

**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 | 3,090,776 | 3,213,264 |

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 | 4,554,940 | 13,500,000 | 3,090,776 | 471,549 | 21,617,265 |
| | 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 |

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.