

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

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Registered Charity Number: 249148

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

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 OSM
Father Vincent Coyne OSM
Father Liam Tracey OSM
Father Allan Satur OSM
Father Paul Addison

Prior Provincial (Chair)

Father Colm McGlynn OSM

Provincial Treasurer

Father Christopher O'Brien OSM

Principal Address

St Mary's Priory
264 Fulham Road
London SW10 9EL

Telephone

020 7352 6965

Website

www.servitefriars.org

Charity Registration Number

249148

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

The Royal Bank of Scotland
Relationship Management Team
6th 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 Adviser

Will Saxby MRICS Dip Proj Man

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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 2022 our long-standing ministry and pastoral care recovered somewhat after the lock-downs and restrictions of the previous years. Our tradition, derives from the Servite Constitutions and Province of the Isles Servite Directory together with our Trust Deed dating back to 1935.

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 1,500. Each Mass/Service 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.

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.
- ❖ 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 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) The English charity has also undertaken responsibility for one of the Irish friars who is being cared for in a care home in the North of Ireland.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 adviser.

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 eighteen 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 continue 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 Council 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 2022 these meetings were mostly conducted via the zoom platform.

The main source of our week to week income are the Church and parochial donations. After the lock downs the numbers picked up well, especially since Easter 2022 but are below pre-pandemic totals.

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

The care of the elderly is an enduring concern and the fund has had to cope with 2 of the friars being placed in care homes. The fund dedicated to the help of the elderly has increased in the line with inflation while the dividends have declined which makes it difficult for the benefiting friars to cope with today's inflationary pressures.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 2022 was able to resume as a face to face encounter.

Methods of holding personal information have been looked at afresh in the light of the GDPR legislation. Volunteers and contributors to the parishes are being asked to sign a new form of acceptance that their details are held on file for this purpose.

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. The Risk assessment Policy was revised in March 2022.

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 2022 we were able to move from Taye Training to come under the guidance of the newly created RLSS, Religious Life Safeguarding Service, and towards the end of the year we had our first supervisory meeting by way of an electronic link.

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. The Provincial Secretary continues to do sterling work in this department.

The Trustees

Fr Colm McGlynn Prior Provincial/Chair of Trustees

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 is now in his second term as Provincial.

Fr Liam Tracey Assistant Provincial

Liam joined the Servites in 1980. He has an STB from Dublin and a Doctorate in Liturgy from the Anselmianum, Rome 1996. For 20 years he was the Liturgy Professor in Maynooth University. He also acted as Conventual Prior on several occasions. In September 2021 he was elected as Assistant Provincial and member of the Provincial Council.

Fr Paul Addison Provincial Secretary.

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. He continues to serve on the Council as Provincial Secretary.

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 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.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Fr Allan Satur

Allan entered the Servite in 1994. He studied in Cebu and Rome and began his pastoral ministry in the Philippines. He joined the London community in 2012 and was awarded a Masters in Pastoral Theology in 2018. Since October 2021 he was appointed Parish Priest in London after having been elected to the Provincial Council and Trustees in September of that year.

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. From 2010-2021 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 been involved in Parish ministry and is at present Prior and Parish priest in the Salford Parish.

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.

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 (SORP).

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 net income or expenditure 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 2022 over £60,000 was sent through to Rome of which £34,000 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 2022 was held online.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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, during 2022 the London based trust provided £110,000 made up of the Service Level Agreement for the Library and Archive (£75,000) and Priory Insurance (£35,023). These expenses were off-set by receiving £32,000 from the related charity based in the Republic of Ireland whose friars are also stakeholders in the Benburb Library.

Servite Missions and Various charities supported by our Trust

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. 2022 saw our continued support for the student programme in the **Philippines** £20,045. In recent years they have recruited and trained some students from Vietnam with a view to opening a new community in that country in the near future. We also continued with our support for the friars in **Mozambique** who are offering support and a safe environment to the youth of Matola in an after-school hours Project. In 2022 we donated £7,500. The frightening news in 2022 was the outbreak of conflict in **Ukraine** and our charity contributed to various charities that were involved in providing relief and help to the displaced and injured of that country. Altogether we contributed £7,000 through a variety of agencies. Red Cross, Disasters Emergency Committee, CAFOD, Jesuit Refugees Service and UNHCR. Alongside these calls for help we helped with the DEC call for relief in Afghanistan (£2,000) in the early part of 2022, Aid to the Church in Need £1,515 The Medaille Trust £1,000 and the Colmcille Trust £515.

Because of our new economic relationship with the EU it was necessary to withdraw our investment in Oikocredit but this enabled us to boost our holding in Shared Interest with a further £5,000.

We also made a series of smaller donations on the home front amounting to £2,250.

Volunteers (Friars)

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

Most of the friars are past retiring age but continue to help out and serve according to their ability and fitness. These 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 £250 a day this would amount to over £437,000 of dedication and service to fulfil the aims and purposes of the charity.

Both the London and Salford Parish Communities can boast a large group of lay volunteers who give their time, expertise and energy on a regular basis. The Covid restrictions and the lock-downs disrupted the regular pattern of this volunteering and the number that were available in each parish. Last year 2022 saw the new normal beginning to emerge.

The London Parish identified 105 regular volunteers during 2022. These included cleaners, flower arrangers and maintenance people along with money counters and others helping with administration. Alongside these are those involved in services themselves which include Choir members, Altar servers, Readers and ministers of the Eucharist. Outside the services and worship times there are catechists who prepare parents, children and young people for the sacraments; plus a faithful few who visit the housebound to bring Holy Communion or help with household chores. Over the year there was a total of 7,350 hours donated to keep the charity in touch and operational.

The Kersal Parish was able to identify 123 regular volunteers. These would have performed many of the same tasks as those connected with the London Parish. In addition, in Kersal there are four regular volunteers who help to keep the garden in good shape during the spring and summer months. There is also a volunteer cook to help with the shopping and preparing of meals. Again when aggregated together this made a total of 8,685 voluntary hours service in the course of the year. Totalling the two parishes this comes to over 16,000 voluntary hours over the course of 2022. Without this generous donation of time and skills the charity would not be able to function as well as it does.

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REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our Lady of Dolours London Parish and St Marys Priory

After the privations of the lock-down in 2020 the church was again open for prayer and worship on every day of 2022. Having said that a minimum of restrictions were still in place throughout the year and it was noticeable that several of the parishioners felt more comfortable to continue with face masks when gathered in the church.

It was heartening to see some of the older parishioners, the over seventies and over eighties to be among the first to begin regular attendance once the restrictions were relaxed.

The monthly service for cancer sufferers and their families, which was suspended during the lock-down, returned to its usual place each month, and was appreciated by the disparate group that gathers from across the diocese and occasionally from further afield.

One of the friars baptised as a baby in the London church in 1991 with the name of Carlo Acutis. Although born here in London his parents moved back to Milan before the end of the year and Carlo grew up there. In 2006 he was diagnosed with an aggressive form of leukaemia from which he died that autumn. It would appear that he displayed extraordinary faith and charity throughout his short life and in 2021 he was proclaimed Blessed by the Catholic Church. As his extraordinary life is becoming better known there are an increasing number of 'pilgrims' coming to visit the church and in particular the baptistry to seek inspiration and blessings. It is planned that he have his own dedicated shrine within the church to respond to this growing interest.

Some parishes in the diocese who are preparing a group of young people to receive the Sacrament of Confirmation, come to our church to learn about the life and inspiration of Blessed Carlo Acutis and how his Christian faith animated his teenage life.

Although all restrictions have now been lifted the new and revised timetable for Masses and services that has been adopted is somewhat easier to offer and maintain.

Our Lady of Dolours, Salford and Servite Priory

The parish reaches out to the youth with regular meetings of the Scouts, guides, Beavers, Rainbows and Brownies. On the feast of Christ the King they assemble in church on parade and prayers are offered for all young people. Again it is volunteers who keep these groups alive and active.

During the year there were 44 Baptisms and 9 catechists prepared another 44 children for First Communion and yet another 36 older children prepared for and celebrated their confirmation. During the year 23 Funerals were celebrated.

The parish became increasingly aware that 2023 will be the centenary of the opening of the parish and towards the end of the year a group met regularly to plan the events and celebrations for the following year. In fact the first event of the centenary year was a concert in the church in November 2022.

The Kersal parish has a dedicated group of 11 volunteers who week by week reach out to the sick and housebound. Each of them spends at least an hour each week visiting one or two of the sickest people in the parish. This is prayerful support, but also keeps them in touch with the news and social events of the parish community.

The Management of Property

Towards the end of 2021 we had word that the NHS NWL group were looking for an early closure of the lease, by the end of the financial year rather than in September. Accordingly a final statement was prepared that included a dilapidations settlement and by August some decorating had been done and the property was on the market. By the end of the year it was still on the market but there were some serious interest.

Towards the end of the year it also became clear that Petra's place was going to lose its principal supporter. In the end the team which runs the centre were able to put together sufficient funds to see out the rest of the academic year. The Petra Foundation also provided a package for defaulting on their lease. Several of the parents who heard that the centre might close wrote some heart felt letters pleading that the facility be kept open as its service was almost unique in the London area and commending most highly the quality of its provision and care. The new name is the Ohana centre.

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REPORT OF THE TRUSTEES (continued)

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FINANCIAL REVIEW

Income in the year amounted to £1,101,879 (2021: £1,009,759). Expenditure came to £1,164,121 (2021: £845,165). Although there were different factors involved, over the two years the end of year totals between 2021 and 2022 are similar. In addition there were net losses on investments of £455,348 and net loss of revaluation of investment property of £850,000 leading to net expenditure for the year of £1,408,818 (2021 - net income of £593,019).

Reserves Policy

This policy was reviewed and amended in January 2022.

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 exclusively for the education of Servite Students. During 2022 41% of the dividends was used to educate our own student while the 59% went to the education of international Servite students.

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 20th century. It comprises 16% of the total portfolio. Ideally it should be stronger to help fund lay assistants who will be needed to help maintain the level of service that has been offered over recent years.

The **Retirement and Welfare Fund** continues to play a pivotal role in the charity's finances as one friar is now permanently in a care home in the North of Ireland. This fund received a much-needed boost from the generosity of a deceased parishioner. Over 17 years the support for each of the elderly has trebled to an average of £640 per month for each friar. This payment is made to the community fund in which the friar resides.

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 2022 it had reached £248k.

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 in the 1980s 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 the charity was dissolved and the remaining funds becoming a Restricted fund within the main charity. By the end of 2022 it had reached £110k. It may be necessary to draw on the capital with the forth-coming repairs to some of the external stone-work that become more urgent the more it is studied.

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. A large part of the income for 2022 was used to help with the disruption of the Ukrainian people as they took refuge across Europe.

Investment Strategy

A new investment policy was worked out towards the end of 2021 and received approval from the Trustees in January 2022.

The Provincial Finance Council will take the advice of qualified financial experts, the respective brokers in each of the three Investments, but also through membership of the Church Investors Group, and the Association of Provincial Bursars in the UK and Ireland.

Environmental, social and governance factors are core to our investment strategy and should be analysed and fully integrated within the investment process. This includes active engagement, participation in voting and helping to promote best practice in each of these areas.

The trust precludes investment in any companies that derives more than 10% of their revenue from tobacco, gambling, pornography, or armaments.

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FOR THE YEAR ENDED 31 DECEMBER 2022

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. 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.

Because of the urgency of the present moment companies must be carefully checked as to their transparency in disclosing their carbon footprint, their plans to decrease it, and the sustainability and fair employment involved in their supply lines. It is envisaged that all portfolios will have no investment in carbon fuels by 2025.

Impact investing is part of our overall strategy. It allows us to align more closely to our charitable objects and promote a more sustainable economy in line with our Christian beliefs and ministry while still being an economically sound investment.

FUTURE PLANS

The investment Properties

Petra's Place, the specialised nursery, will have a change of name as those involved with the day to day running hope carry the service through to the end of the academic year, and beyond as long as things go well.

Along side this the frontage (Tblock) is actively being advertised for a new tenant and leaseholder. There is at least one serious enquiry.

The London Parish

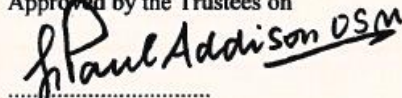
Besides looking to give a facelift to the whole of the front of the Church there is serious consideration being given to a permanent shrine to Blessed Carlo Acutis the exceptional young man whose life is attracting international attention. It is expected that he will be proclaimed a saint within the Catholic Church in the not too distant future.

2023 will mark the centenary of the Servite Friars being the custodians of the Kersal Parish on behalf of the Salford Diocese. Already plans are being drawn-up to celebrate this landmark event.

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



Fr Paul Addison OSM (Trustee)



Fr Christopher O'Brien OSM (Trustee)

23 Nov. 2023 and signed on their behalf by:

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

Opinion

We have audited the financial statements of The Servite Friars, Province of the Isles for the year ended 31 December 2022 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 2022 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)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, 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; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

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

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
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

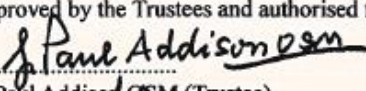
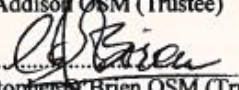
Date: 29/11/2023

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 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	2	2,456,671	2,520,612
Investment Property	3	2,000,000	2,850,000
Investments	4	4,479,617	4,972,197
		<u>8,936,288</u>	<u>10,342,809</u>
CURRENT ASSETS			
Debtors	5	158,010	27,785
Cash at bank		325,435	360,257
		<u>483,445</u>	<u>388,042</u>
CREDITORS: Amounts falling due within one year	6	<u>(65,478)</u>	<u>(32,778)</u>
NET CURRENT ASSETS		<u>417,967</u>	<u>355,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,354,255	10,698,073
CREDITORS: Amounts falling due after more than one year	7	<u>(120,500)</u>	<u>(55,500)</u>
NET ASSETS		<u>9,233,755</u>	<u>10,642,573</u>
FUNDS			
Restricted:			
- Student Trust Fund		1,185,963	1,317,569
- Parish Fund		288,095	286,704
- Church Restoration Fund		110,487	125,154
		<u>1,584,545</u>	<u>1,729,427</u>
Unrestricted:			
Designated			
- Fixed Assets Fund		2,456,671	2,520,612
- Investment Property Fund		2,000,000	2,850,000
- Property Development Fund		248,392	258,687
- Retirement and Welfare Fund		1,618,983	1,788,345
- School Governors' Fund		100,670	117,131
- Special Projects Fund		213,829	225,104
- St Mary's Priory Fund		351,572	387,626
General Fund		659,093	765,641
	8	<u>9,233,755</u>	<u>10,642,573</u>
Approved by the Trustees and authorised for issue on 23 NOV 2023 and signed on their behalf by.			
 Fr Paul Addison OSM (Trustee)			
 Fr Christopher Brien OSM (Trustee)			
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 2022

		Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
<i>Donations and legacies:</i>					
Salaries and pensions		99,258	-	99,258	19,695
Donations and legacies		203,754	154,802	358,556	235,988
JRS Furlough receipts		-	-	-	1,096
<i>Other Trading Activities:</i>					
Rent and service charges		355,868	53,750	409,618	323,080
<i>Charitable activities:</i>					
Local communities and parishes		45,555	59,558	105,113	305,359
<i>Investments</i>	10	129,334	-	129,334	100,581
<i>Other</i>		-	-	-	23,960
Total		833,769	268,110	1,101,879	1,009,759
EXPENDITURE ON:					
<i>Charitable activities:</i>					
Communities, parishes and their ministry		938,630	266,219	1,205,349	845,165
Total	12	938,630	225,491	1,205,349	845,165
Net income/(expenditure) before (losses)/gains on investments		(104,861)	1,391	(103,470)	164,594
Net (losses)/gains on investments	4	(309,075)	(146,273)	(455,348)	428,425
Loss on revaluation of investment property	3	(850,000)	-	(850,000)	-
Net (expenditure)/ income and net movement in funds		(1,263,936)	(144,882)	(1,408,818)	593,019
<i>Reconciliation of funds:</i>					
Fund Balances brought forward		8,913,146	1,729,427	10,642,573	10,049,554
Fund Balances carried forward		7,649,210	1,584,545	9,233,755	10,642,573

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 2022

	Notes	2022 £	2021 £
Cash flows for operating activities:			
Net cash used in operating activities	15	(600,907)	(187,495)
Cash flow from investing activities:			
Dividends, interest and rent from investments		538,952	423,661
Proceeds from sale of investments		4,322,780	168,200
Purchase of investments		(4,285,548)	(446,581)
Purchase of fixed assets		(10,099)	(39,751)
Net cash provided by investing activities		<u>566,085</u>	<u>105,529</u>
Change in cash and cash equivalents in the year		(34,822)	(81,966)
Cash and cash equivalents at the beginning of the year	16	<u>360,257</u>	<u>442,223</u>
Cash and cash equivalents at the end of the year	16	<u><u>325,435</u></u>	<u><u>360,257</u></u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2023 and 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

(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 2022

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 2021.

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 2022

2. FIXED ASSETS

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

	Land and Buildings £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
As at 1 January 2022	3,327,932	-	52,399	3,380,331
Additions	-	5,099	5,000	10,099
As at 31 December 2022	<u>3,327,932</u>	<u>5,099</u>	<u>57,399</u>	<u>3,390,430</u>
DEPRECIATION				
As at 1 January 2022	812,277	-	47,442	859,719
Charge for the year	66,558	1,275	6,207	74,040
As at 31 December 2022	<u>878,835</u>	<u>1,275</u>	<u>53,649</u>	<u>933,759</u>
NET BOOK VALUE				
As at 31 December 2022	<u>2,449,097</u>	<u>3,824</u>	<u>3,750</u>	<u>2,456,671</u>
As at 31 December 2021	<u>2,515,655</u>	<u>-</u>	<u>4,957</u>	<u>2,520,612</u>

3. INVESTMENT PROPERTY

	2022 £
Valuation	
As at 1 January 2022	2,850,000
Revaluation	(850,000)
As at 31 December 2022	<u>2,000,000</u>

The part of the charity's premises at 262a Fulham Road (known as the 'T-Block') is an investment property as it is let out for commercial use. It was revalued at 31 December 2022 by the Trustees at a fair value of £2,000,000.

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4. INVESTMENTS

	Unrestricted £	Restricted £	2022 £	2021 £
Market Value as at 1 January 2022	3,529,475	1,442,722	4,972,197	4,265,391
Additions	3,148,556	1,136,992	4,285,548	446,581
Disposals	(3,121,383)	(1,201,397)	(4,322,780)	(168,200)
Net investment gains	(309,075)	(146,273)	(455,348)	428,425
	<u>3,247,573</u>	<u>1,232,044</u>	<u>4,479,617</u>	<u>4,972,197</u>
Market Value as at 31 December 2022				
Cost as at 31 December 2022	<u>3,014,975</u>	<u>1,151,136</u>	<u>4,166,111</u>	<u>4,296,758</u>

Analysis of Investments	2022 £	2021 £
Unit Trusts	4,345,340	4,879,311
Cash held as part of an investment portfolio	134,277	92,886
	<u>4,479,617</u>	<u>4,972,197</u>

5. DEBTORS

	2022 £	2021 £
Prepayments and accrued income	158,010	27,785
	<u>158,010</u>	<u>27,785</u>

6. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Other creditors	4,140	5,901
Accruals	61,338	15,900
VAT due	-	10,977
	<u>65,478</u>	<u>32,778</u>

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

	2022 £	2021 £
Rent deposit	<u>120,500</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 2022

8. FUNDS - 2022

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

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers & gains on Investments £	Balance at 31 December 2022 £
Restricted					
- Students Trust Fund	1,317,569	-	-	(131,606)	1,185,963
- Parish Fund	286,704	268,110	(266,719)	-	288,095
- Church Restoration Fund	125,154	-	-	(14,667)	110,487
	<u>1,729,427</u>	<u>268,110</u>	<u>(266,719)</u>	<u>(146,273)</u>	<u>1,584,545</u>
Designated					
- Fixed Assets Fund	2,520,612	-	(63,941)	-	2,456,671
- Investment Property Fund	2,850,000	-	-	(850,000)	2,000,000
- Property & Development Fund	258,687	-	-	(10,295)	248,392
- Retirement and Welfare Fund	1,788,345	-	-	(169,362)	1,618,983
- School Governors' Fund	117,131	-	-	(16,461)	100,670
- Special Projects Fund	225,104	-	-	(11,275)	213,829
- St Mary's Priory Fund	387,626	-	-	(36,054)	351,572
	<u>8,147,505</u>	<u>-</u>	<u>(63,941)</u>	<u>(1,093,447)</u>	<u>6,990,117</u>
General Fund	765,641	833,769	(874,689)	(65,628)	659,093
	<u>10,642,573</u>	<u>1,101,879</u>	<u>(1,205,349)</u>	<u>(1,305,348)</u>	<u>9,233,755</u>

FUNDS – 2021

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

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers & gains on Investments £	Balance at 31 December 2021 £
Restricted					
- Students Trust Fund	1,216,059	-	-	101,510	1,317,569
- Parish Fund	227,022	259,053	(199,371)	-	286,704
- Church Restoration Fund	109,089	-	-	16,065	125,154
	<u>1,552,170</u>	<u>259,053</u>	<u>(199,371)</u>	<u>117,575</u>	<u>1,729,427</u>
Designated					
- Fixed Assets Fund	2,553,358	-	(32,746)	-	2,520,612
- Investment Property Fund	2,850,000	-	-	-	2,850,000
- Property & Development Fund	214,707	-	-	43,980	258,687
- Retirement and Welfare Fund	1,517,809	-	-	270,536	1,788,345
- School Governors' Fund	104,349	-	-	12,782	117,131
- Special Projects Fund	180,645	-	-	44,459	225,104
- St Mary's Priory Fund	342,494	-	-	45,132	387,626
	<u>7,763,362</u>	<u>-</u>	<u>(32,746)</u>	<u>416,889</u>	<u>8,147,505</u>
General Fund	734,022	750,706	(613,048)	(106,039)	765,641
	<u>10,049,554</u>	<u>1,009,759</u>	<u>(845,165)</u>	<u>428,425</u>	<u>10,642,573</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continue

FOR THE YEAR ENDED 31 DECEMBER 2022

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 - 2022

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
Restricted Fund					
- Student Trust Fund	-	1,185,963	-	-	1,185,963
- Parish Fund	-	-	288,095	-	288,095
- Church Restoration Fund	-	110,487	-	-	110,487
Servite Friars Fund					
Designated:					
- Fixed Assets Fund	2,456,671	-	-	-	2,456,671
- Investment Property Fund	-	2,000,000	-	-	2,000,000
- Property & Development Fund	-	248,392	-	-	248,392
- Retirement and Welfare Fund	-	1,618,983	-	-	1,618,983
- School Governors' Fund	-	100,670	-	-	100,670
- Special Projects Fund	-	213,829	-	-	213,829
- St Mary's Priory Fund	-	351,572	-	-	351,572
General	-	649,721	129,872	(120,500)	659,093
	<u>2,456,671</u>	<u>6,479,617</u>	<u>417,967</u>	<u>(120,500)</u>	<u>9,274,983</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continue

FOR THE YEAR ENDED 31 DECEMBER 2022

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2021

	Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One year £	Total £
Restricted Fund					
- Student Trust Fund	-	1,317,569	-	-	1,317,569
- Parish Fund	-	-	286,704	-	286,704
- Church Restoration Fund	-	125,154	-	-	125,154
Servite Friars Fund					
Designated:					
- Fixed Assets Fund	2,520,612	-	-	-	2,520,612
- Investment Property Fund	-	2,850,000	-	-	2,850,000
- Property & Development Fund	-	258,687	-	-	258,687
- Retirement and Welfare Fund	-	1,788,345	-	-	1,788,345
- School Governors' Fund	-	117,131	-	-	117,131
- Special Projects Fund	-	225,104	-	-	225,104
- St Mary's Priory Fund	-	387,626	-	-	387,626
General	-	752,581	68,560	(55,500)	765,641
	<u>2,520,612</u>	<u>7,822,197</u>	<u>355,264</u>	<u>(55,500)</u>	<u>10,642,573</u>

10. INVESTMENT INCOME

	2022 £	2021 £
Income from UK quoted investments	129,139	100,491
Bank interest	195	90
	<u>129,334</u>	<u>100,581</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 2022, P M O'Brien, the brother of a trustee, Father Christopher O'Brien, was paid £3,351 (2021: £3,254) plus deductions of £813 to HMRC in tax as an employee. 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 2022

12. ANALYSIS OF EXPENDITURE - 2022

	Staff Costs	Donations	Other	2022	2021
	£	£	£	£	£
<i>Charitable activities:</i>					
Communities, Parishes and their ministry:					
Communities:					
- Kersal	7,820	100	23,133	31,053	46,169
- London	27,567	2,250	100,217	130,034	171,756
Parishes:					
- Kersal	-	8,037	48,472	56,509	75,856
- Our Lady of Dolours	35,226	12,610	169,853	217,689	134,756
Province	28,195	119,575	622,294	770,064	416,638
	<u>98,808</u>	<u>142,572</u>	<u>963,969</u>	<u>1,205,349</u>	<u>845,175</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	12,650	11,000
- Other fees	7,000	6,500
Depreciation	74,040	72,497
Donations	<u>142,572</u>	<u>149,414</u>

ANALYSIS OF EXPENDITURE - 2021

	Staff Costs	Donations	Other	2020
	£	£	£	£
<i>Charitable activities:</i>				
Communities, Parishes and their ministry:				
Communities:				
- Kersal	7,596	-	38,573	46,169
- London	27,009	1,200	143,547	171,756
Parishes:				
- Kersal	5,469	5,332	65,055	75,856
- Our Lady of Dolours	33,318	2,585	98,843	134,746
Province	27,520	178,464	210,654	416,638
	<u>100,912</u>	<u>187,581</u>	<u>556,672</u>	<u>845,165</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES**NOTES TO ACCOUNTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2022****13. STAFF COSTS**

	2022	2021
	£	£
Gross salaries	92,906	95,735
Employer's NI	5,902	5,177
	<u>98,808</u>	<u>100,912</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.

During the year we had a part-time cleaner in the community of St Mary's Priory but she also did some cleaning of offices and toilets for the Parish, which the London Parish account refunded to St Mary's accounts.

During September the Secretary to the Parish began maternity leave, and has been in receipt of maternity paid leave since. There is a replacement in the Office who has taken on her role. At the beginning of 2022 there was 1 full time and 7 part time employees (2021 – 1 full time and 8 part time employees).

14. CUSTODIANSHIP

At the beginning of 2022 the BlackRock Investment was valued at £217,767 and by 31 December it was £190,620. We continue to administer this fund on behalf of our related charity in the North of Ireland Order of Mary Servite Trust, registration number NI 671223.

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

	2022	2021
	£	£
Net (expenditure)/ income for the year as per the Statement of Financial Activities	(1,408,818)	593,019
Adjustments for:		
Depreciation charges	74,040	72,497
Loss on revaluation of investment property	850,000	-
Loss/(gains) on investments	455,348	(428,425)
Dividends, interest and rents from investments	(538,952)	(423,661)
Increase in debtors	(130,225)	(4,028)
Increase in creditors	97,700	3,103
Net cash used in operating activities	<u>(600,907)</u>	<u>(187,495)</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Bank accounts	<u>366,663</u>	<u>360,257</u>

THE TRUSTEES OF THE SERVITE FRIARS, PROVINCE OF THE ISLES

NOTES TO ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

17. STATEMENT OF FINANCIAL ACTIVITIES 2021	Unrestricted Funds £	Restricted Funds £	2021 £
INCOME FROM:			
<i>Donations and legacies:</i>			
Salaries and pensions	19,695	-	19,695
Donations and legacies	223,746	12,242	235,988
JRS Furlough receipts	1,096	-	1,096
<i>Other Trading Activities:</i>			
Rental income	271,739	51,341	323,080
<i>Charitable activities:</i>			
Local communities and parishes	120,369	184,990	305,359
<i>Investments</i>	100,581	-	100,581
<i>Other</i>	13,480	10,480	23,960
Total	750,706	259,053	1,009,759
EXPENDITURE ON:			
<i>Charitable activities:</i>			
Communities, parishes and their ministry	645,794	199,371	845,165
Total	645,794	199,371	845,165
Net income before investment losses	104,912	59,682	164,594
Net losses on investments	310,850	117,575	428,425
Gain on revaluation of investment property	-	-	-
Net income and net movement in funds	415,762	177,257	593,019
<i>Reconciliation of funds:</i>			
Fund Balances brought forward	8,497,384	1,552,170	10,049,554
Fund Balances carried forward	8,913,146	1,729,427	10,642,573

**THE SERVITE FRIARS, PROVINCE OF THE ISLES
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 DECEMBER 2022**

	Ordinary Receipts £	Ordinary Payments (including Subsidiaries) £	2022 £	2021 £
COMMUNITY				
Kersal	27,079	61,577	(34,498)	2,004
London	67,989	83,000	(15,011)	(15,416)
Parish				
Kersal	58,464	31,053	27,411	(29,322)
Our Lady of Dolours	209,646	235,666	(26,020)	6,968
Surplus of Communities, Parishes and others	<u>363,177</u>	<u>411,296</u>	<u>(48,118)</u>	<u>(35,766)</u>
PROVINCIAL FUND				
Ordinary Receipts				
Dividends and interest			95,703	100,206
Donations			63,325	232,212
Salaries & pensions			47,728	36,826
Rental income			349,618	307,214
Provincial contribution			22,500	24,545
Transfers			-	15,000
HMRC JRS Grants			-	1,096
			<u>578,874</u>	<u>717,099</u>
ORDINARY PAYMENTS				
Studies and sabbaticals			12,778	10,968
Travel and car expenses			11,047	1,619
Office costs			2,665	2,296
Chapter			7,007	3,972
Wages			48,832	37,683
Professional fees			40,833	55,435
General			50,611	6,688
Rates			49,802	-
Donations			109,048	135,082
Bank charges and interest			3,670	4,403
Repairs and maintenance			45,232	-
Curia			44,023	38,629
Insurance			81,545	80,908
Depreciation			74,040	83,949
Development			-	12,000
Healthcare			14,086	37,577
R&W Pension			39,007	16,982
			<u>634,226</u>	<u>516,739</u>
(Deficit)/surplus of Provincial Fund			<u>(55,352)</u>	<u>200,360</u>
(Deficit)/surplus before investment (losses)/gains			<u>(103,470)</u>	<u>164,594</u>
(Decrease)/(increase) in market value of investments			<u>(455,348)</u>	<u>428,425</u>
(Decrease)/(increase) in revaluation of investment property			<u>(850,000)</u>	<u>-</u>
Surplus for the year			<u>(1,408,818)</u>	<u>593,019</u>
Fund balances brought forward			<u>10,642,573</u>	<u>10,049,554</u>
Fund balances carried forward			<u><u>9,233,755</u></u>	<u><u>10,642,573</u></u>

This page does not form part of the audited accounts