

**THE TRUSTEES OF THE SERVITE FRIARS,  
PROVINCE OF THE ISLES  
(A Registered Charity)**

**ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

Registered Charity Number: 249148

# **THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

## **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Trust property held in connection with the Brothers Servants of the Blessed Virgin, Servite Fathers**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Father Christopher O'Brien OSM Father Patrick Ryall OSM Father Colm McGlynn Father Vincent Coyne Father Peter Conniffe Father Paul Addison
Prior Provincial (Chair)	Father Paul Addison OSM Father Colm McGlynn OSM (elected March 2020)
Provincial Treasurer	Father Christopher O'Brien OSM
Principal Address	St Mary's Priory 264 Fulham Road London SW10 9EL
Telephone	020 7352 6965
Fax	020 7351 9749
Website	<a href="http://www.servitefriars.org">www.servitefriars.org</a>
Charity Registration Number	249148
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	The Royal Bank of Scotland Relationship Management Team 6 <sup>th</sup> Floor 1 Princes Street London EC2R 8BP
Investment Managers	Epworth Investment Management Limited 9 Bonhill Street London EC2A 4PE
Solicitors	Carter Lemon Camerons LLP 10 Aldersgate Street London EC1A 4HJ
Property Advisers	Gerald Eve LLP 72 Welbeck Street London W1G 0AY

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## REPORT OF THE TRUSTEES (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The first Trust deed of the Servite Order was registered with the Commissioners in 1878 under the number 249138. Then on 4 April 1935 another deed was drawn up under the title *The Brothers Servants of the Blessed Virgin*, with our present no 249148. Carrying forward this tradition of service the Trustees now present their report for the financial year ending the 31 December 2020.

#### INTRODUCTION

The Brothers Servants of the Blessed Virgin more often known as the Servite Friars live in two communities, one in London and the other in Salford. In both locations they are responsible for the pastoral care of a Church and the surrounding Catholic community. Another friar, living alone, has similar responsibilities for a parish, church in Bath.

The Servite Friars have offered pastoral care and support in London since 1864 although the origins of the Order date from the thirteenth century.

During 2020 our long-standing ministry and pastoral care continued as best we could despite Covid 19 ravaging all round the world. Our tradition, derived from the Servite Constitutions and Province of the Isles Servite Directory together with our Trust Deed dating back to 1935 continued, despite the privations of government and diocesan advice and guidance.

The friars in both the London and Salford parishes are Trustees and responsible for a Voluntary Aided School. The Servite Primary School in London has 210 pupils while St Philips in Salford has 320 pupils and the Friars are Foundation Governors to both.

In accordance with a well-founded tradition support was given to our General Council in Rome and support of the Pontifical University, the Marianum. This international service is reviewed every six years and a new General Council elected.

During normal times the three parishes in London, Salford and Bath would have a weekly footfall in excess of 2,000. Each Mass would have an attendance of between 100 and 400. On certain days during the year this figure would be even greater marking the highlights of the Christian calendar such as Christmas and Easter or other special celebrations such as First Communions and Confirmations.

Also, during the year there would be a variety of other celebrations such as Baptisms, Marriages and Funerals. These would all draw a congregation from far and wide and in the case of marriages and funerals have to be arranged in conjunction with state registrars.

The Charity gives space and hospitality to four self-help groups in the Parish hall at a massively discounted rate for this part of central London. Due to the lock-down these meetings were suspended in March 2020 and at the time of writing have yet to resume.

#### Mission

The Servite Order in the UK is aiming to use their resources for religious, educational and other charitable purposes in connection with the Roman Catholic Church (Trust Deed 1935).

- ❖ For the purposes of this report, the principal service, at present, would be the pastoral care of three parish churches and their congregations and the use of the parish centres and facilities for the people in the surrounding area. These are located in London, Salford, and Bath. (cf Trust Deed clause 5 section i)
- ❖ The friars in the London and Salford parishes have responsibility for the local Voluntary Aided schools both as Trustees and Governors.
- ❖ Some of the friars have a specialisation in spiritual direction, hospital chaplaincy and teaching.
- ❖ It would be seen as an integral part of our service to support the Order in its central administration and Servite Friars and the Church in the developing world. There is also a long tradition of helping other related charities both at home and abroad.

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## REPORT OF THE TRUSTEES (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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- ❖ The Care of the sick and elderly friars who have spent a life-time in service of the Church, the Order and Society at large. (cf Trust Deed clause 5 sections vi & vii) During January and February our two eldest friars, aged 95 and 100, met a peaceful death. This closed the need for outside care support. A blessing during the lock-down.

#### GOVERNANCE, STRUCTURE AND MANAGEMENT

Since its inception the Servite Order have operated according to a rule of Life, the Constitutions, and these have the approval of the Catholic Church and are in conformity with canon Law. It goes without saying these have been upgraded and amended periodically and the last time the Constitutions were amended was in September 2015. The local friars also have a Directory which adjusts the rules to local circumstances and in our case in line with UK charity law. The Directory was approved and updated in 2017.

The Province of the Isles has a leadership team consisting of the Prior Provincial and four Provincial Councillors. Each year there is a Provincial Chapter when all the friars (members of the Charity) meet to discuss policy and procedures. This can mandate the Provincial and his Council to implement proposals and directives. It can also take the form of in-service training. The Provincial Chapter approves of local by-laws known as the Directory. This document takes cognisance of Church Law and appropriate Civil law. Every fourth year a Provincial Chapter of Elections takes place, when elections and appointment to the various offices are effected. It is during this gathering that the AGM of the charity is held. Because of the pandemic the Provincial Chapter was postponed until 2021, as was the AGM. The Provincial Elect has also had to wait for confirmation in Office.

Between Provincial Chapters, the responsibility for the direction of the Province (the Charity) rests with the Provincial and his Council (cf Deed of Variation 21 Sep 1971). Where possible the Trustees are drawn from the Provincial Council. All trustees are members of the Order and they have a detailed knowledge of the work of the Charity and its structure; even so when appointed new trustees are reminded of the Charity Commission Guidance and are given a refresher course on the principal responsibilities of the charity its resources and aims and the relationship with our professional advisors; solicitors, auditors, stockbrokers and property advisers. After the election of the Present Provincial Council/ Trustees in June 2016 the members were given a copy of the *'Trustees Duties at a glance.'* Usually Provincial Council (Trustees) Meetings are held face-to-face but since March 2020 these have been held by digital means.

#### Risk Management

In line with the requirement of trustees the Charity has made an assessment of risk and identified the following areas:

Governance

Operational

Financial

Reputational

Laws, regulations, external and environment

**Governance** The Province of the Isles has twenty-two friars and their presence in England and Ireland is reported through to the three relevant civil authorities and registrations. Each year all the friars gather for a Provincial Chapter and this is when the AGM of the English Charity is held. All members continued to receive copies of the minutes.

**Operational** The responsibility for buildings such as the Priors is the direct responsibility of the Prior Provincial and the Provincial Council and their delegates; the local Priors. The well-being of the Parish churches and Parish properties are with the appointed parish team, together with their lay committees under the direction of the Parish Priest who is appointed by the Provincial Council. The worst possible interruption would be severe damage to one of the Churches. The safety net would be to use the nearby school halls on a temporary basis.

**Financial** The overall management of financial policy lies with the Provincial Finance Board who regulate the local centres of operation, the reserves policy is under review with professional advisers and records are kept of these meetings and conveyed to the Trustees at each of their meetings.

During 2020 after the first meeting in February these meetings were conducted via zoom. The income stream from the Parishes was badly affected and the income from one of the leases was suspended. Four out of seven of our staff were furloughed for several months.

During the height of the uncertainty when the churches were closed the brokers were asked to increase the cash holding on three of the Portfolios, as safety cover. In the event £20,000 was drawn down but re-invested at the end of the year as the position began to improve.

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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A high priority is our *Pension and Welfare Cover*.

Although the dividends were down during the year the fund was increased by a generous legacy. The fund also had to cope with sick friars in nursing homes, and this increased the expenses by 62%.

There is a concern over the expiry of the lease on the 264 Frontage which has enabled the retirement Portfolio to increase by over 230% during the past eight years.

**Laws, regulations, external and environment.** This section looks at the effects of government policies, the consequences of non-compliance with laws and regulations. The Provincial Treasurer is a member of the committee of the Association of Provincial Bursars, which organises the annual conference, and is thus able to keep abreast of the developments in civil, charity and church law. The APB Conference for 2020 took place via Zoom but continued to disseminate useful information on our civil obligations.

Methods of holding personal information have been looked at afresh in the light of the GDPR legislation. Volunteers are being asked to sign a new form of acceptance.

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

**Protection of Children and vulnerable Adults.** Every trustee meeting would have a check on the procedures being followed in the friar's communities and among the parishioners and other lay helpers. During 2020 we engaged a professional organisation Taye Training to help us with ongoing oversight and training. The Trustees have agreed to join with the rest of the Catholic Church in the new arrangements being established in the light of the IICSA report.

#### THE PROVINCIAL AND COUNCIL (TRUSTEES)

Besides the regular Council meetings, the Prior Provincial together with the Provincial Secretary are responsible for communications both within the Province and with our Generalate in Rome as well as other Priors Provincial. On a day-to-day basis this is by way of emails and online newsletters.

English continues to be a much-used language through-out the Order and a variety of tasks involving translation work come to the Province. In February 2020 a friar living in Italy came to London for a month's course to improve his English. The London Community not only sponsored him and his course but had to extend the offer of hospitality through till July when he was at last free to return to Italy.

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### The Trustees

##### *Fr Paul Addison Prior Provincial and Chair of the Trustees.*

Fr Paul joined the Servite Order in August 1958. After studies he had two terms serving on the central administration in Rome. Fr Paul has been responsible for the education and formation of student friars. As part of this ministry he has given courses and lectures in Italy, the USA, France, India and Uganda. He had a first period as Prior Provincial (chair of the charity) in 1991-1997. During that time he also served on the Board of the Servite Houses (housing association) now known as Optivo. Since 2009, when he was re-elected to the Provincial Council, he has served as Provincial Secretary and Clerk to the Trustees. He served again as Provincial from May 2017 until March 2020

##### *Fr Christopher O'Brien, Provincial Treasurer*

Fr Christopher joined the Servite Order in 1965. In his early years he was engaged in teaching in both ordinary and special schools. From 1982-1996 he was engaged in educating Servites in Dublin, Oxford, Lesotho and Normandy in France. He has been a member of the Provincial Finance Council since 1980 but only assumed the Office of Provincial Treasurer at the creation of the New Province in the year 2000.

Since 2007 he has been a member of the General Council of Administration which sets the budget for the General Council. Besides financing the Generalate the Council oversees the administration of the Servite University in Rome; the Marianum.

##### *Fr Patrick Ryall*

Fr Patrick joined the Order in 1963. He spent 12 years in the London Parish 9 of them as Parish Priest. He has also served as a student master; 9 years in Oxford and 3 in Rome. In 1997 he again served as Parish Priest in London before serving as the first Prior Provincial of the newly formed Province of the Isles from 2000-2009. He also served on the board of Servite Houses now known as Optivo. In 2010 he was once more elected Prior and Parish Priest of the London Community.

##### *Fr Vincent Coyne*

Fr Vincent joined the Servite Order in September 1959. After upgrading his degree with a Certificate of Education, he taught at St Peter's High School, Manchester from 1973-1979. From 1985 -1991 he served as Prior Provincial and chair of the Trust. Since 1997 he has again be involved in Parish ministry and is at present Prior and Parish priest in the Salford Parish.

##### *Fr Peter Conniffe*

Fr Peter joined the Order in September 1957. He studied in Oxford and Rome before his ordination in 1965. In 1976 he was elected Prior Provincial (Chair of the Trust) and served in post for six years. He was also invited onto the Board of Servite Houses (now renamed Optivo) and served for 10 years as Chair of the Board. For his work in this regard he was awarded the M.B.E. in the New Year's Honours List of 1998. Since 1976 he's continued his involvement in parish ministry until his retirement in 2016. He has also played an important role as Chair of the Finance Board of the Province since 2001.

##### *Fr Colm McGlynn (Elected chair in March 2020)*

Fr Colm joined the Order in 1980. Colm has served in all parts of the Province, Dublin, the North of Ireland, Scotland and England and he has served as Parish Priest in Dublin and Dundee. He has also had experience working with the Order in the Philippines. Colm served for several terms on the Provincial Council. He was awarded a B A in Humanities from Dublin City University in 2005. He served as Assistant Provincial and then full Provincial after the elected Provincial made a slow recovery from heart surgery. He is at present Provincial-elect with his assumption of office delayed by the coronavirus pandemic.

#### Public benefit

In setting the charity's objectives, the Trustees have given due consideration to the Charity Commission's guidance on public benefit. These requirements are addressed in this report.

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Statement of Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees of the charity to prepare financial statements for each financial year 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;
- observe the principles in the Charities SORP;
- 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 with the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Activities, Specific Objectivities and Relevant Policies

In accordance with a long-standing tradition the Province has continued to contribute and support the international Servite Generalate based in Rome. During 2020 over £53,000 was sent through to Rome of which £25,000 was earmarked to support the Marianum, the Servite University in Rome. These sums are agreed and budgeted for at the General Council of Administration during the spring of each year, and then a full detailed report is given at the Council of Administration the following spring. The Treasurer of the Province is member of this General Council of Administration. The Council of Administration meeting for 2020 was held online.

#### The Benburb Library, Museum and Provincial Archive

This facility while existing within the Northern Ireland Trust (Order of Mary Servite Trust) caters for all three charitable trusts and so Provincial funds continue to offer support. In particular the London based trust sponsors the part-time librarian and archivist (£17,345) and helps pay down the outstanding capital costs (£30,700 in 2020) on the refurbished building.

#### Servite Missions

Our Servite Communities in England along with the support of the Parishes have continued to support other Servite friars working in more challenging parts of the world.

2020 saw our continued support for the student programme in the Philippines £25,036. At the end of the year the Filipino Provincial bursar gave a full report saying how the money was split three ways supporting the tuition fees of the Philosophy students, payment of the fees of the students studying at the Marianum in Rome and the last part towards the upkeep of the students in the student community.



*The Filipino students studying online during the lock-down during 2020*

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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We continued to support the friars in Mozambique who are offering support and a safe environment to the youth of Matola in an after school hours Project. Last year we donated £10,640.



*The Social Movement of St Gabriel aims to teach and provide formative elements to a group of 80 children between 6 and 21 years of age.*

We gave another £7,800 to the friars working in Zululand South Africa.

CAFOD the overseas aid charity appealed to for special support in the light of many parishes being unable to continue with their usual support. Our Charity contributed £3,000.

**On the home front** the London charity that helps the homeless Glass Door also made a special appeal, and though underfunded ourselves we contributed £6,000.

In similar vein we contributed £2,000 to the Medaille Trust for their work with trafficked immigrants.

#### Volunteers

Area	No of Volunteers	Hours Volunteered
Preparing and celebrating Services	7	3,520
Pastoral Planning, teaching/meetings study	9	3,260
Home visits of the sick	5	885
Administration	8	3465
One to one direction, guidance etc	6	575
Hospital visits and Care of the elderly	4	335
Communication	4	1150
School, Governors, teaching etc	3	180

Throughout the year the friars give their time and energy pursuing the goals of the Charity. They either receive no financial reward or else pay their earnings or stipends into the common fund.



## **THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

### **REPORT OF THE TRUSTEES (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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Most of the friars are past retiring age but continue to help out and serve according to their ability and fitness. The friars have served the Charity for the whole of their adult life.

Some of the members are heavily involved in the work of administering the Charity and without their service the charity would not be able to function effectively or according to the norms of the Charity Commission.

If this service was valued at the rate of £200 a day this would amount to over £380,000 of service to the local community.

Both the London and Salford Parishes can boast a large group of volunteers who give their time and energy on a regular basis. Because of the pandemic this was severely altered in 2020. Choirs, altar ministers, flower arrangers were all tasks that were suspended. Instead we needed cleaners and stewards and in each parish we able to boast of a small generous groups of 20-30 who gave extra time and service when the churches re-opened in July 2020.

#### **Our Lady of Dolours London Parish and St Marys Priory**

For the first time in living memory the Church was not open to the public every day of the year.

The total lockdown meant the Church was closed for three and half months, from mid-March till the end of June.

As well as services being suspended two of the staff were furloughed. The parish hall, which is hired out during the weekdays to a children's charity that deals with learning difficulties, also had to suspend operations. This charity paid the first quarter rent and then defaulted on the remaining three. Because they had invested heavily in the refurbishment of the property over the previous two years the Trustees acceded to their request for a grace period. This was reviewed at the end of the year and because of the social importance of their work the Trustees have agreed to receiving only 50% of the rent until the first rent review in May 2022.

The lifeline for the charity has been the support and generosity of the parishioners contributing to the parish by standing order.

The attached parish School, Servite Primary (Voluntary Aided) had to lock-down in common with other schools across the country. Support continued through governors meetings all being conducted online. A much-reduced Church celebration was none-the-less conducted in July for the class moving onto Secondary Schools.

A limited amount of emergency chaplaincy cover was offered at the local Chelsea and Westminster hospital. On occasions it was necessary to give prayerful support to the relatives rather than actual contact with the patient, given the necessary covid restrictions.

Outreach to the housebound and self-isolating parishioners continued with visits and or telephone calls. The parish was instrumental in sourcing tablets for some of the house-bound so they could be present for church services online and on two occasions distributed food parcels.

The four self-help groups had to be suspended because of the cleaning restrictions.

The monthly service for cancer sufferers and their families was suspended for a few months but resumed again before the end of the year.

The regular pattern of volunteering was severely disrupted because of the lock-down but once the churches re-opened in July one or two stepped up to the mark and were present almost every day to help with the stewarding and cleaning that became necessary during and after each service or opening.

Once the church re-opened numbers were about half that of pre-pandemic but began to increase towards the end of the year with the hope from the vaccine roll-out. Part of the Christmas midnight mass service was held in the school playground so that all could participate in the singing of Christmas Carols.

Because of reduced foot fall and reduced income charitable donations were also reduced. The Glass Door charity that looks after the homeless in London made a special appeal because of increased costs necessitated by social distancing and the charity was able to donate £6,000 to this worthy cause.

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Our Lady of Dolours, Salford and Servite Priory**

Again the Salford Parish was forced to take the unprecedented step of closing the church for an extended period.

Likewise the two paid staff were furloughed from March till August.

Despite the covid restrictions the parish continued to give volunteer help and collection of foodstuff to assist in the Loaves and fishes programme organised by the diocese.

A loyal band of volunteers continued to keep a close eye on one or two of the more vulnerable members of the parish, both visiting the house to check on their well-being and bring in necessary supplies where appropriate.

One of them had to be moved to a care home a few weeks before he died. It was his legacy that boosted the income of the Provincial fund and prevented what would have been a noticeable drop in the income.

#### **The Management of Property**

The intensity of planning and negotiating associated with 2018 was much reduced and most of the work was internal to the Priors both in Salford and London; repair, updating and decorating in toilet and shower areas.

#### **FINANCIAL REVIEW**

Income in the year amounted to £919,347 (2019: £984,036). Expenditure decreased to £773,716 (2019: £880,288). With the lock-down caused by the Covid-19 measures ordinary income was down considerably and the trust would have been in deficit but for the generosity of a benefactor who died during the year. As mentioned elsewhere one of our rents was down by 75% and during the lockdown the weekly collections were adversely affected. There were some savings on the running costs but others such as insurance and audit costs were in line or above previous years.

In August 2019 the diocesan safeguarding officials asked three of the friars to step back from pastoral duties. Eventually it was revealed that it was two letters that implicated these friars suggesting they were accessories to a ring of child sexual abuse. This 'stand back' severely curtailed the work and service of the charity. Eventually in July 2020 the police determined that the letters were in fact forgeries and malicious. This malicious approach from an unknown source has involved the charity in several thousand pounds of unnecessary expense.

#### **Reserves Policy**

It could be said that the events of 2020 severely tested our reserves policy. During March and April the value of the shares dropped by over 20%. Because of the uncertainty of how things would progress the Brokers were asked to increase the cash holding on three of the funds to 10%. In the event it only became necessary to draw out £20,000 over and above the normal dividends and by the end of the year this extra draw down had been replaced.

The *Servite Student Trust Fund* is a restricted Fund invested through the generosity of two donors. The principal donor stipulated that the interest should be used for the education of Servite Students. It was a condition of the bequest that 40% should be in government stocks and 60% in equities and the dividends and income used exclusively to fund the education of Servite students. Since the fund's inception in 1998 it has distributed in excess of £250,000 for the education of Servite Students in the UK and around the world.

The *General Fund* is a contingency fund to underpin the central administration of the Charity and ensure continuity in the event of income variation. It is largely the result of some benefactors and fund raising in the early and middle part of the 20<sup>th</sup> century. It comprises 7.3% of total reserves and is seen as an important reserve as some of the friars grow older and income decreases. General funds stood at £734,022 at the year-end and is considered adequate for the charity's needs.

The *Retirement and Welfare Fund* continues to play a pivotal role in the charity's finances as two friars are now permanently in care homes in the North of Ireland. This fund received a much-needed boost from the generosity of a deceased parishioner. Over 16 years the support for each of the elderly has more than doubled to an average of £570 per month for each friar. This payment is made to the community in which the friar resides.

## THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

### REPORT OF THE TRUSTEES (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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The **Property Fund** was realised at the sale of one of the Charity's properties and the fund is used to maintain the other properties in good repair. In 2012 this fund stood at £442k and was run right back to £9k when buying back the 264 frontage. It is now being built up ready for the next realignment. At end of 2020 it had reached £214k and the interest has been used to pay off the debt on the Library Project.

The **St Mary's Priory Fund** is a contingency for the oldest and most complex of the Charity's properties at Fulham Road in London.

The **Church Restoration Fund** was set up as a separate charity to raise funds for the repair and maintenance of the fabric of Our Lady of Dolours Church, a grade II listed building. At beginning of 2016 it was set up as a Restricted fund within the main charity. By the end of 2020 it had reached £109k.

The **Special Projects Fund** This fund was accumulated from a percentage of recent gifts and bequests. The fund is used to respond to appeals for aid from Servites in other parts of the world or other related charities and good causes and so safeguards ordinary income streams.

#### Investment Strategy

The Trustees continue to work with Epworth I M and the Church Investment Group to monitor that their investments are in line with Christian teaching. The awareness and danger of climate change becomes evermore critical as we follow our stated policy:

*The Finance Council are requested to look into the moral status and operating methods of the different companies to ascertain that they are broadly in line with our Servite and Christian ethos. Any dealing with armaments is seen as unacceptable as is trade in tobacco. Also unacceptable is any company or organisation that publishes or promotes pornography in any form. We are totally committed to the protection of human life from conception to death therefore, special care needs to be taken to protect human life, even in the womb. This should be borne in mind when investing in pharmaceuticals or medical research. It is also requested that a company's international record is monitored, especially where it has dealings with countries where UN recognised human rights are severely restricted. A failure in this area would be tantamount to condoning and cooperating in the oppression of the ordinary citizens and the common good. Note should also be taken of how a particular company is exploiting or depleting the resources of the planet. To do so recklessly would endanger the lives of present or future generations.*

#### FUTURE PLANS

##### Order of Mary Servite Trust

This is a sister Trust, charity number; XN55092, which governs and reports on the activities of the Servite Friars in Northern Ireland. They are responsible for and house the Province's main library and archives. Between 2014 and 2018 it was refurbished with a National Lottery grant. The London based charity is committed to supporting the project and during 2020 the 1980 NI Charitable trust was dissolved and replaced with a new trust deed that is more in line with present guidance and requirements.

##### Fulham Road

In November 2020 a young Ugandan Servite priest and friar joined the community. He brings new energy and enthusiasm to the pastoral ministry as some of the restrictions are being lifted.

During October 2020 Carlo Acutis was beatified in Assisi, Italy. This is a step on the way to sainthood. Carlo was baptised in the London Servite Church in 1991. There are signs that our church is beginning to become a place of pilgrimage and its hoped to create a more permanent shrine during 2021.

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## REPORT OF THE TRUSTEES (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Kersal

For the coming year, care for the poor is continuing to be developed. The Parish, through its groups is intensely involved in a Food for the People in Difficulties in the city of Salford.

The parish social team also collects foodstuffs which are distributed to the well-organised welfare groups called *Loaves and Fishes*, *Cornerstone* and *Revive*. Also sponsored and supported by the Parish is a new housing for the homeless initiative in Salford called Emmaus. These initiatives are in continual development.

The Parish is developing its strategy for promoting and integrating immigrants and newcomers, many being Roman Catholic, through the Parish School, activity groups, worship involvement and so forth.


#### Coping with Covid 19

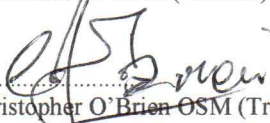
Slowly the restrictions of lock-down are being eased but it is not clear yet whether the old schedules will be resumed or whether new ones will have to be created to cope with a reduced footfall.

#### Auditors

A resolution proposing the re-appointment of haysmacintyre as auditors to the charity will be put to the annual general meeting.

Approved by the Trustees on 18 October 2021 and signed on their behalf by:

  
.....  
Fr Paul Addison OSM ( Trustee)

  
.....  
Fr Christopher O'Brien OSM (Trustee)

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

## THE SERVITE FRIARS, PROVINCE OF THE ISLES

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### Opinion

We have audited the financial statements of The Servite Friars, Province of the Isles for the year ended 31 December 2020 which comprise the Balance Sheet, Statement of Financial Activities, Statement of cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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

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 charity's ability to continue as a going concern for a period of at least twelve months from 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
THE SERVITE FRIARS, PROVINCE OF THE ISLES (continued)**

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**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement 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 the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the 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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Canon law, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Canon Law, the Charities Act 2011, The Statement of Recommended Practice for Charities (SORP 2015), FRS102 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
THE SERVITE FRIARS, PROVINCE OF THE ISLES (continued)**

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**Use of our report**

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

*Haysmacintyre LLP*

Haysmacintyre LLP  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 25 October 2021

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

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES,

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	2	2,553,358	3,106,844
Investment Property	3	2,850,000	-
Investments	4	4,265,391	4,237,827
		<u>9,668,749</u>	<u>7,344,671</u>
<b>CURRENT ASSETS</b>			
Debtors	5	23,757	18,793
Cash at bank		442,223	399,333
		<u>465,980</u>	<u>418,126</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	(29,675)	(49,681)
<b>NET CURRENT ASSETS</b>		<u>436,305</u>	<u>368,445</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,105,054	7,713,116
<b>CREDITORS: Amounts falling due after more than one year</b>	7	(55,500)	(55,500)
<b>NET ASSETS</b>		<u>10,049,554</u>	<u>7,657,616</u>
<b>FUNDS</b>			
Restricted:			
- Student Trust Fund		1,216,059	1,226,474
- Parish Fund		227,022	178,018
- Church Restoration Fund		109,089	102,826
Unrestricted:		<u>1,552,170</u>	<u>1,507,318</u>
Designated			
- Fixed Assets Fund		2,553,358	3,106,844
- Investment Property Fund		2,850,000	-
- Property Development Fund		214,707	200,206
- Retirement and Welfare Fund		1,517,809	1,445,478
- School Governors' Fund		104,349	107,371
- Special Projects Fund		180,645	167,246
- St Mary's Priory Fund		342,494	350,543
General Fund		<u>734,022</u>	<u>772,610</u>
	8	<u>10,049,554</u>	<u>7,657,616</u>

Approved by the Trustees and authorised for issue on

*Paul Addison*  
Fr Paul Addison OSM (Trustee)

*Christopher O'Brien*  
Fr Christopher O'Brien OSM (Trustee)

18 October 2021 and signed on their behalf by.

The accompanying notes form part of these accounts.



**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2020 £</b>	<b>2019 £</b>
<b>INCOME FROM:</b>					
<i>Donations and legacies:</i>					
Salaries and pensions		49,907	-	49,907	43,052
Donations and legacies		208,225	53,696	261,921	101,709
JRS Furlough receipts		13,628	-	13,628	-
<i>Other Trading Activities:</i>					
Rent and service charges		292,271	13,417	305,688	370,040
<i>Charitable activities:</i>					
Local communities and parishes		34,947	160,895	195,842	321,239
<i>Investments</i>	10	65,422	-	65,422	105,354
<i>Other income</i>		19,790	7,149	26,939	42,642
<b>Total</b>		<u>684,190</u>	<u>235,157</u>	<u>919,347</u>	<u>984,036</u>
<b>EXPENDITURE ON:</b>					
<i>Charitable activities:</i>					
Communities, parishes and their ministry		587,563	186,153	773,716	880,288
<b>Total</b>	12	<u>587,563</u>	<u>186,153</u>	<u>773,716</u>	<u>880,288</u>
Net income before (losses)/gains on investments		96,627	49,004	145,631	103,748
Net (losses)/gains on investments	4	(126,034)	(4,152)	(130,186)	494,892
Gain on revaluation of investment property	3	<u>2,376,493</u>	<u>-</u>	<u>2,376,493</u>	<u>-</u>
<b>Net income and net movement in funds</b>		2,347,086	44,852	2,391,938	598,640
<i>Reconciliation of funds:</i>					
<b>Fund Balances brought forward</b>		<u>6,150,298</u>	<u>1,507,318</u>	<u>7,657,616</u>	<u>7,058,976</u>
<b>Fund Balances carried forward</b>		<u><u>8,497,384</u></u>	<u><u>1,552,170</u></u>	<u><u>10,049,554</u></u>	<u><u>7,657,616</u></u>

All the charity's activities over the two financial years above are derived from continuing activities.

There are no other recognised gains and losses other than those included above.

The accompanying notes form part of these accounts.

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES,**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>Cash flows for operating activities:</b>			
Net cash used in operating activities	15	(166,500)	(394,896)
<b>Cash flow from investing activities:</b>			
Dividends, interest and rent from investments		371,110	475,885
Proceeds from sale of investments		1,736,762	4,070,303
Purchase of investments		(1,894,512)	(4,123,577)
Purchase of fixed assets		(3,970)	(32,519)
<b>Net cash provided by investing activities</b>		<u>209,390</u>	<u>390,093</u>
Change in cash and cash equivalents in the year		42,890	(4,803)
Cash and cash equivalents at the beginning of the year	16	<u>399,333</u>	<u>404,136</u>
Cash and cash equivalents at the end of the year	16	<u><u>442,223</u></u>	<u><u>399,333</u></u>

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## NOTES TO ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES

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

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**(b) Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include estimating the economic useful life of tangible fixed assets.

**(c) Assessment of going concern**

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

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next two accounting periods, the years ending 31 December 2021 and 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information). This is particularly relevant following the coronavirus pandemic which began in Spring 2020.

**(d) Investments**

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment properties are carried at fair value. No depreciation is charged on investment properties.

**(e) Tangible Fixed Assets**

Land and buildings are shown at 10% of their insurance valuation plus additions since January 1999 at cost. Depreciation is provided evenly over the estimated useful lives of each asset.

Buildings - 2% per year  
Motor vehicles - 25% per year

**(f) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(g) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(h) Cash at bank and in hand**

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## NOTES TO ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES (continued)

(i) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(j) **Restricted Funds**

The restricted fund represents donations received with specific restrictions placed by the donors which have not yet been spent.

(k) **Designated Funds**

The designated funds represent amounts set aside by the Trustees to fulfil specific charitable objectives.

(l) **Income**

Income is included in the SOFA once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies apply to categories of income:

Collections and donations are included in the accounts when received.

Members' salaries – there are no friars/members receiving salaries during 2019.

Rental income is stated gross of any fees deducted and is recorded on a receivable basis.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(m) **Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Governance costs include expenditure on the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

**NOTES TO ACCOUNTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. FIXED ASSETS**

Land and buildings are mainly in use by the Province and are not generally available for sale.

	<b>Land and Buildings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>VALUATION/COST</b>			
As at 1 January 2020	3,896,600	52,399	3,948,999
Additions	3,970	-	3,970
Transfer to Investment property (see note 3)	(612,389)	-	(612,389)
	<hr/>	<hr/>	<hr/>
As at 31 December 2020	3,288,181	52,399	3,340,580
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
As at 1 January 2020	806,589	35,566	842,155
Charge for the year	78,011	5,938	83,949
Depreciation transfer (see note 3)	(138,882)	-	(138,882)
	<hr/>	<hr/>	<hr/>
As at 31 December 2020	745,718	41,504	787,222
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
As at 31 December 2020	2,542,463	10,895	2,553,358
	<hr/>	<hr/>	<hr/>
As at 31 December 2019	3,090,011	16,833	3,106,844
	<hr/>	<hr/>	<hr/>

**3. INVESTMENT PROPERTY**

	<b>2020 £</b>
<b>Valuation</b>	
Amount transferred from freehold (see note 2)	473,507
Revaluation	2,376,493
	<hr/>
As at 31 December 2020	2,850,000
	<hr/>

The part of the charity's premises at 262a Fulham Road (known as the 'T-Block') has been reclassified as an investment property as it is let out for commercial use. It was revalued at 31 December 2020 by Gerald Eve LLP, Chartered Surveyors at £2,850,000. This value has been reflected in the note above.

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

**NOTES TO ACCOUNTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. INVESTMENTS**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2020 £</b>	<b>2019 £</b>
Market Value as at 1 January 2020	2,887,135	1,350,692	4,237,827	3,689,661
Additions	1,381,647	512,865	1,894,512	4,123,577
Disposals	(1,237,746)	(499,016)	(1,736,762)	(4,070,303)
Net investment gains	(126,034)	(4,152)	(130,186)	494,892
Market Value as at 31 December 2020	<u>2,905,002</u>	<u>1,360,389</u>	<u>4,265,391</u>	<u>4,237,827</u>
Cost as at 31 December 2020	<u>2,768,126</u>	<u>1,242,831</u>	<u>4,010,957</u>	<u>3,945,620</u>

<b>Analysis of Investments</b>	<b>2020 £</b>	<b>2019 £</b>
Unit Trusts	4,178,065	4,131,150
Cash held as part of an investment portfolio	87,326	106,677
	<u>4,265,391</u>	<u>4,237,827</u>

**5. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Prepayments and accrued income	23,757	18,793
	<u>23,757</u>	<u>18,793</u>

**6. CREDITORS: Amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Other creditors	2,719	21,696
Accruals	15,900	17,243
VAT due	11,056	10,624
PAYE due	-	118
	<u>29,675</u>	<u>49,681</u>

**7. CREDITORS: Amounts falling due after more than one year**

	<b>2020 £</b>	<b>2019 £</b>
Rent deposit	<u>55,500</u>	<u>55,500</u>

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

**NOTES TO ACCOUNTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. FUNDS - 2020**

The restricted and unrestricted funds of the charity (which include designated and general funds) are set out below:

	<b>Balance at 1 January 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers &amp; gains on Investments £</b>	<b>Balance at 31 December 2020 £</b>
Restricted					
- Students Trust Fund	1,226,474	-	-	(10,415)	1,216,059
- Parish Fund	178,018	235,157	(186,153)	-	227,022
- Church Restoration Fund	102,826		-	6,263	109,089
	<u>1,507,318</u>	<u>235,157</u>	<u>(186,153)</u>	<u>(4,152)</u>	<u>1,552,170</u>
Designated					
- Fixed Assets Fund	3,106,844	-	(79,979)	(473,507)	2,553,358
- Investment Property Fund	-	-	-	2,850,000	2,850,000
- Property & Development Fund	200,206	-	-	14,501	214,707
- Retirement and Welfare Fund	1,445,478	-	-	72,331	1,517,809
- School Governors' Fund	107,371	-	-	(3,022)	104,349
- Special Projects Fund	167,246	-	-	13,399	180,645
- St Mary's Priory Fund	350,543	-	-	(8,049)	342,494
	<u>5,377,688</u>	<u>-</u>	<u>(79,979)</u>	<u>2,465,653</u>	<u>7,763,362</u>
General Fund	772,610	684,190	(507,584)	(215,194)	734,022
	<u>7,657,616</u>	<u>919,347</u>	<u>(773,716)</u>	<u>2,246,307</u>	<u>10,049,554</u>

**8. FUNDS – 2019**

The restricted and unrestricted funds of the charity (which include designated and general funds) are set out below:

	<b>Balance at 1 January 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers &amp; gains on Investments £</b>	<b>Balance at 31 December 2019 £</b>
Restricted					
- Students Trust Fund	1,108,624	-	-	118,210	1,226,474
- Parish Fund	116,860	370,737	(309,579)	-	178,018
- Church Restoration Fund	79,494	-	-	23,332	102,826
	<u>1,304,618</u>	<u>370,737</u>	<u>(309,579)</u>	<u>141,542</u>	<u>1,507,318</u>
Designated					
- Fixed Assets Fund	3,158,195	-	(83,870)	32,519	3,106,844
- Property & Development Fund	176,604	-	-	23,602	200,206
- Retirement and Welfare Fund	1,274,817	-	-	170,661	1,445,478
- School Governors' Fund	97,235	-	-	10,136	107,371
- Special Projects Fund	149,639	-	-	17,607	167,246
- St Mary's Priory Fund	305,124	-	-	45,419	350,543
	<u>5,161,614</u>	<u>-</u>	<u>(83,870)</u>	<u>299,944</u>	<u>5,377,688</u>
General Fund	592,744	613,299	(486,839)	53,406	772,610
	<u>7,058,976</u>	<u>984,036</u>	<u>(880,288)</u>	<u>494,892</u>	<u>7,657,616</u>

# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## NOTES TO ACCOUNTS (Continue)

### FOR THE YEAR ENDED 31 DECEMBER 2020

The *Servite Students Trust Fund* represents monies received for the training and education of Friars. This balance is held as part of the investment portfolio.

The *Parish Fund* represents monies raised by the Parish worshipping community and can only be used in the local parish to meet the needs of that community.

The *Church Restoration Fund* represents monies set aside to raise funds for the repair and maintenance of the fabric of Our Lady of Dolours Servite Church, London .

The *Fixed Assets Fund* is maintained at book value and represents the net investment in fixed assets.

The *Investment Property Fund* was realised on the sale of one of the Charity's properties and the fund is used to maintain the other properties in good repair.

The *Retirement and Welfare Fund* was begun in 1993 to fund Servite Friars in their retirement. Most friars receive no state pension or less than the basic pension despite having spent all their adult life in service of the public. In 1999 the fund began paying a modest payment to all communities that have senior members among their number.

The *Special Projects Fund*. This fund was accumulated from a percentage of recent gifts and bequests. The fund is used to respond to appeals for aid from Servites in other parts of the world or other related charities.

The *St Mary's Priory Fund* is a contingency for the oldest and most complex of the Charity's properties at Fulham Road in London.

## 9. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2020

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
<b>Restricted Fund</b>					
- Student Trust Fund	-	1,216,059	-	-	1,216,059
- Parish Fund	-	-	227,022	-	227,022
- Church Restoration Fund	-	109,089	-	-	109,089
<b>Servite Friars Fund</b>					
Designated:					
- Fixed Assets Fund	2,553,358	-	-	-	2,553,358
- Investment Property Fund	-	2,850,000	-	-	2,850,000
- Property & Development Fund	-	214,707	-	-	214,707
- Retirement and Welfare Fund	-	1,517,809	-	-	1,517,809
- School Governors' Fund	-	104,349	-	-	104,349
- Special Projects Fund	-	180,645	-	-	180,645
- St Mary's Priory Fund	-	342,494	-	-	342,494
General	-	580,239	209,283	(55,500)	734,022
	<u>2,553,358</u>	<u>7,115,391</u>	<u>436,305</u>	<u>(55,500)</u>	<u>10,049,554</u>



# THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

## NOTES TO ACCOUNTS (Continue

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9. ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2019

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
<b>Restricted Fund</b>					
- Student Trust Fund	-	1,226,474	-	-	1,226,474
- Parish Fund	-	-	178,018	-	178,018
- Church Restoration Fund	-	102,826	-	-	102,826
<b>Servite Friars Fund</b>					
Designated:					
- Fixed Assets Fund	3,106,844	-	-	-	3,106,844
- Property & Development Fund	-	200,206	-	-	200,206
- Retirement and Welfare Fund	-	1,445,478	-	-	1,445,478
- School Governors' Fund	-	107,371	-	-	107,371
- Special Projects Fund	-	167,246	-	-	167,246
- St Mary's Priory Fund	-	350,543	-	-	350,543
General	-	637,683	190,427	(55,500)	772,610
	<u>3,106,844</u>	<u>4,237,827</u>	<u>368,445</u>	<u>(55,500)</u>	<u>7,657,616</u>

#### 10. INVESTMENT INCOME

	2020 £	2019 £
Income from UK quoted investments	64,214	103,364
Bank interest	1,208	1,990
	<u>65,422</u>	<u>105,354</u>

#### 11. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The trustees of the Charity are also members of the Province 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 Congregation within the Province. The living costs of the five trustees are therefore borne by the Charity. During 2020 because of the pandemic, P M O'Brien, the brother of a trustee, Father Christopher O'Brien, was laid off for six months on unpaid leave (April – September). Accordingly he was paid £1,661 (2019: £3,900) plus deductions of £398 to HMRC in tax. There were no amounts owing or owed at the year-end.

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**

**NOTES TO ACCOUNTS (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. ANALYSIS OF EXPENDITURE - 2020**

	<b>Staff Costs</b>	<b>Donations</b>	<b>Other</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Charitable activities:</i>					
Communities, Parishes and their ministry:					
Communities:					
- Kersal	4,950	1,500	54,724	61,174	47,135
- London	25,534	9,076	90,369	124,979	77,488
Parishes:					
- Kersal	5,304	4,270	13,213	22,787	49,027
- Our Lady of Dolours	27,527	12,565	33,731	73,823	252,330
Province	23,577	110,039	357,337	490,953	454,308
	<u>86,892</u>	<u>137,450</u>	<u>549,374</u>	<u>773,716</u>	<u>880,288</u>

All costs are directly attributable to the activities under which they have been analysed.

Included in the above are the following:

Fees paid to the auditors:

- Auditors' remuneration	9,800	9,800
- Other fees	4,960	4,960
Depreciation	83,949	83,870
Donations	<u>137,450</u>	<u>145,681</u>

**ANALYSIS OF EXPENDITURE - 2019**

	<b>Staff Costs</b>	<b>Donations</b>	<b>Other</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Charitable activities:</i>				
Communities, Parishes and their ministry:				
Communities:				
- Kersal	7,117	840	39,178	47,135
- London	25,500	3,354	48,634	77,488
Parishes:				
- Kersal	7,917	7,909	33,201	49,027
- Our Lady of Dolours	48,329	18,945	185,056	252,330
Province	26,894	114,633	312,781	454,308
	<u>115,757</u>	<u>145,681</u>	<u>618,850</u>	<u>880,288</u>

**THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES****NOTES TO ACCOUNTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****13. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gross salaries	81,890	111,102
Employer's NI	5,002	4,655
	<u>86,892</u>	<u>115,757</u>

No trustees (who are the charities key management personnel) received remuneration for their services during the current or prior year. No trustees received any reimbursed expenses during the current or prior year.

At the beginning of 2020 there was 1 full time and 7 part time employees (2019 – 1 full time and 9 part time employees) the equivalent of 3.6 (2019: 4.9) full time. One had to work from home for several weeks and two were laid off without pay but by the end of the year all were back working on their agreed hours.

**14. CUSTODIANSHIP**

At the beginning of 2020 the BlackRock Investment was valued at £185,220 and by 31 December it was £198,318. We continue to administer this fund on behalf of our related charity in the North of Ireland Order of Mary Servite Trust (XN55092).

**15. RECONCILIATION OF NET INCOME TO NET CASH FLOW FOR OPERATING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net income for the year as per the Statement of Financial Activities	2,391,938	598,640
Adjustments for:		
Depreciation charges	83,949	83,870
Gain on revaluation of investment property	(2,376,493)	-
Loss/(gains) on investments	130,186	(494,892)
Dividends, interest and rents from investments	(371,110)	(475,885)
Increase in debtors	(4,964)	(3,090)
Decrease in creditors	(20,006)	(103,538)
	<u>(166,500)</u>	<u>(394,896)</u>

**16. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank accounts	<u>442,223</u>	<u>399,333</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. STATEMENT OF FINANCIAL ACTIVITIES 2019	Unrestricted Funds £	Restricted Funds £	2019 £
<b>INCOME FROM:</b>			
<i>Donations and legacies:</i>			
Salaries and pensions	43,052	-	43,052
Donations and legacies	52,653	49,056	101,709
<i>Other Trading Activities:</i>			
Rental income	308,021	62,019	370,040
<i>Charitable activities:</i>			
Local communities and parishes	71,358	249,881	321,239
<i>Investments</i>	105,354	-	105,354
<i>Other</i>	32,861	9,781	42,642
<b>Total</b>	<b>613,299</b>	<b>370,737</b>	<b>984,036</b>
<b>EXPENDITURE ON:</b>			
<i>Charitable activities:</i>			
Communities, parishes and their ministry	570,709	309,579	880,288
<b>Total</b>	<b>570,709</b>	<b>309,579</b>	<b>880,288</b>
Net income before investment losses	42,590	61,158	103,748
Net gains on investments	353,350	141,542	494,892
<b>Net income and net movement in funds</b>	<b>395,940</b>	<b>202,700</b>	<b>598,640</b>
<i>Reconciliation of funds:</i>			
<b>Fund Balances brought forward</b>	<b>5,754,358</b>	<b>1,304,618</b>	<b>7,058,976</b>
<b>Fund Balances carried forward</b>	<b>6,150,298</b>	<b>1,507,318</b>	<b>7,657,616</b>

**THE SERVITE FRIARS, PROVINCE OF THE ISLES  
DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR TO 31 DECEMBER 2020**

	<b>Ordinary Receipts £</b>	<b>Ordinary Payments (including Subsidiaries) £</b>	<b>2020 £</b>	<b>2019 £</b>
<b>COMMUNITY</b>				
Kersal	84,527	61,174	23,353	(11,599)
London	150,630	175,928	(25,298)	50,915
<b>Parish</b>				
Kersal	46,248	42,787	3,461	23,341
Our Lady of Dolours	88,770	73,823	14,947	48,296
<b>Surplus of Communities, Parishes and others</b>	<u>370,175</u>	<u>353,712</u>	<u>16,463</u>	<u>110,953</u>
<b>PROVINCIAL FUND</b>				
<b>Ordinary Receipts</b>				
Dividends and interest			66,416	89,982
Donations			206,654	9,052
Salaries & pensions			1,298	2,596
Sundry receipts			10,000	39,705
Rental income			281,938	246,600
Provincial contribution			15,996	70,500
Transfers			20,000	60,321
HMRC JRS Grants			13,328	-
			<u>615,630</u>	<u>518,756</u>
<b>ORDINARY PAYMENTS</b>				
Studies and sabbaticals			10,106	29,448
Travel and car expenses			1,980	22,755
Office costs			1,463	3,530
Chapter			540	9,840
Wages			23,577	41,144
Professional fees			55,121	38,710
General			9,575	9,650
Donations			114,017	114,633
Bank charges and interest			3,597	3,617
Repairs and maintenance			84	8,442
Curia			54,665	54,000
Insurance			73,155	69,800
Depreciation			83,949	83,870
Transfers			-	2,928
Development			15,000	31,000
Healthcare			28,760	2,594
R&W Pension			10,873	-
			<u>486,462</u>	<u>525,961</u>
<b>Surplus of Provincial Fund</b>			<u>129,168</u>	<u>(7,205)</u>
<b>Surplus before investment gains</b>			145,631	103,748
<b>Increase/(decrease) in market value of investments</b>			(130,186)	494,892
<b>Revaluation surplus</b>			2,376,493	-
<b>Surplus for the year</b>			<u>2,391,938</u>	<u>598,640</u>
<b>Fund balances brought forward</b>			<u>7,657,616</u>	<u>7,058,976</u>
<b>Fund balances carried forward</b>			<u>10,049,554</u>	<u>7,657,616</u>

**This page does not form part of the audited accounts**