

Order of Hermit Friars of St Augustine
Annual Report and Audited Financial Statements
for the financial year ended 28 February 2023

Katherine Tully (Senior Statutory Auditor)
Chartered Certified Accountants and Statutory Auditor
For and on behalf of Allen Tully & Co
19 Palace Square
London
SE19 2LT

Order of Hermit Friars of St Augustine

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Order of Hermit Friars of St Augustine
REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Rev Robert Marsh
Rev Stefan Park
Rev Barry Clifford
Rev Ian Wilson
Rev Anthony Zabbey

Charity Number in England and Wales

233010

Principal Address

55 Fulham Palace Road
London
W6 8AU

Auditors

Katherine Tully (Senior Statutory Auditor)
Chartered Certified Accountants and Statutory Auditor
For and on behalf of Allen Tully & Co
19 Palace Square
London
SE19 2LT

Principal Bankers

Barclays Bank
75 King Street
Hammersmith
London
W6 9HY

Solicitors

Segens Blount Petre
Glade House
52-54 Carter Lane
London
EC4V 5EF

Order of Hermit Friars of St Augustine

TRUSTEES' REPORT

for the financial year ended 28 February 2023

The trustees present their Trustees' Report and the audited financial statements for the financial year ended 28 February 2023.

The financial statements are prepared in accordance with the Charities Act 2011 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 in the UK and Republic of Ireland (SORP FRS 102 effective 1 January 2019).

The Trustees' Report contains the information required to be provided in the Trustees' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The trustees of the charity are also charity trustees for the purpose of charity law and under the charity's constitution are known as members of the board of trustees.

In this report the trustees of Order of Hermit Friars of St Augustine present a summary of its purpose, governance, activities, achievements and finances for the financial year 28 February 2023.

Registered Office
55 Fulham Palace Road
London
W6 8AU

Trustees

The trustees who served during the year are as follows:

Rev Robert Marsh
Rev Stefan Park
Rev Barry Clifford
Rev Ian Wilson
Rev Anthony Zabbey

The charity is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Charities Act 2011.

The Trustees use and rely on the following professional services:

- Segens Blout Petre Solicitors for all legal matters.
- Rathbones Greenbank Investments for the management of their financial investment portfolio.
- Allen Tully & Co for accountancy and audit of the financial statements.

Mission, Objectives and Strategy

Mission Statement

The charitable trust aims to support the religious and charitable works conducted by members of the Order in Britain and overseas. The principal activity is the parish work in four locations including leading church services, administering the sacraments, and providing spiritual and sometimes material, succour to those in need. The charity is a public benefit entity.

Objectives

The objectives of the Order are to further the aims of the Roman Catholic Church, mainly through parish work, teaching, spiritual direction and overseas missions. By the example of community life, the members give witness to the fundamentally communitarian character of the Church. Parish work in four locations involves leading church services, administering the sacraments, and providing spiritual, and sometimes material, succour to those in need. Teaching used to be conducted through two schools of the Province. One was closed and the other handed over to lay control and ownership some years ago. As well as in the parishes, spiritual direction is provided in a more concentrated way in a retreat house. Individual members may also be engaged in study, writing and academic work. There are no longer men working overseas, though the Province still supports the training of men in the Order in its former missions in South Korea and Nigeria, for which funds are raised in the UK.

Structure, Governance and Management

Structure

The charity is a Trust and is registered with the Charities Commission. The Order is an international religious congregation of men in the Roman Catholic Church working in over fifty countries. It is governed by a Prior General and his Council based in Rome. Its members take lifelong vows of poverty, chastity and obedience. Most are priests, though some may choose to be lay brothers. Worldwide, the Order is divided into provinces and smaller circumscriptions. The Order in the UK comes under the Province of England and Scotland, led by an elected Provincial and a Council of four members, who are also the Trustees of the Registered Charity. The registered

Order of Hermit Friars of St Augustine

TRUSTEES' REPORT

for the financial year ended 28 February 2023

charity is a Trust and is regulated by the Charities Commission in the UK. The Provincial is the Chair of Trustees. There is also a Provincial Bursar and a Secretary. When a new Provincial and Council is elected, the newly elected members assume the trusteeship. Elections take place every four years and coincide with a Provincial Chapter, at which all the members gather to discuss the state of the Province and plan for the future. There are five communities in the UK, with a Prior in charge of each community. In exceptional circumstances a member may be given permission to live outside of community.

Review of Activities, Achievements and Performance

The four parishes under the administration of the Province of England and Scotland are well attended and provide spiritual sustenance on a regular basis for about four thousand people, as well as having an influence beyond. Twenty years ago there were twelve parishes and an independent secondary school in the Province, but numbers have gone down since then and more than half the membership is over seventy years of age. Currently, there are two men in training for the priesthood. However, numbers currently entering are not sufficient to replace the existing membership. As numbers decrease, there is a plan to develop one location, Hammersmith, where there is an active parish, to offer accommodation for retiring members as well as providing a base for the Order in the UK for the foreseeable future.

Financial Review

The financial results for the year are presented on pages 10-22. There is a deficit as shown in the SOFA of £356,791. The balance in the bank is £2,474,165 and Financial Fixed Assets is £1,314,661. The Order therefore is financially secure for the foreseeable future.

The Trustees have a reserve policy of the equivalent to six months' expenditure.

Results and Dividends

At the end of the financial year the company has assets of £9,667,062 (2022 - £9,770,813) and liabilities of £21,638 (2022 - £18,028). The net assets of the company have decreased by £(107,361).

In accordance with the Articles of Association, the Trustees retire by rotation and, being eligible, offer themselves for re-election.

Compliance with Sector-Wide Legislation and Standards

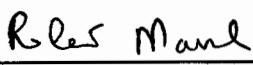
The company engages pro-actively with legislation, standards and codes which are developed for the sector. Order of Hermit Friars of St Augustine subscribes to and is compliant with the following:

- The Charities SORP (FRS 102)

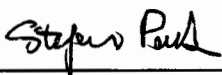
Funds held as Custodian Trustee on behalf of Others

The charity does not hold any funds as Custodian Trustee on behalf of others.

Approved by the Board of Trustees on 23/10/2023 and signed on its behalf by:



Rev Robert Marsh
Trustee



Rev Stefan Park
Trustee

Order of Hermit Friars of St Augustine

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the financial year ended 28 February 2023

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company and otherwise comply with the Charities Act 2011.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

As explained in note 5, state whether the Charities SORP (updated 2015) has been followed;

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 23/10/2023 and signed on its behalf by:

Robert Marsh

Rev Robert Marsh
Trustee

Stefan Park

Rev Stefan Park
Trustee

INDEPENDENT AUDITOR'S REPORT

to the Members of Order of Hermit Friars of St Augustine

Report on the audit of the financial statements

Opinion

We have audited the company financial statements of Order of Hermit Friars of St Augustine ('the company') for the financial year ended 28 February 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its deficit for the financial 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 company in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the Provisions Available for Audits of Small Entities, in the circumstances set out in Note 6 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Order of Hermit Friars of St Augustine

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company'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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- (i) The nature of the sector in which the charity operates, its control environment and financial performance.
- (ii) Making inquiries of trustees and senior management, including obtaining and receiving supporting documentation, concerning the charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks related to fraud.
- (iii) Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

INDEPENDENT AUDITOR'S REPORT

to the Members of Order of Hermit Friars of St Augustine

Further information regarding the scope of our responsibilities as auditor

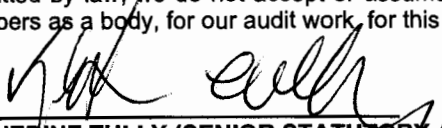
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 company'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 company 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.

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.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


KATHERINE TULLY (SENIOR STATUTORY AUDITOR)

Chartered Certified Accountants and Statutory Auditor

For and on behalf of Allen Tully & Co

19 Palace Square

London

SE19 2LT

27/10/2023

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Order of Hermit Friars of St Augustine

STATEMENT OF FINANCIAL ACTIVITIES

for the financial year ended 28 February 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Incoming Resources							
Voluntary Income	7.1	42,933	22,554	65,487	205,820	2,314	208,134
Charitable activities							
Religious Ministry, Retirement Welfare, Restoration and Missions	7.2	211,250	45,972	257,222	173,536	49,845	223,381
Investments	7.3	188,332	2,833	191,165	136,428	154	136,582
Total incoming resources		442,515	71,359	513,874	515,784	52,313	568,097
Resources Expended							
Charitable activities	8.1	763,325	21,709	785,034	929,678	841	930,519
Net gains/(losses) on investments		(86,201)	-	(86,201)	56,027	-	56,027
Net incoming/outgoing resources before transfers		(407,011)	49,650	(357,361)	(357,867)	51,472	(306,395)
Gross transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses):							
Surplus/(deficit) for the financial year		(407,011)	49,650	(357,361)	(357,867)	51,472	(306,395)
Unrealised gains/(losses) on property		250,000	-	250,000	-	-	-
Net movement in funds for the financial year		(157,011)	49,650	(107,361)	(357,867)	51,472	(306,395)
Reconciliation of funds:							
Total funds beginning of the year	20	9,442,202	310,583	9,752,785	9,589,933	469,247	10,059,180
Total funds at the end of the year		9,285,191	360,233	9,645,424	9,232,066	520,719	9,752,785

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
All income and expenditure relate to continuing activities.

Order of Hermit Friars of St Augustine

BALANCE SHEET

as at 28 February 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible assets	13	5,817,067	5,649,524
Investments	14	1,314,661	1,409,423
		<u>7,131,728</u>	<u>7,058,947</u>
Current Assets			
Debtors	15	59,820	62,594
Cash at bank and in hand	16	2,475,514	2,649,272
		<u>2,535,334</u>	<u>2,711,866</u>
Creditors: Amounts falling due within one year	17	<u>(21,638)</u>	<u>(18,028)</u>
Net Current Assets		<u>2,513,696</u>	<u>2,693,838</u>
Total Assets less Current Liabilities		<u>9,645,424</u>	<u>9,752,785</u>
Funds			
Restricted trust funds		360,233	520,719
General fund (unrestricted)		9,285,191	9,232,066
Total funds	20	<u>9,645,424</u>	<u>9,752,785</u>

The total unrestricted funds includes a revaluation reserve of £(792,793) (2022 - £(542,793))

Approved by the Board of Trustees and authorised for issue on 23/10/2023 and signed on its behalf by

Robert Marsh
Rev Robert Marsh
Trustee

Stefan Park
Rev Stefan Park
Trustee

Order of Hermit Friars of St Augustine
STATEMENT OF CASH FLOWS
for the financial year ended 28 February 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net movement in funds		(107,361)	(306,395)
Adjustments for:			
Unrealised gains and losses on property		(250,000)	-
Depreciation		89,006	107,903
Interest receivable and similar income		30,480	(94,122)
		<u>(237,875)</u>	<u>(292,614)</u>
Movements in working capital:			
Movement in debtors		2,774	(2,142)
Movement in creditors		3,610	568
		<u>(231,491)</u>	<u>(294,188)</u>
Cash flows from investing activities			
Interest received		16,485	263
Dividends received		26,774	23,256
Payments to acquire tangible assets		(6,549)	(21,159)
Payments to acquire investments		(404,852)	(246,596)
Receipts from sales of investments		425,875	270,278
		<u>57,733</u>	<u>26,042</u>
Net cash generated from investment activities			
		<u>57,733</u>	<u>26,042</u>
Net decrease in cash and cash equivalents		(173,758)	(268,146)
Cash and cash equivalents at the beginning of the year		2,649,272	2,917,418
Cash and cash equivalents at the end of the year	16	<u>2,475,514</u>	<u>2,649,272</u>

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 28 February 2023

1. FINANCIAL INSTRUMENTS

Cash and Receivables

There is an amount of £3,695,257 in current accounts, deposit accounts and NSI bonds. Deposit accounts have a maturity of one year or less. The charity has debtors which are included in Note 9, all of which are included at amortised cost.

2. GENERAL INFORMATION

Order of Hermit Friars of St Augustine is a charity incorporated in the United Kingdom. The registered office of the company is 55 Fulham Palace Road, London, W6 8AU which is also the principal place of business of the company. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP FRS 102 effective 1 January 2019) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

As permitted by the Companies Act 2006, the company has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the company for the financial year ended 28 February 2022 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP FRS 102 effective 1 January 2019) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102".

Fund accounting

The following are the categories of funds maintained:

Restricted funds

There are three restricted funds with purposes as follows:

1. Retirement Welfare Fund - To provide support for the retired members of the Order in their advanced years.
2. Church Restoration Fund - To provide resources for the upkeep and ongoing maintenance of the churches of the Order.
3. Missions Fund - To continue the missionary work of the Order overseas in Nigeria and South Korea and to support the training of young men in the priesthood in these countries.

Unrestricted funds

The principal use of the unrestricted funds is to fund the parish work in four locations including leading church services, administering the sacraments and providing spiritual and sometimes material succour to those in need.

Incoming Resources

Voluntary income or capital is included in the Statement of Financial Activities when the charity receives it. Entitlement to legacies is considered established when the charity has been notified of a distribution made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 28 February 2023

particular services to be provided by the company. Income from government and other co-funders is recognised when the company is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the company is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the company is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

-Time based conditions: whereby the company is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the company recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the company is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Resources Expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method except where the effect of discounting would be immaterial. In such cases they are stated at cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (original market value) or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets (excluding Land which is not depreciated), less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- 2% Reducing Balance
Fixtures, fittings and equipment	- 20% Reducing Balance
Motor vehicles	- 25% Reducing Balance

Impairment of Assets

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. At year end, the trustees assess whether there is any indication that an asset is impaired. If there is no indication of impairment, then the trustees do not estimate the recoverable amount. If there is an indication of impairment, then the trustees will estimate the recoverable amount. An impairment loss will be recognised if, and only if, the recoverable amount of the asset is less than the carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell the asset and its value in use.

Investment properties

Investment properties are carried at fair value.

Investment property is property held either to earn rental income, or for capital appreciation (including future re-development) or for both, but not for sale in the ordinary course of business.

Investment property is initially measured at cost, which includes the purchase cost and any directly attributable expenditure.

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 28 February 2023

The investment property was revalued by a reputable estate agent located in the Hammersmith area, Kinleigh Folkard & Hayward, in this financial year. The assumptions are that the market remains buoyant and that the economic conditions conducive to the sale of property remain stable. This was a desktop valuation using floorplans and photos, and KFH are the estate agents who rent the property on behalf of the Order. The investment property will be revalued at its fair market value every five years.

The difference between the fair value of an investment property at the reporting date and its carrying value prior to the valuation is recognised in the Statement of Financial Activities as a fair value gain or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Financial Activities.

Investments

Investments held as fixed assets are stated at market value where investments are listed on an active market, with any movements included in the SOFA. Income from other financial fixed asset investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the company from government agencies and other co-funders, but not yet received at year end, is included in debtors.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation

The charity is exempt from taxation under S505 Income and Corporation Taxes Act 1988.

Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within creditors.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The investment property valuation has been estimated based on current market values and is considered to be a reliable estimate of actual market value.

5. GOING CONCERN

The Trustees are of the opinion that the charity is a going concern as the level of reserves allow the charity to continue for at least 20 years with the current deficit. The Trustees now have rental income from an investment property, carpark spaces and a space in the Hammersmith Priory which is rented to a nursery. This will alleviate the deficit position in the coming years. The Trustees are continuing to look at other income streams to improve this position.

6. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other charitable companies of our size and nature, we use our auditors to assist with the preparation of the financial statements.

7. INCOME

7.1 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Donations	42,933	22,554	65,487	208,134

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 28 February 2023

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7.2	CHARITABLE ACTIVITIES		Unrestricted Funds	Restricted Funds	2023	2022
			£	£	£	£
	Religious Ministry		211,250	-	211,250	173,536
	Retirement Welfare		-	45,972	45,972	46,769
	Missions		-	-	-	3,076
			<u>211,250</u>	<u>45,972</u>	<u>257,222</u>	<u>223,381</u>
7.3	INVESTMENTS		Unrestricted Funds	Restricted Funds	2023	2022
			£	£	£	£
	Investment Income		<u>188,332</u>	<u>2,833</u>	<u>191,165</u>	<u>136,582</u>
8.	EXPENDITURE					
8.1	CHARITABLE ACTIVITIES	Direct Costs	Other Costs	Support Costs	2023	2022
		£	£	£	£	£
	Religious Ministry	65,516	37,397	660,412	763,325	929,678
	Retirement Welfare	-	-	10,433	10,433	671
	Restoration	-	-	96	96	82
	Missions	-	-	11,180	11,180	88
		<u>65,516</u>	<u>37,397</u>	<u>682,121</u>	<u>785,034</u>	<u>930,519</u>
8.2	SUPPORT COSTS			Charitable Activities	2023	2022
				£	£	£
	Community Expenses			251,257	251,257	220,744
	General Office			75,340	75,340	54,998
	Services charges			11,010	11,010	11,093
	Insurance			59,862	59,862	55,298
	Repairs and Renewal			77,916	77,916	304,075
	Investment Management Fees			8,561	8,561	9,106
	Legal and Professional (Governance)			88,169	88,169	50,905
	Audit Fees (Governance)			6,560	6,560	6,560
	Accountancy Services (Governance)			14,440	14,440	14,440
	Curia Costs (Governance)			-	-	5,562
	Depreciation			89,006	89,006	107,903
				<u>682,121</u>	<u>682,121</u>	<u>840,684</u>
9.	ANALYSIS OF SUPPORT COSTS					
		Basis of Apportionment		2023	2022	
				£	£	
	Community Expenses	Activity		251,257	220,744	
	General Office	Staff Time		75,340	54,998	
	Services charges	Activity		11,010	11,093	
	Insurance	Activity		59,862	55,298	
	Repairs and Renewal	Activity		77,916	304,075	
	Investment Management Fees	Activity		8,561	9,106	
	Legal and Professional (Governance)	Usage		88,169	50,905	
	Audit Fees (Governance)	Administration		6,560	6,560	

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 28 February 2023

Accountancy Services (Governance)	Administration	14,440	14,440
Curia Costs (Governance)	Administration	-	5,562
Depreciation	Unrestricted Activities	89,006	107,903
		<u>682,121</u>	<u>840,684</u>

10. NET INCOMING RESOURCES

2023
£

2022
£

Net Incoming Resources are stated after charging/(crediting):

Depreciation of tangible assets	89,006	107,903
Auditor's remuneration:		
- audit services	6,560	6,560
	<u>6,560</u>	<u>6,560</u>

11. INVESTMENT AND OTHER INCOME

2023
£

2022
£

Rent receivable - other income	147,906	113,063
Royalties received	-	414
Insurance claims receivable	-	15,056
Covid-19 grant received	-	12,025
Bank interest	13,990	263
Investment income	29,269	22,842
	<u>191,165</u>	<u>163,663</u>

12. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive trustees) during the financial year was as follows:

	2023 Number	2022 Number
Trustees	5	5
Administration & Retreat House	5	5
	<u>10</u>	<u>10</u>

The staff costs (inclusive of trustees' salaries) comprise:

	2023 £	2022 £
Wages and salaries	63,838	68,024
Pension costs	1,678	1,586
	<u>65,516</u>	<u>69,610</u>

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 28 February 2023

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13. TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Investment properties £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or Valuation					
At 1 March 2022	4,683,558	1,700,000	85,726	64,511	6,533,795
Additions	-	-	6,549	-	6,549
Revaluation	-	250,000	-	-	250,000
At 28 February 2023	4,683,558	1,950,000	92,275	64,511	6,790,344
Depreciation					
At 1 March 2022	776,128	-	66,209	41,934	884,271
Charge for the financial year	78,149	-	5,213	5,644	89,006
At 28 February 2023	854,277	-	71,422	47,578	973,277
Net book value					
At 28 February 2023	3,829,281	1,950,000	20,853	16,933	5,817,067
At 28 February 2022	3,907,430	1,700,000	19,517	22,577	5,649,524

Tangible Fixed Assets are shown at historical cost which includes the purchase price of the asset and in the case of buildings, includes the cost to purchase the building.

13.1. TANGIBLE FIXED ASSETS CONTINUED

The investment property was revalued by a reputable estate agent located in the Hammersmith area, Kinleigh Folkard & Hayward, in this financial year. The assumptions are that the market remains buoyant and that the economic conditions conducive to the sale of property remain stable. This was a desktop valuation using floorplans and photos, and KFH are the estate agents who rent the property on behalf of the Order. The investment property will be revalued at its fair market value every five years. The difference between the fair value of an investment property at the reporting date and its carrying value prior to the valuation is recognised in the Statement of Financial Activities as a fair value gain or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Financial Activities.

14. INVESTMENTS

	Other investments £	Total £
Investments		
Fair value		
At 1 March 2022	1,409,423	1,409,423
Additions	404,852	404,852
Disposals	(425,875)	(425,875)
Revaluations	(73,739)	(73,739)
At 28 February 2023	1,314,661	1,314,661
Net book value		
At 28 February 2023	1,314,661	1,314,661
At 28 February 2022	1,409,423	1,409,423

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 28 February 2023

continued

Financial Fixed Assets amounting to a value of £1,314,661 are held by an investment management company in ethical investments. The investments yield interest and dividends. The investments are shown at market value and are listed on an active market.

The continuing war in Ukraine has had a downward effect on the investment portfolio. This is managed to minimise loss from the portfolio and maintain value by investing in low-risk stocks.

15. DEBTORS	2023	2022
	£	£
Prepayments and accrued income	59,820	62,594

Prepayments and Accrued Income consists of a prepayment of insurance.

16. CASH AND CASH EQUIVALENTS	2023	2022
	£	£
Cash and bank balances	616,947	573,262
Cash equivalents	1,858,567	2,076,010
	2,475,514	2,649,272

17. CREDITORS	2023	2022
Amounts falling due within one year	£	£
Taxation and social security costs (Note 18)	2,819	568
Other creditors	1,359	-
Accruals and deferred income	17,460	17,460
	21,638	18,028

The charity has creditors which include payroll taxes and accruals for auditors and accountancy fees. There is no deferred income.

18. TAXATION AND SOCIAL SECURITY	2023	2022
	£	£
Creditors:		
PAYE / NI	2,819	568

19. RESERVES	Funds	Investment property reserve	Total
	£	£	£
At the beginning of the year	9,209,992	542,793	9,752,785
	-	250,000	250,000
Deficit for the financial year	(357,361)	-	(357,361)
At the end of the year	8,852,631	792,793	9,645,424

Order of Hermit Friars of St Augustine

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 28 February 2023

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20. FUNDS

20.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
At 1 March 2021	9,589,933	469,247	10,059,180
Movement during the financial year	(357,867)	51,472	(306,395)
At 28 February 2022	9,442,202	310,583	9,752,785
Movement during the financial year	(157,011)	49,650	(107,361)
At 28 February 2023	<u>9,285,191</u>	<u>360,233</u>	<u>9,645,424</u>

20.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 March 2022 £	Income £	Expenditure £	Transfers between funds £	Gains and losses £	Balance 28 February 2023 £
Restricted funds						
Retirement Welfare	219,729	70,013	10,433	-	-	279,309
Restoration	4,276	-	96	-	-	4,180
Missions	86,578	1,346	11,180	-	-	76,744
	<u>310,583</u>	<u>71,359</u>	<u>21,709</u>	<u>-</u>	<u>-</u>	<u>360,233</u>
Unrestricted funds						
General	9,442,202	356,314	763,325	-	250,000	9,285,191
Total funds	<u>9,752,785</u>	<u>427,673</u>	<u>785,034</u>	<u>-</u>	<u>250,000</u>	<u>9,645,424</u>

20.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use £	Financial fixed assets £	Current assets £	Current liabilities £	Total £
Restricted trust funds	-	-	360,233	-	360,233
Unrestricted general funds	5,817,067	1,314,661	2,175,101	(21,638)	9,285,191
	<u>5,817,067</u>	<u>1,314,661</u>	<u>2,535,334</u>	<u>(21,638)</u>	<u>9,645,424</u>

21. TRUSTEES' REMUNERATION

The Friars of the Order are the managers of the charity. Some of the Friars are also Trustees. The employees are administrative staff, youth workers and retreat house staff. None of the staff are management and all staff report to the Prior of the house in which they work. The remuneration of all staff is below the £60k per annum level.

22. POST-BALANCE SHEET EVENTS

There are no significant post-balance sheet events that require consideration or have an impact on the financial statements.