have been made during the period both as direct donations from the income of the charity and from disbursement of contributions by the faithful to the FMU and St Antony's Bread. As usual, the Franciscan Missionary Union made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £497,000 during the period (2023 – £281,000). A donation of £1,000,000 was made to Durham University for the establishment and maintenance of the "The Duns Scotus Chair in Franciscan Studies" for the advancement of the education of students at the University and the general public benefit in the Catholic faith & Catholic theology. Also a donation of £1,000,000 was made to Your Place for the provision of accommodation for the homeless, 5 self contained flats were purchased using these funds. In addition, the charity makes a regular annual donation to about a dozen charities that provide services allied to the Franciscan ethos e.g. Shelter, NSPCC and CAFOD totalling circa £90,000 (2023 - £105,000). More details are given in note 4 to the accounts.

Investment policy

Immediately prior to the transfer on 31 March 2025, the charity had a portfolio of investments with a market value of £14,663,797 (2023 - £16,207,682).

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Investment policy (continued)

The charity has set up a Sick and Retired Reserve to provide assistance to communities with elderly and infirm friars. This reserve is represented by a large part of the charity's portfolio of stocks and shares, managed under the guidance of a fund manager. The fund managers have been asked by the trustees to keep a prudent balance between gilts and equities and to ensure the risk is spread by investing in a wide range of industrial shares of the larger companies. The twin aims are to raise some income to support the present elderly friars and to achieve a capital appreciation so as to build up the fund for future years.

The trustees have also instructed the fund managers to refrain from buying shares in companies associated with armaments, tobacco and contraceptives, as well as any pursuing activities at variance with the charity's objectives. It has also recently disposed of its holdings in fossil fuel shares and invested in renewable energy instead, following the lead given by Pope Francis.

Review of the year

Pastoral work

Formation and training takes place in the current locations. The Postulancy is currently located in Glasgow, the Novitiate year is based in Killarney, Ireland, and the study of Philosophy and Theology takes place in Rome, Italy. Throughout the year there were no friars from Great Britain in initial formation.

Antony Jukes, in his capacity as Novice Director, has attended meetings of the Secretariat for Formation and Studies (SFS). These meetings are attended by all friars of the Province of Ireland involved in formation ministry.

In August 2024, three men began their novitiate year at the International/Interprovincial Novitiate in Killarney. One was from the Province of Austrian, one from the Province of Canada, and one from the Custody of Switzerland.

Overseas missions

During the period ending 31 March 2025 the Franciscan Missionary Union (FMU) made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £497,000 during the period (2023 – £281,000).

Promotion of vocations

During the period ending 31 March 2025, there were 35 enquiries received about the Franciscan way of life covering the area of Scotland and England. All enquirers are received by Donal Walsh and Patrick Lonsdale and receive an immediate reply and acknowledgement. In this period, there has been regular communication with 7 interested men. Obviously, part of this ministry is to have contact with those who come and go requiring some patient accompaniment. There were two Zoom meetings with other English-speaking Franciscans and Vocation Promoters of the English-speaking world and another of a business and training manner with guest speakers. Meeting with other vocation ministers has been and still is an important support including one Donal attended of a meeting of Vocation Animators for

Scotland and a zoom meeting from the UK Vocation Office based in London. This is a way to meet, listen and learn new approaches in animating and promoting vocational service.

In 2024, Donal visited 2 High Schools in Glasgow for a day on Vocation attended also by other members of religious communities and Dioceses and the Catholic University of Glasgow and Dundee to meet male students all of whom showed great interest in St Francis and his way of life. Such talks and visits are being arranged at some schools and university chaplaincies in Scotland and England each academic year especially to meet senior school students along with their teachers and evenings for university students at their chaplaincy. It is felt such gatherings to be very beneficial.

O.F.S. Spiritual Assistance

There are 3 Assistants who cover and co-operate as a team for the whole of the Secular Franciscans in Britain. Like many aspects of Church life, there are fewer members joining the Order of Secular Franciscans (OFS), females and males with some who are elderly and sick. They may live at home, single, married, widowed. often scattered geographically, who try to meet as a group on a monthly basis for prayer, discussion and solidarity, supporting each other living the Franciscan ideals as brothers and sisters as local and periodically at a regional basis.

During 2024 and presently in 2025, the OFS has slowly and with some hesitation begun to amalgamate or merge fraternities due to fewer numbers, age, ill health and mobility difficulty. Some meetings are done by Zoom but more and more post-Covid, members have come to be together face to face as a group.

The role of a National Spiritual Assistant is to attend regional fraternity meetings, special gatherings and elections, professions and annual retreat days covering 3 or 4 out of 9 regions of the UK which in total comprise about 60 local fraternities. Needless to say, due to distance and areas covered by the three Assistants, it is a mammoth task to visit all local groups over a year and so there is concentration on regional fraternal meetings and special events for Local Fraternities. Again, in 2024/25 virtual Zoom meetings of some regions were held particularly in the colder months.

Every few years, there is a national meeting for fraternity and elections. As an Assistant, Donal has also experienced the internationality of the Secular Franciscans travelling to an area like Gibraltar for elections, talks and to foster their life by his presence with them. This happened in 2024 and it was an enjoyable and good experience where the OFS is very abundant.

The National Council and Chapter who are elected to special roles and elected regional ministers meet usually monthly for 2 hours mostly by Zoom in order to consider the life, structures, decisions and plans for the OFS in Britain. These meetings are attended also by each of the National Spiritual Assistants and are often of a business-like manner as well as for sharing and dialogue between members as a source of support and encouragement.

Lastly in 2024, a residential weekend workshop was held on 'Formation as a Secular Franciscan'. This was held for all regional ministers, formators, Council and Spiritual Assistants.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Vigilance with regard to the care of children and vulnerable persons and relevant training

Following the IICSA and Elliott reports on safeguarding of minors and adults at risk the Catholic Church in Great Britain is constantly developing its organisation and strategies to comply with their requirements. Safeguarding of minors and adults at risk is an agenda item at every meeting of our Trustees. We are in process of reviewing our *Statement of Policy* and *Procedures* in line with recommendations of our advisory body the Religious Life Safeguarding Service. Through their Safeguarding Lead friar the Trustees ensure that all friars and those with whom we engage are fully aware of and compliant with all demands of the key documents. In the near future we expect to be audited by the Catholic Safeguarding Standards Agency and are preparing for this by effecting a self-audit. We are also engaged with survivors of past abuse.

Guardians' Report Period Ending 31 March 2025

Glasgow

In August 2024 there was a change in the composition of the fraternity in Glasgow. Fr. Edmund Heighton was transferred to Clevedon, and two Irish friars were assigned to Glasgow, one to help with the Franciscan Missionary Union and the other to assist in the Parish. We Also became a formation community, and a postulant was assigned here for five months. In all we were five in fraternity, one of whom is retired from active ministry. The community life among us continues and we support one another as friars. The main ministry is still the parish. Numbers attending Mass has certainly lessened but we are busy still for Masses, certain ceremonies and Sacramental celebrations like Novenas, Funerals, and first Holy Communions. Many various self-help support groups use our facilities on a weekly basis which is a good Franciscan service to our locality and city of Glasgow and which is non-religious/Catholic. We also welcome for Sunday Masses, various ethnic chaplaincy groups from Sri Lanka, Vietnam, occasionally the local Catholic school community, other church and occasional Diocesan meetings.

We have the odd request for material assistance, but we mostly give food and clothing. All friars and volunteers at the church and those involved with groups directly all have Safeguarding training and PVG Certification. Although we do have some young active members, we have an elderly population. We visit the sick, elderly and housebound, hospitals and hospice when requested. We occasionally assist a local parish if requested.

There is strong support for the Franciscan Missions here in Glasgow with people taking boxes to fill with coins. Volunteers count and distribute the boxes, and the money has supported projects in Africa, India and Pakistan.

One of the friars was also assigned by the Minister General to assist with the reconfiguration of the Australian Province so was away for over seven weeks during this time.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report Period Ending 31 March 2025

Clevedon

There are three Friars in Clevedon.

Sunday Masses are celebrated in the Parish Church in Clevedon and in the nearby village of Yatton. The parish hall, attached to the church at Clevedon, is well used by the parish and other local groups, such as the Secular Franciscans, the Rotary Club, a mother and toddler group, Parish formation groups to wish visitor members of other churches may attend and a number of exercise, art and language classes.

The Friars continue to minister to people in local residential and nursing homes.

Stratford

The formation of the International Fraternity in Stratford has been a journey of learning, integration, and discovering our gifts and differences. Rooted in the Franciscan charism, we seek to live fraternity and service amid East London's rich diversity. This experience reminds us that beyond systems, relationships, culture, and a willingness to adapt are essential.

By February 2025, four friars for the International Fraternity had arrived at St. Francis Friary. In their regular meetings, they revisit the mission, vision, and objectives formed for this mission. They recognise that living together in an international and intercultural community requires time, patience, and an ongoing commitment to mutual understanding, respect, and fraternity.

From the outset, the Irish Province has been a crucial support, especially through Friar Niall, whose presence helped us both practical and relational aspects of settling in our context as international fraternity.

We serve a large and growing multicultural parish in East London. Our ministry is a shared pastoral response, with each friar respected in his unique role. In addition to liturgical and pastoral duties, the Parish Priest and friars also serve as chaplains to the Knights of St Columba and St. Francis Primary School, and now assist with hospital visits in rotation with priests from the deanery. Parish volunteers continue to support our outreach ministries:

Daily distribution of hot drinks and sandwiches at the friary. A winter night shelter for the homeless. These efforts are in collaboration with local charities and churches across Newham. The SVP team also remains active in supporting those in need.

We are deeply grateful to our staff and volunteers in Stratford, who walk with us in this mission. This year has been one of planting, listening, and growing. While challenges remain, the commitment of the friars, the support of volunteers, and the encouragement from the wider Franciscan family give us hope. We move forward, trusting that, through dialogue, openness, and fraternity, this initiative will bear fruit.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report Period Ending 31 March 2025

Woodford Green

The community is comprised of nine Friars the majority of whom are either ailing or elderly. With the lifting of Covid restrictions people have returned to Sunday worship but not in such numbers as previously. Income is down. Daily services are provided in the parish church and local convent chapel as well as the weekday Mass in the Catholic High School chapel. The Friars are chaplains to the two Catholic schools in the parish. Local nursing homes are also visited by the Friars or appointed parishioners. As well as providing space for parish activities the church Becket Centre is hired out to local groups - Jiu Jitsu, Tai Chi, Pilates, Irish Dancing, Guides, Yoga, Spanish Classes, Under 5's, Bridge Club and AA Twelve Step meetings. The parish SVP (Society of St Vincent de Paul) is in the process of being re-founded to provide financial and material help to the poor and needy in the area with donations provided by the Sunday congregation. Until July 2025 several rooms in the front wing of our Friary provide free accommodation to two Ukrainian families escaping the war in Ukraine.

Cordate Community/OFM Birmingham

Mission Statement in Birmingham

We members and associates of the Franciscans (OFM - Order of Friars Minor) seek in a small way to help contribute and work towards a more inclusive, socially cohesive, just, and peaceful community/society, which celebrates our unity in rich diversity.

We want to be a friendly presence in a diverse ethnic, faith and secular community.

We aim to focus on helping to support marginalised groups of people in Birmingham city, including but not limited to homeless, refugee, asylum-seeking and LGBTQ+ people.

We seek to do this in a variety of ways, which include:

- ◆ Establishing networks and partnerships with the wider community, grass roots community organisations and charities.
- ◆ Developing informal and referral pathways with partnership agencies.
- ◆ We wish to nurture and develop positive ecumenical and interfaith links, understanding, relationships and dialogue, on individual and group levels.

OFM Birmingham

Kieran Fitzsimons is a qualified social worker and has lived in the new OFM house in Birmingham since October 2022. The house is conveniently located close to the city centre. Kieran was joined by a second friar (Gianfrancesco, from Italy) in February 2023. Gianfrancesco has worked for 16 years in 4 east African countries, 11 years in Brussels and is a qualified psychotherapist. Unfortunately, Gianfrancesco had to return to Italy in Oct 2024 to care for his father who was experiencing dementia. His father died in March 2025. Gianfrancesco has decided to remain in his Italian home province for personal reasons.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report Period Ending 31 March 2025

The following are a few examples of our voluntary work in social projects within the city:

- ◆ *St. Chad's Sanctuary* - drop-in centre/charity for refugee and asylum-seeking people;
- ◆ *Black Country Healthcare NHS Foundation Trust* - chaplaincy in psychiatric hospitals and with people with learning disabilities (until October 2024);
- ◆ *Birmingham Adult Education Centre* (BAES), Sparkhill - assisting teacher in classes teaching English (ESOL) to adult students mainly originating from Asia and the Middle East.
- ◆ *Tabor Living* (a charity for homeless men and women) - a residential service aiming to rehabilitate/support people back into "mainstream" society;
- ◆ *Hope Projects* (a charity for refugee people) - supporting refugee men in a home in Sparkhill while they seek leave to remain in the UK from the Home Office;
- ◆ *Street Banquet* - a monthly meal for homeless people based in The Church at Carrs Lane (ecumenical venture) which also aims to develop community support for and among homeless people;

Other work within Birmingham includes:

- ◆ Occasional small money donations/food gifts given to charities and individuals e.g. refugee, homeless, people working in prostitution and LGBTQ+ people;
- ◆ Membership of lay-led reform movements seeking equality/justice in the Catholic Church, especially for women and LGBTQ+ people e.g. Root & Branch, Quest;
- ◆ Visiting and attending services, celebrations at other Christian Churches and places of worship (e.g. United Reformed, Methodist, Inclusive Gathering Birmingham, Church of England, Buddhist Centre); and spiritual direction/accompaniment.

On a provincial level, seeking to animate/promote:

- ◆ *JPIC* (justice, peace and integrity of creation) in OFM houses in Britain;
- ◆ *Evangelisation* in OFM houses in Ireland and Britain, namely sharing the Good News of God's unconditional, liberating love for *all* people and creation.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

FUTURE PLANS

Since 2023 the OFM in the UK has become part of the Irish Province. It was decided that the OFM in the UK would change to a CIO to allow overseas Trustees to join the board. The Order of Friars Minor CIO (the "OFM CIO") was registered with the Charity Commission on 1 August 2024. On 1 April 2025 the OFM CIO received all of the OFMs assets and liabilities, with the exception of some properties which will be transferred to the OFM CIO pending the relevant approval from the Secretary of State for Education, Archdiocese of Glasgow, or in a separate trust. The OFM CIO intends to continue in the same manner as the OFM with the same charitable activities and objectives. The next Chapter is in 2026 which may bring some changes to the position and locations of the Friars.

FINANCIAL REVIEW

Investment performance

The portfolio comprises 71% equities, 5% gilts, 5% unit trusts and fixed interest funds and 19% property and alternatives. The overall value of the portfolio decreased by £1,520,069 from a market value of £16,207,682 at the end of 2023 to a value of £14,687,613 at the 31 March 2025. There was a withdrawal of £1,150,000 from the investment portfolio during the period ending 31 March 2025 to allow the OFM to make the donations to Durham University and Your Place.

Whilst market losses were incurred during the year, this was a reflection of wider market trends and the portfolio is being managed in line with the policy set.

Income and expenditure

A summary of the year's results can be found on page 23 of this annual report and accounts. Total income amounted to £1,655,420 compared to £1,700,364 in 2023. Total expenditure, excluding the transfer, increased from £1,123,990 in 2023 to £3,977,150 in the period ending 31 March 2025 as a result of more grants and donations being made.

Net expenditure for the period before gains on investments and excluding the transfer to the CIO, amounted to £2,321,730 (2023 – net income of £576,374). Net losses on investments of £300,016 (2023 net gains on investments of £250,693) resulted in a net decrease in funds for the period, before the transfer out of the assets, of £2,621,746 compared to a net increase of £827,067 in 2023.

Financial position and reserves policy

Immediately prior to transfer to the OFM CIO the balance sheet showed total funds of £18,995,519 (2023 - £21,617,265). Of this, £552,332 (2023 – £471,549) was restricted for specific purposes. £476,893 (2023 – £398,946) was restricted in respect of the Franciscan Missionary Union, which receives money specifically for the Order's missions abroad. The remainder of the restricted funds represented a number of individually small funds made up of donations for specific purposes.

Financial position and reserves policy (continued)

The charity had unrestricted funds of £18,443,187 (2023 – £21,145,716). Of this £2,917,077 (2023 – £3,090,776) represents tangible fixed assets. About 15 per cent of the total resources owned by the charity comprise tangible fixed assets. The Franciscan Custody in this country can only carry out the aims set out in the first part of this report if it has the use of such assets. Not only are the assets an essential prerequisite for the work of the Custody, but much of the property is not at the complete disposal of the Custody; if the trustees were to vacate any of this property they would regard themselves as obliged to offer it to the Bishop or some other religious order that was prepared to carry on the same work. In these circumstances, therefore, it seems advisable to recognise the resource as a separate fund rather than as an available resource.

The charity has six designated funds.

The first of these is the Sick and Retired Reserve. The average age of the friars in the Custody is steadily increasing and the elderly and infirm friars now outnumber those who have to provide the supporting income. Given the small number of vocations in recent years, there may not be sufficient support available within the Custody unless some of the present resources are set aside for the future. A Sick and Retired Reserve has been set up to provide for the current members of the Order.

The second designated fund is the Maintenance Fund standing at £1,500,000 at the end of the year. The last quinquennial reviews, carried out in 2023, on Stratford and Woodford indicated forthcoming expenditure of £150,000 and £120,000 respectively over the next five years.

As mentioned above, the Custody is faced with a reducing number of friars in the coming years. That will of necessity give rise to decisions on changes to present activities and new ventures necessitating additional capital expenditure. Therefore, it is deemed prudent to set aside through a designated Mission and Development Fund a reserve which the trustees can utilise as and when needed for new initiatives in furthering the mission of the OFM.

The fourth designated fund is the Formation Fund which comprises monies set aside towards funding the formation and education of friars. An endowment pledge of £1,000,000 to the University of Durham for the setting up of a Franciscan Chair has been settled during the period as agreed by the trustees in 2024. The fund has been reduced to £nil as a result.

The fifth, is the relief of poverty fund which represents monies set aside by the trustees with the intention of helping those most in need. The trustees were looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. A donation to Your Place for the homeless has been made during this period and it has been used specifically for the purchase of a residential property for homeless people.

The amount of free reserves available after deducting the above designated funds and tangible fixed assets is £4,025,546 (2023 - £4,554,940). The policy of the trustees towards the General Reserve is to hold an amount roughly equivalent to one and a half year's unrestricted expenditure. The same policy shall be adopted by the OFM CIO. The actual amount of free reserves held at 31 March 2025 clearly exceeded the amount demanded by the policy. However, the trustees are aware of the uncertainties created by the current macroeconomic and geopolitical climate and the need, therefore, to be cautious. In addition, the charity has recently embarked on a programme of quinquennial reviews of the charity's properties and it is expected that the results will show that significant investment will be needed in the properties over the next decade. Once the results of the reviews are known, it is the intention to increase the value of the Maintenance Fund thereby reducing free reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Until 11 November 2014, according to the Statutes of the Order, the friars in Great Britain constituted a Province, i.e., an entity with more than forty professed friars. As such, the Province was administered by a governing body, known as the Definitory, consisting of the Minister Provincial, a Vicar-Provincial, and five other friars, elected by all the brethren at the triennial Chapter. The members of the Definitory were also trustees of the charity.

Because of the decreasing numbers and ageing of the friars, the Province became, as of the Chapter held in November 2014, a Dependent Custody of the Province of Ireland. In effect, for Canon law purposes, the friars in Great Britain became a semi-autonomous entity, led by the Custos and a Council of three friars. They were appointed by the Minister General of the Order, but after three years there was an election of the Custos and Council and thereafter there would be an election every three years. Major appointments and decisions regarding the friars and houses of the Custody needed to be ratified by the Provincial of Ireland and his Definitory. The trustees, however, continued to administer the charity and they were solely responsible for the financial management of the Custody.

The Council assigned friars to the various friaries and parishes served by the Franciscans and appointed officers needed for the administration of the Custody. Each friary has a Guardian and Vicar, appointed by the Council, who have responsibility for the friars in their community. The running of each friary is discussed regularly by the whole community.

Since August 2023 the Friars in GB have amalgamated with the Province of Ireland. They are governed by the Minister Provincial who resides in Dublin and his Definitory (Council) which consists of the Vicar Provincial and four Definitors.

The British Charity established a CIO on the 1 August 2024 to allow for trustees to be appointed from Ireland or elsewhere. The activities of the charity were transferred to the CIO with effect from 1 April 2025. The Minister Provincial is the Chair of the Trustees.

As all trustees are members of the Order they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They also meet with the Order's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the period ending 31 March 2025 are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees who served during the year are given below:

Reverend Michael Copps OFM

Father Michael Copps has been a member of the Order since 1965. After initial formation he was involved in pastoral work in parishes and the education of new members as Novice Director. From 1981 to 1990 he was elected Guardian of the community at Chilworth and held the post of Novice Director for the same period. From 1990 to 1999 he was a parish priest in Nottingham and was Guardian of the community from 1994 to 1997. In 1999 he became parish priest in Forest Gate, East London and in 2002 in Stratford and Guardian of the community.

In 2005 he was elected Minister Provincial of the Province of Friars Minor in this country and served in that capacity until 2014. He has also served on the Finance Committee of the Province. After a period as parish priest and Guardian at Stratford he was elected as Custos in 2018. He gave up the role of Guardian in Woodford Green in 2022. He is now Parish Priest at Woodford.

Reverend Patrick Lonsdale OFM

Father Patrick Lonsdale entered the Order in 1965. He gained a BA at the University of Kent in Canterbury. Since Ordination in 1974 he has worked in various friaries and parishes of the Custody, and has been Guardian at Craigmillar, Woodford, Forest Gate, Glasgow, Chilworth and Nottingham. He was also Parish Priest at Craigmillar, Glasgow and Chilworth. He was a Trustee and Definitor from 1996 to 2005. He served as Custos and Trustee from 2014 to 2018, and is currently a Definitor of the Province of Ireland, to which the British friars belong since August 2023, and a Trustee. From 1990 to 1996 he was National Assistant to the Secular Franciscan Order. From 1996 to 2002 he was a member of a hermitage community at Penmaenmawr, which was a joint project with the Capuchins. Over the years Patrick has also served as Secretary of the Province, Secretary of Formation, and as Animator of Vocations. He is currently Guardian of the community at Woodford Green and is Religious Assistant to the Federation of Poor Clares in Great Britain.

Reverend Antony Jukes OFM

Father Antony Jukes joined the Order of Friars Minor in 2002, having previously worked and completed his training as an accredited Chartered Accountant. As part of his formation as a Franciscan Friar, Antony completed a BA and an MA degree in Theology at the Franciscan International Study Centre in Canterbury. After ordination as a priest, he served in our Franciscan parish in the Gorbals area of Glasgow for two years and then worked for two years in youth ministry at the Cold Ash Centre before returning to Canterbury to help with the formation of friars and to teach in what was the Franciscan International Study Centre. With the closure of the Study Centre in June 2017, Antony moved to the friary in Killarney, Ireland, where he is now the Novice Director in the Interprovincial Noviciate.

Reverend Edmund Highton OFM

Father Edmund Highton has been a member of the Order since 1966. He had commercial experience of economics, commercial law and the finance of foreign trade through the "Institute of Export" prior to joining the Order. He spent many years as a missionary in South Africa, where he was a member of the Bishop's Council for about ten years with duties including the distribution of educational bursaries for secondary and tertiary education. He was a Parish Priest, caring for financial and pastoral concerns, from 1975 onwards. Now back in Britain, he took care of the Franciscan Missionary Union and was Parish Priest of Blessed John Duns Scotus in Glasgow until August 2024 when he moved to the Clevedon Friary.

Reverend George Smulski OFM

Father George Smulski OFM joined the Franciscan Order in 1979 after working for two years as an NHS Podiatrist in Carlisle. Initial formation was in Chilworth, Surrey, followed by theological studies at the Franciscan Study Centre, Canterbury and a BA degree at the University of Kent. After ordination in 1986 he served in parishes in Ipswich, Forest Gate, Stratford and Clevedon. From 1995-1998 he also undertook part-time work as an NHS Podiatrist in London, and from 2005-2011 was Postulant Director in Chilworth and Killarney, Ireland. He was Guardian of the Glasgow community from 2018-2022 and Woodford community from 2022-23. He has also been a foundation governor in Catholic primary schools in Clevedon and Stratford. He is the Custody website administrator and from September 2022 to March 2025 was a Trustee of the Order of Friars Minor in Great Britain charity. He presently lives in Woodford Green Friary, Essex.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet periodically to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Order or senior staff. Financial decisions are overseen by the trustees. Mandates with the principal bankers are in place, to the effect that any cheque or online payment above £5,000 must have two authorisations, including one by a trustee. Online banking has been introduced at the OFM enabling daily monitoring of bank balances and other financial controls.

The OFM in GB comprises 26 friars (as at 31 March 2025) who lived as part of five communities during the year. Three of these community houses are situated in the South of England (Clevedon, Somerset; Stratford in East London and Woodford Green, Essex), the fourth is in Birmingham, whilst the fifth community house is in Glasgow, Scotland. The five houses that remain open continue to exercise parochial responsibilities in collaboration with the bishops of the dioceses concerned.

As stated above, each community has a local guardian appointed by the Council. The local guardian is responsible for both the needs and the care of the friars in his community and he liaises regularly with the trustees. All local superiors meet together occasionally with the trustees to discuss developments and future plans and strategy.

Key management personnel

The strategic direction and the day-to-day management of the work of the charity is in the hands of the trustees and the Guardians at each friary. They are all members of the Order of Friars Minor and receive no remuneration for this work. All these friars have had many years' experience in the Order and are well aware of their responsibilities without the need for specific performance indicators.

Working with other organisations

The friars in the parishes served by the OFM in GB work very closely with the bishops administering the dioceses within which the parishes are situated. That will include membership of the local deanery and helping out in neighbouring parishes where possible. In addition, most communities have a primary school in the parish and there is close connection with these schools as well as secondary schools serving the parishes of the friars. The friars are also engaged in working with statutory bodies, other Christian Churches, other faith communities, and other voluntary groups.

Trustees' responsibilities statement

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 and in Scotland 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;
- ◆ observe the methods and principles in the 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 relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review. They also ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

- ◆ **Governance and management** looks at the risk of the Order, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.
- ◆ **Operational** looks at the risks inherent in the charity's activities including the members of the Order engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, lack of a disaster recovery plan, etc.
- ◆ **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.
- ◆ **Reputational** looks at possible damage to the Order's, and hence the charity's, reputation.
- ◆ **Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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. They also work in close collaboration with their insurers so as to maintain adequate coverage of the risks.

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members of the Order. None of the friars have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the friars. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been loosely based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual friars encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity donates significant sums in support of the work of the Order and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Order whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future. Since the end of the financial year, there has been some volatility on world stock markets. The trustees, along with their investment managers, will continue to monitor the stock markets but the charity is a long-term investor and the trustees take a long term view.

Fundraising statement

The charity does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, it would be handled by a trustee.

MEMBERS OF THE ORDER

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Order. Their dedication and positive approach are much appreciated.

Signed on behalf of the trustees:

Michael Copps - Trustee

Approved by the trustees on: 17 December 2025

Independent auditor's report to the members of The Order of Friars Minor Charitable Trust

Opinion

We have audited the accounts of The Order of Friars Minor (the 'charity') for the period ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 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.

Emphasis of matter – Accounts prepared on a basis other than going concern

We draw attention to the principal accounting policies on page 26 which states that the trustees of The Order of Friars Minor Charitable Trust have prepared the accounts on a basis other than going concern. This is due to the trustees' decision to transfer the activities, assets and liabilities of the unincorporated charity to a newly formed Charitable Incorporated Organisation on 31 March 2025. We consider that no adjustment to the book value of assets or liabilities is required as a result of this basis of preparation. Our opinion is not modified in respect of this matter.

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 and the Charities Accounts (Scotland) Regulations 2006 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 and proper 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 15, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts 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.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and review of 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:

- ◆ Making enquiries of management and 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.

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

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

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

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

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

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

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

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.

Independent auditor's report 31 March 2025

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. and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 18 December 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 Period to 31 March 2025

				Period ended 31 March 2025			Year ended 31 December 2023
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:							
Donations and legacies	1	438,448	468,140	906,588	677,589	338,041	1,015,630
Investments and bank interest	2	725,210	—	725,210	632,618	—	632,618
Charitable activities							
. Church repository sales		9,767	—	9,767	6,274	—	6,274
Other sources	3	13,855	—	13,855	42,589	3,253	45,842
Total income		1,187,280	468,140	1,655,420	1,359,070	341,294	1,700,364
Expenditure on:							
Raising funds							
. Investment management fees		93,869	—	93,869	75,722	—	75,722
Charitable activities							
. Grants and donations in support of the work of the Order and other charities	4	2,357,471	366,859	2,724,330	135,431	288,608	424,039
. Support of members of the Order and their ministry	5	1,129,466	20,498	1,149,964	590,202	28,172	618,374
. Supplies for church repositories		8,987	—	8,987	5,855	—	5,855
		3,589,793	387,357	3,977,150	807,210	316,780	1,123,990
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)		(18,443,187)	(552,332)	(18,995,519)	—	—	—
Total expenditure		(22,032,980)	(939,689)	(22,972,669)	807,210	316,780	1,123,990
Net (expenditure) income before (losses) gains on investments and transfers	7	(20,845,700)	(471,549)	(21,317,249)	551,860	24,514	576,374
Net investment (losses) gains		(300,016)	—	(300,016)	250,693	—	250,693
Net (expenditure) income before transfers		(21,145,716)	(471,549)	(21,617,265)	802,553	24,514	827,067
Transfers between funds	15	—	—	—	—	—	—
Net (expenditure) income and net movement in funds for the year		(21,145,716)	(471,549)	(21,617,265)	802,553	24,514	827,067
Reconciliation of funds:							
Total funds brought forward at 1 January 2024		21,145,716	471,549	21,617,265	20,343,163	447,035	20,790,198
Total funds carried forward at 31 March 2025		—	—	—	21,145,716	471,549	21,617,265

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been prepared.

All of the charity's activities derived from continuing operations until 31 March 2025. With effect from midnight on 31 March 2025, the activities, assets and liabilities of the charity were transferred as a going concern into a newly formed Charitable Incorporated Organisation (CIO), Order of Friars Minor CIO (Charity Registration Number 1209374). (See note 23).

Balance sheet 31 March 2025

	Notes	31 March 2025 £	31 March 2025 £	31 December 2023 £	31 December 2023 £
Fixed assets					
Tangible fixed assets	11		—		3,090,776
Investments	12		—		16,207,682
			—		19,298,458
Current assets					
Debtors					
. Amounts falling due after one year	13	—		120,006	
. Amounts falling due within one year	13	—		47,258	
Cash at bank and in hand		—		2,185,400	
				2,352,664	
Creditors: amounts falling due within one year	14	—		(33,857)	
Net current assets			—		2,318,807
Total net assets			—		21,617,265
The funds of the charity					
Restricted funds	15		—		471,549
Unrestricted funds					
. Designated funds	16	—		13,500,000	
. Tangible fixed assets fund	17	—		3,090,776	
. General fund		—		4,554,940	
			—		21,145,716
			—		21,617,265

Approved by and signed
on behalf of the trustees by:

Michael Copps
Trustee

Approved by the trustees on:
17 December 2025

Statement of cash flows Period to 31 March 2025

	Notes	Period to 31 March 2025 £	Year ended 31 Dec 2023 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(2,782,712)	79,860
Cash flows from investing activities:			
Investment income and bank interest received		725,210	633,936
Purchase of tangible fixed assets		(10,979)	(16,673)
Proceeds from the disposal of investments		2,967,233	2,073,858
Purchase of investments		(2,726,320)	(870,050)
Net cash used in investing activities		955,144	1,821,071
Change in cash and cash equivalents in the year		(1,827,568)	1,900,931
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)		(1,402,196)	—
Cash and cash equivalents at 1 January 2024		3,229,764	1,328,833
Cash and cash equivalents at 31 March 2025	B	—	3,229,764

Notes to the statement of cash flows for the period ended 31 March 2025.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	Period to 31 March 2025 £	Year ended 31 Dec 2023 £
Net movement in funds (as per the statement of financial activities)	(21,617,265)	827,067
Adjustments for:		
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	18,995,519	—
Depreciation charge	184,678	139,161
(Gains) losses on investments	300,016	(250,693)
Investment income and bank interest receivable	(725,210)	(632,618)
Decrease in debtors	37,927	42,942
(Decrease) increase in creditors	41,623	(45,999)
Net cash provided by (used in) operating activities	(2,782,712)	79,860

B Analysis of changes in cash and cash equivalents i.e. net debt

	31 December 2023 £	Cash flows £	31 March 2025 £
Cash at bank and in hand	2,185,400	(2,185,400)	—
Cash held by investment managers	1,044,364	(1,044,364)	—
Total cash and cash equivalents	3,229,764	(3,229,764)	—

Principal accounting policies 31 March 2025

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

Basis of accounting

The accounts have been prepared for the period from 1 January 2024 to 31 March 2025 with comparative information given in respect to the year to 31 December 2023.

The accounts have been prepared under the historical cost convention with items initially 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 the principles set out in 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge; and
- ◆ estimating the amounts to be set aside as designated reserves.

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.

With effect from midnight on 31 March 2025, the activities, assets and liabilities of the charity were transferred as a going concern into the newly formed Charitable Incorporated Organisation (CIO), Order of Friars Minor CIO (Charity Registration Number 1209374). As a result, these accounts have been prepared on a basis other than going concern. This does not result in adjustments to the reported figures and the Trustees are of the opinion that the successor CIO will have sufficient resources to meet its liabilities as they fall due.

The transfer was in accordance with a legal deed of transfer. Title to some land and buildings remains with the charity and shall be transferred to the CIO pending the relevant approval from the Secretary of State for Education or Archdiocese of Glasgow respectively. Such land and buildings have historically been held at £nil value in these financial statements.

Principal accounting policies 31 March 2025

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, legacies, investment income, interest receivable, church repository sales, the surplus on disposal of assets and other income.

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

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

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

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Income from repository sales is recognised when the risks and rewards of ownership have transferred to the buyer.

All other income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition and the basis of allocating costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and governance support costs.

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. These costs are allocated directly to support of members of the Order and their ministry. All other costs are directly allocated to the headings in the statement of financial activities and there is no apportionment. The classifications in the statement of financial activities are as follows:

- ◆ The costs of raising funds comprise the fees paid to investment managers in connection with the management of the charity's investment portfolio.
- ◆ The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report and include:
 - ◇ Grants and donations in support of the work of the Order and other charities
 - ◇ This is made up entirely of grants, including grants to support the Order's generalate and grants in support of the Order's work both in the UK and overseas. Charitable grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the period end.
 - ◇ Support of members of the Order and their ministry
 - ◇ This enables the members to carry out the charitable work of the Order in the areas of the advancement of the Roman Catholic religion and the relief of poverty.
 - ◇ Supplies for church repositories
 - ◇ This is expenditure on repository items, such as books, which are purchased for resale.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings
 - ◇ Parishes

Principal accounting policies 31 March 2025

The trustees are the legal owners of churches and other parish land and buildings. In the event of the Order ceasing its ministry in a parish, the trustees would consider themselves obliged to allow such assets to continue to be used indefinitely and rent free to meet the needs of the parish for a church and related accommodation. As such assets are not therefore susceptible to a meaningful valuation and there is no reliable information as to their cost, they are not valued for the purposes of these accounts.

The buildings consist of churches, presbyteries and parish halls and were constructed up to 100 years ago, with additions and improvements since. They are situated in Clevedon (Somerset), Yatton (Somerset), Stratford (London) and Woodford Green (Essex).

◇ School occupied land and buildings

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of Nottingham Academy are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◇ Other land and buildings

Where these have been owned at least from 1983, they are stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost. Additions to other land and buildings since 1983 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Order.

◆ Freehold improvements

Depreciation is provided at the rate of 5% per annum on cost in order to write each asset off over its expected useful life. A full year of depreciation is charged in the year of acquisition.

◆ Motor vehicles

Depreciation is provided at the rate of 20% per annum on cost in order to write each asset off over its expected useful life.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

Fixed asset 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.

Principal accounting policies 31 March 2025

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 the 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.

Funds structure

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing non-liquid assets and funds which the trustees have designated for specific purposes. Details of these are provided in notes 16 and 17.

Details of funds raised for a specific purpose or subject to donor-imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Order

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

Foreign currencies

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

Principal accounting policies 31 March 2025

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Notes to the accounts 31 March 2025

1 Income from: Donations and legacies

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Donations						
. Pastoral offerings	152,357	—	152,357	110,040	—	110,040
. General donations	63,278	287,532	350,810	107,427	81,808	189,235
	215,635	287,532	503,167	217,467	81,808	299,275
Legacies	56,977	180,608	237,585	344,748	256,233	600,981
Salaries and pensions of individual religious received under deed of covenant and Gift Aid	165,836	—	165,836	115,374	—	115,374
	438,448	468,140	906,588	677,589	338,041	1,015,630

2 Income from: Investments and bank interest

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from listed investments	679,080	—	679,080	595,568	—	595,568
Other interest receivable	44,130	—	44,130	31,057	—	31,057
Unwinding of debtor held at present value (note 13)	2,000	—	2,000	5,993	—	5,993
	725,210	—	725,210	632,618	—	632,618

3 Income from: Other sources

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Sundry income	23,622	—	23,622	48,863	3,253	52,116

4 Expenditure on: Grants and donations in support of the work of the Order and other charities

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Grants to institutions						
Support of the Order's Generalate	13,420	—	13,420	11,660	—	11,660
. Centre for Catholic Studies Trust Fund	1,000,000	—	1,000,000	—	—	—
. Housing for the homeless	1,000,000	—	1,000,000	—	—	—
. Foreign Missions of the Order of Friars Minor	140,063	356,633	496,696	—	278,725	278,725
. Miscellaneous grants to institutions	203,988	—	203,988	123,771	—	123,771
Other donations	—	10,226	10,226	—	9,883	9,883
	2,357,471	366,859	2,724,330	135,431	288,608	424,039

5 Expenditure on: Support of members of the Order and their ministry

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Living and personal expenses of friars	268,487	9,969	278,456	167,707	7,339	175,046
Premises	240,086	—	240,086	96,530	468	96,998
Depreciation of freehold property	162,743	—	162,743	135,166	—	135,166
Grants to former members	56,250	—	56,250	56,368	—	56,368
Friars' formation	62,143	6,560	68,703	9,971	11,465	21,436
Governance costs (note 6)	276,091	—	276,091	88,191	—	88,191
Other costs	63,666	3,969	67,635	36,269	8,900	45,169
	<u>1,129,466</u>	<u>20,498</u>	<u>1,149,964</u>	<u>590,202</u>	<u>28,172</u>	<u>618,374</u>

6 Governance costs

	15 months 2025			12 months 2023		
	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Legal and professional	266,434	—	266,434	78,545	—	78,545
Meeting costs	9,657	—	9,657	9,646	—	9,646
	<u>276,091</u>	<u>—</u>	<u>276,091</u>	<u>88,191</u>	<u>—</u>	<u>88,191</u>

The increase in Legal and Professional fees is due to legal fees incurred in relation to the establishment of the OFM CIO of £89,000, legal fees and settlements made of £65,000 in relation to non-recent child sexual abuse, which took place in Scotland in the early 1970's and sponsorship licence fees of £38,000.

7 Net (expenditure) income before (losses) gains on investments and transfers

This is stated after charging:

	Unrestricted funds	
	15 months 2025 Total funds £	12 months 2023 Total funds £
Auditor's remuneration (including VAT)		
. Statutory audit services	32,500	38,764
Depreciation	<u>184,678</u>	<u>139,161</u>

8 Staff costs and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Guardians at each friary. They received no remuneration in the period (2023 - none).

There are no staff costs as the charity does not employ staff (2023 – none).

9 Trustees expenses and transactions with trustees

As members of the Order, the trustees' living expenses during the year were borne by the charity.

As members of the Order, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under gift aid. During the year the amount donated by the trustees to the charity was £25,922 (2023 - £20,248).

The trustees have purchased insurance to protect the charity from any loss arising from negligent acts, errors or omissions on the part of the trustees and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £894 (2023 - £894) and provides cover of up to a maximum of £500,000 (2023 - £500,000).

10 Taxation

The Order of Friars Minor Charitable Trust is a registered charity and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to freehold buildings £	Motor vehicles £	Furniture and equipment £	2025 Total £
Cost or valuation					
At 1 January 2024	3,766,795	1,097,172	76,762	7,907	4,948,636
Additions	—	—	10,979	—	10,979
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(3,766,795)	(1,097,172)	(87,741)	(7,907)	(4,959,615)
At 31 March 2025	—	—	—	—	—
At cost	766,488	1,097,172	87,741	7,907	1,959,308
At deemed cost (1983 valuation)	3,000,307	—	—	—	3,000,307
	<u>3,766,795</u>	<u>1,097,172</u>	<u>87,741</u>	<u>7,907</u>	<u>4,959,615</u>
Depreciation					
At 1 January 2024	1,579,652	212,037	58,264	7,907	1,857,860
Charge for the year	94,170	68,573	21,935	—	184,678
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(1,673,822)	(280,610)	(80,199)	(7,907)	(2,042,538)
At 31 March 2025	—	—	—	—	—
Net book values					
At 31 March 2025	—	—	—	—	—
At 31 December 2023	<u>2,187,143</u>	<u>885,135</u>	<u>18,498</u>	<u>—</u>	<u>3,090,776</u>

As permitted under Financial Reporting Standard 102 (FRS 102), the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties, i.e. the churches and other parish buildings, and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at a 1983 valuation cannot be ascertained with accuracy. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost.

12 Investments

	31 March 2025 Total £	31 December 2023 Total £
Listed investments		
Market value at 1 January 2024	15,163,317	16,116,433
Additions at cost	2,726,320	870,050
Disposals at opening book value (proceeds: £ 2,967,233, realised gains £26,859)	(2,940,374)	(1,963,584)
Unrealised (losses) gains	(321,221)	140,419
Market value at 31 March 2025	14,628,042	15,163,317
Cash held by investment managers for reinvestment	35,755	1,044,364
	14,663,797	16,207,681
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(14,663,797)	—
At 31 March 2025	—	16,207,681
Historical cost of listed investments	12,012,560	12,894,385

Listed investments held at 31 March 2025 comprised the following:

	31 March 2025 Total £	31 December 2023 Total £
UK government securities	768,690	619,543
Unit trusts	732,412	649,369
UK fixed interest	341,850	199,980
Equities	11,505,002	12,259,253
Property and alternatives	1,280,088	1,435,172
	14,628,042	15,163,317

There were no individual holdings as at 31 March 2025 which were deemed material in comparison with the market value of the entire listed portfolio held at that date (2023 – none).

Notes to the accounts 31 March 2025

13 Debtors

	31 March 2025 Total £	31 December 2023 Total £
Prepayments and other sundry debtors	49,337	8,776
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due within one year	40,000	38,482
	89,337	47,258
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due after one year	40,000	120,006
	129,337	167,264
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(129,337)	—
	—	167,264

In 2012, the charity disposed of a freehold property in Dundee, Scotland for agreed proceeds of £510,000. Under the agreed payment schedule, £350,000 was received prior to 31 December 2023. The balance will be received as follows: 2024 - 2027, £40,000 annually. This sale agreement constitutes a financial arrangement as defined by FRS 102. Therefore, in order to comply with the Charities SORP FRS 102 and FRS 102 itself, the proceeds receivable from the disposal of the property have been discounted to their present value using an effective discount rate of 0.25%. The notional interest is credited to the statement of financial activities as the discount is “unwound”.

14 Creditors: amounts falling due within one year

	31 March 2025 Total £	31 December 2023 Total £
Accruals	75,480	33,857
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(75,480)	—
	—	33,857

15 Restricted funds

The income funds of the charity include the following restricted funds, comprising the unexpended balances of donations received for specific purposes. The balances below represent the movements on the funds immediately prior to transfer to the CIO.

	At 1 January 2024 £	Income £	Expenditure and transfers £	At 31 March 2025 £
Franciscan Missionary Union	398,946	454,514	(377,131)	476,329
Stratford Building Project	11,920	—	—	11,920
Other restricted funds	60,683	13,626	(10,226)	64,083
	<u>471,549</u>	<u>468,140</u>	<u>(387,357)</u>	<u>552,332</u>

	At 1 January 2023 £	Income £	Expenditure and transfers £	At 31 December 2023 £
<i>Franciscan Missionary Union</i>	<i>412,428</i>	<i>229,965</i>	<i>(243,447)</i>	<i>398,946</i>
<i>Stratford Building Project</i>	<i>11,920</i>	<i>—</i>	<i>—</i>	<i>11,920</i>
<i>Other restricted funds</i>	<i>22,687</i>	<i>111,329</i>	<i>(73,333)</i>	<i>60,683</i>
	<u><i>447,035</i></u>	<u><i>341,294</i></u>	<u><i>(316,780)</i></u>	<u><i>471,549</i></u>

The Franciscan Missionary Union represents monies received specifically for the Order's missions abroad.

The Stratford Building Project represents monies received specifically to assist with the remodification of buildings of a parish administered on behalf of the local diocese by the friars in Stratford, London. The majority of the building work was undertaken in 2010.

Other restricted funds represent a number of individually small funds made up of donations for specific purposes.

16 Designated funds

Immediately prior to transfer to the CIO, the unrestricted funds of the charity included the following funds designated for specific purposes.

	At 1 January 2024 £	Designated in year £	Utilised/ Released in year £	At 31 March 2025 £
Sick and retired reserve	6,700,000	60,122	(60,122)	6,700,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	2,300,000	—	—	2,300,000
Formation fund	1,000,000	—	(1,000,000)	—
Relief of poverty fund	2,000,000	—	(1,000,000)	1,000,000
	<u>13,500,000</u>	<u>60,122</u>	<u>(2,060,122)</u>	<u>11,500,000</u>

	At 1 January 2023 £	Designated in year £	Utilised/ Released in year £	At 31 December 2023 £
<i>Sick and retired reserve</i>	<i>6,700,000</i>	<i>11,163</i>	<i>(11,163)</i>	<i>6,700,000</i>
<i>Maintenance fund</i>	<i>1,500,000</i>	<i>—</i>	<i>—</i>	<i>1,500,000</i>
<i>Mission and development fund</i>	<i>2,300,000</i>	<i>—</i>	<i>—</i>	<i>2,300,000</i>
<i>Formation fund</i>	<i>1,000,000</i>	<i>—</i>	<i>—</i>	<i>1,000,000</i>
<i>Relief of poverty fund</i>	<i>2,000,000</i>	<i>—</i>	<i>—</i>	<i>2,000,000</i>
	<u><i>13,500,000</i></u>	<u><i>11,163</i></u>	<u><i>(11,163)</i></u>	<u><i>13,500,000</i></u>

◆ Sick and retired reserve

This consists of monies which the trustees have set aside in order to provide for older friars and those in ill health. The reserve has been calculated so as to provide income to communities with elderly or sick friars to care for.

◆ Maintenance fund

The maintenance fund represents monies set aside by the trustees for the upkeep and repair of the buildings of the Custody. The last quinquennial reviews, carried out in 2023, on Stratford and Woodford indicated forthcoming expenditure of £150,000 and £120,000 respectively over the next five years.

◆ Mission and development fund

The mission and development fund comprises monies set aside towards funding new initiatives in furtherance of the mission of the Order.

◆ Formation fund

The formation fund comprises monies set aside towards funding the formation and education of friars. The monies held in the formation fund are reviewed on a regular basis during the year by the trustees.

◆ Relief of poverty fund

The relief of poverty fund represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. A donation to Your Place specifically for the purchase of a residential property for the homeless was made in 2024.

Notes to the accounts 31 March 2025

17 Tangible fixed assets fund

	31 March 2025 Total £	31 December 2023 Total £
At 1 January 2024	3,090,776	3,213,264
Net movement during the period	(173,699)	(122,488)
Transfer to Order of Friars Minor CIO (Charity Registration Number 1209374)	(2,917,077)	—
At 31 March 2025	-	3,090,776

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. This fund has been established to recognise the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

18 Analysis of net assets between funds

Immediately prior to the transfer to Order of Friars Minor CIO the fund balances were represented by the following assets and liabilities:

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2025 £
Fund balances at 31 March 2025 are represented by:					
Tangible fixed assets	—	—	2,917,077	—	2,917,077
Investments	3,163,797	11,500,000	—	—	14,663,797
Net current assets	862,313	—	—	552,332	1,414,645
Total net assets	4,026,110	11,500,000	2,917,077	552,332	18,995,519
	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	—	—	3,090,776	—	3,090,776
Investments	2,707,682	13,500,000	—	—	16,207,682
Net current assets	1,847,258	—	—	471,549	2,318,807
Total net assets	4,554,940	13,500,000	3,090,776	471,549	21,617,265

Notes to the accounts 31 March 2025

The total unrealised gains at 31 March 2025 constituted movements on revaluation and are as follows:

	Total 2025 £	Total 2023 £
Unrealised gains included above:		
On investments	2,615,482	2,268,932
Total unrealised gains at 31 March 2025	2,615,482	2,268,932
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2024	2,268,932	2,088,639
In respect to disposals in the year	667,771	39,874
Net (losses) gains arising on revaluation in the year	(321,221)	140,419
Total unrealised gains at 31 March 2025	2,615,482	2,268,932

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Order of Friars Minor by virtue of the fact that the Superior of the Province has the power to appoint the trustees.

20 Connected charities

The Order of Friars Minor Charitable Trust is connected to one other charity by virtue of the fact that the trustees of the Order have the power to appoint trustees of the connected charity and the charities use the same principal address.

The connected charity is:

Name	Charity Reg No	Charitable objectives
Commissariat of the Holy Land	263616	The support of the work of the Custody of the Holy Land, the advancement of the Roman Catholic religion and the relief of poverty.

21 Related party transactions

Other than as disclosed in note 9, there were no further related party transactions (2023 - none).

Notes to the accounts 31 March 2025

22 Transfer of activities, assets and liabilities

With effect from midnight 31 March 2025, the activities, assets and liabilities of the Charitable Trust were transferred to the CIO. The net assets at that date comprised:

		2025 £
Tangible fixed asset		
. Cost	4,959,615	
. Depreciation	2,042,538	
		<u>2,917,077</u>
Fixed asset investments		14,663,797
Debtors		129,337
Cash at bank and in hand		1,360,788
Creditors		<u>(75,480)</u>
		<u>18,995,519</u>

The assets and liabilities were represented by the following funds:

		2025 £
Restricted funds		552,332
Unrestricted funds		
. General funds	4,026,110	
. Designated funds	11,500,000	
. Tangible fixed assets	2,917,077	
		<u>18,995,519</u>

Accounts

**The
Order of Friars
Minor
Charitable
Trust**

Annual Report and Accounts

31 December 2023

Charity Registration Numbers:
232177 (England and Wales)
SC039191 (Scotland)

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

Trustees	Rev Michael Copps OFM (Chairman) Rev Patrick Lonsdale OFM Rev Antony Jukes OFM Rev Edmund Highton OFM Rev George Smulski OFM The trustees are incorporated under the Charities Act 2011
Custos	Rev Michael Copps OFM
Custodial Secretary	Rev Patrick Lonsdale OFM
Provincial Bursar	Rev Michael O'Grady OFM
Principal address	The Franciscan Friary 557 High Road Woodford Green Essex IG8 0RB
Charity registration numbers	232177 (England and Wales) SC039191 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Stockbrokers	J M Finn & Co 4 Coleman Street London EC2R 5TA
Principal bankers	NatWest Group 1st Floor 440 Strand London WC2R 0QS

Trustees' report 31 December 2023

The trustees present their statutory report together with the accounts of The Order of Friars Minor Charitable Trust for the year ended 31 December 2023.

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

INTRODUCTION

The Order of Friars Minor was founded by St Francis of Assisi in 1209. It has maintained its essential character through the centuries. Friars live in communities, observing the Gospel of Our Lord Jesus Christ, under vows of poverty, celibate chastity and obedience, in accordance with the 'Rule of 1223' written by the Founder. The Minister General's headquarters are in Rome where he is assisted by a General Definitory or Council, governing the Order Worldwide. The British Custody is part of the Order.

CONSTITUTION

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the British Custody are held and through which its finances operate. The charity is governed by a trust deed dated 1 December 1963 as amended by a scheme dated 12 June 1973, and is registered under the Charities Act 2011. Since 2007 the trust has also been registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of the charity are an incorporated body under the Charities Act 2011.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES

The principal aims of the charity are the support of charitable purposes connected with the Roman Catholic Religion and the support of the charitable work of the Order generally. This work is described in more detail in the following paragraphs. Although the majority of friaries are situated in England, the charity has one house in Glasgow, Scotland. The objectives described below apply in Scotland with special emphasis on the overseas mission work.

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Pastoral

The Order of Friars Minor (in this Custody) GB has four parishes in its care. Most of the friars (of the Custody) are engaged in pastoral and educational work – supporting and encouraging prayer and worship, administering the sacraments, preaching, teaching, providing spiritual and material sustenance to those in need. In addition, they give retreats and missions to other parishes and to convents. There is an obvious public benefit from these activities, as they are designed to promote harmony and cooperation in the parishes concerned and in the wider community

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Educational

To be able to provide the pastoral and spiritual support mentioned above, the members of the (Custody) Province must have the opportunity to obtain firstly the initial formation needed in the preparation for their ministry and then the further training and formation to equip them to serve the Church and the faithful in a rapidly changing society. The trustees need, therefore, to keep a close eye on the requirements to remain active and fruitful preachers of the Gospel. In addition, the friars take an active interest and play a part in the provision of primary, secondary and tertiary education in the schools of their parishes. These schools have a Catholic ethos and have no restriction with regard to colour, race, or income, thus providing an obvious public benefit.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. This (Custody) Province began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time, these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students.

Grant making policy

The bulk of the grants made by the charity usually arise through the restricted funds i.e. the Franciscan Missionary Union (FMU) and Saint Antony's Bread. In both cases money is deposited with the friars by the faithful to be used in the Franciscan missions and for the relief of poverty. The policy of the charity, therefore, is to use all the money so contributed for the furtherance of those two aims.

In total, grants of approximately £424,000 (2022 – £557,000) have been made during the year both as direct donations from the income of the charity and from disbursement of contributions by the faithful to the FMU and St Antony's Bread. As usual, the Franciscan Missionary Union made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £281,000 during the year (2022 – £262,000). In addition, the charity makes a regular annual donation to about a dozen charities that provide services allied to the Franciscan ethos e.g. Shelter, NSPCC and CAFOD totalling circa £105,000 (2022 - £243,000). More details are given in note 4 to the accounts.

Investment policy

The charity has a portfolio of investments with a market value as at 31 December 2023 of £16,207,682 (2023 - £16,133,911).

The charity has set up a Sick and Retired Reserve to provide assistance to communities with elderly and infirm friars. This reserve is represented by a large part of the charity's portfolio of stocks and shares, managed under the guidance of a fund manager. The fund managers have been asked by the trustees to keep a prudent balance between gilts and equities and to ensure the risk is spread by investing in a wide range of industrial shares of the larger companies. The twin aims are to raise some income to support the present elderly friars and to achieve a capital appreciation so as to build up the fund for future years.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Investment policy (continued)

The trustees have also instructed the fund managers to refrain from buying shares in companies associated with armaments, tobacco and contraceptives, as well as any pursuing activities at variance with the charity's objectives. It has also recently disposed of its holdings in fossil fuel shares and invested in renewable energy instead, following the lead given by Pope Francis.

Review of the year

Pastoral work

Formation and training takes place in the current locations. The Postulancy is currently located in Galway, Ireland, the Novitiate year is based in Killarney, Ireland, and the study of Philosophy and Theology takes place in Rome, Italy. Throughout the year there were no friars from Great Britain in initial formation.

Antony Jukes, in his capacity as Novice Director, and Donal Walsh, who was Director of Vocations up to the August 2023 Chapter of the Province of Ireland, have attended meetings of the Interprovincial Secretariat for Formation and Studies (ISFS). These meetings are also attended by all friars of the Province of Ireland involved in formation ministry.

In August 2023, six men began their novitiate year at the Interprovincial Novitiate in Killarney. Two are from the Province in the Netherlands, two from the France/Belgium Province, one from the Province of Canada, and one from the Custody of Switzerland.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. This Custody began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students

Promotion of vocation

During 2023, there was more of a decrease in the numbers of enquirers wishing to know about the Franciscan Order. It was also decided that Donal Walsh would look after enquiries from Scotland and the north of England, with Patrick Lonsdale OFM, based at the Woodford Green Friary, would cover the southern counties. As email contact, Donal Walsh receives the occasional email communication from those showing an interest in the Franciscans, as well as occasional phone calls.

Promoting vocations and contacts via online with interested people requires time to reply and dialogue along with occasionally travelling in Scotland and north England to meet enquirers and also attending vocation meetings and youth events in the UK/Ireland.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Promotion of vocation (continued)

During 2023, some 20 enquiries were received about the Franciscan way of life covering the area of Scotland and the northern counties of England. All enquirers received an immediate reply and acknowledgement. In 2023, there has been regular communication with 6 interested men, with 2 over a 2-year period. There were two Zoom meetings with other English-speaking Franciscans and Vocation Promoters of a business and training manner with guest speakers. Meeting other vocation ministers has been and still is an important support. Donal Walsh attended a meeting of Vocation Animators for Scotland and a zoom meeting from the UK Vocation Office based in London. This is a way to meet, listen and learn new approaches in animating and promoting vocational service.

In 2023, there was a visit to a High School in Glasgow for a day on Vocation attended also by other members of Religious communities and Dioceses. Talks are being arranged at some schools and university chaplaincies in Scotland and the north of England during the next academic year 2024/25 especially to meet senior school students along with their teachers and evenings for university students at their chaplaincy.

O.F.S. Spiritual Assistance

There are 3 Assistants who cover and co-operate as a team for the whole of the Secular Franciscans in Britain. Like many aspects of Church life, there are fewer members joining the Order of Secular Franciscans (OFS), females and males. They may live at home, single, married, widowed. often scattered, who try to meet as a group on a monthly basis for prayer, discussion and solidarity, supporting each other living the Franciscan ideals as brothers and sisters.

During 2023, the OFS slowly and with some hesitation began to decide to amalgamate or merge fraternities due to lesser numbers, age, ill health and mobility difficulty. Some meetings are done by Zoom and about 50% person to person in the summer months.

The role of a National Spiritual Assistant is to attend regional fraternity meetings, special gatherings and elections, professions and annual retreat days covering 3 or 4 out of 9 regions of the UK which in total comprise about 60 local fraternities. Needless to say, due to distance and areas covered by the three Assistants, it is a mammoth task to visit all local groups over a year and so there is concentration on regional fraternal meetings and special events for Local Fraternities. Again, in 2023 virtual Zoom meetings of some regions were held particularly in the colder months.

The National Council and Chapter who are elected to special roles and elected regional ministers meet usually monthly for 2 hours mostly by Zoom in order to consider the life, structures, decisions and plans for the OFS in Britain. These meetings are attended also by each of the National Spiritual Assistants and are often of a business-like manner as well as for sharing and dialogue between members as is a source of support and encouragement.

Lastly in 2023, a residential weekend workshop was held on 'Formation as a Secular Franciscan'. This was held for all regional ministers, formators, Council and Spiritual Assistants.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Vigilance with regard to the care of children and vulnerable persons and relevant training

Following the IICSA and Elliott reports on safeguarding of minors and adults at risk the Catholic Church in Great Britain is constantly developing its organisation and strategies to comply with their requirements. Safeguarding of minors and adults at risk is an agenda item at every meeting of our Trustees. We are in process of reviewing our *Statement of Policy* and *Procedures* in line with recommendations of our advisory body the Religious Life Safeguarding Service. Through their Safeguarding Lead friar the Trustees ensure that all friars and those with whom we engage are fully aware of and compliant with all demands of the key documents. In the near future we expect to be audited by the Catholic Safeguarding Standards Agency and are preparing for this by effecting a self-audit. We are also engaged with survivors of past abuse.

Guardians' Report 2023

Glasgow

During 2023 there were three friars in the community, one of whom is retired from active ministry. The community life among us continues and we support one another as friars. The main ministry is still the parish. Numbers attending Mass has certainly lessened but we are busy still for Masses, certain ceremonies and Sacramental celebrations like Novenas, Funerals, and first Holy Communions. Many various self-help support groups use our facilities on a weekly basis which is a good Franciscan service to our locality and city of Glasgow and which is non-religious/Catholic. We also welcome for Sunday Masses, various ethnic chaplaincy groups from Sri Lanka, Vietnam, occasionally the local Catholic school community, other church and occasional Diocesan meetings.

We have the odd request for material assistance but we mostly give food and clothing. All friars and volunteers at the church and those involved with groups directly all have Safeguarding training and PVG Certification. Although we do have some young active members, we have an elderly population. We visit the sick, elderly and housebound, hospitals and hospice when requested. We occasionally assist a local parish if requested.

Clevedon

There are three Friars in Clevedon.

Sunday Masses are celebrated in the Parish Church in Clevedon and in the nearby village of Yatton. The parish hall, attached to the church at Clevedon, is well used by the parish and other local groups, such as the Secular Franciscans, the Rotary Club, a mother and toddler group, and a number of exercise, art and language classes.

The Friars continue to minister to people in local residential and nursing homes. One of them acts as Chaplain to the parish school, which is situated in Nailsea.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report 2023

Stratford

As at May 2024 there are three friars at Stratford. They continue to minister to a large and growing congregation of various nationalities in East London. The Parish Priest acts as Chaplain to the Knights of St Columba and the local Catholic Primary School (St Francis).

It is the intention that the Stratford fraternity will become a model for an International Community of Franciscan friars who will be arriving in the latter part of 2024. The Franciscan charism will continue at Stratford.

Volunteers from the parish continue to reach out to the homeless in the area. Not only through daily hot drinks and sandwiches at the front door of the friary but also providing a night shelter during the winter months. They were working in conjunction with a local charity and other churches in the Borough of Newham.

Woodford

The community is comprised of eight Friars the majority of whom are either ailing or elderly. With the lifting of Covid restrictions people have returned to Sunday worship but not in such numbers as previously. Income is down. Daily services are provided in the parish church and local convent chapel as well as the weekday Mass in the Catholic High School chapel. The Friars are chaplains to the two Catholic schools in the parish. Local nursing homes are also visited by the Friars or appointed parishioners. As well as providing space for parish activities the church Becket Centre is hired out to local groups - Jiu Jitsu, Tai Chi, Pilates, Irish Dancing, Guides, Yoga, Spanish Classes, Under 5's, Bridge Club and AA Twelve Step meetings. The parish SVP (Society of St Vincent de Paul) continues to provide financial and material help to the poor and needy in the area with donations provided by the Sunday congregation. Several rooms in the front wing of our Friary provide free accommodation to two Ukrainian families escaping the war in Ukraine.

Cordate Community/OFM Birmingham

Mission Statement in Birmingham

We members and associates of the Franciscans (OFM - Order of Friars Minor) seek in a small way to help contribute and work towards a more inclusive, socially cohesive, just, and peaceful community/society, which celebrates our unity in rich diversity.

We want to be a friendly presence in a diverse ethnic, faith and secular community.

We aim to focus on helping to support marginalised groups of people in Birmingham city, including but not limited to homeless, refugee, asylum-seeking and LGBTQ+ people.

We seek to do this in a variety of ways, which include:

- ◆ Establishing networks and partnerships with the wider community, grass roots community organisations and charities.
- ◆ Developing informal and referral pathways with partnership agencies.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Cordate Community/OFM Birmingham (continued)

Mission Statement in Birmingham (continued)

- ◆ We wish to nurture and develop positive ecumenical and interfaith links, understanding, relationships and dialogue, on individual and group levels.

OFM Birmingham

Kieran Fitzsimons is a qualified social worker and has lived in the new OFM house in Birmingham since October 2022. The house is conveniently located close to the city centre. Kieran was joined by a second friar (Gianfrancesco, from Italy) in February 2023. Gianfrancesco has worked for 16 years in 4 east African countries, 11 years in Brussels and is a qualified psychotherapist..

The following are a few examples of our voluntary work in social projects within the city:

- ◆ *St. Chad's Sanctuary* - drop-in centre/charity for refugee and asylum-seeking people;
- ◆ *Black Country Healthcare NHS Foundation Trust* - chaplaincy in psychiatric hospitals and with people with learning disabilities;
- ◆ Psycho-spiritual support to members of the *LGBTQ+ community*;
- ◆ *Birmingham Adult Education Centre* (BAES), Sparkhill - assisting teacher in classes teaching English (ESOL) to adult students mainly originating from Asia and the Middle East.
- ◆ *Tabor Living* (a charity for homeless men and women) - a residential service aiming to rehabilitate/support people back into "mainstream" society;
- ◆ *Hope Projects* (a charity for refugee people) - supporting refugee men in a home in Sparkhill while they seek leave to remain in the UK from the Home Office;
- ◆ *Street Banquet* - a monthly meal for homeless people based in The Church at Carrs Lane (ecumenical venture);
- ◆ *Birmingham Christmas Shelter* – a charity providing meals, accommodation and entertainment for homeless people.

Other work within Birmingham includes:

- ◆ Occasional small donations/food gifts given to charities and individuals eg refugee, homeless and LGBTQ+ people;
- ◆ Membership of lay-led reform movements seeking equality/justice in the Catholic Church, especially for women and LGBTQ+ people e.g. Root & Branch, Quest;
- ◆ Visiting and attending services, celebrations at other Christian Churches and places of worship (e.g. United Reformed, Methodist, Inclusive Gathering Birmingham, Church of England, Quakers, Buddhist Centre); and spiritual direction/accompaniment.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Cordate Community/OFM Birmingham (continued)

OFM Birmingham (continued)

On a provincial level, seeking to animate/promote:

- ♦ *JPIC* (justice, peace and integrity of creation) in OFM houses in Britain;
- ♦ *Evangelisation* in OFM houses in Ireland and Britain, namely sharing the Good News of God's unconditional, liberating love for *all* people and creation.

FUTURE PLANS

At the Chapter of the Province of Ireland held in August 2023, the Friars living in Great Britain were incorporated into the Province of Ireland. Two of the British Friars were elected to the Definitory (Council) of the Province, and attend meetings of the Definitory regularly.

Two Friars from other countries will be moving into the friary at Stratford from August 2024 onwards, and it is hoped to welcome at least one other Friar from one of the European Provinces once a visa has been obtained for him. They will minister in the Parish at Stratford and in other ministries associated with the Friars.

Plans are being made for the Order's Charitable Trust to become a CIO, and it is hoped this will happen towards the end of 2024.

FINANCIAL REVIEW

Investment performance

The portfolio comprises 83% equities, 3% gilts, 5% unit trusts and fixed interest funds and 9% property and alternatives. The overall value of the portfolio increased by £73,711 from a market value of £16,133,911 at the end of 2022 to a value of £16,207,682 at the end of 2023.

Income and expenditure

A summary of the year's results can be found on page 23 of this annual report and accounts. Total income amounted to £1,700,364 compared to £1,173,495 in 2023. Total expenditure during the year decreased from £1,181,269 in 2022 to £1,123,990 in 2023 as a result of more grants and donations being made.

Net expenditure for the year before gains on investments, therefore, amounted to £576,374 (2022 – net income of £7,774). Net gains on investments of £250,693 (2022 net losses on investments of £3,215,630) resulted in a net increase in funds for the year of £827,067 compared to a net decrease of £3,223,404 in 2022.

Financial position and reserves policy

The balance sheet shows total funds of £21,617,265 (2022 - £20,790,198). Of this, £471,549 (2022 – £447,035) is restricted for specific purposes. £398,946 (2022 – £412,428) is restricted in respect of the Franciscan Missionary Union, which receives money specifically for the Order's missions abroad. The remainder of the restricted funds represent a number of individually small funds made up of donations for specific purposes.

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

The charity has unrestricted funds of £21,145,716 (2022 – £20,343,163). Of this £3,090,776 (2022 – £3,213,264) represents tangible fixed assets. About 14 per cent of the total resources owned by the charity comprise tangible fixed assets. The Franciscan Custody in this country can only carry out the aims set out in the first part of this report if it has the use of such assets. Not only are the assets an essential prerequisite for the work of the Custody, but much of the property is not at the complete disposal of the Custody; if the trustees were to vacate any of this property they would regard themselves as obliged to offer it to the Bishop or some other religious order that was prepared to carry on the same work. In these circumstances, therefore, it seems advisable to recognise the resource as a separate fund rather than as an available resource.

The charity has six designated funds.

The first of these is the Sick and Retired Reserve. The average age of the friars in the Custody is steadily increasing and the elderly and infirm friars now outnumber those who have to provide the supporting income. Given the small number of vocations in recent years, there may not be sufficient support available within the Custody unless some of the present resources are set aside for the future. A Sick and Retired Reserve has been set up to provide for the current members of the Order.

The second designated fund is the Maintenance Fund standing at £1,500,000 at the end of the year. The last quinquennial reviews, carried out in 2023, on Stratford and Woodford indicated forthcoming expenditure of £150,000 and £120,000 respectively over the next five years.

As mentioned above, the Custody is faced with a reducing number of friars in the coming years. That will of necessity give rise to decisions on changes to present activities and new ventures necessitating additional capital expenditure. Therefore, it is deemed prudent to set aside through a designated Mission and Development Fund a reserve which the trustees can utilise as and when needed for new initiatives in furthering the mission of the OFM.

The fourth designated fund is the Formation Fund which comprises monies set aside towards funding the formation and education of friars. An endowment pledge of £1,000,000 to the University of Durham for the setting up of a Franciscan Chair has been agreed by the trustees in 2024. This will impact financially on both the Mission and Development Fund and the Formation Fund.

The fifth, is the relief of poverty fund which represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. A donation to a named charity for the homeless is being considered in 2024, to be used specifically for the purchase of a residential property for homeless people.

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

The amount of free reserves available after deducting the above designated funds and tangible fixed assets is £4,554,940 (2022 - £3,629,899). The policy of the trustees towards the General Reserve is to hold an amount roughly equivalent to one and a half year's unrestricted expenditure. The actual amount of free reserves held at 31 December 2023 clearly exceeded the amount demanded by the policy. However, the trustees are aware of the uncertainties created by the current macroeconomic and geopolitical climate and the need, therefore, to be cautious. In addition, the charity has recently embarked on a programme of quinquennial reviews of the charity's properties and it is expected that the results will show that significant investment will be needed in the properties over the next decade. Once the results of the reviews are known, it is the intention to increase the value of the Maintenance Fund thereby reducing free reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Until 11 November 2014, according to the Statutes of the Order, the friars in Great Britain constituted a Province, i.e., an entity with more than forty professed friars. As such, the Province was administered by a governing body, known as the Definitory, consisting of the Minister Provincial, a Vicar-Provincial, and five other friars, elected by all the brethren at the triennial Chapter. The members of the Definitory were also trustees of the charity.

Because of the decreasing numbers and ageing of the friars, the Province became, as of the Chapter held in November 2014, a Dependent Custody of the Province of Ireland. In effect, for Canon law purposes, the friars in Great Britain became a semi-autonomous entity, led by the Custos and a Council of three friars. They were appointed by the Minister General of the Order, but after three years there was an election of the Custos and Council and thereafter there will be an election every three years. Major appointments and decisions regarding the friars and houses of the Custody need to be ratified by the Provincial of Ireland and his Definitory. The trustees, however, continue to administer the charity and they are solely responsible for the financial management of the Custody.

The Council assigns friars to the various friaries and parishes served by the Franciscans and appoints officers needed for the administration of the Custody. Each friary has a Guardian and Vicar, appointed by the Council, who have responsibility for the friars in their community. The running of each friary is discussed regularly by the whole community.

As all trustees are members of the Order they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They also meet with the Order's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees who served during the year are given below:

Reverend Michael Copps OFM

Father Michael Copps has been a member of the Order since 1965. After initial formation he was involved in pastoral work in parishes and the education of new members as Novice Director. From 1981 to 1990 he was elected Guardian of the community at Chilworth and held the post of Novice Director for the same period. From 1990 to 1999 he was a parish priest in Nottingham and was Guardian of the community from 1994 to 1997. In 1999 he became parish priest in Forest Gate, East London and in 2002 in Stratford and Guardian of the community. In 2005 he was elected Minister Provincial of the Province of Friars Minor in this country and served in that capacity until 2014. He has also served on the Finance Committee of the Province. After a period as parish priest and Guardian at Stratford he was elected as Custos in 2018. He gave up the role of Guardian in Woodford Green in 2022. He is now Parish Priest at Woodford.

Reverend Patrick Lonsdale OFM

Father Patrick Lonsdale entered the Order in 1965. He gained a BA at the University of Kent in Canterbury. Since Ordination in 1974 he has worked in various friaries and parishes of the Custody, and has been Guardian at Craigmillar, Woodford, Forest Gate, Glasgow, Chilworth and Nottingham. He was also Parish Priest at Craigmillar, Glasgow and Chilworth. He was a Trustee and Definitor from 1996 to 2005. He served as Custos and Trustee from 2014 to 2018, and is currently a Definitor of the Province of Ireland, to which the British friars belong since August 2023, and a Trustee. From 1990 to 1996 he was National Assistant to the Secular Franciscan Order. From 1996 to 2002 he was a member of a hermitage community at Penmaenmawr, which was a joint project with the Capuchins. Over the years Patrick has also served as Secretary of the Province, Secretary of Formation, and as Animator of Vocations. He is currently Guardian of the community at Woodford Green and is Religious Assistant to the Federation of Poor Clares in Great Britain.

Reverend Antony Jukes OFM

Father Antony Jukes joined the Order of Friars Minor in 2002, having previously worked and completed his training as an accredited Chartered Accountant. As part of his formation as a Franciscan Friar, Antony completed a BA and an MA degree in Theology at the Franciscan International Study Centre in Canterbury. After ordination as a priest, he served in our Franciscan parish in the Gorbals area of Glasgow for two years and then worked for two years in youth ministry at the Cold Ash Centre before returning to Canterbury to help with the formation of friars and to teach in what was the Franciscan International Study Centre. With the closure of the Study Centre in June 2017, Antony moved to the friary in Killarney, Ireland, where he is now the Novice Director in the Interprovincial Noviciate.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Reverend Edmund Highton OFM

Father Edmund Highton has been a member of the Order since 1966. He had commercial experience of economics, commercial law and the finance of foreign trade through the "Institute of Export" prior to joining the Order. He spent many years as a missionary in South Africa, where he was a member of the Bishop's Council for about ten years with duties including the distribution of educational bursaries for secondary and tertiary education. He was a Parish Priest, caring for financial and pastoral concerns, from 1975 onwards. Now back in Britain, his present duties include the care of the Franciscan Missionary Union and being Parish Priest of Blessed John Duns Scotus in Glasgow.

Reverend George Smulski OFM

Father George Smulski OFM joined the Franciscan Order in 1979 after working for two years as an NHS Podiatrist in Carlisle. Initial formation was in Chilworth, Surrey, followed by theological studies at the Franciscan Study Centre, Canterbury and a BA degree at the University of Kent. After ordination in 1986 he served in parishes in Ipswich, Forest Gate, Stratford and Clevedon. From 1995-1998 he also undertook part-time work as an NHS Podiatrist in London, and from 2005-2011 was Postulant Director in Chilworth and Killarney, Ireland. He was Guardian of the Glasgow community from 2018-2022 and Woodford community from 2022-23. He has also been a foundation governor in Catholic primary schools in Clevedon and Stratford. He is the Custody website administrator and since 2022 a Trustee of the Order of Friars Minor in Great Britain charity. He presently lives in Woodford Green Friary, Essex.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Order or senior staff. Financial decisions are overseen by the trustees. Mandates with the principal bankers are in place, to the effect that any cheque or online payment above £5,000 must have two authorisations, including one by a trustee. Online banking has been introduced at Custody level enabling daily monitoring of bank balances and other financial controls.

The Custody comprises 20 friars (as at 31 December 2023) who lived as part of five communities during the year. Three of these community houses are situated in the South of England (Clevedon, Somerset; Stratford in East London and Woodford Green, Essex), the fourth is in Birmingham, whilst the fifth community house is in Glasgow, Scotland. The five houses that remain open continue to exercise parochial responsibilities in collaboration with the bishops of the dioceses concerned.

As stated above, each community has a local guardian appointed by the Council. The local guardian is responsible for both the needs and the care of the friars in his community and he liaises regularly with the trustees. All local superiors meet together occasionally with the trustees to discuss developments and future plans and strategy.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The strategic direction and the day-to-day management of the work of the charity is in the hands of the trustees and the Guardians at each friary. They are all members of the Order of Friars Minor and receive no remuneration for this work. All these friars have had many years' experience in the Order and are well aware of their responsibilities without the need for specific performance indicators.

Working with other organisations

The friars in the parishes served by the Custody work very closely with the bishops administering the dioceses within which the parishes are situated. That will include membership of the local deanery and helping out in neighbouring parishes where possible. In addition, most communities have a primary school in the parish and there is close connection with these schools as well as secondary schools serving the parishes of the friars. The friars are also engaged in working with statutory bodies, other Christian Churches, other faith communities, and other voluntary groups.

Trustees' responsibilities statement

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 and in Scotland 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;
- ◆ observe the methods and principles in the 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

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 relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review. They also ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

- ◆ **Governance and management** looks at the risk of the Order, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.
- ◆ **Operational** looks at the risks inherent in the charity's activities including the members of the Order engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, lack of a disaster recovery plan, etc.
- ◆ **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.
- ◆ **Reputational** looks at possible damage to the Order's, and hence the charity's, reputation.
- ◆ **Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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. They also work in close collaboration with their insurers so as to maintain adequate coverage of the risks.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

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 trustees are aware that there is both a moral and legal obligation to care for the older members of the Order. None of the friars have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the friars. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been loosely based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual friars encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity donates significant sums in support of the work of the Order and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Order whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future. Since the end of the financial year, there has been some volatility on world stock markets. The trustees, along with their investment managers, will continue to monitor the stock markets but the charity is a long-term investor and the trustees take a long term view.

Fundraising statement

The charity does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, it would be handled by a trustee.

Trustees' report 31 December 2023

MEMBERS OF THE ORDER

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Order.

Their dedication and positive approach are much appreciated.

Signed on behalf of the trustees:

Michael Copps
Trustee

Approved by the trustees on: 19 September 2024

Independent auditor's report to the members of The Order of Friars Minor Charitable Trust

Opinion

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

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its 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 and the Charities and Trustee Investment (Scotland) Act 2005. and regulation 8 of the Charities Accounts (Scotland) Regulations 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 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 and the Charities Accounts (Scotland) Regulations 2006 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 and proper 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 14, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts 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.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and review of 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:

- ◆ Making enquiries of management and 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.

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

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

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

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

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

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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

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

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

Independent auditor's report 31 December 2023

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. and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 September 2024

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

Statement of financial activities Year to 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income from:							
Donations and legacies	1	677,589	338,041	1,015,630	266,541	269,984	536,525
Investments and bank interest	2	632,618	—	632,618	595,142	—	595,142
Charitable activities							
. Church repository sales		6,274	—	6,274	6,762	—	6,762
Other sources	3	42,589	3,253	45,842	28,256	6,810	35,066
Total income		1,359,070	341,294	1,700,364	896,701	276,794	1,173,495
Expenditure on:							
Raising funds							
. Investment management fees		75,722	—	75,722	84,106	—	84,106
Charitable activities							
. Grants and donations in support of the work of the Order and other charities	4	135,431	288,608	424,039	269,064	287,679	556,743
. Support of members of the Order and their ministry	5	590,202	28,172	618,374	518,620	15,491	534,111
. Supplies for church repositories		5,855	—	5,855	6,309	—	6,309
Total expenditure		807,210	316,780	1,123,990	878,099	303,170	1,181,269
Net income (expenditure) before gains (losses) on investments and transfers	7	551,860	24,514	576,374	18,602	(26,376)	(7,774)
Net investment gains (losses)		250,693	—	250,693	(3,215,630)	—	(3,215,630)
Net income (expenditure) before transfers		802,553	24,514	827,067	(3,197,028)	(26,376)	(3,223,404)
Transfers between funds	15	—	—	—	90,000	(90,000)	—
Net income (expenditure) and net movement in funds for the year		802,553	24,514	827,067	(3,107,028)	(116,376)	(3,223,404)
Reconciliation of funds:							
Total funds brought forward at 1 January 2022		20,343,163	447,035	20,790,198	23,450,191	563,411	24,013,602
Total funds carried forward at 31 December 2023		21,145,716	471,549	21,617,265	20,343,163	447,035	20,790,198

All of the charity's activities were derived from continuing operations during the above two financial periods.

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

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	11		3,090,776		3,213,264
Investments	12		16,207,682		16,133,911
			19,298,458		19,347,175
Current assets					
Debtors					
. Amounts falling due after one year	13	120,006		155,468	
. Amounts falling due within one year	13	47,258		56,056	
Cash at bank and in hand		2,185,400		1,311,355	
		2,352,664		1,522,879	
Creditors: amounts falling due within one year	14	(33,857)		(79,856)	
Net current assets			2,318,807		1,443,023
Total net assets			21,617,265		20,790,198
The funds of the charity					
Restricted funds	15		471,549		447,035
Unrestricted funds					
. Designated funds	16	13,500,000		13,500,000	
. Tangible fixed assets fund	17	3,090,776		3,213,264	
. General fund		4,554,940		3,629,899	
			21,145,716		20,343,163
			21,617,265		20,790,198

Approved by and signed
on behalf of the trustees by:

Micheal Copps
Trustee

Approved by the trustees on: 19 September 2024

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	79,860	(350,040)
Cash flows from investing activities:			
Investment income and bank interest received		633,936	562,205
Purchase of tangible fixed assets		(16,673)	(567,924)
Proceeds from the disposal of investments		2,073,858	1,643,220
Purchase of investments		(870,050)	(1,722,193)
Net cash used in investing activities		1,821,071	(84,692)
Change in cash and cash equivalents in the year		1,900,931	(434,732)
Cash and cash equivalents at 1 January 2023		1,328,833	1,763,565
Cash and cash equivalents at 31 December 2023	B	3,229,764	1,328,833

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	827,067	(3,258,404)
Adjustments for:		
Depreciation charge	139,161	135,261
(Gains) losses on investments	(250,693)	3,215,630
Investment income and bank interest receivable	(632,618)	(560,142)
Decrease in debtors	42,942	37,513
(Decrease) increase in creditors	(45,999)	80,102
Net cash provided by (used in) operating activities	79,860	(350,040)

B Analysis of changes in cash and cash equivalents i.e. net debt

	2022 £	Cash flows £	2023 £
Cash at bank and in hand	1,311,355	874,045	2,185,400
Cash held by investment managers	17,478	1,026,886	1,044,364
Total cash and cash equivalents	1,328,833	1,900,931	3,229,764

Principal accounting policies 31 December 2023

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

Basis of accounting

The accounts have been prepared for the year to 31 December 2023 with comparative information given in respect to the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items initially 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 the principles set out in 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ♦ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge; and
- ♦ estimating the amounts to be set aside as designated reserves.

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, along with their investment managers, will continue to monitor the impact on the stock markets of the current macroeconomic and geopolitical climate but the charity is a long term investor and the trustees take a long term view.

Assessment of going concern (continued)

Therefore, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

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, legacies, investment income, interest receivable, church repository sales, the surplus on disposal of assets and other income.

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

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

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

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

Principal accounting policies 31 December 2023

Income recognition (continued)

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Income from repository sales is recognised when the risks and rewards of ownership have transferred to the buyer.

All other income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition and the basis of allocating costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and governance support costs.

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. These costs are allocated directly to support of members of the Order and their ministry. All other costs are directly allocated to the headings in the statement of financial activities and there is no apportionment. The classifications in the statement of financial activities are as follows:

- a. The costs of raising funds comprise the fees paid to investment managers in connection with the management of the charity's investment portfolio.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report and include:
 - ◆ Grants and donations in support of the work of the Order and other charities
This is made up entirely of grants, including grants to support the Order's generalate and grants in support of the Order's work both in the UK and overseas. Charitable grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the period end.
 - ◆ Support of members of the Order and their ministry
This enables the members to carry out the charitable work of the Order in the areas of the advancement of the Roman Catholic religion and the relief of poverty.
 - ◆ Supplies for church repositories
This is expenditure on repository items, such as books, which are purchased for resale.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

◇ Parishes

The trustees are the legal owners of churches and other parish land and buildings. In the event of the Order ceasing its ministry in a parish, the trustees would consider themselves obliged to allow such assets to continue to be used indefinitely and rent free to meet the needs of the parish for a church and related accommodation. As such assets are not therefore susceptible to a meaningful valuation and there is no reliable information as to their cost, they are not valued for the purposes of these accounts.

The buildings consist of churches, presbyteries and parish halls and were constructed up to 100 years ago, with additions and improvements since. They are situated in Clevedon (Somerset), Yatton (Somerset), Stratford (London) and Woodford Green (Essex).

◇ School occupied land and buildings

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of Nottingham Academy are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◇ Other land and buildings

Where these have been owned at least from 1983, they are stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost. Additions to other land and buildings since 1983 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Order.

◆ Freehold improvements

Depreciation is provided at the rate of 5% per annum on cost in order to write each asset off over its expected useful life. A full year of depreciation is charged in the year of acquisition.

◆ Motor vehicles

Depreciation is provided at the rate of 20% per annum on cost in order to write each asset off over its expected useful life.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

Fixed asset 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 the 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.

Funds structure

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing non-liquid assets and funds which the trustees have designated for specific purposes. Details of these are provided in notes 16 and 17.

Details of funds raised for a specific purpose or subject to donor-imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Order

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

Principal accounting policies 31 December 2023

Foreign currencies

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Notes to the accounts 31 December 2023

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Donations						
. Pastoral offerings	110,040	—	110,040	118,191	—	118,191
. General donations	107,427	81,808	189,235	112,546	179,484	292,030
	217,467	81,808	299,275	230,737	179,484	410,221
Legacies	344,748	256,233	600,981	32,300	500	32,800
Salaries and pensions of individual religious received under deed of covenant and Gift Aid	115,374	—	115,374	93,504	—	93,504
	677,589	338,041	1,015,630	356,541	179,984	536,525

2 Income from: Investments and bank interest

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income from listed investments	595,568	—	595,568	601,810	—	601,810
Other interest receivable	31,057	—	31,057	541	—	541
Unwinding of debtor held at present value (note 13)	5,993	—	5,993	(7,209)	—	(7,209)
	632,618	—	632,618	595,142	—	595,142

3 Income from: Other sources

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Sundry income	48,863	3,253	52,116	28,256	6,810	35,066

4 Expenditure on: Grants and donations in support of the work of the Order and other charities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Grants to institutions						
Support of the Order's Generalate	11,660	—	11,660	25,991	—	25,991
For the relief of poverty and advancement of education and religion generally						
. Foreign Missions of the Order of Friars Minor	—	278,725	278,725	—	261,528	261,528
. Miscellaneous grants to institutions	123,771	—	123,771	243,073	—	243,073
Other donations	—	9,883	9,883	—	26,151	26,151
	135,431	288,608	424,039	269,064	287,679	556,743

5 Expenditure on: Support of members of the Order and their ministry

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Living and personal expenses of friars	167,707	7,339	175,046	141,081	2,107	143,188
Premises	96,530	468	96,998	67,803	720	68,523
Depreciation of freehold property	135,166	—	135,166	129,853	—	129,853
Grants to former members	56,368	—	56,368	44,912	—	44,912
Friars' formation	9,971	11,465	21,436	8,995	5,580	14,575
Governance costs (note 6)	88,191	—	88,191	51,288	—	51,288
Other costs	36,269	8,900	45,169	74,688	7,084	81,772
	590,202	28,172	618,374	518,620	15,491	534,111

6 Governance costs

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Legal and professional	78,545	—	78,545	47,939	—	47,939
Meeting costs	9,646	—	9,646	3,349	—	3,349
	88,191	—	88,191	51,288	—	51,288

7 Net (expenditure) income before (losses) gains on investments and transfers

This is stated after charging:

	Unrestricted funds	
	2023 Total funds £	2022 Total funds £
Auditor's remuneration (including VAT)		
. Statutory audit services	38,764	31,640
Depreciation	139,161	135,261

8 Staff costs and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Guardians at each friary. They received no remuneration in the year (2022 - none).

There are no staff costs as the charity does not employ staff (2022 – none).

9 Trustees expenses and transactions with trustees

As members of the Order, the trustees' living expenses during the year were borne by the charity.

As members of the Order, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under gift aid. During the year the amount donated by the trustees to the charity was £20,248 (2022 - 19,511).

9 Trustees expenses and transactions with trustees (continued)

The trustees have purchased insurance to protect the charity from any loss arising from negligent acts, errors or omissions on the part of the trustees and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £894 (2022 - £894) and provides cover of up to a maximum of £500,000 (2022 - £500,000).

10 Taxation

The Order of Friars Minor Charitable Trust is a registered charity and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to freehold buildings £	Motor vehicles £	Furniture and equipment £	2023 Total £
Cost or valuation					
At 1 January 2023	3,766,795	1,090,342	66,919	7,907	4,931,963
Additions	—	6,830	9,843	—	16,673
At 31 December 2023	<u>3,766,795</u>	<u>1,097,172</u>	<u>76,762</u>	<u>7,907</u>	4,948,636
At cost	766,488	1,097,172	76,762	7,907	1,948,329
At deemed cost (1983 valuation)	<u>3,000,307</u>	<u>—</u>	<u>—</u>	<u>—</u>	3,000,307
	<u>3,766,795</u>	<u>1,097,172</u>	<u>76,762</u>	<u>7,907</u>	4,948,636
Depreciation					
At 1 January 2023	1,507,632	148,733	54,427	7,907	1,718,699
Charge for the year	<u>72,020</u>	<u>63,304</u>	<u>3,837</u>	<u>—</u>	139,161
At 31 December 2023	<u>1,579,652</u>	<u>212,037</u>	<u>58,264</u>	<u>7,907</u>	1,857,860
Net book values					
At 31 December 2023	<u>2,187,143</u>	<u>885,135</u>	<u>18,498</u>	<u>—</u>	3,090,776
At 31 December 2022	<u>2,259,163</u>	<u>941,609</u>	<u>12,492</u>	<u>—</u>	3,213,264

As permitted under Financial Reporting Standard 102 (FRS 102), the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties, i.e. the churches and other parish buildings, and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at a 1983 valuation cannot be ascertained with accuracy. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost.

Notes to the accounts 31 December 2023

12 Investments

	Total 2023 £	Total 2022 £
Listed investments		
Market value at 1 January 2023	16,116,433	19,253,090
Additions at cost	870,050	1,722,194
Disposals at opening book value (proceeds: £2,073,858, realised gains £110,274)	(1,963,584)	(1,852,202)
Unrealised (losses) gains	140,419	(3,006,648)
Market value at 31 December 2023	15,163,317	16,116,433
Cash held by investment managers for reinvestment	1,044,364	17,478
	16,207,681	16,133,911
 Cost of listed investments at 31 December 2023	 12,894,385	 14,027,794

Listed investments held at 31 December 2023 comprised the following:

	Total 2023 £	Total 2022 £
UK government securities	619,543	424,997
Unit trusts	649,369	632,585
UK fixed interest	199,980	186,720
Equities	12,259,253	13,359,196
Property and alternatives	1,435,172	1,512,935
	15,163,317	16,116,433

There were no individual holdings as at 31 December 2023 which were deemed material in comparison with the market value of the entire listed portfolio held at that date (2022 – none).

13 Debtors

	Total 2023 £	Total 2022 £
Prepayments and other sundry debtors	8,776	24,030
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due within one year	38,482	32,026
	47,258	56,056
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due after one year	120,006	155,468
	167,264	211,524

In 2012, the charity disposed of a freehold property in Dundee, Scotland for agreed proceeds of £510,000. Under the agreed payment schedule, £350,000 was received prior to 31 December 2023. The balance will be received as follows: 2024 - 2027, £40,000 annually. This sale agreement constitutes a financial arrangement as defined by FRS 102. Therefore, in order to comply with the Charities SORP FRS 102 and FRS 102 itself, the proceeds receivable from the disposal of the property have been discounted to their present value using an effective discount rate of 3.93%, the rate received by the charity on bank deposits. The notional interest is credited to the statement of financial activities as the discount is “unwound”.

14 Creditors: amounts falling due within one year

	Total 2023 £	Total 2022 £
Accruals	33,857	27,800
Deferred income	—	8,356
Expense and other creditors	—	43,700
	33,857	79,856

15 Restricted funds

The income funds of the charity include the following restricted funds, comprising the unexpended balances of donations received for specific purposes:

	At 1 January 2023 £	Income £	Expenditure and transfers £	At 31 December 2023 £
Franciscan Missionary Union	412,428	229,965	(243,447)	398,946
Stratford Building Project	11,920	—	—	11,920
Other restricted funds	22,687	111,329	(73,333)	60,683
	447,035	341,294	(316,780)	471,549

	At 1 January 2022 £	Income £	Expenditure and transfers £	At 31 December 2022 £
<i>Franciscan Missionary Union</i>	<i>520,016</i>	<i>169,431</i>	<i>(277,019)</i>	<i>412,428</i>
<i>Stratford Building Project</i>	<i>11,920</i>	—	—	<i>11,920</i>
<i>Woodford Green Heating Project</i>	—	<i>90,000</i>	<i>(90,000)</i>	—
<i>Other restricted funds</i>	<i>31,475</i>	<i>17,363</i>	<i>(26,151)</i>	<i>22,687</i>
	563,411	276,794	(393,170)	447,035

The Franciscan Missionary Union represents monies received specifically for the Order's missions abroad.

The Stratford Building Project represents monies received specifically to assist with the remodification of buildings of a parish administered on behalf of the local diocese by the friars in Stratford, London. The majority of the building work was undertaken in 2010.

The Woodford Green Heating Project represents monies received specifically towards the modernisation of the heating system at the Woodford Green site.

Other restricted funds represent a number of individually small funds made up of donations for specific purposes.

16 Designated funds

The unrestricted funds of the charity include the following funds designated for specific purposes.

	At 1 January 2023 £	Designated in year £	Utilised/ Released in year £	At 31 December 2023 £
Sick and retired reserve	6,700,000	11,163	(11,163)	6,700,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	2,300,000	—	—	2,300,000
Formation fund	1,000,000	—	—	1,000,000
Relief of poverty fund	2,000,000	—	—	2,000,000
	13,500,000	11,163	(11,163)	13,500,000

	At 1 January 2022 £	Designated in year £	Utilised/ Released in year £	At 31 December 2022 £
<i>Sick and retired reserve</i>	8,000,000	5,679	(1,305,679)	6,700,000
<i>Maintenance fund</i>	1,500,000	—	—	1,500,000
<i>Mission and development fund</i>	1,000,000	—	1,300,000	2,300,000
<i>Formation fund</i>	1,000,000	—	—	1,000,000
<i>Relief of poverty fund</i>	2,000,000	—	—	2,000,000
<i>Birmingham property fund</i>	500,000	—	(500,000)	—
	14,000,000	5,679	(505,679)	13,500,000

◆ Sick and retired reserve

This consists of monies which the trustees have set aside in order to provide for older friars and those in ill health. The reserve has been calculated so as to provide income to communities with elderly or sick friars to care for.

◆ Maintenance fund

The maintenance fund represents monies set aside by the trustees for the upkeep and repair of the buildings of the Custody. The last quinquennial reviews, carried out in 2023, on Stratford and Woodford indicated forthcoming expenditure of £150,000 and £120,000 respectively over the next five years.

◆ Mission and development fund

The mission and development fund comprises monies set aside towards funding new initiatives in furtherance of the mission of the Order.

◆ Formation fund

The formation fund comprises monies set aside towards funding the formation and education of friars. The monies held in the formation fund are reviewed on a regular basis during the year by the trustees.

An endowment pledge of £1,000,000 to the University of Durham for the setting up of a Franciscan Chair has been agreed by the trustees in 2024. This will have an impact financially on both the Mission and Development Fund and the Formation Fund.

16 Designated funds (continued)

♦ Relief of poverty fund

The relief of poverty fund represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. A donation to a named charity for the homeless is being considered in 2024, to be used specifically for the purchase of a residential property for the homeless.

♦ Birmingham property fund

The Birmingham property fund comprised monies set aside for the purchase of a property in 2022.

17 Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 January 2023	3,213,264	2,867,142
Net movement in year	(122,488)	346,122
At 31 December 2023	<u>3,090,776</u>	<u>3,213,264</u>

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. This fund has been established to recognise the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

18 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	—	—	3,090,776	—	3,090,776
Investments	2,707,682	13,500,000	—	—	16,207,682
Net current assets	1,847,258	—	—	471,549	2,318,807
Total net assets	<u>4,554,940</u>	<u>13,500,000</u>	<u>3,090,776</u>	<u>471,549</u>	<u>21,617,265</u>
	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	—	—	3,213,264	—	3,213,264
Investments	2,633,911	13,500,000	—	—	16,133,911
Net current assets	995,988	—	—	447,035	1,443,023
Total net assets	<u>3,629,899</u>	<u>13,500,000</u>	<u>3,213,264</u>	<u>447,035</u>	<u>20,790,198</u>

Notes to the accounts 31 December 2023

18 Analysis of net assets between funds (continued)

The total unrealised gains at 31 December 2023 constitute movements on revaluation and are as follows:

	Total 2023 £	Total 2022 £
Unrealised gains included above:		
On investments	3,313,296	2,088,639
Total unrealised gains at 31 December 2023	3,313,296	2,088,639
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	2,088,639	5,301,536
In respect to disposals in the year	1,084,239	(206,249)
Net (losses) gains arising on revaluation in the year	140,418	(3,006,648)
Total unrealised gains at 31 December 2023	3,313,296	2,088,639

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Order of Friars Minor by virtue of the fact that the Superior of the Province has the power to appoint the trustees.

20 Connected charities

The Order of Friars Minor Charitable Trust is connected to one other charity by virtue of the fact that the trustees of the Order have the power to appoint trustees of the connected charity and the charities use the same principal address.

The connected charity is:

Name	Charity Reg No	Charitable objectives
Commissariat of the Holy Land	263616	The support of the work of the Custody of the Holy Land, the advancement of the Roman Catholic religion and the relief of poverty.

21 Related party transactions

Other than as disclosed in note 9, there were no further related party transactions (2022 - none).

22 Contingent liability

The OFM were notified in May 2023 of two personal injury claims, which are being brought against the OFM arising from incidents of non-recent child sexual abuse, which took place in Scotland in the early 1970's. The claims are being brought in Scotland, where the incidents of non-recent child sexual abuse took place. These two claims were settled after the year end, but two further claimants have come forward.

The OFM are uninsured in respect of the two claims and so any damages/compensation and legal costs paid to the claimants and their solicitors in respect of the legal liabilities of the OFM will be paid from charitable funds. To date the OFM have been provided with very limited detail in respect of the nature and extent of the level of damages/compensation sought on behalf of these two claimants.

Accounts

**The
Order of
Friars
Minor
Charitable
Trust**

Annual Report and Accounts

31 December 2022

Charity Registration Numbers:
232177 (England and Wales)
SC039191 (Scotland)

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

Trustees	Rev Michael Copps OFM (Chairman) Rev Patrick Lonsdale OFM Rev Antony Jukes OFM Rev Edmund Highton OFM Rev Michael O'Grady OFM (resigned 27 July 2022) Rev George Smulski OFM (appointed 27 July 2022) The trustees are incorporated under the Charities Act 2011
Custos	Rev Michael Copps OFM
Custodial Secretary	Rev Patrick Lonsdale OFM
Provincial Bursar	Rev Michael O'Grady OFM
Principal address	The Franciscan Friary 557 High Road Woodford Green Essex IG8 0RB
Charity registration numbers	232177 (England and Wales) SC039191 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Stockbrokers	J M Finn & Co 4 Coleman Street London EC2R 5TA
Principal bankers	NatWest Group 1st Floor 440 Strand London WC2R 0QS

Trustees' report 31 December 2022

The trustees present their statutory report together with the accounts of The Order of Friars Minor Charitable Trust for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 24 to 29 and comply with applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

INTRODUCTION

The Order of Friars Minor was founded by St Francis of Assisi in 1209. It has maintained its essential character through the centuries. Friars live in communities, observing the Gospel of Our Lord Jesus Christ, under vows of poverty, celibate chastity and obedience, in accordance with the 'Rule of 1223' written by the Founder. The Minister General's headquarters are in Rome where he is assisted by a General Definitory or Council, governing the Order Worldwide. The British Custody is part of the Order.

CONSTITUTION

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the British Custody are held and through which its finances operate. The charity is governed by a trust deed dated 1 December 1963 as amended by a scheme dated 12 June 1973, and is registered under the Charities Act 2011. Since 2007 the trust has also been registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of the charity are an incorporated body under the Charities Act 2011.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES

The principal aims of the charity are the support of charitable purposes connected with the Roman Catholic Religion and the support of the charitable work of the Order generally. This work is described in more detail in the following paragraphs. Although the majority of friaries are situated in England, the charity has one house in Glasgow, Scotland. The objectives described below apply in Scotland with special emphasis on the overseas mission work.

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Pastoral

The Order of Friars Minor in this Custody has four parishes in its care. Most of the friars of the Custody are engaged in pastoral and educational work – supporting and encouraging prayer and worship, administering the sacraments, preaching, teaching, providing spiritual and material sustenance to those in need. In addition, they give retreats and missions to other parishes and to convents. There is an obvious public benefit from these activities, as they are designed to promote harmony and cooperation in the parishes concerned and in the wider community.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Educational

To be able to provide the pastoral and spiritual support mentioned above, the members of the Custody must have the opportunity to obtain firstly the initial formation needed in the preparation for their ministry and then the further training and formation to equip them to serve the Church and the faithful in a rapidly changing society. The trustees need, therefore, to keep a close eye on the requirements to remain active and fruitful preachers of the Gospel. In addition, the friars take an active interest and play a part in the provision of primary, secondary and tertiary education in the schools of their parishes. These schools have a Catholic ethos and have no restriction with regard to colour, race, or income, thus providing an obvious public benefit.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. This Custody began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students.

Grant making policy

The bulk of the grants made by the charity usually arise through the restricted funds i.e. the Franciscan Missionary Union (FMU) and Saint Antony's Bread. In both cases money is deposited with the friars by the faithful to be used in the Franciscan missions and for the relief of poverty. The policy of the charity, therefore, is to use all the money so contributed for the furtherance of those two aims.

In total, grants of approximately £557,000 (2021 – £218,000) have been made during the year both as direct donations from the income of the charity and from disbursement of contributions by the faithful to the FMU and St Antony's Bread. As usual, the Franciscan Missionary Union made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £262,000 during the year (2021 – £75,000). In addition, the charity makes a regular annual donation to about a dozen charities that provide services allied to the Franciscan ethos e.g. Shelter, NSPCC and CAFOD totalling circa £243,000 (2021 - £105,000). More details are given in note 4 to the accounts.

Investment policy

The charity has a portfolio of investments with a market value as at 31 December 2022 of £16,133,911 (2021 - £19,432,468).

The charity has set up a Sick and Retired Reserve to provide assistance to communities with elderly and infirm friars. This reserve is represented by a large part of the charity's portfolio of stocks and shares, managed under the guidance of a fund manager. The fund managers have been asked by the trustees to keep a prudent balance between gilts and equities and to ensure the risk is spread by investing in a wide range of industrial shares of the larger companies. The twin aims are to raise some income to support the present elderly friars and to achieve a capital appreciation so as to build up the fund for future years.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Investment policy (continued)

The trustees have also instructed the fund managers to refrain from buying shares in companies associated with armaments, tobacco and contraceptives, as well as any pursuing activities at variance with the charity's objectives. It has also recently disposed of its holdings in fossil fuel shares and invested in renewable energy instead, following the lead given by Pope Francis.

Review of the year

Pastoral work

All the formation, training and education of friars in initial formation now takes place outside the Custody of Great Britain. The Postulancy is currently located in Galway, Ireland, the Novitiate year is based in Killarney, Ireland, and the study of Philosophy and Theology takes place in Rome, Italy. Friars from the Custody in initial formation will have summer placements in the Custody so as to maintain links with the Custody.

Throughout the year there were no friars in initial formation.

Antony Jukes, in his capacity as Novice Director, and Donal Walsh, in his capacity as Director of Vocations, have attended meetings of the Interprovincial Secretariat for Formation and Studies (ISFS). These meetings are also attended by all friars of the Irish Province involved in formation ministry. With the lifting of Covid-19 restrictions, these meetings are now taking place in person.

In August 2022, three men began their novitiate year at the Interprovincial Novitiate in Killarney. One is from the Irish Province, one from the Lithuanian Province and one from the Canadian Province

Overseas missions

The Franciscan Missionary Union was established many years ago to help the Missionary endeavours of the Order of the Friars Minor. In the 1930's and 1940's, the English Province established Missionary Dioceses in India and South Africa. The work done in both countries was considerable and is now in the care of indigenous Franciscan Friars.

The Franciscan Missionary Union has, therefore, opened out towards other Missionary endeavours in various parts of the world. While still keeping in contact with our older Missionary work in India and South Africa we have branched out considerably to help the poor and marginalised in both East and West Africa as well as Sri Lanka and Madagascar. We also try to respond to any emergency situations where and when they occur in conjunction with Missio Scotland, SCIAF and Mary's Meals.

We endeavour to obtain good estimates and reports for any proposed projects. These grants are made to particular Franciscan Provinces and are administered by fellow Franciscans. The source of these monies comes from the wonderful generosity of friends of the missions who continue to support the work done by the FMU.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Promotion of vocation

During 2022, there was more opportunity to meet Enquirers for the Franciscan Order wishing to know more and to discover whether this way of life was suitable for them before any further decisions could be made either way. Covid 19 restrictions and the Pandemic had affected this direct contact having to depend on Zoom calls. Now as 2022 developed, there was more direct contact, although this Zoom communication still continued due to practicality and distance. Promoting vocations and time required for travelling in the UK is part of the job of a vocation minister meeting Enquirers and attending vocation meetings, occasional international gatherings and youth events outside of UK/Ireland.

During 2022, some 44 enquiries were received about the Franciscan way of life, all of whom received a reply and acknowledgement, and 5 of whom we have been in regular communication over several months during 2022. There were two meetings with other Franciscans and Vocation Promoters of a business-like manner and of a training nature with some guest speakers. Meeting other vocation ministers has been and still is an important support and benefit to us, and is a way to meet, listen and learn new approaches in animating and promoting vocational service. Lastly, in 2022, on three occasions Donal Walsh gave 2 talks for Schools and 1 for a university chaplaincy using Zoom twice and once by a visit. These talks and discussions were on the Franciscan life, mostly to 5th year Senior School students from several classes along with their teachers and took part in a Zoom seminar for young adults on the subject considering their future lives and gifts.

O.F.S. Spiritual Assistance

The major change that took place in the latter part of 2022 was that the number of National Spiritual Assistants returned from 2 to being 3 Assistants and we began to discuss how we would work and co-operate as a team for the whole of the UK. The focus of our service is to assist, guide and support the members of the Order of Secular Franciscans (OFS), females and males, who live in their homes, often scattered, who usually meet as a group monthly for prayer, discussion and solidarity, living Franciscan ideals as brothers and sisters.

During 2022, the OFS slowly and with some hesitation began coming together for Fraternity meetings as well as via Zoom. Due to the fact that some members are elderly, fragile, and sick, I would suggest that such physical gatherings were less than 50%. The role of Spiritual Assistant is to attend fraternity meetings and special gatherings especially covering 3/4 out of 9 regions of the UK which comprise about 60 local fraternities. Needless to say, due to distance and areas covered by the three Assistants, it is a mammoth task to visit all local groups over a year so we mostly concentrate on regional fraternal meetings and special events for Local Fraternities such as professions, elections and retreat days.

Again, during 2022 virtual Zoom meetings of the regions and of the National Council considering its life, structures, decisions and plans for the OFS in Britain took place on a monthly basis lasting some 2 hours which we mostly attended. Although some dealt with business, other meetings were on sharing and dialogue between members as a source of support and encouragement for all.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Vigilance with regard to the care of children and vulnerable persons and relevant training

Last year the Catholic Church appointed two new agencies whose purpose is to recast totally the Church's practice in regard to safeguarding the vulnerable. At each of our trustees' meetings we have reviewed our progress in receiving the training so far provided – much of it taking part in webinars – and adapting our practice accordingly. With the Religious Life Standards Service we have continued our ongoing support for a number of survivors of past abuse.

Both of the Church's agencies are active in setting up systems of audit at all levels and in all the entities the Church comprises. We await the promised help to begin our own now required self-audit of the practice of friars and of the areas in which they engage.

Guardians' Report 2022

Glasgow

During 2022 there were three friars in the community. Gradually, as life came back to more normal ways after the Covid Pandemic, this was also the case for the Church and parish community and life. However, numbers were much smaller once churches were opened and people still had a sense of anxiety being together liturgically and socially. Thus, like other areas of life, fewer people were seen out and about including in our own church. We hope that as appears, numbers will increase for Sunday and weekday Masses, ethnic chaplaincy groups from Sri Lanka, Vietnam, the local school community, other church and self help groups, and occasional Diocesan meetings. All friars and helpers directly involved with safeguarding activity, have PVG Certification. We no longer host the Bridging the Gap group after some 25 years being here.

Clevedon

There are three Friars in Clevedon.

Sunday Masses are celebrated in the Parish Church in Clevedon and in the nearby village of Yatton. The parish hall, attached to the church at Clevedon, is well used by the parish and other local groups, such as the Secular Franciscans, the Rotary Club, a mother and toddler group, and a number of exercise, art and language classes.

The Friars continue to minister to people in local residential and nursing homes. One of them acts as Chaplain to the parish school, which is situated in Nailsea.

Stratford

There are four Friars at Stratford. They minister to a large congregation of various nationalities and ethnic backgrounds in the London Borough of Newham. There are families from different countries of Africa and Asia, as well as from Ireland and continental Europe. The Parish Priest acts as Chaplain to the Parish Primary School (St Francis).

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report 2022 (continued)

Stratford (continued)

Volunteers from the parish use the friary kitchen on weekdays to make up sandwiches and hot drinks for homeless people (and others) who call at the friary door. Demand for this has dropped considerably since the lockdown.

In the first three months of 2023 volunteers worked with a local charity to provide a bed for the night once every two weeks in our parish hall for up to 15 homeless people. They also provided a hot meal. They were working in conjunction with a local charity that used various church halls for this purpose.

Woodford

The community is comprised of eight Friars the majority of whom are either ailing or elderly. With the lifting of Covid restrictions people have returned to Sunday worship but not in such numbers as previously. Income is down. Daily services are provided in the parish church and local convent chapel as well as the weekday Mass in the Catholic High School chapel. The Friars are chaplains to the two Catholic schools in the parish. Local nursing homes are also visited by the Friars or appointed parishioners. As well as providing space for parish activities the church Becket Centre is hired out to local groups - Jiu Jitsu, Tai Chi, Pilates, Irish Dancing, Guides, Yoga, Spanish Classes, Under 5's, Bridge Club and AA Twelve Step meetings. The parish SVP (Society of St Vincent de Paul) continues to provide financial and material help to the poor and needy in the area with donations provided by the Sunday congregation. Several rooms in the front wing of our Friary provide free accommodation to two Ukrainian families escaping the war in Ukraine.

Cordate Community/OFM Birmingham

Mission Statement in Birmingham

We members and associates of the Franciscans (OFM - Order of Friars Minor) seek to help contribute and work towards a more inclusive, socially cohesive, just, and peaceful community/society, which celebrates our unity in rich diversity.

We want to be a friendly presence in a diverse ethnic, faith and secular community.

We aim to focus on helping to support marginalised groups of people in Birmingham city, including but not limited to homeless, refugee and asylum seeking, LGBT+.

We seek to do this in a variety of ways, which include:

- ♦ Establishing networks and partnerships with the wider community, grass roots community organisations and charities.
- ♦ Developing informal and referral pathways with partnership agencies.

We wish to nurture and develop positive ecumenical and interfaith links, understanding, relationships and dialogue, on individual and group levels.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Cordate Community/OFM Birmingham (continued)

The following is a report from one of the Friars in Birmingham:

OFM Birmingham

I continued living in temporary accommodation hosted by the local Aston United Reformed minister (from June 2021) until October 2022 when my OFM Custody was able to purchase a house for friars as a home-base to support our work in Birmingham. The house is conveniently located close to the city centre.

An Italian friar is expected to join in early 2023. He has worked for 16 years in 4 east African countries, 11 years in Brussels and is a qualified psychotherapist.

The following are a few examples of the voluntary work in social projects within the city:

- ◆ *St. Chad's Sanctuary* - drop-in centre/charity for refugee and asylum-seeking people;
- ◆ *Hope Projects* (a charity for refugee people) - supporting refugee men in a home in Ivor Road, Sparkhill while they seek leave to remain in the UK from the Home Office;
- ◆ *Street Banquet* - a monthly meal for homeless people based in The Church at Carrs Lane (ecumenical venture);
- ◆ *Birmingham Christmas Shelter* – a charity providing meals, accommodation and entertainment for homeless people.

Other work within Birmingham included:

- ◆ Occasional small donations/food gifts given to charities and individuals - refugee, homeless, LGBT+, people working in prostitution;
- ◆ Being a member of lay-led reform movements seeking equality/justice in Catholic Church, especially for women and LGBT+ people e.g. *Root & Branch*, *Quest*;
- ◆ Visiting and attending services, celebrations at other Christian Churches (e.g. United Reformed, Methodist, Inclusive Gathering Birmingham, Evangelical; and spiritual direction/accompaniment to two people including a counsellor at a centre supporting women working in prostitution.

FUTURE PLANS

The communities are settled and functioning well. However, while that is true, we are very aware that we rely on the good health of a few friars who are key to managing our life together. These friars are wearing two or more hats, are aging and therefore this is a worry. At the moment we are managing but we are exploring ways of becoming less vulnerable including the closure of another friary. The 2022 chapter took place from 25 to 29 July. The 2022 chapter resolved that the Custodial Council begin a dialogue with the Irish Province, to explore a closer collaboration between the two Provinces with a view to possible integration at a future date.

FINANCIAL REVIEW

Investment performance

The portfolio comprises 83% equities, 3% gilts, 5% unit trusts and fixed interest funds and 9% property and alternatives. The overall value of the portfolio decreased by £3,298,557 from a market value of £19,432,468 at the end of 2021 to a value of £16,133,911 at the end of 2022.

Income and expenditure

A summary of the year's results can be found on page 21 of this annual report and accounts. Total income amounted to £1,173,495 compared to £1,319,474 in 2021. Total expenditure during the year increased from £786,221 in 2021 to £1,181,269 in 2022 as a result of more grants and donations being made.

Net expenditure for the year before gains on investments, therefore, amounted to £7,774 (2021 – net income of £533,253). Net losses on investments of £3,215,630 (2021 – net gains of £2,029,834) resulted in a net decrease in funds for the year of £3,223,404 compared to a net increase of £2,563,087 in 2021.

Financial position and reserves policy

The balance sheet shows total funds of £20,790,198 (2021 – £24,013,602). Of this, £447,035 (2021 – £563,411) is restricted for specific purposes. £412,428 (2021 – £520,016) is restricted in respect of the Franciscan Missionary Union, which receives money specifically for the Order's missions abroad. The remainder of the restricted funds represent a number of individually small funds made up of donations for specific purposes.

The charity has unrestricted funds of £20,343,163 (2021 – £23,450,291). Of this £3,213,264 (2021 – £2,867,142) represents tangible fixed assets. About 12 per cent of the total resources owned by the charity comprise tangible fixed assets. The Franciscan Custody in this country can only carry out the aims set out in the first part of this report if it has the use of such assets. Not only are the assets an essential prerequisite for the work of the Custody, but much of the property is not at the complete disposal of the Custody; if the trustees were to vacate any of this property they would regard themselves as obliged to offer it to the Bishop or some other religious order that was prepared to carry on the same work. In these circumstances, therefore, it seems advisable to recognise the resource as a separate fund rather than as an available resource.

The charity has six designated funds.

The first of these is the Sick and Retired Reserve. The average age of the friars in the Custody is steadily increasing and the elderly and infirm friars now outnumber those who have to provide the supporting income. Given the small number of vocations in recent years, there may not be sufficient support available within the Custody unless some of the present resources are set aside for the future. A Sick and Retired Reserve has been set up to provide for the current members of the Order.

The second designated fund is the Maintenance Fund standing at £1,500,000 at the end of the year. The last quinquennial review, carried out at the end of 2015, on one of the charity's major properties indicated that this fund may need to be enlarged over the next ten years. A further quinquennial review is due to take place in the near future.

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

As mentioned above, the Custody is faced with a reducing number of friars in the coming years. That will of necessity give rise to decisions on changes to present activities and new ventures necessitating additional capital expenditure. Therefore, it is deemed prudent to set aside through a designated Mission and Development Fund a reserve which the trustees can utilise as and when needed for new initiatives in furthering the mission of the OFM.

The fourth designated fund is the Formation Fund which comprises monies set aside towards funding the formation and education of friars.

The fifth, is the relief of poverty fund which represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. One possibility being explored is for the charity to purchase one or more properties which might then be leased to these organisations at a peppercorn rent.

The sixth designated fund was the Birmingham property fund which comprised £500,000 which had been set aside and was used for the purchase of a property in 2022.

The amount of free reserves available after deducting the above designated funds and tangible fixed assets is £3,629,899 (2021 - £6,583,049). The policy of the trustees towards the General Reserve is to hold an amount roughly equivalent to one and a half year's unrestricted expenditure. The actual amount of free reserves held at 31 December 2022 clearly exceeded the amount demanded by the policy. However, the trustees are aware of the uncertainties created by the current macroeconomic and geopolitical climate and the need, therefore, to be cautious. In addition, the charity has recently embarked on a programme of quinquennial reviews of the charity's properties and it is expected that the results will show that significant investment will be needed in the properties over the next decade. Once the results of the reviews are known, it is the intention to increase the value of the Maintenance Fund thereby reducing free reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Until 11 November 2014, according to the Statutes of the Order, the friars in Great Britain constituted a Province, i.e., an entity with more than forty professed friars. As such, the Province was administered by a governing body, known as the Definitory, consisting of the Minister Provincial, a Vicar-Provincial, and five other friars, elected by all the brethren at the triennial Chapter. The members of the Definitory were also trustees of the charity.

Because of the decreasing numbers and ageing of the friars, the Province became, as of the Chapter held in November 2014, a Dependent Custody of the Province of Ireland. In effect, for Canon law purposes, the friars in Great Britain became a semi-autonomous entity, led by the Custos and a Council of three friars. They were appointed by the Minister General of the Order, but after three years there was an election of the Custos and Council and thereafter there will be an election every three years. Major appointments and decisions regarding the friars and houses of the Custody need to be ratified by the Provincial of Ireland and his Definitory. The trustees, however, continue to administer the charity and they are solely responsible for the financial management of the Custody.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

The Council assigns friars to the various friaries and parishes served by the Franciscans and appoints officers needed for the administration of the Custody. Each friary has a Guardian and Vicar, appointed by the Council, who have responsibility for the friars in their community. The running of each friary is discussed regularly by the whole community.

As all trustees are members of the Order they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They also meet with the Order's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees who served during the year are given below:

Reverend Michael Copps OFM

Father Michael Copps has been a member of the Order since 1965. After initial formation he was involved in pastoral work in parishes and the education of new members as Novice Director. From 1981 to 1990 he was elected Guardian of the community at Chilworth and held the post of Novice Director for the same period. From 1990 to 1999 he was a parish priest in Nottingham and was Guardian of the community from 1994 to 1997. In 1999 he became parish priest in Forest Gate, East London and in 2002 in Stratford and Guardian of the community. In 2005 he was elected Minister Provincial of the Province of Friars Minor in this country and served in that capacity until 2014. He has also served on the Finance Committee of the Province. After a period as parish priest and Guardian at Stratford he was elected as Custos in 2018. He gave up the role of Guardian in Woodford Green in 2022.

Reverend Patrick Lonsdale OFM

Father Patrick Lonsdale entered the Order in 1965. He gained a BA at the University of Kent in Canterbury. Since Ordination in 1974 he has worked in various friaries and parishes of the Custody, and has been Guardian at Craigmillar, Woodford, Forest Gate, Glasgow, Chilworth and Nottingham. He was also Parish Priest at Craigmillar, Glasgow and Chilworth. He was a Trustee and Definitor from 1996 to 2005. He served as Custos and Trustee from 2014 to 2018, and is currently a Councillor and Trustee. From 1990 to 1996 he was National Assistant to the Secular Franciscan Order. From 1996 to 2002 he was a member of a hermitage community at Penmaenmawr, which was a joint project with the Capuchins. Over the years Patrick has also served as Secretary of the Province, Secretary of Formation, and as Animator of Vocations. He is currently Guardian of the community at Stratford and is Religious Assistant to the Federation of Poor Clares in Great Britain.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Reverend Antony Jukes OFM

Father Antony Jukes joined the Order of Friars Minor in 2002, having previously worked and completed his training as an accredited Chartered Accountant. As part of his formation as a Franciscan Friar, Antony completed a BA and an MA degree in Theology at the Franciscan International Study Centre in Canterbury. After ordination as a priest, he served in our Franciscan parish in the Gorbals area of Glasgow for two years and then worked for two years in youth ministry at the Cold Ash Centre before returning to Canterbury to help with the formation of friars and to teach in what was the Franciscan International Study Centre. With the closure of the Study Centre in June 2017, Antony moved to the friary in Killarney, Ireland, where he is now the Novice Director in the new Interprovincial Noviciate.

Reverend Edmund Highton OFM

Father Edmund Highton has been a member of the Order since 1966. He had commercial experience of economics, commercial law and the finance of foreign trade through the "Institute of Export" prior to joining the Order. He spent many years as a missionary in South Africa, where he was a member of the Bishop's Council for about ten years with duties including the distribution of educational bursaries for secondary and tertiary education. He was a Parish Priest, caring for financial and pastoral concerns, from 1975 onwards. Now back in Britain, his present duties include the care of the Franciscan Missionary Union and being Parish Priest of Blessed John Duns Scotus in Glasgow.

Reverend George Smulski OFM

Father George Smulski OFM joined the Franciscan Order in 1979 after working for two years as an NHS Podiatrist in Carlisle. Initial formation was in Chilworth, Surrey, followed by theological studies at the Franciscan Study Centre, Canterbury and a BA degree at the University of Kent. After ordination in 1986 he served in parishes in Ipswich, Forest Gate, Stratford and Clevedon. From 1995-1998 he also undertook part-time work as an NHS Podiatrist in London, and from 2005-2011 was Postulant Director in Chilworth and Killarney, Ireland. He was Guardian of the Glasgow community from 2018-2022 and is presently Guardian of Woodford community. He has also been a governor in Catholic primary schools in Clevedon and Stratford. He is the Custody website administrator and since 2022 he serves on the Custody Council and as a trustee of the charity.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Order or senior staff. Financial decisions are overseen by the trustees. Mandates with the principal bankers are in place, to the effect that any cheque or online payment above £5,000 must have two authorisations, including one by a trustee. Online banking has been introduced at Custody level enabling daily monitoring of bank balances and other financial controls.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management (continued)

The Custody comprises 22 friars (as at 31 December 2022) who lived as part of five communities during the year. Three of these community houses are situated in the South of England (Clevedon, Somerset; Stratford in East London and Woodford Green, Essex), the fourth is in Birmingham, whilst the fifth community house is in Glasgow, Scotland. The five houses that remain open continue to exercise parochial responsibilities in collaboration with the bishops of the dioceses concerned.

As stated above, each community has a local guardian appointed by the Council. The local guardian is responsible for both the needs and the care of the friars in his community and he liaises regularly with the trustees. All local superiors meet together occasionally with the trustees to discuss developments and future plans and strategy.

Key management personnel

The strategic direction and the day-to-day management of the work of the charity is in the hands of the trustees and the Guardians at each friary. They are all members of the Order of Friars Minor and receive no remuneration for this work. All these friars have had many years' experience in the Order and are well aware of their responsibilities without the need for specific performance indicators.

Working with other organisations

The friars in the parishes served by the Custody work very closely with the bishops administering the dioceses within which the parishes are situated. That will include membership of the local deanery and helping out in neighbouring parishes where possible. In addition, most communities have a primary school in the parish and there is close connection with these schools as well as secondary schools serving the parishes of the friars. The friars are also engaged in working with statutory bodies, other Christian Churches, other faith communities, and other voluntary groups.

Trustees' responsibilities statement

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 and in Scotland 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;
- ♦ observe the methods and principles in the 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;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- ◆ 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.

Key management personnel

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 relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review. They also ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

- ◆ **Governance and management** looks at the risk of the Order, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.
- ◆ **Operational** looks at the risks inherent in the charity's activities including the members of the Order engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, lack of a disaster recovery plan, etc.
- ◆ **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.
- ◆ **Reputational** looks at possible damage to the Order's, and hence the charity's, reputation.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ **Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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. They also work in close collaboration with their insurers so as to maintain adequate coverage of the risks.

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 trustees are aware that there is both a moral and legal obligation to care for the older members of the Order. None of the friars have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the friars. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been loosely based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual friars encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity donates significant sums in support of the work of the Order and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Order whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future. Since the end of the financial year, there has been some volatility on world stock markets in response to the Covid-19 pandemic. The trustees, along with their investment managers, will continue to monitor the impact of the pandemic and other factors on stock markets but the charity is a long term investor and the trustees take a long term view.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Fundraising statement

The charity does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, it would be handled by a trustee.

MEMBERS OF THE ORDER

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Order.

Their dedication and positive approach are much appreciated.

Signed on behalf of the trustees:

Michael Copps

Trustee

Approved by the trustees on: 21/09/2023

Independent auditor's report to the members of The Order of Friars Minor Charitable Trust

Opinion

We have audited the accounts of The Order of Friars Minor Charitable Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and 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 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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 charity through discussions with management and trustees and from our knowledge and experience of the sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and review of 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:

- ◆ Making enquiries of management and 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;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

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

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

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 September 2023

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

Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations and legacies	1	266,541	269,984	536,525	333,316	324,743	658,059
Investments and bank interest	2	595,142	—	595,142	637,687	—	637,687
Charitable activities							
. Church repository sales		6,762	—	6,762	5,777	—	5,777
Other sources	3	28,256	6,810	35,066	9,507	8,444	17,951
Total income		896,701	276,794	1,173,495	986,287	333,187	1,319,474
Expenditure on:							
Raising funds							
. Investment management fees		84,106	—	84,106	87,133	—	87,133
Charitable activities							
. Grants and donations in support of the work of the Order and other charities	4	269,064	287,679	556,743	134,706	83,504	218,210
. Support of members of the Order and their ministry	5	518,620	15,491	534,111	444,936	31,486	476,422
. Supplies for church repositories		6,309	—	6,309	4,456	—	4,456
Total expenditure		878,099	303,170	1,181,269	671,231	114,990	786,221
Net (expenditure) income before (losses) gains on investments and transfers	7	18,602	(26,376)	(7,774)	315,056	218,197	533,253
Net investment (losses) gains		(3,215,630)	—	(3,215,630)	2,029,834	—	2,029,834
Net (expenditure) income before transfers		(3,197,028)	(26,376)	(3,223,404)	2,344,890	218,197	2,563,087
Transfers between funds	15	90,000	(90,000)	—	200,000	(200,000)	—
Net (expenditure) income and net movement in funds for the year		(3,107,028)	(116,376)	(3,223,404)	2,544,890	18,197	2,563,087
Reconciliation of funds:							
Total funds brought forward at 1 January 2022		23,450,191	563,411	24,013,602	20,905,301	545,214	21,450,515
Total funds carried forward at 31 December 2022		20,343,163	447,035	20,790,198	23,450,191	563,411	24,013,602

All of the charity's activities were derived from continuing operations during the above two financial periods.

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

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	11		3,213,264		2,867,142
Investments	12		16,133,911		19,432,468
			19,347,175		22,299,610
Current assets					
Debtors					
. Amounts falling due after one year	13	155,468		194,800	
. Amounts falling due within one year	13	56,056		56,300	
Cash at bank and in hand		1,311,355		1,584,187	
		1,522,879		1,835,287	
Creditors: amounts falling due within one year	14	(79,856)		(121,295)	
Net current assets			1,443,023		1,713,992
Total net assets			20,790,198		24,013,602
The funds of the charity					
Restricted funds	15		447,035		563,411
Unrestricted funds					
. Designated funds	16	13,500,000		14,000,000	
. Tangible fixed assets fund	17	3,213,264		2,867,142	
. General fund		3,629,899		6,583,049	
			20,343,163		23,450,191
			20,790,198		24,013,602

Approved by and signed
on behalf of the trustees by:

Michael Copps

Trustee

Approved by the trustees on: 21/09/2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(350,040)	68,362
Cash flows from investing activities:			
Investment income and bank interest received		562,205	633,911
Purchase of tangible fixed assets		(567,924)	(693,148)
Proceeds from the disposal of investments		1,643,220	1,720,715
Purchase of investments		(1,722,193)	(2,379,302)
Net cash used in investing activities		(84,692)	(717,824)
Change in cash and cash equivalents in the year		(434,732)	(649,462)
Cash and cash equivalents at 1 January 2022		1,763,565	2,413,027
Cash and cash equivalents at 31 December 2022	B	1,328,833	1,763,565

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(3,258,404)	2,563,087
Adjustments for:		
Depreciation charge	135,261	125,921
Losses (gains) on investments	3,215,630	(2,029,834)
Investment income and bank interest receivable	(560,142)	(637,687)
Decrease in debtors	37,513	68,577
Increase (decrease) in creditors	80,102	(21,702)
Net cash (used in) provided by operating activities	(350,040)	68,362

B Analysis of changes in cash and cash equivalents i.e. net debt

	2021 £	Cash flows £	2022 £
Cash at bank and in hand	1,584,187	(272,832)	1,311,355
Cash held by investment managers	179,378	(161,900)	17,478
Total cash and cash equivalents	1,763,565	(434,732)	1,328,833

Principal accounting policies 31 December 2022

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

Basis of accounting

The accounts have been prepared for the year to 31 December 2022 with comparative information given in respect to the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items initially 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 the principles set out in 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ determining the discount rate to be applied when calculating the present value of amounts receivable after one year;
- ◆ estimating the amounts to be set aside as designated reserves; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

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, along with their investment managers, will continue to monitor the impact of the aftermath of the Covid-19 pandemic and the impact on stock markets of the current macroeconomic and geopolitical climate but the charity is a long term investor and the trustees take a long term view.

Assessment of going concern (continued)

Therefore, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets – both of which may be impacted by Covid-19 and other factors outside of the charity's control.

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, legacies, investment income, interest receivable, church repository sales, the surplus on disposal of assets and other income.

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

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

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

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

Principal accounting policies 31 December 2022

Income recognition (continued)

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Income from repository sales is recognised when the risks and rewards of ownership have transferred to the buyer.

All other income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition and the basis of allocating costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and governance support costs.

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. These costs are allocated directly to support of members of the Order and their ministry. All other costs are directly allocated to the headings in the statement of financial activities and there is no apportionment. The classifications in the statement of financial activities are as follows:

- a. The costs of raising funds comprise the fees paid to investment managers in connection with the management of the charity's investment portfolio.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report and include:
 - ◆ Grants and donations in support of the work of the Order and other charities
This is made up entirely of grants, including grants to support the Order's generalate and grants in support of the Order's work both in the UK and overseas. Charitable grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the period end.
 - ◆ Support of members of the Order and their ministry
This enables the members to carry out the charitable work of the Order in the areas of the advancement of the Roman Catholic religion and the relief of poverty.
 - ◆ Supplies for church repositories
This is expenditure on repository items, such as books, which are purchased for resale.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

◇ Parishes

The trustees are the legal owners of churches and other parish land and buildings. In the event of the Order ceasing its ministry in a parish, the trustees would consider themselves obliged to allow such assets to continue to be used indefinitely and rent free to meet the needs of the parish for a church and related accommodation. As such assets are not therefore susceptible to a meaningful valuation and there is no reliable information as to their cost, they are not valued for the purposes of these accounts.

The buildings consist of churches, presbyteries and parish halls and were constructed up to 100 years ago, with additions and improvements since. They are situated in Clevedon (Somerset), Yatton (Somerset), Stratford (London) and Woodford Green (Essex).

◇ School occupied land and buildings

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of Nottingham Academy are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◇ Other land and buildings

Where these have been owned at least from 1983, they are stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost. Additions to other land and buildings since 1983 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Order.

◆ Freehold improvements

Depreciation is provided at the rate of 5% per annum on cost in order to write each asset off over its expected useful life. A full year of depreciation is charged in the year of acquisition.

◆ Motor vehicles

Depreciation is provided at the rate of 20% per annum on cost in order to write each asset off over its expected useful life.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

Fixed asset 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 the 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.

Funds structure

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing non-liquid assets and funds which the trustees have designated for specific purposes. Details of these are provided in notes 16 and 17.

Details of funds raised for a specific purpose or subject to donor-imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Order

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

Principal accounting policies 31 December 2022

Foreign currencies

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Donations						
. Pastoral offerings	118,191	—	118,191	94,594	—	94,594
. General donations	112,546	179,484	292,030	146,591	324,243	470,834
	230,737	179,484	410,221	241,185	324,243	565,428
Legacies	32,300	500	32,800	2,000	500	2,500
Salaries and pensions of individual religious received under deed of covenant and Gift Aid	93,504	—	93,504	90,131	—	90,131
	356,541	179,984	536,525	333,316	324,743	658,059

2 Income from: Investments and bank interest

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from listed investments	601,810	—	601,810	636,278	—	636,278
Other interest receivable	541	—	541	(5,149)	—	(5,149)
Unwinding of debtor held at present value (note 13)	(7,209)	—	(7,209)	6,558	—	6,558
	595,142	—	595,142	637,687	—	637,687

3 Income from: Other sources

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Sundry income	28,256	6,810	35,066	9,507	8,444	17,951

4 Expenditure on: Grants and donations in support of the work of the Order and other charities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
<i>Grants to institutions</i>						
Support of the Order's Generalate	25,991	—	25,991	10,775	—	10,775
For the relief of poverty and advancement of education and religion generally						
. Foreign Missions of the Order of Friars Minor	—	261,528	261,528	—	74,766	74,766
. Miscellaneous grants to institutions	243,073	—	243,073	105,000	—	105,000
Other donations	—	26,151	26,151	18,931	8,738	27,669
	269,064	287,679	556,743	134,706	83,504	218,210

5 Expenditure on: Support of members of the Order and their ministry

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Living and personal expenses of friars	141,081	2,107	143,188	138,874	3,421	142,295
Premises	67,803	720	68,523	55,994	945	56,939
Depreciation of freehold property	129,853	—	129,853	120,176	—	120,176
Grants to former members	44,912	—	44,912	45,473	—	45,473
Friars' formation	8,995	5,580	14,575	8,440	9,140	17,580
Governance costs (note 6)	51,288	—	51,288	32,503	—	32,503
Other costs	74,688	7,084	81,772	43,476	17,980	61,456
	518,620	15,491	534,111	444,936	31,486	476,422

6 Governance costs

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Legal and professional	47,939	—	47,939	32,503	—	32,503
Meeting costs	3,349	—	3,349	—	—	—
	51,288	—	51,288	32,503	—	32,503

7 Net (expenditure) income before (losses) gains on investments and transfers

This is stated after charging:

	Unrestricted funds	
	2022 Total funds £	2021 Total funds £
Auditor's remuneration (including VAT)		
. Statutory audit services	31,640	23,340
. Other services	—	3,000
Depreciation	135,261	125,921
Operating lease rentals	—	1,390

8 Staff costs and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Guardians at each friary. They received no remuneration in the year (2021 - none).

There are no staff costs as the charity does not employ staff (2021 – none).

9 Trustees expenses and transactions with trustees

As members of the Order, the trustees' living expenses during the year were borne by the charity.

As members of the Order, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under gift aid. During the year the amount donated by the trustees to the charity was £19,511 (2021 - 20,368).

9 Trustees expenses and transactions with trustees (continued)

The trustees have purchased insurance to protect the charity from any loss arising from negligent acts, errors or omissions on the part of the trustees and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £894 (2021 - £622) and provides cover of up to a maximum of £500,000 (2021 - £1,000,000).

10 Taxation

The Order of Friars Minor Charitable Trust is a registered charity and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to freehold buildings £	Motor vehicles £	Furniture and equipment £	2022 Total £
Cost or valuation					
At 1 January 2022	3,287,052	1,088,702	66,919	7,907	4,450,580
Additions	479,743	1,640	—	—	481,383
At 31 December 2022	<u>3,766,795</u>	<u>1,090,342</u>	<u>66,919</u>	<u>7,907</u>	4,931,963
At cost	766,488	1,090,342	66,919	7,907	1,931,656
At deemed cost (1983 valuation)	3,000,307	—	—	—	3,000,307
	<u>3,766,795</u>	<u>1,090,342</u>	<u>66,919</u>	<u>7,907</u>	4,931,963
Depreciation					
At 1 January 2022	1,432,296	94,216	50,263	6,663	1,583,438
Charge for the year	75,336	54,517	4,164	1,244	135,261
At 31 December 2022	<u>1,507,632</u>	<u>148,733</u>	<u>54,427</u>	<u>7,907</u>	1,718,699
Net book values					
At 31 December 2022	<u>2,259,163</u>	<u>941,609</u>	<u>12,492</u>	<u>—</u>	3,213,264
At 31 December 2021	<u>1,854,756</u>	<u>994,486</u>	<u>16,656</u>	<u>1,244</u>	2,867,142

As permitted under Financial Reporting Standard 102 (FRS 102), the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties, i.e. the churches and other parish buildings, and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at a 1983 valuation cannot be ascertained with accuracy. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost.

Notes to the accounts 31 December 2022

12 Investments

	Total 2022 £	Total 2021 £
Listed investments		
Market value at 1 January 2022	19,253,090	16,564,669
Additions at cost	1,722,194	2,379,302
Disposals at opening book value (proceeds: £1,643,220, realised losses £208,982)	(1,852,202)	(1,623,088)
Unrealised (losses) gains	(3,006,648)	1,932,207
Market value at 31 December 2022	16,116,433	19,253,090
Cash held by investment managers for reinvestment	17,478	179,378
	16,133,911	19,432,468
Cost of listed investments at 31 December 2022	14,027,794	13,951,554

Listed investments held at 31 December 2022 comprised the following:

	Total 2022 £	Total 2021 £
UK government securities	424,997	881,209
Unit trusts	632,585	270,396
UK fixed interest	186,720	1,151,605
Equities	13,359,196	14,439,995
Property and alternatives	1,512,935	2,509,885
	16,116,433	19,253,090

There were no individual holdings as at 31 December 2022 which were deemed material in comparison with the market value of the entire listed portfolio held at that date (2021 – none).

13 Debtors

	Total 2022 £	Total 2021 £
Prepayments and other sundry debtors	24,030	21,397
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due within one year	32,026	34,903
	56,056	56,300
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due after one year	155,468	194,800
	211,524	251,100

In 2012, the charity disposed of a freehold property in Dundee, Scotland for agreed proceeds of £510,000. Under the agreed payment schedule, £315,000 was received prior to 31 December 2022. The balance will be received as follows: 2023 - £35,000 each year and £40,000 for each of the following four years. This sale agreement constitutes a financial arrangement as defined by FRS 102. Therefore, in order to comply with the Charities SORP FRS 102 and FRS 102 itself, the proceeds receivable from the disposal of the property have been discounted to their present value using an effective discount rate of 1.95%, the rate received by the charity on bank deposits. The notional interest is credited to the statement of financial activities as the discount is “unwound”.

14 Creditors: amounts falling due within one year

	Total 2022 £	Total 2021 £
Accruals	27,800	25,800
Deferred income	8,356	7,153
Improvements to freehold buildings	—	86,541
Expense and other creditors	43,700	1,801
	79,856	121,295

15 Restricted funds

The income funds of the charity include the following restricted funds, comprising the unexpended balances of donations received for specific purposes:

	At 1 January 2022 £	Income £	Expenditure and transfers £	At 31 December 2022 £
Franciscan Missionary Union	520,016	169,431	(277,019)	412,428
Stratford Building Project	11,920	—	—	11,920
Woodford Green Heating Project	—	90,000	(90,000)	—
Other restricted funds	31,475	17,363	(26,151)	22,687
	563,411	276,794	(393,170)	447,035

	At 1 January 2021 £	Income £	Expenditure and transfers £	At 31 December 2021 £
<i>Franciscan Missionary Union</i>	<i>505,396</i>	<i>120,872</i>	<i>(106,252)</i>	<i>520,016</i>
<i>Stratford Building Project</i>	<i>11,920</i>	<i>—</i>	<i>—</i>	<i>11,920</i>
<i>Woodford Green Heating Project</i>	<i>—</i>	<i>200,000</i>	<i>(200,000)</i>	<i>—</i>
<i>Other restricted funds</i>	<i>27,898</i>	<i>12,315</i>	<i>(8,738)</i>	<i>31,475</i>
	<i>545,214</i>	<i>333,187</i>	<i>(314,990)</i>	<i>563,411</i>

The Franciscan Missionary Union represents monies received specifically for the Order's missions abroad.

The Stratford Building Project represents monies received specifically to assist with the remodification of buildings of a parish administered on behalf of the local diocese by the friars in Stratford, London. The majority of the building work was undertaken in 2010.

The Woodford Green Heating Project represents monies received specifically towards the modernisation of the heating system at the Woodford Green site.

Other restricted funds represent a number of individually small funds made up of donations for specific purposes.

16 Designated funds

The unrestricted funds of the charity include the following funds designated for specific purposes.

	At 1 January 2022 £	Designated in year £	Utilised/ Released in year £	At 31 December 2022 £
Sick and retired reserve	8,000,000	5,679	(1,305,679)	6,700,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	1,000,000	—	1,300,000	2,300,000
Formation fund	1,000,000	—	—	1,000,000
Relief of poverty fund	2,000,000	—	—	2,000,000
Birmingham property fund	500,000	—	(500,000)	—
	14,000,000	5,679	(505,679)	13,500,000

	At 1 January 2021 £	Designated in year £	Utilised/ Released in year £	At 31 December 2021 £
<i>Sick and retired reserve</i>	8,000,000	6,442	(6,442)	8,000,000
<i>Maintenance fund</i>	1,500,000	—	—	1,500,000
<i>Mission and development fund</i>	1,000,000	—	—	1,000,000
<i>Formation fund</i>	1,000,000	—	—	1,000,000
<i>Relief of poverty fund</i>	—	2,000,000	—	2,000,000
<i>Birmingham property fund</i>	—	500,000	—	500,000
	11,500,000	2,506,442	(6,442)	14,000,000

◆ Sick and retired reserve

This consists of monies which the trustees have set aside in order to provide for older friars and those in ill health. The reserve has been calculated so as to provide income to communities with elderly or sick friars to care for.

◆ Maintenance fund

The maintenance fund represents monies set aside by the trustees for the upkeep and repair of the buildings of the Custody. A quinquennial review carried out towards the end of 2015 on one of the charity's major properties indicated that this fund will need to be expended over the next ten years in respect to that one property alone.

◆ Mission and development fund

The mission and development fund comprises monies set aside towards funding new initiatives in furtherance of the mission of the Order.

◆ Formation fund

The formation fund comprises monies set aside towards funding the formation and education of friars. The monies held in the formation fund are reviewed on a regular basis during the year by the trustees.

16 Designated funds (continued)

♦ Relief of poverty fund

The relief of poverty fund represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. One possibility being explored is for the charity to purchase one or more properties which might then be leased to these organisations at a peppercorn rent.

♦ Birmingham property fund

The Birmingham property fund comprised monies set aside for the purchase of a property in 2022.

17 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 January 2022	2,867,142	2,213,374
Net movement in year	346,122	653,768
At 31 December 2022	3,213,264	2,867,142

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. This fund has been established to recognise the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

18 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	—	—	3,213,264	—	3,213,264
Investments	2,633,911	13,500,000	—	—	16,133,911
Net current assets	995,988	—	—	447,035	1,443,023
Total net assets	3,629,899	13,500,000	3,213,264	447,035	20,790,198
	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	—	2,867,142	—	2,867,142
Investments	5,432,468	14,000,000	—	—	19,432,468
Net current assets	1,150,581	—	—	563,411	1,713,992
Total net assets	6,583,049	14,000,000	2,867,142	563,411	24,013,602

Notes to the accounts 31 December 2022

18 Analysis of net assets between funds (continued)

The total unrealised gains at 31 December 2022 constitute movements on revaluation and are as follows:

	Total 2022 £	Total 2021 £
Unrealised gains included above:		
On investments	2,088,639	5,301,536
Total unrealised gains at 31 December 2022	2,088,639	5,301,536
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	5,301,536	3,767,042
In respect to disposals in the year	(206,249)	(398,117)
Net (losses) gains arising on revaluation in the year	(3,006,648)	1,932,207
Total unrealised gains at 31 December 2022	2,088,639	5,301,536

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Order of Friars Minor by virtue of the fact that the Superior of the Province has the power to appoint the trustees.

20 Connected charities

The Order of Friars Minor Charitable Trust is connected to one other charity by virtue of the fact that the trustees of the Order have the power to appoint trustees of the connected charity and the charities use the same principal address.

The connected charity is:

Name	Charity Reg No	Charitable objectives
Commissariat of the Holy Land	263616	The support of the work of the Custody of the Holy Land, the advancement of the Roman Catholic religion and the relief of poverty.

21 Related party transactions

Other than as disclosed in note 9, there were no further related party transactions (2021 - none).

22 Contingent liability

The OFM were notified in May 2023 of two personal injury claims, which are being brought against the OFM arising from incidents of non-recent child sexual abuse, which took place in Scotland in the early 1970's. The claims are being brought in Scotland, where the incidents of non-recent child sexual abuse took place.

The OFM are uninsured in respect of the two claims and so any damages/compensation and legal costs paid to the claimants and their solicitors in respect of the legal liabilities of the OFM will be paid from charitable funds.

To date the OFM have been provided with very limited detail in respect of the nature and extent of the level of damages/compensation sought on behalf of these two claimants.

Accounts

**The
Order of
Friars
Minor
Charitable
Trust**

Annual Report and Accounts

31 December 2021

Charity Registration Numbers:
232177 (England and Wales)
SC039191 (Scotland)

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

Trustees	Rev Michael Copps OFM (Chairman) Rev Patrick Lonsdale OFM Rev Antony Jukes OFM Rev Edmund Highton OFM Rev Michael O'Grady OFM (resigned 27 July 2022) Rev George Smulski OFM (appointed 27 July 2022) The trustees are incorporated under the Charities Act 2011
Custos	Rev Michael Copps OFM
Custodial Secretary	Rev Patrick Lonsdale OFM
Provincial Bursar	Rev Michael O'Grady OFM
Principal address	The Franciscan Friary 557 High Road Woodford Green Essex IG8 0RB
Charity registration numbers	232177 (England and Wales) SC039191 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Stockbrokers	J M Finn & Co 4 Coleman Street London EC2R 5TA
Principal bankers	NatWest Group 1st Floor 440 Strand London WC2R 0QS

Trustees' report 31 December 2021

The trustees present their statutory report together with the accounts of The Order of Friars Minor Charitable Trust for the year ended 31 December 2021.

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

INTRODUCTION

The Order of Friars Minor was founded by St Francis of Assisi in 1209. It has maintained its essential character through the centuries. Friars live in communities, observing the Gospel of Our Lord Jesus Christ, under vows of poverty, celibate chastity and obedience, in accordance with the 'Rule of 1223' written by the Founder. The Minister General's headquarters are in Rome where he is assisted by a General Definitory or Council, governing the Order Worldwide. The British Custody is part of the Order.

CONSTITUTION

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the British Custody are held and through which its finances operate. The charity is governed by a trust deed dated 1 December 1963 as amended by a scheme dated 12 June 1973, and is registered under the Charities Act 2011. Since 2007 the trust has also been registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of the charity are an incorporated body under the Charities Act 2011.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES

The principal aims of the charity are the support of charitable purposes connected with the Roman Catholic Religion and the support of the charitable work of the Order generally. This work is described in more detail in the following paragraphs. Although the majority of friaries are situated in England, the charity has one house in Glasgow, Scotland. The objectives described below apply in Scotland with special emphasis on the overseas mission work.

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Pastoral

The Order of Friars Minor in this Custody has four parishes in its care. Most of the friars of the Custody are engaged in pastoral and educational work – supporting and encouraging prayer and worship, administering the sacraments, preaching, teaching, providing spiritual and material sustenance to those in need. In addition, they give retreats and missions to other parishes and to convents. There is an obvious public benefit from these activities, as they are designed to promote harmony and cooperation in the parishes concerned and in the wider community.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Educational

To be able to provide the pastoral and spiritual support mentioned above, the members of the Custody must have the opportunity to obtain firstly the initial formation needed in the preparation for their ministry and then the further training and formation to equip them to serve the Church and the faithful in a rapidly changing society. The trustees need, therefore, to keep a close eye on the requirements to remain active and fruitful preachers of the Gospel. In addition, the friars take an active interest and play a part in the provision of primary, secondary and tertiary education in the schools of their parishes. These schools have a Catholic ethos and have no restriction with regard to colour, race, or income, thus providing an obvious public benefit.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. This Custody began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students.

Grant making policy

The bulk of the grants made by the charity usually arise through the restricted funds i.e. the Franciscan Missionary Union (FMU) and Saint Antony's Bread. In both cases money is deposited with the friars by the faithful to be used in the Franciscan missions and for the relief of poverty. The policy of the charity, therefore, is to use all the money so contributed for the furtherance of those two aims.

In total, grants of approximately £218,000 (2020 – £283,000) have been made during the year both as direct donations from the income of the charity and from disbursement of contributions by the faithful to the FMU and St Antony's Bread. As usual, the Franciscan Missionary Union made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £75,000 during the year (2020 – £179,000). In addition, the charity makes a regular annual donation to about a dozen charities that provide services allied to the Franciscan ethos e.g. Shelter, NSPCC and CAFOD totalling circa £105,000 (2020 - £68,000). More details are given in note 4 to the accounts.

Investment policy

The charity has a portfolio of investments with a market value as at 31 December 2021 of £19,432,468 (2020 - £16,646,590).

The charity has set up a Sick and Retired Reserve to provide assistance to communities with elderly and infirm friars. This reserve is represented by a large part of the charity's portfolio of stocks and shares, managed under the guidance of a fund manager. The fund managers have been asked by the trustees to keep a prudent balance between gilts and equities and to ensure the risk is spread by investing in a wide range of industrial shares of the larger companies. The twin aims are to raise some income to support the present elderly friars and to achieve a capital appreciation so as to build up the fund for future years.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Investment policy (continued)

The trustees have also instructed the fund managers to refrain from buying shares in companies associated with armaments, tobacco and contraceptives, as well as any pursuing activities at variance with the charity's objectives. It has also recently disposed of its holdings in fossil fuel shares and invested in renewable energy instead, following the lead given by Pope Francis.

Review of the year

Pastoral work

All the formation, training and education of friars in initial formation now takes place outside the Custody of Great Britain. The Postulancy is currently located in Galway, Ireland, the Novitiate year is based in Killarney, Ireland, and the study of Philosophy and Theology takes place in Rome, Italy. Friars from the Custody in initial formation will have summer placements in the Custody so as to maintain links with the Custody.

Throughout the year there were no friars in initial formation.

Antony Jukes, in his capacity as Novice Director, and Donal Walsh, in his capacity as Director of Vocations, have attended meetings of the Interprovincial Secretariat for Formation and Studies (ISFS). These meetings are also attended by all friars of the Irish Province involved in formation ministry. With the lifting of Covid-19 restrictions, these meetings are now taking place in person.

In August 2021, four men began their novitiate year at the Interprovincial Novitiate in Killarney. One is from the Austrian Province, one from the Dutch Province and two from the Canadian Province.

Overseas missions

The Franciscan Missionary Union was established many years ago to help the Missionary endeavours of the Order of the Friars Minor. In the 1930's and 1940's, the English Province established Missionary Dioceses in India and South Africa. The work done in both countries was considerable and is now in the care of indigenous Franciscan Friars.

The Franciscan Missionary Union has, therefore, opened out towards other Missionary endeavours in various parts of the world. While still keeping in contact with our older Missionary work in India and South Africa we have branched out considerably to help the poor and marginalised in both East and West Africa as well as Sri Lanka and Madagascar. We also try to respond to any emergency situations where and when they occur in conjunction with Missio Scotland, SCIAF and Mary's Meals.

We endeavour to obtain good estimates and reports for any proposed projects. These grants are made to particular Franciscan Provinces and are administered by fellow Franciscans. The source of these monies comes from the wonderful generosity of friends of the missions who continue to support the work done by the FMU.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

Promotion of vocation

The following is a report from Donal Walsh, Vocations Director:

Due to Covid 19 restrictions and the Pandemic, promotion of vocations for part of early 2021 continued to be less in-person as a means of contact and communication with those showing interest in the Franciscan Order, to virtual and social media ways of telephone, emails, and Zoom meetings with individuals and groups. This also applied to less travelling in the UK to meet Enquirers or for vocation meetings, gatherings and youth events.

In the second half of 2021, this began to change, like many others, and I started to meet a few enquirers in person along with virtual ways of communication.

During 2021, I received some 36 enquiries about the Franciscan way of life, all of whom received a reply and acknowledgement, and about 5 of whom I have been in regular communication over several months during 2021. With the now in-person contacts and meetings of several hours, there have been many hours of phone calls, emailing and virtual Zoom meetings with some Enquirers as well as a few Zoom conference calls with other Vocation Promoters in the UK and Ireland, and several Franciscans of the English-speaking world who also minister in this area. Some of these meetings with other Franciscans and Vocation Promoters were of a business-like manner and others of a training nature with some guest speakers.

This has been and still is an important support and benefit to me especially in the Pandemic period, and is a way to meet, listen and learn new approaches in animating and promoting vocational service. Lastly, in 2021, on 4 occasions I have given talks for Schools using Zoom on the Franciscan life, mostly to 5th year Senior School students from several classes along with their teachers and took part in a Zoom seminar for young adults on the subject of considering their gifts and future lives.

OFS spiritual assistance

The following is a report for 2021 from Donal Walsh in his role as Spiritual Assistant to the Order of Secular Franciscans.

The major change that took place in the latter part of 2021 was that the number of National Spiritual Assistants was reduced from three to two and I am one of the two Spiritual Assistants for the UK. We assist, guide and support members of the Order of Secular Franciscans (OFS), females and males, who live in their homes, often scattered, who usually meet monthly for prayer, discussion and solidarity as they live out their Franciscan ideals as brothers and sisters.

My role as a Spiritual Assistant is to attend fraternity meetings and special gatherings especially covering 5 out of 9 regions of the UK which comprise about 60 local fraternities. Needless to say, due to distance and areas to be covered by only the two of us, it is a mammoth task to visit all local groups over a year so we mostly concentrate on regional fraternal meetings and special events for Local Fraternities.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Review of the year (continued)

OFS spiritual assistance (continued)

Again, due to Covid restrictions, actual meetings in person have not taken place until late 2021 but were been replaced by virtual Zoom meetings of the regions and of the National Council considering overall life, structures, decisions and plans for the OFS in Britain. Many of these Zoom meetings have been monthly lasting some 2 hours which I have mostly attended. Although some have been dealing with business, other meetings have been a sharing and dialogue between members and have been a source of support and encouragement for us all especially during the difficult period of Covid and of a local and global virus pandemic.

Finally, the two Spiritual Assistants with the OFS leadership have met via Zoom on 4 occasions in order to discuss planning on important matters, which was advisory, a sharing and support for one another and our responsibilities.

Vigilance with regard to the care of children and vulnerable persons and relevant training

The Safeguarding principles and practice of our church in England and Wales were found deficient by the Independent Inquiry into Child Sexual Abuse (IICSA) and also by the Elliott Inquiry commissioned by our bishops. Accordingly, the bishops sought the services of Nawaz Afzal – a highly respected barrister of much experience in prosecuting sexual offenders and building the needed systems to prevent abuse. All our existing principles and practice were immediately terminated. A single new body was set up: the Catholic Safeguarding Standards Agency (CSSA). It was given full mandatory authority valid in civil and canon law. All church-related activity and situations come within its remit.

A special division is the Religious Life Standards Service (RLSS) now responsible for all Religious Congregations in our church. Hitherto it had proved impossible to find satisfactory provision for such widely diverse bodies. The then current alignment with a Diocese was discontinued.

The RLSS now provides advice on all safeguarding matters, including management of allegations, concerns and cases.

The whole approach hangs on 8 Standards proposed by the Elliott report. These set out structural arrangements and expected levels of achievement. The CSSA and RLSS will provide regular and mandatory training and will audit our practice, and provide assistance where performance fails to meet the standards.

We are committed to comply completely with all these arrangements. We are reviewing our own statements of principle and practice accordingly.

Concern for victims and survivors continues to be a high priority. Our duty to them, as well as all other aspects of safeguarding, is regularly reviewed by our trustees and steered by our appointed Safeguarding Lead.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report 2021

Glasgow

Presently there are three friars in community.

The great upheaval of the last two years has been the Covid19 pandemic and national lockdown with the resulting closure of the church and loss of income and pastoral activity. With the lifting of restrictions in April all regular activities and services resumed - Sunday and weekday Masses, chaplaincy to the parish primary school, periodic Masses in Vietnamese and Tamil conducted by visiting priests and the use of the parish centre for Twelve Step meetings, parish groups and a mothers and toddlers creche. The ecumenical Bridging-the-Gap project continues its local outreach work especially to asylum seekers and needy local families. It has rooms in the parish centre.

The St Francis' Hall welcomes local initiatives such as the twice-weekly neighbourhood bingo club, a deaf club, pipe band rehearsals and regular meetings of the local housing association and the community council. Online training and updating in Safeguarding was undertaken by the Friars as provided by the Scottish Catholic Safeguarding Service. The Safeguarding Audit 2021 for Religious Communities and the 2021 Archdiocesan Audit for parishes have been completed and submitted.

Clevedon

There are three Friars in Clevedon.

Sunday Masses are celebrated in the Parish Church in Clevedon and in the nearby village of Yatton. The parish hall, attached to the church at Clevedon, is well used by the parish and other local groups, such as the Secular Franciscans, the Rotary Club, a mother and toddler group, and a number of exercise, art and language classes.

The Friars continue to minister to people in local residential and nursing homes. One of them acts as Chaplain to the parish school, which is situated in Nailsea.

Stratford

There are four Friars at Stratford. They minister to a large congregation of various nationalities and ethnic backgrounds in the London Borough of Newham. There are families from different countries of Africa and Asia, as well as from Ireland and continental Europe. The Parish Priest acts as Chaplain to the Parish Primary School (St Francis), and is on a rota of Priests from the Newham Deanery who provide chaplaincy care at Newham General Hospital.

Before the restrictions that came into effect at the time of the pandemic, small teams of parishioners would use the friary kitchen to make up sandwiches and hot drinks for homeless people who called at the friary on weekday mornings. There was a hot take-away meal available on Saturdays. Parishioners contributed generously to the expenses of this project, and there were also donations of food (mainly bread) from some of the local stores. The parish hall was used for two periods of three months to provide beds for about 15 people one night each week during the winter months. This project was run by volunteers from the parish and further afield. There was also a dinner one Saturday near to Christmas.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Guardians' Report 2021 (continued)

Stratford (continued)

Since the lockdown periods during the pandemic, the Friars themselves have made sandwiches, and though these have been taken by homeless or needy people, the uptake has not been as great as formerly. This is probably because of government and local authority intervention to provide accommodation out of the area for homeless people. We hope to resume the former practice, if needed.

Woodford

The community has seven friars. Three of them had care of the busy parish, one was involved in administration of the Order, and the others were retired or semi-retired.

Covid-19 still made its presence felt and this curtailed most of our pastoral contact except for funerals. We now stream our services to parishioners and frequently had a hundred people being involved this way.

The Friars continued to provide chaplaincy to the parish primary school and to the high school by way of streaming when the schools were open.

Care of those in nursing homes was very difficult and limited because of the need of social distancing.

Parishioners' activities in terms of care of the disadvantaged were curtailed but collecting food for food banks continued. The parish centre, with its large hall and meeting rooms had to be closed. A new heating system for all the buildings was installed in 2021.

Cordate Community/OFM Birmingham

Background: Pre-Covid

My fellow *Cordate* Community member, Mark (Fr. Mark Van Beeumen MSC) worked part-time in *Tesco's* as a *Community Champion*. This included him supporting local social projects and schools in a multicultural environment, with a strong presence of socially deprived and Muslim people. His work continued during Covid lockdowns. Likewise, Mark's voluntary community work e.g. supporting people including refugee's/asylum seekers, homeless, local residents' association, Muslim neighbours, ecumenical and interfaith, youth group, in-person and via internet.

I volunteered in city social projects e.g.

- ◆ *St. Chad's Sanctuary* – drop-in centre for refugee and asylum-seeking people;
- ◆ *Sifa/Fireside* - drop-in centre for homeless people;
- ◆ *Fatima House* – home for destitute refugee and asylum-seeking women;
- ◆ *Birmingham LGBT+ Centre* - as a befriender and peer mentor;
- ◆ *Journey Asylum Group*.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Cordate Community/OFM Birmingham (continued)

Background: Pre-Covid (continued)

Other work included:

- ◆ Occasional small donations/food gifts to above charities and individuals.
- ◆ Donating food/cleaning materials regularly to Fatima House.
- ◆ Attending refugee court appeals, liaising with solicitors/others.
- ◆ Member of lay-led reform movements seeking greater equality/justice in Catholic Church, especially for women and LGBT+ people e.g. Root & Branch, ACTA, Quest.
- ◆ Visiting and attending services, celebrations at other Christian Churches (e.g. United Reformed, Evangelical, C of E, Quakers, Unitarians), mosques (e.g. Eid, open-days, youth centre, visits in solidarity after local attacks), Liberal Synagogue (e.g. Shabbat, Holocaust Memorial events, refugee talk); and spiritual direction to a counsellor at a centre supporting women working in prostitution.

Covid and Post-Covid

With the onset of Covid all volunteering in projects was stopped for some time, especially involving older volunteers. Slimmed-down services resumed, initially involving staff and a skeletal team of younger volunteers. Some of my one-to-one and group support work shifted to phone calls, zoom and whatsapp e.g. with refugees, spiritual direction, online prayer services.

I largely shielded for long periods of time before and after knee-replacement surgeries in 2020 and 2021 which were postponed on several occasions.

Cordate Community: initially an MSC (*Missionaries of the Sacred Heart*) project, became an inter-congregational MSC/OFM, when I joined Mark in 2016. It came to a close in June 2021 after 16 years when Mark was recalled by his Belgium Province to help initiate an international MSC community project in Antwerp.

OFM Birmingham (from June 2021)

Helping facilitate and support, in partnership with Hope Projects (a charity for refugee people), a home for refugee men in Sparkhill, while they seek leave to remain in the UK with the Home Office. This home has been kindly provided by the Passionists rent-free.

I obtained permission to continue work in Birmingham and expect to be joined by an Italian friar later this Summer. He has worked in east Africa, Brussels and recently completed his psychotherapy training.

We hope to collaborate with German Franciscans (OFM), who are in partnership with a federal government scheme, sending young people aged 18-27 abroad to volunteer in social projects aimed at deepening their European identity.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Cordate Community/OFM Birmingham (continued)

Mission Statement in Birmingham

We members and associates of the Franciscans (OFM - Order of Friars Minor) seek to help contribute and work towards a more inclusive, socially cohesive, just, and peaceful community/society, which celebrates our unity in rich diversity.

We want to be a friendly presence in a diverse ethnic, faith and secular community.

We aim to focus on helping to support marginalised groups of people in Birmingham city, including but not limited to homeless, refugee and asylum seeking, LGBT+.

We seek to do this in a variety of ways, which include:

- ◆ Working in collaboration with Hope Projects to help support resident refugees while they pursue their claims for resident status in the UK with the Home Office.
- ◆ Establishing networks and partnerships with the wider community, grass roots community organisations and charities.
- ◆ Developing informal and referral pathways with partnership agencies.

We wish to nurture and develop positive ecumenical and interfaith links, understanding, relationships and dialogue, on individual and group levels.

FUTURE PLANS

The 2022 chapter has taken place during 25 – 29 July. The communities are settled and functioning well. However, while that is true, we are very aware that we rely on the good health of a few friars who are key to managing our life together. These friars are wearing two or more hats, are aging and therefore this is a worry. At the moment we are managing but we are exploring ways of becoming less vulnerable including the closure of another friary. The 2022 chapter resolved that the Custodial Council begin a dialogue with the Irish Province, to explore a closer collaboration between the two Provinces with a view to possible integration at a future date.

FINANCIAL REVIEW

Investment performance

The portfolio comprises 77% equities, 2% gilts, and 21% unit trusts and fixed interest funds. The overall value of the portfolio increased by £2,785,878 from a market value of £16,646,590 at the end of 2020 to a value of £19,432,468 at the end of 2021. This does, however, include a further cash injection of £850,000 in 2021.

Income and expenditure

A summary of the year's results can be found on page 22 of this annual report and accounts. Total income amounted to £1,319,474 compared to £802,623 in 2020. Total expenditure during the year decreased from £803,298 in 2020 to £786,221 in 2021 as a result of fewer grants and donations being made.

FINANCIAL REVIEW (continued)

Income and expenditure (continued)

Net income for the year before gains on investments, therefore, amounted to £533,253 (2020 – net expenditure of £675). Net gains on investments of £2,029,834 (2020 – £206,999) resulted in a net increase in funds for the year of £2,563,087 compared to a net increase of £206,324 in 2020.

Financial position and reserves policy

The balance sheet shows total funds of £24,013,602 (2020 - £21,450,515). Of this, £563,411 (2020 – £545,214) is restricted for specific purposes. £520,016 (2020 – £505,396) is restricted in respect of the Franciscan Missionary Union, which receives money specifically for the Order's missions abroad. The remainder of the restricted funds represent a number of individually small funds made up of donations for specific purposes.

The charity has unrestricted funds of £23,450,291 (2020 – £20,905,301). Of this £2,867,142 (2020 – £2,213,374) represents tangible fixed assets. About 12 per cent of the total resources owned by the charity comprise tangible fixed assets. The Franciscan Custody in this country can only carry out the aims set out in the first part of this report if it has the use of such assets. Not only are the assets an essential prerequisite for the work of the Custody, but much of the property is not at the complete disposal of the Custody; if the trustees were to vacate any of this property they would regard themselves as obliged to offer it to the Bishop or some other religious order that was prepared to carry on the same work. In these circumstances, therefore, it seems advisable to recognise the resource as a separate fund rather than as an available resource.

The charity has six designated funds.

The first of these is the Sick and Retired Reserve. The average age of the friars in the Custody is steadily increasing and the elderly and infirm friars now outnumber those who have to provide the supporting income. Given the small number of vocations in recent years, there may not be sufficient support available within the Custody unless some of the present resources are set aside for the future. A Sick and Retired Reserve has been set up to provide for the current members of the Order.

The second designated fund is the Maintenance Fund standing at £1,500,000 at the end of the year. The last quinquennial review, carried out at the end of 2015, on one of the charity's major properties indicated that this fund may need to be enlarged over the next ten years. A further quinquennial review is due to take place in the near future.

As mentioned above, the Custody is faced with a reducing number of friars in the coming years. That will of necessity give rise to decisions on changes to present activities and new ventures necessitating additional capital expenditure. Therefore, it is deemed prudent to set aside through a designated Mission and Development Fund a reserve which the trustees can utilise as and when needed for new initiatives in furthering the mission of the OFM.

The fourth designated fund is the Formation Fund which comprises monies set aside towards funding the formation and education of friars.

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

The fifth, is the relief of poverty fund which represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. One possibility being explored is for the charity to purchase one or more properties which might then be leased to these organisations at a peppercorn rent.

The sixth designated fund is the Birmingham property fund which comprises £500,000 set aside for the purchase of a property in 2022.

The amount of free reserves available after deducting the above designated funds and tangible fixed assets is £6,583,049 (2020 - £7,191,927). The policy of the trustees towards the General Reserve is to hold an amount roughly equivalent to one and a half year's unrestricted expenditure. The actual amount of free reserves held at 31 December 2021 clearly exceeded the amount demanded by the policy. However, the trustees are aware of the uncertainties created by the aftermath of Covid-19 together with the current macroeconomic and geopolitical climate and the need, therefore, to be cautious. In addition, the charity has recently embarked on a programme of quinquennial reviews of the charity's properties and it is expected that the results will show that significant investment will be needed in the properties over the next decade. Once the results of the reviews are known, it is the intention to increase the value of the Maintenance Fund thereby reducing free reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Until 11 November 2014, according to the Statutes of the Order, the friars in Great Britain constituted a Province, i.e., an entity with more than forty professed friars. As such, the Province was administered by a governing body, known as the Definitory, consisting of the Minister Provincial, a Vicar-Provincial, and five other friars, elected by all the brethren at the triennial Chapter. The members of the Definitory were also trustees of the charity.

Because of the decreasing numbers and ageing of the friars, the Province became, as of the Chapter held in November 2014, a Dependent Custody of the Province of Ireland. In effect, for Canon law purposes, the friars in Great Britain became a semi-autonomous entity, led by the Custos and a Council of three friars. They were appointed by the Minister General of the Order, but after three years there was an election of the Custos and Council and thereafter there will be an election every three years. Major appointments and decisions regarding the friars and houses of the Custody need to be ratified by the Provincial of Ireland and his Definitory. The trustees, however, continue to administer the charity and they are solely responsible for the financial management of the Custody.

The Council assigns friars to the various friaries and parishes served by the Franciscans and appoints officers needed for the administration of the Custody. Each friary has a Guardian and Vicar, appointed by the Council, who have responsibility for the friars in their community. The running of each friary is discussed regularly by the whole community.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

As all trustees are members of the Order they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They also meet with the Order's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees who served during the year are given below:

Reverend Michael Copps OFM

Father Michael Copps has been a member of the Order since 1965. After initial formation he was involved in pastoral work in parishes and the education of new members as Novice Director. From 1981 to 1990 he was elected Guardian of the community at Chilworth and held the post of Novice Director for the same period. From 1990 to 1999 he was a parish priest in Nottingham and was Guardian of the community from 1994 to 1997. In 1999 he became parish priest in Forest Gate, East London and in 2002 in Stratford and Guardian of the community. In 2005 he was elected Minister Provincial of the Province of Friars Minor in this country and served in that capacity until 2014. He has also served on the Finance Committee of the Province. After a period as parish priest and Guardian at Stratford he was elected as Custos in 2018. Also in that year, he took up the role of Guardian in Woodford Green.

Reverend Patrick Lonsdale OFM

Father Patrick Lonsdale entered the Order in 1965. He gained a BA at the University of Kent in Canterbury. Since Ordination in 1974 he has worked in various friaries and parishes of the Custody, and has been Guardian at Craigmillar, Woodford, Forest Gate, Glasgow, Chilworth and Nottingham. He was also Parish Priest at Craigmillar, Glasgow and Chilworth. He was a Trustee and Definitor from 1996 to 2005. He served as Custos and Trustee from 2014 to 2018, and is currently a Councillor and Trustee. From 1990 to 1996 he was National Assistant to the Secular Franciscan Order. From 1996 to 2002 he was a member of a hermitage community at Penmaenmawr, which was a joint project with the Capuchins. Over the years Patrick has also served as Secretary of the Province, Secretary of Formation, and as Animator of Vocations. He is currently Guardian of the community at Stratford and is Religious Assistant to the Federation of Poor Clares in Great Britain.

Reverend Antony Jukes OFM

Father Antony Jukes joined the Order of Friars Minor in 2002, having previously worked and completed his training as an accredited Chartered Accountant. As part of his formation as a Franciscan Friar, Antony completed a BA and an MA degree in Theology at the Franciscan International Study Centre in Canterbury. After ordination as a priest, he served in our Franciscan parish in the Gorbals area of Glasgow for two years and then worked for two years in youth ministry at the Cold Ash Centre before returning to Canterbury to help with the formation of friars and to teach in what was the Franciscan International Study Centre. With the closure of the Study Centre in June 2017, Antony moved to the friary in Killarney, Ireland, where he is now the Novice Director in the new Interprovincial Noviciate.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Reverend Edmund Highton OFM

Father Edmund Highton has been a member of the Order since 1966. He had commercial experience of economics, commercial law and the finance of foreign trade through the "Institute of Export" prior to joining the Order. He spent many years as a missionary in South Africa, where he was a member of the Bishop's Council for about ten years with duties including the distribution of educational bursaries for secondary and tertiary education. He was a Parish Priest, caring for financial and pastoral concerns, from 1975 onwards. Now back in Britain, his present duties include the care of the Franciscan Missionary Union and being Parish Priest of Blessed John Duns Scotus in Glasgow.

Reverend Michael O'Grady OFM

Father Michael O'Grady joined the Franciscan Order in September 2008 after working for the HSBC Bank in various roles, including business banking, for twenty years. He began his postulancy in Chilworth before moving to Ennis for his novitiate year where he took his simple vows in September 2011. He then moved to Canterbury to begin his academic formation with a year of Franciscan Studies and two years of philosophy. In 2014 he moved to the fraternity in Stratford to begin his theology degree at Heythrop College, London. Michael took his solemn vows in September 2015 and was ordained a deacon in July 2017. Upon completion of his studies in 2017 Michael was sent to St Boniface's, San Francisco for three months as part of his diaconate placement working with the homeless. In 2018 he spent two months in Kraainem, Belgium with the Irish friars in preparation for his ordination to the priesthood in March 2018. He was then assigned as parish priest in Stratford and nominated as bursar of the Custody. He now serves on the Council and is a trustee of the charity.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Order or senior staff. Financial decisions are overseen by the trustees. Mandates with the principal bankers are in place, to the effect that any cheque or online payment above £5,000 must have two authorisations, including one by a trustee. Online banking has been introduced at Custody level enabling daily monitoring of bank balances and other financial controls.

The Custody comprises 26 friars (as at 31 December 2021) who lived as part of four communities during the year. Three of these community houses are situated in the South of England (Clevedon, Somerset; Stratford in East London and Woodford Green, Essex) whilst the fourth community house is in Glasgow, Scotland. The four houses that remain open continue to exercise parochial responsibilities in collaboration with the bishops of the dioceses concerned.

As stated above, each community has a local guardian appointed by the Council. The local guardian is responsible for both the needs and the care of the friars in his community and he liaises regularly with the trustees. All local superiors meet together occasionally with the trustees to discuss developments and future plans and strategy.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The strategic direction and the day-to-day management of the work of the charity is in the hands of the trustees and the Guardians at each friary. They are all members of the Order of Friars Minor and receive no remuneration for this work. All these friars have had many years' experience in the Order and are well aware of their responsibilities without the need for specific performance indicators.

Working with other organisations

The friars in the parishes served by the Custody work very closely with the bishops administering the dioceses within which the parishes are situated. That will include membership of the local deanery and helping out in neighbouring parishes where possible. In addition, most communities have a primary school in the parish and there is close connection with these schools as well as secondary schools serving the parishes of the friars. The friars are also engaged in working with statutory bodies, other Christian Churches, other faith communities, and other voluntary groups.

Trustees' responsibilities statement

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 and in Scotland 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;
- ◆ observe the methods and principles in the 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.

Key management personnel

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 relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review. They also ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

- ◆ **Governance and management** looks at the risk of the Order, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.
- ◆ **Operational** looks at the risks inherent in the charity's activities including the members of the Order engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, lack of a disaster recovery plan, etc.
- ◆ **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.
- ◆ **Reputational** looks at possible damage to the Order's, and hence the charity's, reputation.
- ◆ **Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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. They also work in close collaboration with their insurers so as to maintain adequate coverage of the risks.

Apart from the impact of Covid-19 on the charity and its work (see above), the key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ♦ The trustees are aware that there is both a moral and legal obligation to care for the older members of the Order. None of the friars have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the friars. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been loosely based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual friars encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ♦ The charity donates significant sums in support of the work of the Order and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Order whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ♦ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future. Since the end of the financial year, there has been some volatility on world stock markets in response to the Covid-19 pandemic. The trustees, along with their investment managers, will continue to monitor the impact of the pandemic and other factors on stock markets but the charity is a long term investor and the trustees take a long term view.

Fundraising statement

The charity does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, it would be handled by a trustee.

MEMBERS OF THE ORDER

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Order.

Their dedication and positive approach are much appreciated.

Signed on behalf of the trustees:

Michael Copps

Trustee

Approved by the trustees on: 15 September 2022

Independent auditor's report to the members of The Order of Friars Minor Charitable Trust

Opinion

We have audited the accounts of The Order of Friars Minor Charitable Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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 charity through discussions with management and trustees and from our knowledge and experience of the sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and Safeguarding Regulations; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and review of 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:

- ◆ Making enquiries of management and 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;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

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

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

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

27 September 2022

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

Statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from:							
Donations and legacies	1	333,316	324,743	658,059	167,092	114,692	281,784
Investments and bank interest	2	637,687	—	637,687	477,023	—	477,023
Charitable activities							
. Church repository sales		5,777	—	5,777	4,428	—	4,428
Other sources	3	9,507	8,444	17,951	24,340	15,048	39,388
Total income		986,287	333,187	1,319,474	672,883	129,740	802,623
Expenditure on:							
Raising funds							
. Investment management fees		87,133	—	87,133	72,082	—	72,082
Charitable activities							
. Grants and donations in support of the work of the Order and other charities	4	134,706	83,504	218,210	89,372	193,430	282,802
. Support of members of the Order and their ministry	5	444,936	31,486	476,422	427,046	17,126	444,172
. Supplies for church repositories		4,456	—	4,456	4,242	—	4,242
Total expenditure		671,231	114,990	786,221	592,742	210,556	803,298
Net income (expenditure) before gains on investments and transfers	7	315,056	218,197	533,253	80,141	(80,816)	(675)
Net investment gains		2,029,834	—	2,029,834	206,999	—	206,999
Net income (expenditure) before transfers		2,344,890	218,197	2,563,087	287,140	(80,816)	206,324
Transfers between funds	15	200,000	(200,000)	—	—	—	—
Net income (expenditure) and net movement in funds for the year		2,544,890	18,197	2,563,087	287,140	(80,816)	206,324
Reconciliation of funds:							
Total funds brought forward at 1 January 2021		20,905,301	545,214	21,450,515	20,618,161	626,030	21,244,191
Total funds carried forward at 31 December 2021		23,450,191	563,411	24,013,602	20,905,301	545,214	21,450,515

All of the charity's activities were derived from continuing operations during the above two financial periods.

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

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	11		2,867,142		2,213,374
Investments	12		19,432,468		16,646,590
			22,299,610		18,859,964
Current assets					
Debtors					
. Amounts falling due after one year	13	194,800		225,042	
. Amounts falling due within one year	13	56,300		90,859	
Cash at bank and in hand		1,584,187		2,331,106	
		1,835,287		2,647,007	
Creditors: amounts falling due within one year	14	(121,295)		(56,456)	
Net current assets			1,713,992		2,590,551
Total net assets			24,013,602		21,450,515
The funds of the charity					
Restricted funds	15		563,411		545,214
Unrestricted funds					
. Designated funds	16	14,000,000		11,500,000	
. Tangible fixed assets fund	17	2,867,142		2,213,374	
. General fund		6,583,049		7,191,927	
			23,450,191		20,905,301
			24,013,602		21,450,515

Approved by and signed
on behalf of the trustees by:

Michael Copps

Trustee

Approved by the trustees on: 15 September 2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	68,362	(365,928)
Cash flows from investing activities:			
Investment income and bank interest received		633,911	484,409
Purchase of tangible fixed assets		(693,148)	(8,902)
Proceeds from the disposal of investments		1,720,715	1,827,716
Purchase of investments		(2,379,302)	(2,503,999)
Net cash used in investing activities		(717,824)	(200,776)
Change in cash and cash equivalents in the year		(649,462)	(566,704)
Cash and cash equivalents at 1 January 2021		2,413,027	2,979,731
Cash and cash equivalents at 31 December 2021	B	1,763,565	2,413,027

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	2,563,087	206,324
Adjustments for:		
Depreciation charge	125,921	87,958
Gains on investments	(2,029,834)	(206,999)
Investment income and bank interest receivable	(637,687)	(478,452)
Decrease in debtors	68,577	87,380
(Decrease) in creditors	(21,702)	(62,139)
Net cash provided by (used in) operating activities	68,362	(365,928)

B Analysis of changes in cash and cash equivalents i.e. net debt

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	2,331,106	(746,919)	1,584,187
Cash held by investment managers	81,921	97,457	179,378
Total cash and cash equivalents	2,413,027	649,462	1,763,565

Principal accounting policies 31 December 2021

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

Basis of accounting

The accounts have been prepared for the year to 31 December 2021 with comparative information given in respect to the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items initially 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 the principles set out in 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ determining the discount rate to be applied when calculating the present value of amounts receivable after one year;
- ◆ estimating the amounts to be set aside as designated reserves; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

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, along with their investment managers, will continue to monitor the impact of the aftermath of the Covid-19 pandemic and the impact on stock markets of the current macroeconomic and geopolitical climate but the charity is a long term investor and the trustees take a long term view.

Assessment of going concern (continued)

Therefore, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets – both of which may be impacted by Covid-19 and other factors outside of the charity's control.

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, legacies, investment income, interest receivable, church repository sales, the surplus on disposal of assets and other income.

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

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

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

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

Principal accounting policies 31 December 2021

Income recognition (continued)

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Income from repository sales is recognised when the risks and rewards of ownership have transferred to the buyer.

All other income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition and the basis of allocating costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and governance support costs.

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. These costs are allocated directly to support of members of the Order and their ministry. All other costs are directly allocated to the headings in the statement of financial activities and there is no apportionment. The classifications in the statement of financial activities are as follows:

- a. The costs of raising funds comprise the fees paid to investment managers in connection with the management of the charity's investment portfolio.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report and include:
 - ◆ Grants and donations in support of the work of the Order and other charities
This is made up entirely of grants, including grants to support the Order's generalate and grants in support of the Order's work both in the UK and overseas. Charitable grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the period end.
 - ◆ Support of members of the Order and their ministry
This enables the members to carry out the charitable work of the Order in the areas of the advancement of the Roman Catholic religion and the relief of poverty.
 - ◆ Supplies for church repositories
This is expenditure on repository items, such as books, which are purchased for resale.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

◇ Parishes

The trustees are the legal owners of churches and other parish land and buildings. In the event of the Order ceasing its ministry in a parish, the trustees would consider themselves obliged to allow such assets to continue to be used indefinitely and rent free to meet the needs of the parish for a church and related accommodation. As such assets are not therefore susceptible to a meaningful valuation and there is no reliable information as to their cost, they are not valued for the purposes of these accounts.

The buildings consist of churches, presbyteries and parish halls and were constructed up to 100 years ago, with additions and improvements since. They are situated in Clevedon (Somerset), Yatton (Somerset), Stratford (London) and Woodford Green (Essex).

◇ School occupied land and buildings

The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of Nottingham Academy are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◇ Other land and buildings

Where these have been owned at least from 1983, they are stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost. Additions to other land and buildings since 1983 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Order.

◆ Freehold improvements

Depreciation is provided at the rate of 5% per annum on cost in order to write each asset off over its expected useful life. A full year of depreciation is charged in the year of acquisition.

◆ Motor vehicles

Depreciation is provided at the rate of 20% per annum on cost in order to write each asset off over its expected useful life.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

Fixed asset 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 the 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.

Funds structure

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing non-liquid assets and funds which the trustees have designated for specific purposes. Details of these are provided in notes 16 and 17.

Details of funds raised for a specific purpose or subject to donor-imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Order

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

Principal accounting policies 31 December 2021

Foreign currencies

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Donations						
. Pastoral offerings	94,594	—	94,594	60,952	—	60,952
. General donations	146,591	324,243	470,834	31,130	104,692	135,822
	241,185	324,243	565,428	92,082	104,692	196,774
Legacies	2,000	500	2,500	2,475	10,000	12,475
Salaries and pensions of individual religious received under deed of covenant and Gift Aid	90,131	—	90,131	72,535	—	72,535
	333,316	324,743	658,059	167,092	114,692	281,784

2 Income from: Investments and bank interest

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from listed investments	636,278	—	636,278	470,831	—	470,831
Other interest receivable	(5,149)	—	(5,149)	7,621	—	7,621
Unwinding of debtor held at present value (note 13)	6,558	—	6,558	(1,429)	—	(1,429)
	637,687	—	637,687	477,023	—	477,023

3 Income from: Other sources

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Sundry income	9,507	8,444	17,951	24,340	15,048	39,388

4 Expenditure on: Grants and donations in support of the work of the Order and other charities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
<i>Grants to institutions</i>						
Support of the Order's Generalate	10,775	—	10,775	11,671	—	11,671
For the relief of poverty and advancement of education and religion generally						
. Foreign Missions of the Order of Friars Minor	—	74,766	74,766	—	179,379	179,379
. Miscellaneous grants to institutions	105,000	—	105,000	68,000	—	68,000
Other donations	18,931	8,738	27,669	9,701	14,051	23,752
	134,706	83,504	218,210	89,372	193,430	282,802

5 Expenditure on: Support of members of the Order and their ministry

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Living and personal expenses of friars	138,874	3,421	142,295	131,296	1,702	132,998
Premises	55,994	945	56,939	58,162	851	59,013
Depreciation of freehold property	120,176	—	120,176	81,292	—	81,292
Grants to former members	45,473	—	45,473	35,312	—	35,312
Friars' formation	8,440	9,140	17,580	6,020	6,084	12,104
Governance costs (note 6)	32,503	—	32,503	44,055	—	44,055
Other costs	43,476	17,980	61,456	70,909	8,489	79,398
	444,936	31,486	476,422	427,046	17,126	444,172

6 Governance costs

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Legal and professional	32,503	—	32,503	43,328	—	43,328
Meeting costs	—	—	—	727	—	727
	32,503	—	32,503	44,055	—	44,055

7 Net income (expenditure) before gains on investments and transfers

This is stated after charging:

	Unrestricted funds	
	2021 Total funds £	2020 Total funds £
Auditor's remuneration (including VAT)		
. Statutory audit services	23,340	25,000
. Other services	3,000	3,000
Depreciation	125,921	87,958
Operating lease rentals	1,390	1,346

8 Staff costs and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Guardians at each friary. They received no remuneration in the year (2020 - none).

There are no staff costs as the charity does not employ staff (2020 - none).

9 Trustees expenses and transactions with trustees

As members of the Order, the trustees' living expenses during the year were borne by the charity.

As members of the Order, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under gift aid. During the year the amount donated by the trustees to the charity was £20,268 (2020 - £16,942).

9 Trustees expenses and transactions with trustees (continued)

The trustees have purchased insurance to protect the charity from any loss arising from negligent acts, errors or omissions on the part of the trustees and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £622 (2020 - £518) and provides cover of up to a maximum of £1,000,000 (2020 - £1,000,000).

10 Taxation

The Order of Friars Minor Charitable Trust is a registered charity and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to freehold buildings £	Motor vehicles £	Furniture and equipment £	2021 Total £
Cost or valuation					
At 1 January 2021	3,287,052	313,993	61,939	7,907	3,670,891
Additions	—	774,709	4,890	—	779,689
At 31 December 2021	<u>3,287,052</u>	<u>1,088,702</u>	<u>66,919</u>	<u>7,907</u>	<u>4,450,580</u>
At cost	286,745	1,088,702	66,919	7,907	1,450,580
At deemed cost (1983 valuation)	3,000,307	—	—	—	3,000,307
	<u>3,287,052</u>	<u>1,088,702</u>	<u>66,919</u>	<u>7,907</u>	<u>4,450,580</u>
Depreciation					
At 1 January 2021	1,366,555	39,781	46,099	5,082	1,457,517
Charge for the year	65,741	54,435	4,164	1,581	125,921
At 31 December 2021	<u>1,432,296</u>	<u>94,216</u>	<u>50,263</u>	<u>6,663</u>	<u>1,583,438</u>
Net book values					
At 31 December 2021	<u>1,854,756</u>	<u>994,486</u>	<u>16,656</u>	<u>1,244</u>	<u>2,867,142</u>
At 31 December 2020	<u>1,920,497</u>	<u>274,212</u>	<u>15,840</u>	<u>2,825</u>	<u>2,213,374</u>

As permitted under Financial Reporting Standard 102 (FRS 102), the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties, i.e. the churches and other parish buildings, and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at a 1983 valuation cannot be ascertained with accuracy. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost.

12 Investments

	Total 2021 £	Total 2020 £
Listed investments		
Market value at 1 January 2021	16,564,669	15,681,386
Additions at cost	2,379,302	2,503,999
Disposals at opening book value (proceeds: £1,720,715, realised gains £97,627)	(1,623,088)	(1,971,691)
Unrealised gains	1,932,207	350,973
Market value at 31 December 2021	19,253,090	16,564,669
Cash held by investment managers for reinvestment	179,378	81,921
	19,432,468	16,646,590
 Cost of listed investments at 31 December 2021	 13,951,554	 12,797,223

Listed investments held at 31 December 2021 comprised the following:

	Total 2021 £	Total 2020 £
UK government securities	881,209	602,213
Unit trusts	270,396	2,447,609
UK fixed interest	1,151,605	967,510
Equities	16,649,880	12,547,337
	19,253,090	16,564,669

There were no individual holdings as at 31 December 2021 which were deemed material in comparison with the market value of the entire listed portfolio held at that date (2020 – none).

13 Debtors

	Total 2021 £	Total 2020 £
Prepayments and other sundry debtors	21,397	62,756
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due within one year	34,903	28,103
	56,300	90,859
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due after one year	194,800	225,042
	251,100	315,901

In 2012, the charity disposed of a freehold property in Dundee, Scotland for agreed proceeds of £510,000. Under the agreed payment schedule, £280,000 was received prior to 31 December 2021. The balance will be received as follows: 2022 and 2023 - £35,000 each year and £40,000 for each of the following four years. This sale agreement constitutes a financial arrangement as defined by FRS 102. Therefore, in order to comply with the Charities SORP FRS 102 and FRS 102 itself, the proceeds receivable from the disposal of the property have been discounted to their present value using an effective discount rate of 0.05%, the rate available to the charity on commercial bank deposits. The notional interest is credited to the statement of financial activities as the discount is “unwound”.

14 Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Accruals and other creditors	25,800	40,545
Deferred income	7,153	11,287
Improvements to freehold buildings	86,541	—
Expense and similar creditors	1,801	4,624
	121,295	56,456

15 Restricted funds

The income funds of the charity include the following restricted funds, comprising the unexpended balances of donations received for specific purposes:

	At 1 January 2021 £	Income £	Expenditure and transfers £	At 31 December 2021 £
Franciscan Missionary Union	505,396	120,872	(106,252)	520,016
Stratford Building Project	11,920	—	—	11,920
Woodford Green Heating Project	—	200,000	(200,000)	—
Other restricted funds	27,898	12,315	(8,738)	31,475
	545,214	333,187	(314,990)	563,411

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Franciscan Missionary Union	581,218	120,683	(196,505)	505,396
Stratford Building Project	11,920	—	—	11,920
Other restricted funds	32,892	9,057	(14,051)	27,898
	626,030	129,740	(210,556)	545,214

The Franciscan Missionary Union represents monies received specifically for the Order's missions abroad.

The Stratford Building Project represents monies received specifically to assist with the remodification of buildings of a parish administered on behalf of the local diocese by the friars in Stratford, London. The majority of the building work was undertaken in 2010.

The Woodford Green Heating Project represents monies received specifically towards the modernisation of the heating system at the Woodford Green site.

Other restricted funds represent a number of individually small funds made up of donations for specific purposes.

16 Designated funds

The unrestricted funds of the charity include the following funds designated for specific purposes.

	At 1 January 2021 £	Designated in year £	Utilised/ Released in year £	At 31 December 2021 £
Sick and retired reserve	8,000,000	6,442	(6,442)	8,000,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	1,000,000	—	—	1,000,000
Formation fund	1,000,000	—	—	1,000,000
Relief of poverty fund	—	2,000,000	—	2,000,000
Birmingham property fund	—	500,000	—	500,000
	11,500,000	2,506,442	(6,442)	14,000,000

	At 1 January 2020 £	Designated in year £	Utilised/ Released in year £	At 31 December 2020 £
Sick and retired reserve	8,000,000	10,327	(10,327)	8,000,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	1,000,000	—	—	1,000,000
Formation fund	1,000,000	—	—	1,000,000
	11,500,000	10,327	(10,327)	11,500,000

◆ Sick and retired reserve

This consists of monies which the trustees have set aside in order to provide for older friars and those in ill health. The reserve has been calculated so as to provide income to communities with elderly or sick friars to care for.

◆ Maintenance fund

The maintenance fund represents monies set aside by the trustees for the upkeep and repair of the buildings of the Custody. A quinquennial review carried out towards the end of 2015 on one of the charity's major properties indicated that this fund will need to be expended over the next ten years in respect to that one property alone.

◆ Mission and development fund

The mission and development fund comprises monies set aside towards funding new initiatives in furtherance of the mission of the Order.

◆ Formation fund

The formation fund comprises monies set aside towards funding the formation and education of friars. The monies held in the formation fund are reviewed on a regular basis during the year by the trustees.

◆ Relief of poverty fund

The relief of poverty fund represents monies set aside by the trustees with the intention of helping those most in need. The trustees are looking at the possibility of collaborating with charities and housing associations that support refugees, homeless people or victims of domestic violence. One possibility being explored is for the charity to purchase one or more properties which might then be leased to these organisations at a peppercorn rent..

16 Designated funds (continued)

♦ Birmingham property fund

The Birmingham property fund comprise monies set aside for the purchase of a property in 2022.

17 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
At 1 January 2021	2,213,374	2,292,430
Net movement in year	653,768	79,056
At 31 December 2021	2,867,142	2,213,374

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. This fund has been established to recognise the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

18 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	—	2,867,142	—	2,867,142
Investments	5,432,468	14,000,000	—	—	19,432,468
Net current assets	1,150,581	—	—	563,411	1,713,992
Total net assets	6,583,049	14,000,000	2,867,142	563,411	24,013,602
	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	—	2,213,374	—	2,213,374
Investments	5,146,590	11,500,000	—	—	16,646,590
Net current assets	2,045,337	—	—	545,214	2,590,551
Total net assets	7,191,927	11,500,000	2,213,374	545,214	21,450,515

Notes to the accounts 31 December 2021

18 Analysis of net assets between funds (continued)

The total unrealised gains at 31 December 2021 constitute movements on revaluation and are as follows:

	Total 2021 £	Total 2020 £
Unrealised gains included above:		
On investments	5,301,536	3,767,042
Total unrealised gains at 31 December 2021	5,301,536	3,767,042
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	3,767,042	3,608,815
In respect to disposals in the year	(398,117)	(192,342)
Net gains (losses) arising on revaluation in the year	1,932,207	350,973
Total unrealised gains at 31 December 2021	5,301,536	3,767,042

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Order of Friars Minor by virtue of the fact that the Superior of the Province has the power to appoint the trustees.

20 Connected charities

The Order of Friars Minor Charitable Trust is connected to one other charity by virtue of the fact that the trustees of the Order have the power to appoint trustees of the connected charity and the charities use the same principal address.

The connected charity is:

Name	Charity Reg No	Charitable objectives
Commissariat of the Holy Land	263616	The support of the work of the Custody of the Holy Land, the advancement of the Roman Catholic religion and the relief of poverty.

21 Related party transactions

Other than as disclosed in note 9, there were no further related party transactions (2020 - none).

22 Operating lease commitments

At 31 December 2021, the charity had the following future minimum commitments in respect of non-cancellable operating leases:

	Motor Vehicles
	2021 £
Payments due in less than one year	348

Notes to the accounts 31 December 2021

23 Contingent liability

The trustees have been notified of potential claims in respect to the care and welfare of children in the care of the charity during and after the 1960's. The amounts involved, if any, cannot be quantified at the current time.

24 Post balance sheet events

The charity is in the final stages of negotiating the purchase of a property in Birmingham at an estimated cost of £500,000. The trustees have set aside this amount as a designated fund (see note 16).

Accounts

**The
Order of
Friars
Minor
Charitable
Trust**

Annual Report and Accounts

31 December 2020

Charity Registration Numbers:
232177 (England and Wales)
SC039191 (Scotland)

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

Trustees	Rev Michael Copps OFM (Chairman) Rev Patrick Lonsdale OFM Rev Antony Jukes OFM Rev Edmund Highton OFM Rev Michael O'Grady OFM The trustees are incorporated under the Charities Act 2011
Custos	Rev Michael Copps OFM
Custodial Secretary	Rev Patrick Lonsdale OFM
Provincial Bursar	Rev Michael O'Grady OFM
Principal address	The Franciscan Friary 557 High Road Woodford Green Essex IG8 0RB
Charity registration numbers	232177 (England and Wales) SC039191 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	SBP Law Glade House 52-54 Carter Lane London EC4V 5EF
Stockbrokers	J M Finn & Co 4 Coleman Street London EC2R 5TA
Principal bankers	NatWest Group 1st Floor 440 Strand London WC2R 0QS

Trustees' report 31 December 2020

The trustees present their statutory report together with the accounts of The Order of Friars Minor Charitable Trust for the year ended 31 December 2020.

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

INTRODUCTION

The Order of Friars Minor was founded by St Francis of Assisi in 1209. It has maintained its essential character through the centuries. Friars live in communities, observing the Gospel of Our Lord Jesus Christ, under vows of poverty, celibate chastity and obedience, in accordance with the 'Rule of 1223' written by the Founder. The Minister General's headquarters are in Rome where he is assisted by a General Definitory or Council, governing the Order Worldwide. The British Custody is part of the Order.

CONSTITUTION

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the British Custody are held and through which its finances operate. The charity is governed by a trust deed dated 1 December 1963 as amended by a scheme dated 12 June 1973, and is registered under the Charities Act 2011. Since 2007 the trust has also been registered with the Office of the Scottish Charity Regulator (OSCR).

The trustees of the charity are an incorporated body under the Charities Act 2011.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES

The principal aims of the charity are the support of charitable purposes connected with the Roman Catholic Religion and the support of the charitable work of the Order generally. This work is described in more detail in the following paragraphs. Although the majority of friaries are situated in England, the charity has one house in Glasgow, Scotland. The objectives described below apply in Scotland with special emphasis on the overseas mission work.

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Pastoral

The Order of Friars Minor in this Custody has four parishes in its care. Most of the friars of the Custody are engaged in pastoral and educational work – supporting and encouraging prayer and worship, administering the sacraments, preaching, teaching, providing spiritual and material sustenance to those in need. In addition, they give retreats and missions to other parishes and to convents. There is an obvious public benefit from these activities, as they are designed to promote harmony and cooperation in the parishes concerned and in the wider community.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Educational

To be able to provide the pastoral and spiritual support mentioned above, the members of the Custody must have the opportunity to obtain firstly the initial formation needed in the preparation for their ministry and then the further training and formation to equip them to serve the Church and the faithful in a rapidly changing society. The trustees need, therefore, to keep a close eye on the requirements to remain active and fruitful preachers of the Gospel. In addition, the friars take an active interest and play a part in the provision of primary, secondary and tertiary education in the schools of their parishes. These schools have a Catholic ethos and have no restriction with regard to colour, race, or income, thus providing an obvious public benefit.

Overseas missions

The Order of Friars Minor is the largest missionary Order in the Church. This Custody began missionary work in India and South Africa over 60 years ago. Initially they sent men out to those countries to begin the work of serving the people and establishing a Catholic presence there. Over time these missions have grown and now provide their own indigenous friars. With the decline in vocations in this country, the support now takes the form of grants financed by donations from Franciscan parishes and educational assistance to overseas students.

Grant making policy

The bulk of the grants made by the charity usually arise through the restricted funds i.e. the Franciscan Missionary Union (FMU) and Saint Antony's Bread. In both cases money is deposited with the friars by the faithful to be used in the Franciscan missions and for the relief of poverty. The policy of the charity, therefore, is to use all the money so contributed for the furtherance of those two aims.

In total, grants of approximately £283,000 (2019 – £398,000) have been made during the year both as direct donations from the income of the charity and from disbursement of contributions by the faithful to the FMU and St Antony's Bread. As usual, the Franciscan Missionary Union made contributions to missionary areas, especially in India and South Africa, for both general support and specific projects amounting to approximately £179,000 during the year (2019 – £198,000). In addition, the charity makes a regular annual donation to about a dozen charities that provide services allied to the Franciscan ethos e.g. Shelter, NSPCC and CAFOD totalling circa £68,000 (2019 - £85,000). More details are given in note 4 to the accounts.

ACTIVITIES, OBJECTIVES AND SPECIFIC POLICIES (continued)

Investment policy

The charity has a portfolio of investments with a market value as at 31 December 2020 of £16,646,590 (2019 - £15,759,688).

The charity has set up a Sick and Retired Reserve to provide assistance to communities with elderly and infirm friars. This reserve is represented by a large part of the charity's portfolio of stocks and shares, managed under the guidance of a fund manager. The fund managers have been asked by the trustees to keep a prudent balance between gilts and equities and to ensure the risk is spread by investing in a wide range of industrial shares of the larger companies. The twin aims are to raise some income to support the present elderly friars and to achieve a capital appreciation so as to build up the fund for future years.

The trustees have also instructed the fund managers to refrain from buying shares in companies associated with armaments, tobacco and contraceptives, as well as any pursuing activities at variance with the charity's objectives. It has also recently disposed of its holdings in fossil fuel shares and invested in renewable energy instead, following the lead given by Pope Francis.

REVIEW OF THE YEAR

Pastoral work

Formation, training and education

All the formation, training and education of friars in initial formation now takes place outside the Custody of Great Britain. The Postulancy is currently located in Ennis, Ireland, the Novitiate year is based in Killarney, Ireland, and the study of Philosophy takes place in Maynooth University, with friars resident in the friary of Athlone. After completing Philosophy, friars go to Rome, Italy, for the study of Theology. Friars from the Custody in initial formation will have summer placements in the Custody so as to maintain links with the Custody.

Throughout the year we did not have one friar in initial formation.

Antony Jukes, in his capacity as Novice Director, and Donal Walsh, have attended meetings of the Interprovincial Secretariat for Formation and Studies (ISFS). These meetings are also attended by all friars of the Irish Province involved in formation ministry. Due to Covid-19 restrictions, these meetings have taken place online.

In August 2020, three men began their novitiate year at the Interprovincial Novitiate in Killarney, one is from the German Province, one from the Dutch Province and one from the Custody in Switzerland.

REVIEW OF THE YEAR (continued)

Overseas missions

The Franciscan Missionary Union was established many years ago to help the Missionary endeavours of the Order of the Friars Minor. In the 1930's and 1940's, the English Province established Missionary Dioceses in India and South Africa. The work done in both countries was considerable and is now in the care of indigenous Franciscan Friars.

The Franciscan Missionary Union has, therefore, opened out towards other Missionary endeavours in various parts of the world. While still keeping in contact with our older Missionary work in India and South Africa we have branched out considerably to help the poor and marginalised in both East and West Africa as well as Sri Lanka and Madagascar. We also try to respond to any emergency situations where and when they occur in conjunction with Missio Scotland, SCIAF and Mary's Meals.

We endeavor to obtain good estimates and reports for any proposed projects. These grants are made to particular Franciscan Provinces and are administered by fellow Franciscans. The source of these monies comes from the wonderful generosity of friends of the Missions who continue to support the work done by the FMU.

Promotion of vocation

The following is a report from Donal Walsh, Vocations Director:

"Due to Covid 19 restrictions and the Pandemic, promotion of vocations for most of 2020 has had to change from a more in-person means of contact and communication with those showing interest in the Franciscan Order, to the ever present virtual and social media ways of telephone, emails, and Zoom meetings with individuals and groups.

Thus, from March 2020, there has been very little travelling in the UK to meet Enquirers or for vocation meetings, gatherings and youth events. During 2020, I received some 43 enquiries about the Franciscan way of life, all of whom received a reply and acknowledgement, and about 10 of whom I have been in communication over several months.

There have been many hours of phone calls, emailing and virtual Zoom meetings with some Enquirers as well as a few Zoom conference calls with other Vocation Promoters in the UK and Ireland, and several Franciscans of the English-speaking world who also minister in this area. Some of these meetings were of a business-like manner and others of a training nature with some guest speakers. This, I feel, is of important support and benefit to me and a way to meet and listen and learn new approaches in animating and promoting vocational service.

Lastly, in 2020, on three occasions I have given talks for Schools using Zoom on Franciscan life, mostly to 5th year Senior School students from several classes along with their teachers."

REVIEW OF THE YEAR (continued)

OFS spiritual assistance

The following is a report from Donal Walsh in his role as Spiritual Assistant to the Order of Secular Franciscans:

"I am one of three Spiritual Assistants in the UK who assist, guide and support members of the Order of Secular Franciscans (OFS), females and males, who live in their homes, often scattered, who usually meet frequently for prayer, discussion and solidarity as they live out their Franciscan ideals as brothers and sisters.

My role as a Spiritual Assistant is to attend to fraternity meetings and special gatherings especially those of the 9 regions of the UK which comprise about 60 local fraternities. Needless to say, it would be a mammoth task for the 3 of us to visit all local groups over a year so we mostly concentrate on regional fraternal meetings and special events. Again, due to Covid restrictions in 2020, actual meetings in person have not taken place but have been replaced by virtual Zoom meetings of the regional Chapter and Council considering overall life and structures, decisions and plans for the OFS in Britain. Many of these Zoom meetings have been monthly lasting some 2 hours which I have mostly attended. Although some have been dealing with business, other meetings have been sharing and dialogue between members and have been a source of support and encouragement for us all especially during the difficult period in 2020 of a local and global virus pandemic.

Finally, the three Spiritual Assistants with OFS leadership have met via Zoom on three occasions in order to discuss planning, with sharing and support for one another."

Vigilance with regard to the care of children and vulnerable persons and relevant training

It is totally accepted that the complete safety at all times of minors and vulnerable persons demands the highest concern and compliance of all members of the Catholic Church.

Our Custody is committed to full implementation of the principles, procedures and practice of the Catholic Church in England and Wales. These are set out by the National Catholic Safeguarding Commission and implemented and supervised by the Catholic Safeguarding Advisory Service. We receive regular information from these two bodies and act on any recommendation or change advised to achieve best practice.

We are aligned with the Brentwood Diocese Safeguarding Commission, which provides highly professional knowledge and practical support. We maintain close contact and frequent communication with Simon Moules, the Commission Coordinator. He provided us with a full day's training which all friars active in England attended. We also engaged in other full days provided by the respective Diocese in which we work. Most of the friars attended another training day to hear three victims of abuse recount their experience and its consequences. At every monthly meeting of our trustees, Safeguarding is an agenda item. Listening to the first-hand accounts of victims of abuse is currently seen as a helpful means to achieve better understanding and practice. Our Safeguarding Lead led us in some detail at one such meeting through an account of one victim and the long consequences of her historic abuse. We offer pastoral care to anyone who has suffered abuse. As well as giving victims the assurance that they are trusted and their accounts are well heard, we recognise our duty on occasion to offer

REVIEW OF THE YEAR (continued)

Vigilance with regard to the care of children and vulnerable persons and relevant training (continued)

financial help. With the guidance of our solicitors specialising in abuse cases we have negotiated appropriate compensation for two victims whose abuse is historic.

Guardians' Report 2020

Glasgow

The Custody Chapter was held in July 2018 with the appointment of three friars to the Glasgow Friary. The great upheaval of the last 15 months has been the Covid-19 pandemic and national lockdown with the complete closure of the churches and the resulting loss of income and pastoral activity. Previously, the three friar priests presided at parish Masses with the parish priest providing chaplaincy to the parish school. The two halls at St Francis and Blessed John Duns Scotus, and adjoining rooms, were used by parish and other local groups such as the Twelve Steps programmes. Public Masses have begun again and approved groups are able to meet within the social distancing regulations. Until March 2020, regular Masses in Tamil and Vietnamese had been conducted by visiting priests from their respective ethnic chaplaincies. Friars and parishioners took part in training programmes on Safeguarding as provided by the Archdiocese of Glasgow and the Scottish Catholic Safeguarding Service. Much of this has continued online. The Safeguarding Audit 2020 for Religious Communities and the 2020 Archdiocesan Audit for parishes have been completed and submitted.

Clevedon

There are three Friars in Clevedon.

Sunday Masses are celebrated in the Parish Church in Clevedon and in the nearby village of Yatton. The parish hall, attached to the church at Clevedon, is well used by the parish and other local groups, such as the Secular Franciscans, the Rotary Club, a mother and toddler group, and a number of exercise, art and language classes.

The Friars continue to minister to people in local residential and nursing homes. One of them acts as Chaplain to the parish school, which is situated in Nailsea.

Stratford

There are four Friars at Stratford. They minister to a large congregation of various nationalities and ethnic backgrounds in the London Borough of Newham. There are families from different countries of Africa and Asia, as well as from Ireland and continental Europe. The Parish Priest acts as Chaplain to the Parish Primary School (St Francis), and is on a rota of Priests from the Newham Deanery who provide chaplaincy care at Newham General Hospital.

REVIEW OF THE YEAR (continued)

Guardians' Report 2020 (continued)

Stratford (continued)

Before the restrictions that came into effect at the time of the pandemic, small teams of parishioners would use the friary kitchen to make up sandwiches and hot drinks for homeless people who called at the friary on weekday mornings. There was a hot take-away meal available on Saturdays. Parishioners contributed generously to the expenses of this project, and there were also donations of food (mainly bread) from some of the local stores. The parish hall was used for two periods of three months to provide beds for about 15 people one night each week during the winter months. This project was run by volunteers from the parish and further afield. There was also a dinner one Saturday near to Christmas.

Since the lockdown periods during the pandemic, the Friars themselves have made sandwiches, and though these have been taken by homeless or needy people, the uptake has not been as great as formerly. This is probably because of government and local authority intervention to provide accommodation out of the area for homeless people. We hope to resume the former practice, if needed, once the restrictions are lifted.

Woodford Green

On the very last day of the year, Brother Malachy died to reduce the community to seven friars. Three of them had care of the busy parish, one was involved in administration of the Order, and the others were retired or semi-retired. From March, Covid-19 made its presence felt and this curtailed most of our pastoral contact except for funerals. We soon got into streaming our services to parishioners and those who tuned in. We frequently had a hundred people being involved this way. The Friars continued to provide chaplaincy to the parish primary school and to the high school by way of streaming when the schools were open. Care of those in nursing homes was very difficult and limited because of the need of social distancing. Parishioners' activities in terms of care of the disadvantaged were curtailed but collecting food for food banks continued. The parish centre, with its large hall and meeting rooms had to be closed. Throughout the year, preparations were being made to install a new heating system for the whole building.

COVID-19

The Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Due to the age profile of the Friars, many are currently practising self-isolation. This means there have been some adaptations to how ministry has been exercised during this period. The charity's investment income will no doubt continue to be affected because of the impact of the pandemic on the economy and on the commercial sector in particular. In addition, voluntary income in the form of Mass, Clergy and Stole Offerings has been reduced during those periods when all churches were required to close their doors. Expenditure has been reduced as a result of lockdown as travel was curtailed and other costs were affected also.

COVID-19 (continued)

The trustees have reviewed the income and expenditure of the charity and considered the impact of the pandemic during the months following the financial year end. Whilst there will be challenging times ahead, the trustees are of the view that there will be no significant impact on the overall finances of the charity.

FUTURE PLANS

We are still between chapters and the communities are now settled in and functioning well. However, while that is true, we are very aware that we rely on the good health of a few friars who are key to managing our life together. These friars are wearing two or more hats, are aging and therefore this is a worry. At the moment we are managing but we are exploring ways of becoming less vulnerable including the closure of another friary.

The planning to replace the heating system in the church and friary at Woodford was completed by the year end and work commenced in January 2021. The total cost is estimated at £800,000 and will be apportioned between the custody, parish and local Franciscan community.

FINANCIAL REVIEW

Investment performance

The portfolio comprises 76% equities, 4% gilts, and 20% unit trusts and fixed interest funds. The overall value of the portfolio increased by £886,902 from a market value of £15,759,688 at the end of 2019 to a value of £16,646,590 at the end of 2020. This does, however, include a further cash injection of £750,000 in July 2020.

Income and expenditure

A summary of the year's results can be found on page 23 of this annual report and accounts. Total income amounted to £802,623 compared to £1,174,840 in 2019. Total expenditure during the year decreased from £1,011,694 in 2019 to £803,298 in 2020 as a result of fewer grants and donations being made.

Net expenditure for the year before gains on investments, therefore, amounted to £675 (2019 – net income of £163,146). Net gains on investments of £206,999 (2019 – £1,860,474) resulted in a net increase in funds for the year of £206,324 compared to a net increase of £2,023,620 in 2019.

Financial position and reserves policy

The balance sheet shows total funds of £21,450,515 (2019 - £21,244,191). Of this, £545,214 (2019 – £626,030) is restricted for specific purposes. £505,396 (2019 – £581,218) is restricted in respect of the Franciscan Missionary Union, which receives money specifically for the Order's missions abroad. The remainder of the restricted funds represent a number of individually small funds made up of donations for specific purposes.

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

The charity has unrestricted funds of £20,905,301 (2019 – £20,618,161). Of this £2,213,374 (2019 – £2,292,430) represents tangible fixed assets. About 10 per cent of the total resources owned by the charity comprise tangible fixed assets. The Franciscan Custody in this country can only carry out the aims set out in the first part of this report if it has the use of such assets. Not only are the assets an essential prerequisite for the work of the Custody, but much of the property is not at the complete disposal of the Custody; if the trustees were to vacate any of this property they would regard themselves as obliged to offer it to the Bishop or some other religious order that was prepared to carry on the same work.

In these circumstances, therefore, it seems advisable to recognise the resource as a separate fund rather than as an available resource.

The charity has four designated funds.

The first of these is the Sick and Retired Reserve. The average age of the friars in the Custody is steadily increasing and the elderly and infirm friars now outnumber those who have to provide the supporting income. Given the small number of vocations in recent years, there may not be sufficient support available within the Custody unless some of the present resources are set aside for the future. A Sick and Retired Reserve has been set up to provide for the current members of the Order.

The second designated fund is the Maintenance Fund standing at £1,500,000 at the end of the year. A quinquennial review carried out at the end of 2015 on one of the charity's major properties indicated that this fund will need to be enlarged over the next ten years.

As mentioned above, the Custody is faced with a reducing number of friars in the coming years. That will of necessity give rise to decisions on changes to present activities and new ventures necessitating additional capital expenditure. Therefore, it is deemed prudent to set aside through a designated Mission and Development Fund a reserve which the trustees can utilise as and when needed for new initiatives in furthering the mission of the OFM.

The fourth designated fund is the Formation Fund which comprises monies set aside towards funding the formation and education of friars.

The amount of free reserves available after deducting the above designated funds and tangible fixed assets is £7,191,927 (2019 - £6,825,731). The policy of the trustees towards the General Reserve is to hold an amount roughly equivalent to one and a half year's unrestricted expenditure. The actual amount of free reserves held at 31 December 2020 clearly exceeded the amount demanded by the policy. However, the trustees are aware of the uncertainties created by Covid-19 (see above) and the need, therefore, to be cautious. In addition, the charity has recently embarked on a programme of quinquennial reviews of the charity's properties and it is expected that the results will show that significant investment will be needed in the properties over the next decade. Once the results of the reviews are known, it is the intention to increase the value of the Maintenance Fund thereby reducing free reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Until 11 November 2014, according to the Statutes of the Order, the friars in Great Britain constituted a Province, i.e., an entity with more than forty professed friars. As such, the Province was administered by a governing body, known as the Definitory, consisting of the Minister Provincial, a Vicar-Provincial, and five other friars, elected by all the brethren at the triennial Chapter. The members of the Definitory were also trustees of the charity.

Because of the decreasing numbers and ageing of the friars, the Province became, as of the Chapter held in November 2014, a Dependent Custody of the Province of Ireland. In effect, for Canon law purposes, the friars in Great Britain became a semi-autonomous entity, led by the Custos and a Council of three friars. They were appointed by the Minister General of the Order, but after three years there will be an election of the Custos and Council and thereafter there will be an election every three years. Major appointments and decisions regarding the friars and houses of the Custody need to be ratified by the Provincial of Ireland and his Definitory. The trustees, however, continue to administer the charity and they are solely responsible for the financial management of the Custody.

The Council assigns friars to the various friaries and parishes served by the Franciscans and appoints officers needed for the administration of the Custody. Each friary has a Guardian and Vicar, appointed by the Council, who have responsibility for the friars in their community. The running of each friary is discussed regularly by the whole community.

As all trustees are members of the Order they have a detailed knowledge of the work of the charity and of its structure. On being appointed, new trustees are required to spend one full day with those trustees leaving office. They also meet with the Order's legal, accounting, investment and property advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees who served during the year are given below:

Reverend Michael Copps OFM

Father Michael Copps has been a member of the Order since 1965. After initial formation he was involved in pastoral work in parishes and the education of new members as Novice Director. From 1981 to 1990 he was elected Guardian of the community at Chilworth and held the post of Novice Director for the same period. From 1990 to 1999 he was a parish priest in Nottingham and was Guardian of the community from 1994 to 1997. In 1999 he became parish priest in Forest Gate, East London and in 2002 in Stratford and Guardian of the community. In 2005 he was elected Minister Provincial of the Province of Friars Minor in this country and served in that capacity until 2014. He has also served on the Finance Committee of the Province. After a period as parish priest and Guardian at Stratford he was elected as Custos in 2018. Also in that year, he took up the role of Guardian in Woodford Green.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Reverend Patrick Lonsdale OFM

Father Patrick Lonsdale entered the Order in 1965. He gained a BA at the University of Kent in Canterbury. Since Ordination in 1974 he has worked in various friaries and parishes of the Custody, and has been Guardian at Craigmillar, Woodford, Forest Gate, Glasgow, Chilworth and Nottingham. He was also Parish Priest at Craigmillar, Glasgow and Chilworth. He was a Trustee and Definitor from 1996 to 2005. He served as Custos and Trustee from 2014 to 2018, and is currently a Councillor and Trustee. From 1990 to 1996 he was National Assistant to the Secular Franciscan Order. From 1996 to 2002 he was a member of a hermitage community at Penmaenmawr, which was a joint project with the Capuchins. Over the years Patrick has also served as Secretary of the Province, Secretary of Formation, and as Animator of Vocations. He is currently Guardian of the community at Stratford and is Religious Assistant to the Federation of Poor Clares in Great Britain.

Reverend Antony Jukes OFM

Father Antony Jukes joined the Order of Friars Minor in 2002, having previously worked and completed his training as an accredited Chartered Accountant. As part of his formation as a Franciscan Friar, Antony completed a BA and an MA degree in Theology at the Franciscan International Study Centre in Canterbury. After ordination as a priest he served in our Franciscan parish in the Gorbals area of Glasgow for two years and then worked for two years in youth ministry at the Cold Ash Centre before returning to Canterbury to help with the formation of friars and to teach in the Study Centre. With the closure of the Study Centre in June 2017, Antony moved to the friary in Killarney, Ireland, where he is now the Novice Director in the new Interprovincial Noviciate.

Reverend Edmund Highton OFM

Father Edmund Highton has been a member of the Order since 1966. He had commercial experience of economics, commercial law and the finance of foreign trade through the "Institute of Export" prior to joining the Order. He spent many years as a missionary in South Africa, where he was a member of the Bishop's Council for about ten years with duties including the distribution of educational bursaries for secondary and tertiary education. He was a Parish Priest, caring for financial and pastoral concerns, from 1975 onwards. Now back in Britain, his present duties include the care of the Franciscan Missionary Union and being Parish Priest of Blessed John Duns Scotus in Glasgow.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Reverend Michael O'Grady OFM

Father Michael O'Grady joined the Franciscan Order in September 2008 after working for the HSBC Bank in various roles, including business banking, for twenty years. He began his postulancy in Chilworth before moving to Ennis for his novitiate year where he took his simple vows in September 2011. He then moved to Canterbury to begin his academic formation with a year of Franciscan Studies and two years of philosophy. In 2014 he moved to the fraternity in Stratford to begin his theology degree at Heythrop College, London. Michael took his solemn vows in September 2015 and was ordained a deacon in July 2017. Upon completion of his studies in 2017 Michael was sent to St Boniface's, San Francisco for three months as part of his diaconate placement working with the homeless. In 2018 he spent two months in Kraainem, Belgium with the Irish friars in preparation for his ordination to the priesthood in March 2018. He was then assigned as parish priest in Stratford and nominated as bursar of the Custody. He now serves on the Council and is a trustee of the charity.

Structure and management

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet monthly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Order or senior staff. Financial decisions are overseen by the trustees. Mandates with the principal bankers are in place, to the effect that any cheque or online payment above £5,000 must have two authorisations, including one by a trustee. Online banking has been introduced at Custody level enabling daily monitoring of bank balances and other financial controls.

The Custody comprises 26 friars (as at 31 December 2020) who lived as part of four communities during the year. Three of these community houses are situated in the South of England (Clevedon, Somerset; Stratford in East London and Woodford Green, Essex) whilst the fourth community house is in Glasgow, Scotland. The four houses that remain open continue to exercise parochial responsibilities in collaboration with the bishops of the dioceses concerned.

As stated above, each community has a local guardian appointed by the Council. The local guardian is responsible for both the needs and the care of the friars in his community and he liaises regularly with the trustees. All local superiors meet together occasionally with the trustees to discuss developments and future plans and strategy.

Key management personnel

The strategic direction and the day-to-day management of the work of the charity is in the hands of the trustees and the Guardians at each friary. They are all members of the Order of Friars Minor and receive no remuneration for this work. All these friars have had many years' experience in the Order and are well aware of their responsibilities without the need for specific performance indicators.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Working with other organisations

The friars in the parishes served by the Custody work very closely with the bishops administering the dioceses within which the parishes are situated. That will include membership of the local deanery and helping out in neighbouring parishes where possible. In addition, most communities have a primary school in the parish and there is close connection with these schools as well as secondary schools serving the parishes of the friars. The friars are also engaged in working with statutory bodies, other Christian Churches, other faith communities, and other voluntary groups.

Trustees' responsibilities statement

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 and in Scotland 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;
- ◆ observe the methods and principles in the 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 relevant Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review. They also ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

- ♦ **Governance and management** looks at the risk of the Order, and hence the charity, suffering from a lack of direction, at the skills and training of its members and staff, and the good use of its resources.
- ♦ **Operational** looks at the risks inherent in the charity's activities including the members of the Order engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, lack of a disaster recovery plan, etc.
- ♦ **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.
- ♦ **Reputational** looks at possible damage to the Order's, and hence the charity's, reputation.
- ♦ **Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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. They also work in close collaboration with their insurers so as to maintain adequate coverage of the risks.

Apart from the impact of Covid-19 on the charity and its work (see above), the key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members of the Order. None of the friars have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the friars. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been loosely based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual friars encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity donates significant sums in support of the work of the Order and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Order whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs, both now and in the future. Since the end of the financial year, there has been some volatility on world stock markets in response to the Covid-19 pandemic. The trustees, along with their investment managers, will continue to monitor the impact of the pandemic and other factors on stock markets but the charity is a long term investor and the trustees take a long term view.

Fundraising statement

The charity does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial year. However, if a complaint was to be received, it would be handled by a trustee.

Trustees' report 31 December 2020

MEMBERS OF THE ORDER

The trustees wish to record their recognition of the professionalism and commitment of the individual members of the Order.

Their dedication and positive approach are much appreciated.

Signed on behalf of the trustees:

Michael Copps

Trustee

Approved by the trustees on: 20 September 2021

Independent auditor's report to the members of The Order of Friars Minor Charitable Trust

Opinion

We have audited the accounts of The Order of Friars Minor Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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

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

- ◆ Making enquiries of management and 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.

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

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

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

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

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

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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

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

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

Independent auditor's report 31 December 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

29 September 2021

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

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income from:							
Donations and legacies	1	167,092	114,692	281,784	260,310	321,244	581,554
Investments and bank interest	2	477,023	—	477,023	561,932	2,525	564,457
Charitable activities							
. Church repository sales		4,428	—	4,428	11,605	—	11,605
Other sources	3	24,340	15,048	39,388	4,554	12,670	17,224
Total income		672,883	129,740	802,623	838,401	336,439	1,174,840
Expenditure on:							
Raising funds							
. Investment management fees		72,082	—	72,082	71,631	—	71,631
Charitable activities							
. Grants and donations in support of the work of the Order and other charities	4	89,372	193,430	282,802	187,387	210,900	398,287
. Support of members of the Order and their ministry	5	427,046	17,126	444,172	509,785	22,180	531,965
. Supplies for church repositories		4,242	—	4,242	9,811	—	9,811
Total expenditure		592,742	210,556	803,298	778,614	233,080	1,011,694
Net income (expenditure) before gains on investments	7	80,141	(80,816)	(675)	59,787	103,359	163,146
Net investment gains		206,999	—	206,999	1,860,474	—	1,860,474
Net income (expenditure) and net movement in funds for the year		287,140	(80,816)	206,324	1,920,261	103,359	2,023,620
Reconciliation of funds:							
Total funds brought forward at 1 January 2020		20,618,161	626,030	21,244,191	18,697,900	522,671	19,220,571
Total funds carried forward at 31 December 2020		20,905,301	545,214	21,450,515	20,618,161	626,030	21,244,191

All of the charity's activities were derived from continuing operations during the above two financial periods.

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

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	11		2,213,374		2,292,430
Investments	12		16,646,590		15,759,688
			18,859,964		18,052,118
Current assets					
Debtors					
. Amounts falling due after one year	13	225,042		253,145	
. Amounts falling due within one year	13	90,859		156,095	
Cash at bank and in hand		2,331,106		2,901,429	
		2,647,007		3,310,669	
Creditors: amounts falling due within one year	14	(56,456)		(118,596)	
Net current assets			2,590,551		3,192,073
Total net assets			21,450,515		21,244,191
The funds of the charity					
Restricted funds	15		545,214		626,030
Unrestricted funds					
. Designated funds	16	11,500,000		11,500,000	
. Tangible fixed assets fund	17	2,213,374		2,292,430	
. General fund		7,191,927		6,825,731	
			20,905,301		20,618,161
			21,450,515		21,244,191

Approved by and signed
on behalf of the trustees by:

Michael Copps

Trustee

Approved by the trustees on: 20 September 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(365,928)	(256,791)
Cash flows from investing activities:			
Investment income and bank interest received		484,409	562,785
Purchase of tangible fixed assets		(8,902)	(189,309)
Proceeds from the disposal of investments		1,827,716	1,859,805
Purchase of investments		(2,503,999)	(1,772,166)
Net cash (used in) provided by investing activities		(200,776)	461,115
Change in cash and cash equivalents in the year		(566,704)	204,324
Cash and cash equivalents at 1 January 2020		2,979,731	2,775,407
Cash and cash equivalents at 31 December 2020	B	2,413,027	2,979,731

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net movement in funds to net cash used in operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	206,324	2,023,620
Adjustments for:		
Depreciation charge	87,958	86,211
Gains on investments	(206,999)	(1,860,474)
Investment income and bank interest receivable	(478,452)	(564,457)
Decrease in debtors	87,380	41,402
(Decrease) increase in creditors	(62,139)	16,907
Net cash used in operating activities	(365,928)	(256,791)

B Analysis of changes in net debt

	2019 £	Cash flows £	2020 £
Cash at bank and in hand	2,901,429	(570,323)	2,331,106
Cash held by investment managers	78,302	3,619	81,921
Total cash and cash equivalents	2,979,731	(566,704)	2,413,027

Principal accounting policies 31 December 2020

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

Basis of accounting

The accounts have been prepared for the year to 31 December 2020 with comparative information given in respect to the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items initially 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 the principles set out in 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ determining the discount rate to be applied when calculating the present value of amounts receivable after one year;
- ◆ estimating the amounts to be set aside as designated reserves; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

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.

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Assessment of going concern (continued)

Due to the age profile of the Friars, many have had to self-isolate. This means there have been some adaptations to how ministry is being exercised. The charity's income has been, and will continue to be, affected by the pandemic due to the impact of the closure of churches on voluntary income in the form of Mass, Clergy and Stole Offerings and also because of reduced investment income as the corporate sector reacts to Covid-19. Expenditure has reduced slightly as a result of the lockdown as travel was curtailed and other costs were affected also.

The trustees, along with their investment managers, will continue to monitor the impact of the pandemic and other factors on stock markets but the charity is a long term investor and the trustees take a long term view.

The trustees have reviewed the income and expenditure of the charity and considered the continuing impact of the pandemic. Whilst there will continue to be challenges ahead, the trustees are of the view that there will be no significant impact on the overall finances of the charity.

Therefore, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets – both of which may be impacted by Covid-19 and other factors outside of the charity's control.

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, legacies, investment income, interest receivable, church repository sales, the surplus on disposal of assets and other income.

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

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

Income recognition (continued)

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

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Income from repository sales is recognised when the risks and rewards of ownership have transferred to the buyer.

All other income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition and the basis of allocating costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and governance support costs.

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. These costs are allocated directly to support of members of the Order and their ministry. All other costs are directly allocated to the headings in the statement of financial activities and there is no apportionment. The classifications in the statement of financial activities are as follows:

- a. The costs of raising funds comprise the fees paid to investment managers in connection with the management of the charity's investment portfolio.

Expenditure recognition and the basis of allocating costs (continued)

b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report and include:

- ◆ Grants and donations in support of the work of the Order and other charities
This is made up entirely of grants, including grants to support the Order's generalate and grants in support of the Order's work both in the UK and overseas. Charitable grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the period end.
- ◆ Support of members of the Order and their ministry
This enables the members to carry out the charitable work of the Order in the areas of the advancement of the Roman Catholic religion and the relief of poverty.
- ◆ Supplies for church repositories
This is expenditure on repository items, such as books, which are purchased for resale.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings
 - ◇ Parishes
The trustees are the legal owners of churches and other parish land and buildings. In the event of the Order ceasing its ministry in a parish, the trustees would consider themselves obliged to allow such assets to continue to be used indefinitely and rent free to meet the needs of the parish for a church and related accommodation. As such assets are not therefore susceptible to a meaningful valuation and there is no reliable information as to their cost, they are not valued for the purposes of these accounts.

The buildings consist of churches, presbyteries and parish halls and were constructed up to 100 years ago, with additions and improvements since. They are situated in Clevedon (Somerset), Yatton (Somerset), Stratford (London) and Woodford Green (Essex).

Tangible fixed assets (continued)

- ◇ School occupied land and buildings
The freehold of the land and buildings legally owned by the charity and occupied rent free on behalf of the Trustees of Nottingham Academy are valued at £nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.
- ◇ Other land and buildings
Where these have been owned at least from 1983, they are stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost. Additions to other land and buildings since 1983 are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the Order.
- ◆ Freehold improvements
Depreciation is provided at the rate of 5% per annum on cost in order to write each asset off over its expected useful life.
- ◆ Motor vehicles
Depreciation is provided at the rate of 20% per annum on cost in order to write each asset off over its expected useful life.
- ◆ Furniture and equipment
Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

Fixed asset 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 the 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.

Funds structure

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing non-liquid assets and funds which the trustees have designated for specific purposes. Details of these are provided in notes 16 and 17.

Details of funds raised for a specific purpose or subject to donor-imposed conditions, and therefore restricted, are given in note 15.

Services provided by members of the Order

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

Foreign currencies

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Notes to the accounts 31 December 2020

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Donations						
. Pastoral offerings	60,952	—	60,952	146,556	—	146,556
. General donations	31,130	104,692	135,822	14,471	147,431	161,902
	92,082	104,692	196,774	161,027	147,431	308,458
Legacies	2,475	10,000	12,475	15,793	173,813	189,606
Salaries and pensions of individual religious received under deed of covenant and Gift Aid	72,535	—	72,535	83,490	—	83,490
	167,092	114,692	281,784	260,310	321,244	581,554

2 Income from: Investments and bank interest

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income from listed investments	470,831	—	470,831	561,146	—	561,146
Other interest receivable	7,621	—	7,621	10,499	2,525	13,024
Unwinding of debtor held at present value (note 13)	(1,429)	—	(1,429)	(9,713)	—	(9,713)
	477,023	—	477,023	561,932	2,525	564,457

3 Income from: Other sources

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Sundry income	24,340	15,048	39,388	4,554	12,670	17,224

4 Expenditure on: Grants and donations in support of the work of the Order and other charities

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Grants to institutions</i>						
Support of the Order's Generalate	11,671	—	11,671	14,353	—	14,353
For the relief of poverty and advancement of education and religion generally						
. Foreign Missions of the Order of Friars Minor	—	179,379	179,379	63,729	197,990	261,719
. Miscellaneous grants to institutions	68,000	—	68,000	37,000	—	37,000
For the advancement of religion						
.Support of Franciscan parishes in the UK - mainly church refurbishment	—	—	—	437	—	437
Other donations	9,701	14,051	23,752	71,868	12,910	84,778
	89,372	193,430	282,802	187,387	210,900	398,287

5 Expenditure on: Support of members of the Order and their ministry

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Living and personal expenses of friars	131,296	1,702	132,998	161,609	7,063	168,672
Premises	58,162	851	59,013	62,475	—	62,475
Depreciation of freehold property	81,292	—	81,292	80,996	—	80,996
Grants to former members	35,312	—	35,312	50,398	—	50,398
Friars' formation	6,020	6,084	12,104	12,560	7,058	19,618
Governance costs (note 6)	44,055	—	44,055	91,094	—	91,094
Other costs	70,909	8,489	79,398	50,653	8,059	58,712
	427,046	17,126	444,172	509,785	22,180	531,965

6 Governance costs

	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Legal and professional	43,328	—	43,328	87,733	—	87,733
Meeting costs	727	—	727	3,361	—	3,361
	44,055	—	44,055	91,094	—	91,094

7 Net income (expenditure) before gains on investments

This is stated after charging:

	Unrestricted funds	
	2020 Total funds £	2019 Total funds £
Auditor's remuneration (including VAT)		
. Statutory audit services	25,000	24,000
. Other services	3,000	3,000
Depreciation	87,958	86,211
Operating lease rentals	1,346	1,346

8 Staff costs and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Guardians at each friary. They received no remuneration in the year (2019 - none).

There are no staff costs as the charity does not employ staff (2019 - none).

9 Trustees expenses and transactions with trustees

As members of the Order, the trustees' living expenses during the year were borne by the charity.

As members of the Order, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under gift aid. During the year the amount donated by the trustees to the charity was £9,696 (2019 - £10,570).

The trustees have purchased insurance to protect the charity from any loss arising from negligent acts, errors or omissions on the part of the trustees and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £518 (2019 - £488) and provides cover of up to a maximum of £1,000,000 (2019 - £1,000,000).

10 Taxation

The Order of Friars Minor Charitable Trust is a registered charity and, therefore, is not liable to taxation on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to freehold buildings £	Motor vehicles £	Furniture and equipment £	2019 Total £
Cost or valuation					
At 1 January 2020	3,287,052	305,091	82,985	7,907	3,683,035
Additions	—	8,902	—	—	8,902
Disposals	—	—	(21,046)	—	(21,046)
At 31 December 2020	<u>3,287,052</u>	<u>313,993</u>	<u>61,939</u>	<u>7,907</u>	<u>3,670,891</u>
At cost	286,745	313,993	61,939	7,907	670,584
At deemed cost (1983 valuation)	3,000,307	—	—	—	3,000,307
	<u>3,287,052</u>	<u>313,993</u>	<u>61,939</u>	<u>7,907</u>	<u>3,670,891</u>
Depreciation					
At 1 January 2020	1,300,814	24,230	62,060	3,501	1,390,605
Charge for the year	65,741	15,551	5,085	1,581	87,958
Disposals	—	—	(21,046)	—	(21,046)
At 31 December 2020	<u>1,366,555</u>	<u>39,781</u>	<u>46,099</u>	<u>5,082</u>	<u>1,457,517</u>
Net book values					
At 31 December 2020	<u>1,920,497</u>	<u>274,212</u>	<u>15,840</u>	<u>2,825</u>	<u>2,213,374</u>
At 31 December 2019	<u>1,986,238</u>	<u>280,861</u>	<u>20,925</u>	<u>4,406</u>	<u>2,292,430</u>

As permitted under Financial Reporting Standard 102 (FRS 102), the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties, i.e. the churches and other parish buildings, and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The historical cost of the freehold land and buildings included above at a 1983 valuation cannot be ascertained with accuracy. Under the transitional rules of FRS 102 this valuation is now regarded as deemed cost.

Notes to the accounts 31 December 2020

12 Investments

	Total 2020 £	Total 2019 £
Listed investments		
Market value at 1 January 2020	15,681,386	13,908,552
Additions at cost	2,503,999	1,772,165
Disposals at opening book value (proceeds: £1,827,716; realised losses £143,975)	(1,971,691)	(1,853,729)
Unrealised gains	350,973	1,854,398
Market value at 31 December 2020	16,564,669	15,681,386
Cash held by investment managers for reinvestment	81,921	78,302
	16,646,590	15,759,688
 Cost of listed investments at 31 December 2020	 12,797,223	 12,072,571

Listed investments held at 31 December 2020 comprised the following:

	Total 2020 £	Total 2019 £
UK government securities	602,213	1,582,975
Unit trusts	2,447,609	3,298,848
UK fixed interest	967,510	734,793
Equities	12,547,337	10,064,770
	16,564,669	15,681,386

The following individual holdings were deemed material in comparison with the market value of the entire listed portfolio held at the year end.

	2020		2019	
	Market value £	Percentage of total portfolio %	Market value £	Percentage of total portfolio %
United Kingdom Treasury 1.25% Index Linked 2027	602,213	3.6%	952,690	6.1%

Notes to the accounts 31 December 2020

13 Debtors

	Total 2020 £	Total 2019 £
Prepayments and other sundry debtors	62,756	128,209
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due within one year	28,103	27,886
	90,859	156,095
Proceeds from disposal of freehold properties (see below)		
. Amounts falling due after one year	225,042	253,145
	315,901	409,240

In 2012, the charity disposed of a freehold property in Dundee, Scotland for agreed proceeds of £510,000. Under the agreed payment schedule, £250,000 was received prior to 31 December 2020. The balance will be received as follows: 2021 - £30,000 each year, 2022 and 2023 - £35,000 each year and £40,000 for each of the following four years. This sale agreement constitutes a financial arrangement as defined by FRS 102. Therefore, in order to comply with the Charities SORP FRS 102 and FRS 102 itself, the proceeds receivable from the disposal of the property have been discounted to their present value using an effective discount rate of 0.4%, the rate available to the charity on commercial bank deposits. The notional interest is credited to the statement of financial activities as the discount is “unwound”.

14 Creditors: amounts falling due within one year

	Total 2020 £	Total 2019 £
Accruals and other creditors	40,545	99,500
Deferred income	11,287	17,147
Expense and similar creditors	4,624	1,949
	56,456	118,596

Notes to the accounts 31 December 2020

15 Restricted funds

The income funds of the charity include the following restricted funds, comprising the unexpended balances of donations received for specific purposes:

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Franciscan Missionary Union	581,218	120,683	(196,505)	505,396
Stratford Building Project	11,920	—	—	11,920
Other restricted funds	32,892	9,057	(14,051)	27,898
	626,030	129,740	(210,556)	545,214

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Franciscan Missionary Union	489,551	311,837	(220,170)	581,218
Stratford Building Project	11,920	—	—	11,920
Other restricted funds	21,200	24,602	(12,910)	32,892
	522,671	336,439	(233,080)	626,030

The Franciscan Missionary Union represents monies received specifically for the Order's missions abroad.

The Stratford Building Project represents monies received specifically to assist with the remodification of buildings of a parish administered on behalf of the local diocese by the friars in Stratford, London. The majority of the building work was undertaken in 2010.

Other restricted funds represent a number of individually small funds made up of donations for specific purposes.

16 Designated funds

The unrestricted funds of the charity include the following funds designated for specific purposes.

	At 1 January 2020 £	Designated in year £	Utilised/ Released in year £	At 31 December 2020 £
Sick and retired reserve	8,000,000	10,327	(10,327)	8,000,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	1,000,000	—	—	1,000,000
Formation fund	1,000,000	—	—	1,000,000
	11,500,000	10,327	(10,327)	11,500,000

Notes to the accounts 31 December 2020

16 Designated funds (continued)

	At 1 January 2019 £	Designated in year £	Utilised/ Released in year £	At 31 December 2019 £
Sick and retired reserve	8,000,000	31,905	(31,905)	8,000,000
Maintenance fund	1,500,000	—	—	1,500,000
Mission and development fund	1,000,000	—	—	1,000,000
Formation fund	1,000,000	—	—	1,000,000
	11,500,000	31,905	(31,905)	11,500,000

♦ Sick and retired reserve

This consists of monies which the trustees have set aside in order to provide for older friars and those in ill health. The reserve has been calculated so as to provide income to communities with elderly or sick friars to care for.

♦ Maintenance fund

The maintenance fund represents monies set aside by the trustees for the upkeep and repair of the buildings of the Custody. A quinquennial review carried out towards the end of 2015 on one of the charity's major properties indicated that this fund will need to be expended over the next ten years in respect to that one property alone.

♦ Mission and development fund

The mission and development fund comprises monies set aside towards funding new initiatives in furtherance of the mission of the Order.

♦ Formation fund

The formation fund comprises monies set aside towards funding the formation and education of friars. The monies held in the formation fund are reviewed on a regular basis during the year by the trustees.

17 Tangible fixed assets fund

	Total 2020 £	Total 2019 £
At 1 January 2020	2,292,430	2,189,332
Net movement in year	79,056	103,098
At 31 December 2020	2,213,374	2,292,430

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. This fund has been established to recognise the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

18 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	—	2,213,374	—	2,213,374
Investments	5,146,590	11,500,000	—	—	16,646,590
Net current assets	2,045,337	—	—	545,214	2,590,551
Total net assets	7,191,927	11,500,000	2,213,374	545,214	21,450,515

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:					
Tangible fixed assets	—	—	2,292,430	—	2,292,430
Investments	4,259,688	11,500,000	—	—	15,759,688
Net current assets	2,566,043	—	—	626,030	3,192,073
Total net assets	6,825,731	11,500,000	2,292,430	626,030	21,244,191

The total unrealised gains at 31 December 2020 constitute movements on revaluation and are as follows:

	Total 2020 £	Total 2019 £
Unrealised gains included above:		
On investments	3,767,042	3,608,815
Total unrealised gains at 31 December 2020	3,767,042	3,608,815
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2020	3,608,815	1,835,142
In respect to disposals in the year	(192,342)	(80,725)
Net gains (losses) arising on revaluation in the year	350,973	1,854,398
Total unrealised gains at 31 December 2020	3,767,042	3,608,815

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Order of Friars Minor by virtue of the fact that the Superior of the Province has the power to appoint the trustees.

Notes to the accounts 31 December 2020

20 Connected charities

The Order of Friars Minor Charitable Trust is connected to one other charity by virtue of the fact that the trustees of the Order have the power to appoint trustees of the connected charity and the charities use the same principal address.

The connected charity is:

Name	Charity Reg No	Charitable objectives
Commissariat of the Holy Land	263616	The support of the work of the Custody of the Holy Land, the advancement of the Roman Catholic religion and the relief of poverty.

21 Related party transactions

Other than as disclosed in note 9, there were no further related party transactions (2019 - none).

22 Operating lease commitments

At 31 December 2020, the charity had the following future minimum commitments in respect of non-cancellable operating leases:

	Motor Vehicles	
	2020 £	2019 £
Payments due in less than one year	348	348

23 Contingent liability

The trustees have been notified of potential claims in respect to the care and welfare of children in the care of the charity during and after the 1960's. The amounts involved, if any, cannot be quantified at the current time.