

Charity Number: 232863

Prinknash Abbey Charities

FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Prinknash Abbey Charities
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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Prinknash Abbey Charities
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Principal address

Prinknash Abbey
Cranham
GL4 8EX

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Solicitors

Loxley Solicitors Limited
Langford Mill House
Charfield Road
Kingswood
Wotton-under-Edge
GL12 8RL

Principal Bankers

NatWest
21 Eastgate Street
Gloucester
GL1 1NN

Trustees:

The trustees who served during the year were:

The Right Reverend Dom Francis Baird O.S.B.
Very Reverend Dom Stephen Horton O.S.B.
The Right Reverend Dom Mark Hargreaves O.S.B.
The Right Reverend Dom David Cuthbert Brogan O.S.B.
(resigned 31 May 2024)

The power to appoint trustees rests with the Abbot, who selects appropriate persons to serve as trustees.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Report of the Trustees

The Trustees hereby present the statutory report, with the accounts of Prinknash Abbey, for the year ending 31 December 2023.

The results for the year are presented in the form of a Statement of Financial Activities, which incorporates the traditional income and expenditure account, in order to comply with the Statement of Recommended Practice for Charities, and in accordance with the Charities Act 2011.

Post balance sheet events

None to note.

The Trust

The Objects of the Charity are 'the advancement of the charitable works for the time being carried on by the community as the Abbot shall from time to time direct'.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the community are held and through which its charitable activities are accounted for. The trust is governed by a Trust Deed dated 5 June 1956. It is registered with the Charity Commission, Charity Registration number 232863.

Structure and Organisation

Prinknash Abbey is a community of Benedictine monks, founded in 1896 by Aelred Carlyle to re-establish Benedictine life within the Church of England. The community was received into the Roman Catholic Church on Caldey Island, South Wales, in 1913 and subsequently moved to its current location at Prinknash in 1928, following the gift of the estate by the family of the late Thomas Dyer Edwards, Lord Rothes.

The Trustees

The Trustees are appointed by the Major Superior and hold certain key administrative roles in the abbey.

The Trustees are appointed because of their experience of monastic life and their skills in administration. All of the Trustees are familiar, on a day-to-day basis, with the running and management of the Trust.

Each of the four Trustees are well-acquainted with the aims and objectives of the Trust, and, because of his daily involvement in both the practical running and decision-making processes of the abbey and estate, is able to carry out his responsibilities as Trustee with confidence that both the aims of the Charity and compliance issues are being adequately achieved.

The Abbot is responsible for the appointment of all officials in the monastery.

The Trustees meet formally at least once every quarter. The Business and Facilities Manager and the Financial Manager (not Trustees) attend these meetings and present reports on the areas under their management, including the monastic industries, estate and finance and maintenance matters, and they provide updates on budgets. The quarterly Trustees' meetings are supplemented by the trustees having personal involvement in the running and staffing of the incense department, the monastery shop and café, as well as work on the estate. By having daily contact with all aspects of the abbey's activities, the Trustees can communicate with one another easily and quickly. One professional lay adviser works closely with the Trustees on all matters concerning finance, personnel, and safeguarding, attending the meetings of the Prinknash Trustees and he brings with him expertise in accountancy and business management and takes an active interest in all administrative matters.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees (Continued)

The day-to-day administration of the Charity is conducted by department managers under the direction of the Business and Facilities manager and bursar, who have daily communication with department managers and hold regular formal meetings with them. These meetings include reviews of security, both internal and external, and compliance matters.

Principal aims and activities of the Trust:

1. The general routine of monastic life, including church services according to the traditional Roman Catholic and Benedictine liturgy. These services are open to the public.
2. The advancement of Roman Catholic life and faith.
3. Providing meals, clothing, and other necessities to the poor and needy as required and appropriate.
4. The provision of monastic hospitality. There is guest accommodation in the abbey, where individuals are received.
5. The promotion of monastic ideals through various monastic crafts. These include the manufacture of incense, handmade rosaries, and religious and other paintings.
6. The promotion of monastic and Christian literature in a bookshop on the estate. The bookshop is situated within the monastery shop and cafe, which also offers refreshments to visitors to the estate and is a means of information and contact for the various activities of the abbey and community.
7. Assisting the Church in the locality by the supply of priests for local parishes and convents when requested. There is also spiritual direction and support available to individuals and groups.
8. Supporting the oblates of Prinknash by teaching, spiritual direction and correspondence. The oblates are associated lay members of the community, who direct their lives in the world according to the spirit of the Rule of St Benedict. Three monks are appointed to their formation and support.
9. Reaching out to the wider community by attracting people to Prinknash Estate, where they can experience a place of natural beauty, calm and serenity and, through contact with the ideals of the Benedictine Monastic life, better equip themselves to nurture the spiritual side of their lives.

Financial report and future plans

As a monk, each member of the community has taken a vow of poverty, according to which any personal income is held in common and used for charitable activities.

The Summary of the Year's Results can be found on page 13. The net movement in funds during the year was a deficit of £279,094 (2022 – surplus of £2,180,761).

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Charitable giving

The monks of Prinknash Abbey are dedicated to the service of one another in community and to the service of those in need, where possible and practicable. Charitable giving is expressed by the community in a number of ways, mainly in terms of the financial, educational, spiritual, religious and personal support of others and through its facilities and guest accommodation in the abbey.

Guests at the monastery are not charged a set fee, but they are encouraged to make a donation to cover the cost of their stay. Many cannot afford to give very much, but need the spiritual, personal, and physical restorative benefits of staying in a monastic guest house. It is the community's policy to support people whose financial means are modest or meagre. We regularly accept guests whose donations were less than the usual amounts.

People in need, the homeless in particular, are attracted to the monastery because they see it as a place of Christian charity. The community traditionally tries to help visitors of this sort, who turn up unexpectedly, by feeding and/or clothing them in their immediate need and, where possible, by directing them to the agencies which can provide them with more sustainable assistance. Often, we find, it is poverty of spirit which affects unexpected visitors to the abbey, and it is in listening to people's concerns in a peaceful and accepting environment which is most beneficial and appreciated by such visitors. This of course takes up valuable time but it is a work which the monks carry out regularly and discreetly.

The community's charitable giving is also expressed in the time and effort it makes to support those hungry for Christian knowledge and instruction.

The community has approximately one-hundred-and-fifty lay associates, called 'oblates', who live by the same ideals as the monks, except that they also have family and work commitments. The community supports the oblates in a number of ways. These include one-to-one support, spiritual direction and instruction provided by three monks designated to this work. Monthly lectures for oblates are held at the abbey and there is an annual meeting in the summer, at which oblates share more directly in the life of the community and can recharge themselves, to be more effective witnesses of their professed ideals in the course of their daily lives.

Where possible and practicable, the community supplies priests for local parishes and convents when diocesan priests and convent chaplains are ill or on leave.

Retreats were conducted for other Religious Communities.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Risk assessment

In accordance with the SORP requirements, the Trustees carry out wide-ranging reviews of the risks faced by the charity. These reviews look particularly at Health and Safety issues, management and financial accountability and internal security. The Trustees are satisfied that all appropriate and feasible measures have been put in place to reduce the risks to which the charity is exposed. As a consequence of this, the Trustees have greater awareness of the kinds of risks which could affect the charity and have implemented strategies to reduce such risks.

Public benefit

The challenge today, now that the centuries-old presumption that all religious activity is de facto of public benefit no longer exists and the state has assumed the provision of many of the services previously assumed by religion, is to show that our lives are still lived at the service of others and our resources still available to those in need.

The publication of the Charities Bill 2005 (and the subsequent Charities Bill 2011 and Charities Act 2022) offered the Trustees the opportunity to review the conditions of its charitable status and to examine more closely the degree to which it could be deemed to be of public benefit. Such benefit is arguably most evident in those areas of the community's activities which have direct bearing on the public, such as in guests' hospitality, supply work, education, counselling, and direction.

Monastic communities have no tradition of articulating the good that they do. Nonetheless, the public benefit of our lives is wide-ranging, of good quality and extremely valuable. The following gives some outline of the public benefit of our lives and how this was demonstrated in 2023.

Prinknash Abbey is situated in a position of outstanding natural beauty and attracts several thousand visitors each year. It is the community's policy to preserve this natural beauty so that people can experience it and benefit from the peace, quietness, and the healing effect it undoubtedly has on visitors, enabling them to relax, unwind and take a break from lives which are often busy and stressful. Free car-parking is made available, and people are free to walk or picnic in a large, designated area. Our visitors include individuals, families, and organised groups, some of which include the elderly and/or differently abled. Care is taken to maintain the grounds and facilities to a high standard. Despite the move of the monks to St Peter's Grange in June 2008, the community decided to continue with the same extent of estate grounds available to the public free of charge.

The Community, as part of its objective to promote the Roman Catholic faith and the Benedictine monastic life, welcomes visitors to the estate where their first means of contact with the community is by the hospitality offered by the use of the public areas of the estate. This public benefit requires maintenance of the car park, toilet facilities, grass land, picnic areas and visitor centre with its monastery shop and café, meeting room and monastic walled garden.

The community, in accordance with Catholic and Benedictine tradition, pray seven times each day, every day of the year. These church services are open to the public. These services provide a public benefit in many ways and on many levels. Roman Catholic practice requires attendance at Sunday Mass for all the faithful. The monks provide a Sunday Mass attended in 2023 by an average of 22 people each Sunday.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Public benefit (continued)

Also attended by the public are the weekday Masses and the seven ancient and traditional Benedictine services conducted by the monastic community each day of the year, which is the primary work of the monks. The weekday mass was attended on average by 5 people in 2023, and the services of Terce, Sext, None, Vespers, and Vigils were attended on average by 5 people daily in 2023. This does not include the general visitors to the chapel who numbered on average 20 per day in 2023 and who use the chapel for private prayer, reflection, and meditation.

Annually the monastery's lay associates, known as Oblates, renew their vows in the presence of the community and new Oblate Novices are admitted at this ceremony in the chapel. The chapel is also used for talks to groups of people interested in learning about monastic life.

People associated with the community as friends, guests and oblates visit the estate and abbey on a regular basis. The Prinknash oblates receive support through monthly meetings, by correspondence and personal contact and direction from the monastic community. Guests who stay in the abbey guest wing are able to experience the monastic life at first hand by sharing the routine of the monastery. On average, three guests each week share our resources and receive support from the brethren and a consequence of this is their personal and spiritual renewal. In 2023 the Oblates met monthly. At the monthly meetings the average attendance was 20. The community provides three monks to support the Oblates by giving talks on Benedictine life with special reference to how Oblates can live out their commitment to Benedictine ideals, by personal and private instruction and spiritual direction.

People with less association with the monastic community benefit on the spiritual dimension by being made welcome at various activities connected with the meeting room adjacent to the abbey café and shop, the grotto situated near the abbey as well as the abbey chapel.

The community has two designated Guest masters to look after the needs of guests at the abbey during their stay. Guests benefit on a practical, physical, and spiritual level by their close contact with the monks and the routine of monastic daily life. Guests eat with the monks in the Monastic Refectory each day and participate in the Divine Office prayer services, and the facilities of the guest's accommodation are structured and arranged to create a quiet and peaceful environment where guests can unwind and recharge their energies. It also provides a space where they can reflect and learn about the Roman Catholic faith and Benedictine life. A guest book is available for visitors to the guesthouse to record their comments. The cemetery on the estate is the final resting place for lay people as well as monks. People are welcome to visit the graves of their loved ones.

The community gives assistance to those who present themselves to the monastery without prior arrangement, because they need emergency help in one way or another. Sometimes the need is for shelter and/or financial assistance to enable them to move on to more sustainable assistance. Sometimes the need is of an emotional, psychological, or spiritual nature. Such people are attracted to the monastery because they believe they have nowhere else where they can find a sympathetic reception. In 2023 the community helped people in this way on a regular basis and endeavoured to present assistance in a manner appropriate in each case because of the community's Christian and charitable aims and Christian ethos. It is the community's experience in recent years that the predominant poverty expressed by such unexpected visitors is more of an emotional, psychological, and spiritual nature rather than a material poverty.

But on the other hand, the increase in unexpected visitors with psychological, emotional, and spiritual needs is increasing year by year and presents a challenge to the community. Usually when such visitors unexpectedly arrive seeking help, a member of the community will listen to the person's story in a sympathetic manner and where possible and appropriate try to direct them to the various agencies set up to help them. Often it is the mere fact that such people have encountered a sympathetic and listening human being which is of the greatest benefit to them.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Public benefit (continued)

The Trustees took the decision in 2022 to renew and update the website: www.prinknashabbey.org in which it communicates with the general public by outlining its life and works. It is often the first point of contact for people who want to know about the life and activities at Prinknash Abbey. The website includes information about the history and origins of the community, the monastic industries, guesthouse, monastery shop and cafe, time of services, forthcoming events, contact details and other information which will help them learn about the monastery and participate in its public activities.

The community publishes a magazine called 'Pax' which keeps friends, Oblates, guests, and supporters informed about the life and activities at Prinknash Abbey. This periodical is produced by the monks and distributed to about 400 subscribers worldwide and is much appreciated by the wider family of Prinknash. Along with the website it enables continued communication between the community and its supporters.

The promotion of monastic ideals through various monastic crafts including the manufacture of incense, handmade rosaries and religious paintings play a large role in the life of the community and is of public benefit in the following ways.

- Prinknash is one of the largest producers of incense in Europe and it provides incense to churches and individuals throughout the world. Incense is used for public worship in Catholic as well as in other denominational churches, and there is a special demand for Prinknash incense.
- Hand-made rosaries are also made by the monks and are purchased by people for use as prayer-beads according to a very popular and well-established catholic tradition. These rosaries are considered extra special by many people because they are made by the monks.
- Religious paintings created by one of the monks express mainly the Christian heritage of the great Cathedrals and historic Christian sites of this country. These paintings are displayed in a watercolour gallery on the Prinknash estate and help to promote the Roman Catholic and Christian heritage of Great Britain of which the monks are a living reminder.

The community promotes Monastic and Christian literature through its bookshop which now forms part of the monastery shop and cafe. This bookshop is a valuable local resource in an area not well served with other Christian bookshops.

The Prinknash bookshop has been deliberately situated in the monastic shop and cafe so that visitors to Prinknash can experience at first hand monastic hospitality and outreach in a quiet and friendly environment with trained staff who are able to explain what Prinknash represents, help the visitors with their enquiries and with their selection of books and religious articles. The bookshop and religious gifts sections, opened in 2008, are major outlets for Christian parishes in Gloucestershire and beyond, where books and items connected with the various Christian festivals such as Advent, Christmas, Lent, Easter; the round of the annual celebration of the Sacraments such as baptism, first holy communion, confirmation, marriage, and ordination are held. It is evident that people come to the shop from a wide area for these items, and the Christian cards supplied by the shop cover a very wide range of Christian themes from Mass cards to first Holy Communion cards which are not readily available elsewhere.

The community helps locally by providing supply cover in local parishes, guiding retreats as well as providing support for individuals who have asked for help. One of the most important aspects of Benedictine monastic life is the monks' vow of stability. This means that the community is rooted and grounded in the locality. One of the major public benefits of this is that the witness and promotion of the monastery's life, works and ideals are easily accessible to people whenever they visit Prinknash. It was the wisdom and insight of St Benedict (c540) who introduced this idea of stability, that while being rooted and grounded in a particular locality; the monks are able to be of service not just to God, but to local people as well. Most of the service and benefit is expressed therefore because people are drawn to this rooted and stable environment. The community thus does not actively seek out such ministry in the local parishes and convents, but it does have a tradition of filling in for local priests and convent chaplains when they are ill or on holiday. The community also shares its experience occasionally by giving retreats in other places.

Priests of the Abbey were supplied at various Gloucestershire parishes and local convents in the course of the year.

**Prinknash Abbey Charities
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Public benefit (continued)

An ever-increasing number of people seek spiritual direction from the monastery. It has always been the community's practice to help in this where possible and appropriate. The monks offer their time *gratis* and experience to listen and give spiritual direction to individuals. In 2023 this continued. The people who are supported in this way range from those who wish to develop and deepen their prayer life and Christian faith by regular monthly meetings with a monk spiritual director, to those who are seeking meaning in their lives and wish to explore the way to finding meaning by spiritual direction. The public benefit of this lies in the community's willingness to help people who wish and choose to take that path, and the fruits are often manifested by personal growth and development in the personal and spiritual journey, which is then passed on to the people they come into contact with. Very often the people who are helped with spiritual direction remark that their relationships with friends, family and acquaintances often deepen and mature as a result of their choice to grow spiritually.

In association with the Abbey, the old and unique monastery walled garden is open to the public, free of charge.

Reserves policy and financial position

1. The charity's reserves at 31 December 2023 stood at £5,823,824 (2022: £6,102,918).
2. Of this, £2,251,650 (2022: £1,184,338) was designated to reflect the charity's investment in fixed assets.
3. The free reserves of the charity at the end of the year therefore stood at £3,472,174 (2022: £4,918,580).
4. This includes investment properties, the income from which is used to fund general activities, which stood at £3,429,000 (2022: £4,614,000).

The commitment to provide for the care of members of the community in sickness and old age has profound implications for the finances of the charity. Members of the community have all taken a vow of poverty, which means that all rights to assets and income have been given up, generally in favour of the community. Where members earn a salary, stipend, or pension this is paid into the charitable trust under a deed of covenant or gift aid declaration.

In most cases members have devoted the whole of their working lives to the community and are dependent upon it for all their temporal needs. Although members continue to perform charitable work long after normal retirement age, when they are healthy enough to do so, the work is often not remunerative and the charity must provide for their upkeep and, in some cases, nursing care.

Calculations based on the life expectancy in 2016 of members of the community and anticipated costs and incidence of nursing care requirements indicate that a fund of between £2.8 million and £3.3 million would be needed to make full provision for the care of the community.

The level of free reserves is considered by the Trustees to be adequate provision for its on-going commitment to provide for the material needs of the monastic community at Prinknash and the upkeep of its properties in the short to medium term. The Trustees are addressing the need to ensure the financial security of the charity in the longer term and have developed an appropriate policy in this regard.

Investment policy

The charity aims for a combination of both capital growth and income, with minimum risk. The investment policy states that no investments are to be made in companies which are predominantly involved in the production of armaments, tobacco, or contraceptives.

There were no listed investments at the year end.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees of the Charity are required to prepare for each financial year accounts which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 5 June 1956. 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.

Approved by the Trustees on 5.09.2024 and signed as authorised.


.....
Very Reverend Dom Stephen Horton O.S.B

**Prinknash Abbey Charities
AUDITOR'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

We have audited the financial statements of Prinknash Abbey Charities for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

Opinion on financial statements

In our opinion the financial statements:

- 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Prinknash Abbey Charities
AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements 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, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prinknash Abbey Charities
AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2023 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Howard

.....
 Martin Howard (Senior Statutory Auditor)
 For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
 Bayshill Road
 Cheltenham
 GL50 3AT

25/9/2024
 Date:

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

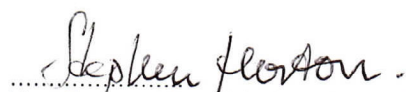
Prinknash Abbey Charities
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

INCOMING RESOURCES	Notes	Total 2023 £	Total 2022 £
Unrestricted funds			
Donations and legacies		5,168	2,100
Charitable Activities			
Community		105,398	93,978
Estate		67,447	54,158
Monastic Enterprises		409,497	345,841
Other Activities to Generate Funds			
Sundry income		4,656	23,380
Total Incoming Resources		592,166	519,457
Resources Expended			
Charitable Expenditure			
Community		162,376	208,446
Estate		283,527	152,470
Monastic Enterprises		417,536	350,221
Governance		7,821	6,945
Total Resources Expended	2	871,260	718,082
Net outgoing resources		(279,094)	(198,625)
Net gains on revaluation of freehold and investment properties		-	2,379,386
Net movement in funds		(279,094)	2,180,761
Balance brought forward at 1 January 2023		6,102,918	3,922,157
Balance carried forward at 31 December 2023		5,823,824	6,102,918

Prinknash Abbey Charities
BALANCE SHEET AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed Assets	4	2,251,650	1,184,338
Investment properties	5	<u>3,429,000</u>	<u>4,614,000</u>
		<u>5,680,650</u>	<u>5,798,338</u>
Current Assets			
Stocks		60,793	60,981
Debtors and prepayments	6	45,182	38,078
Cash at bank and in hand		<u>171,137</u>	<u>374,597</u>
		277,112	473,656
Less Creditors: Amounts falling due within one year	7	<u>(133,938)</u>	<u>(169,076)</u>
Net Current Assets		<u>143,174</u>	<u>304,580</u>
Net Assets		<u>5,823,824</u>	<u>6,102,918</u>
Represented by:			
Unrestricted funds:			
General		3,572,174	4,918,580
Designated funds	8	2,251,650	1,184,338
		<u>5,823,824</u>	<u>6,102,918</u>

Approved by the trustees on 5.09.2024 and signed on their behalf by:



Very Reverend Dom Stephen Horton O.S.B

Prinknash Abbey Charities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements are presented in Pounds Sterling.

Judgements and estimation uncertainty

The trustees consider that there are no key areas of judgement or estimation uncertainty to be disclosed in these financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the accounts at cost or revalued amount less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The annual rates applied in this period were:

Depreciation is provided to write off the cost/value of assets over their useful lives as follows:

Freehold buildings	50 years
Plant and machinery	4 years
Motor vehicles	5 years

No depreciation is provided on freehold land.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities.

Stocks

Stocks for resale are stated at the lower of cost and net realisable value.

Investments

Investment properties are stated at their market value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade receivables

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Prinknash Abbey Charities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Legacies, Donations and Grants Receivable

All income is recognised when receivable and when capable of financial measurement. Receipts of property investments or other gifts in kind are included at market value.

Expenditure on Charitable activities

Expenditure on Charitable activities is included in the Statement of Financial Activities on an accruals basis. Where expenditure is directly attributable to more than one activity, it is apportioned across cost categories on the basis of the proportion of income receivable relating to each activity.

Funds

Funds held by the charity are either:

- Unrestricted general funds, which can be used in accordance with the charitable objects at the discretion of the Trustees; or
- Unrestricted designated funds, which can be used in accordance with the Charitable objects, in respect of specific projects ear-marked by the Trustees; or
- Restricted funds, which can only be used for particular restricted purposes within the objects of the charity. Restrictions are specified by the donor or when funds are raised for particular restricted purposes. All funds received to date have been applied against capital projects.

Pensions

The company operates a defined contribution scheme for certain employees. The contributions are charged to revenue in the period in which they are incurred.

Going concern

After reviewing the Charity's forecasts, the Trustees have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable properties determined regularly by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the statement of comprehensive income.

Prinknash Abbey Charities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Analysis of Total Resources Expended

	Direct Activities	Support costs (see 2a below)	2023	2022
	£	£	Total	Total
Charitable Expenditure				
Community	153,097	9,279	162,376	208,446
Estate	277,589	5,938	283,527	152,470
Monastic Enterprises	380,866	36,670	417,536	350,221
Governance	-	7,821	7,821	6,945
	811,552	59,708	871,260	718,082

Support costs are allocated on the basis of income receivable.

	2023 £	2022 £
Staff costs:		
Wages and salaries	279,889	234,377
Social security costs	12,735	10,290
Other pension costs	7,845	6,636
	300,469	251,303

	Number	Number
The average number of employees in the year was	21	19

No employee earned £60,000 or more.

The trustees of the charity are also members of the Community and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The charity provides for the essential needs of all members of the Community. The living costs of the four trustees are therefore borne by the charity.

2a. Analysis of Support Costs

	2023 £	2022 £
Office costs		
Telephone	538	2,738
Printing, postage & stationery	960	1,166
Staff costs	41,159	32,761
Computing	6,757	6,672
Other administrative expenses		
Audit & accountancy	7,821	6,945
Sundry costs	1,884	2,533
Bank charges	589	656
	59,708	53,471

Included above are audit fees of £6,500 (£6,250).

Prinknash Abbey Charities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Plant and Machinery £	Motor Vehicles £	Total £
Cost or valuation				
December 31, 2022	2,863,084	280,610	30,250	3,173,944
Additions	-	49,871	-	49,869
Transfers from investment property	1,185,000	-	-	1,185,000
Impairment	(100,000)	-	-	(100,000)
Disposals	-	(49,759)	-	(49,759)
December 31, 2023	<u>3,948,084</u>	<u>280,722</u>	<u>30,250</u>	<u>4,259,056</u>
Depreciation				
December 31, 2022	1,738,914	220,442	30,250	1,989,606
Charge for the year	27,053	40,506	-	67,559
Disposals	-	(49,759)	-	(49,759)
December 31, 2023	<u>1,765,967</u>	<u>211,189</u>	<u>30,250</u>	<u>2,007,406</u>
Net book value				
December 31, 2023	<u><u>2,182,117</u></u>	<u><u>69,531</u></u>	<u><u>-</u></u>	<u><u>2,251,650</u></u>
December 31, 2022	<u><u>1,124,170</u></u>	<u><u>60,168</u></u>	<u><u>-</u></u>	<u><u>1,184,338</u></u>

Freehold land and buildings are held at deemed cost on transition to FRS102 or at market value, less depreciation. The valuation is based on the rental income potential and estimated sales price of the properties.

Other fixed assets are stated at cost. All the charity fixed assets are held for primarily charitable use although a small percentage are used for management and administrative purposes.

Included within freehold is £363,350 (2022 - £375,287) relating to St Peter's Grange, which is considered a heritage asset, and is therefore exempt from being revalued.

Prinknash Abbey Charities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Investment properties

	2023 £
Summary of changes in the year	
Market value at 31 December 2022	4,614,000
Transfers to freehold land and buildings	(1,185,000)
Market value at 31 December 2023	<u>3,429,000</u>

The investment properties were revalued in the prior year. The valuation is based on the rental income potential and estimated sales price of the properties.

During the year, Priors Croft was reallocated to freehold property due to it being vacant with no plans to rent out at present. Also, the Walled Garden and Former Pottery Factory were reallocated to freehold property as these properties are used as part of the charity's estate and business operations.

5. Debtors

	2023 £	2022 £
Trade debtors	12,564	8,595
Other debtors	32,618	29,483
	<u>45,182</u>	<u>38,078</u>

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	19,875	21,314
Taxation and social security	20,331	16,205
Accruals	19,388	15,514
Other creditors	74,344	116,043
	<u>133,938</u>	<u>169,076</u>

8. Designated Funds

The income funds of the charity include a fixed asset designated fund £2,251,650 which is set aside by the trustees to reflect the net book value of the charity's fixed assets.

9. Connected Charity Transactions

Ghana (Sunyani) Monastery Trust (Charity Number 327842). This is a charity based in Ghana fulfilling a missionary role consistent with the religious principles of monastic life.

Fr Francis Baird and Fr David Cuthbert Brogan are both trustees of the above-named charity.

A Trustee administers the transactions of the Trust and therefore the principal contact address of the Trust is at Prinknash Abbey.

During the year, Prinknash Abbey held monies on behalf of Ghana (Sunyani) Monastery Trust in one of its own bank accounts, and is expected to do so for the foreseeable future. The total held at 31 December 2023 was £70,845 (2022 - £112,858).