

Our Lady of Bethlehem Abbey Trust

Annual reports and accounts
for the year ended July, 31 2023

Charity Registration Number: 105693

Our Lady of Bethlehem Abbey Trust

Annual reports and accounts
for the year ended July, 31 2023

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Our Lady of Bethlehem Abbey Trust

Reference and administrative details

for the year ended July, 31 2023

Reference and administrative information

Trustees

Fr Philip Scott
Fr Francis Morgan
Fr Celsus Kelly
Br Michael McCourt

Abbot

Fr Celsus Kelly

Address

11 Ballymena Road
Portglenone
BT44 8BL

Charity Registration Number

NIC 105693

Auditors

James B Kennedy & Co.,
Chartered Accountants
Unit A1, Boucher Business Studios
Glenmachan Place
BT12 6QH

Bankers

Allied Irish Banks plc
78 Wellington Street
Ballymena
BT43 6AF

Allied Irish Banks plc
Ballsbridge
Dublin 4

Solicitors

Donaghy Carey
45 – 47 Rosemary Street
Belfast
BT1 1QB

Our Lady of Bethlehem Abbey Trust

Trustees' report

for the year ended July, 31 2023

The Trustees present their report and the audited financial statements of the charity, Our Lady of Bethlehem Abbey Trust, for the year ended 31 July 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The accounts have been prepared in accordance with the accounting policies set out on pages 11 to 19 of the attached accounts and comply with the charity's governing document, applicable laws and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) effective from accounting periods commencing 1 January 2015 or later.

Objectives and Activities

The purpose of the monastery is to promote religion by;

- providing a spiritual centre, of Christian culture and heritage, for people of all faiths and all people of good will;
- bearing witness to the contemplative dimension of Christian life;
- celebrating Mass daily and the Divine Office throughout every day;
- preaching and hearing confessions;
- demonstrating the monastic ideal to the individuals and groups who visit the monastery;
- providing accommodation for visitors seeking retreat and spiritual advice;
- helping people to pray.

In addition to providing public worship, preaching, hearing confessions and giving spiritual guidance the Community's works comprise:

- the operation of a guesthouse welcoming individuals and groups for retreat;
- the maintenance of gardens and grounds that are open to the public;
- the running of a printing press for the Community and the public;
- operation of a repository for the supply of religious artefacts.

The charity maintains the monastery, where the community lives, the guest house and the properties from where they carry out their work.

Public benefit

In formulating the charity's aims and in planning the work of members of the Community, the trustees have had regard to the general guidance published by the Charity Commission on public benefit and its supplementary guidance on the advancement of religion. The trustees believe that the Abbey and works of the monks have influenced morals and attitudes and enhanced the spiritual wellbeing of those visiting the Abbey for retreat or prayer. The trustees, by making donations to individuals and organisations in need, also demonstrate public accountability.

Achievements and performance

Review of activities and future plans

At July 31, 2023 the Community of Our Lady of Bethlehem Abbey numbered eleven solemnly professed monks.

During the year the charity continued to assist the monks with their charitable and religious work.

Prayer, reading and work are the elements that make up the life of a monk. The Order as a whole seeks to move forward, while preserving the fundamentals of its history of community life and dedicated service to the wider community.

Liturgy and worship

While being central to our monastic life, our liturgy continues to draw visitors who are free to attend our celebration of the Eucharist and Divine Office. Members of the public regularly come to Mass here on Sundays and weekdays as they appreciate the solemnity of the worship and singing.

We are a contemplative order i.e. we do not do pastoral work, except helping out when a local priest needs someone from the monastery to say Mass when he is away, and some of the priests hear confessions.

Our main task in the church is our life of prayer.

We gather together in the church seven times each day to pray the Divine Office which is the official prayer of the church. These prayers start at 4 00am and finish at 8 00pm in the evening. Each monk spends a fair amount of time each day at spiritual reading and at personal prayer. If able each monk works part of the day at the different tasks needed to keep the monastery going.

Our Lady of Bethlehem Abbey Trust

Trustees' report

for the year ended July, 31 2023

Achievements and performance (continued)

Hospitality

The guesthouse has continued to provide a much needed service, for people in need, and wishing to stay with us for a few days, and to appreciate the serene surroundings, prayer and hospitality we have to offer.

We continue to develop the gardens and grounds and the number of visitors coming for a few hours of peace and quiet is increasing. We see this as an important ministry providing a haven of peace for people in a hectic world. Our grounds are open to the general public for free from 7:00am to 7:00pm every day of the year.

Printing press

Our printing press has been in operation for over 50 years and specialises in personalised laminated and traditional religious prayer cards also known as memorial cards.

Memorial cards are a lasting and befitting tribute to a departed loved one, and can be fully personalised with individual poem or eulogy and photo of the deceased loved one.

Shops

The Repository continues to attract a great number of customers, offering an excellent selection of religious books and objects of piety. In addition, the shops sell local produce including honey, jams and preserves.

For us the shop is not just a business venture - we see it as part of our ministry and service to the local congregation.

Caring for members of the monastery

The monastery has an obligation, both moral and legal, to provide care for its members, none of whom has resources of their own and all of whom have devoted their lives to serving in the monastic life. As the age profile of the community increases so too does the need to provide increasing and increasingly expensive care for the monks. We endeavour to care for the monks within the monastery, their own home, only resorting to outside care when we are unable to cope ourselves.

Financial review

Results for the year

The statement of financial activities is on page 9 of the accounts and a summary of the years results is as follows:

Total income for the year amounted to £1,033,282 (2022, £1,126,632).

Voluntary income amounted to £421,217, (2022, £576,811) and represents 41% of total income to the Trust. Individual members of the Community donated £32,351 (2022, £38,856) being their pensions and allowances.

Income from trading activities amounted to £514,007 (2022, £484,644) and this accounts for 50% of total income to the Trust. This is of great importance to the charity and its continued existence in the community.

Other income, including rental income from farm land, investment income and disposal of land amounted to £98,058 (2022, £65,178).

Total expenditure for the year amounted to £1,022,314 (2022, £944,642).

Costs for the ministry and support of members of the community to include trading activities amounted to £369,906 (2022, £331,612)

Our Lady of Bethlehem Abbey Trust

Trustees' report

for the year ended July, 31 2023

Financial review (continued)

Reserves policy

The trustees have examined the requirement for free reserves, (unrestricted funds) not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The trustees consider that the nature of the charity's work and the heavy reliance on trading departments for generating income necessitates that the charity always retain a modest level of free reserves. The trustees consider it prudent to hold at least an amount equivalent to approximately one year's expenditure as liquid reserves. The trustees believe that such a level of reserves enables them to plan for the future and provides flexibility to cover temporary shortfalls in incoming resources and allows the charity to cope and respond to unforeseen emergencies.

The balance sheet shows total funds of £6,464,247 (2022, £6,519,178).

Funds totalling £3,484,637 (2022, £3,484,637) have been set aside by the trustees as a property fund which represents 90% of the book value at cost of the Abbey's freehold properties. The trustees recognise the charity assets are essential to the day to day running of the charity and as such their value should not be regarded as funds that could be realised with any ease in order to meet contingencies in the future.

Funds totalling £1,263,150 (2022, £1,318,980) have been designated by the trustees to provide for the care and welfare of the community. Given the increasing age profile of the monks, the sum will provide only modest resources to look after the monks, many of whom will need increasing and increasingly expensive care and support in the years ahead. Full details of the designated fund can be found in note 19 to the accounts.

Funds totalling £231,303 (2022, £218,090) have been set aside as a trading reserve, a contingency which equates to five months of average trading. The trustees consider this prudent given the importance of the trading departments in meeting the operational and upkeep costs of the charity.

Funds totalling £573,750 (2022, £573,750) have been set aside towards the construction of the new Coffee Shop in the area vacated by the Craft Shop which ceased trading on 1 February 2019. The Craft Shop functions were taken over by the Repository Shop. The Trustees have recognised that the public visiting of Our Lady of Bethlehem Abbey and its public gardens are in need of a place to rest and replenish in order to make their visit more accommodating.

General funds (or free reserves) of the charity at July,31 2023 totalled £911,408 (2022, £923,721) which equates to 90% of the average annual resource cost by the charity. The general fund level has increased over the years and given the charity's work and the combination of the reserves policy on trading contingency reserve, the trustees consider that these reserves exceed the minimum level required to be operational and support the charity's work.

Fixed assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Our Lady of Bethlehem Abbey Trust

Trustees' report

for the year ended July, 31 2023

Governance structure and management

Governance

The Order of Cistercians of the Strict Observance (also known as "Trappists") is a Roman Catholic contemplative religious order, consisting of monasteries of monks and monasteries of nuns. We are part of the larger Cistercian family which traces its origin to 1098. As Cistercians we follow the Rule of St Benedict, and so are part of the Benedictine family as well. Our lives are dedicated to seeking union with God, through Jesus Christ, in a community of brothers.

Each monastery is autonomous.

The monastery is governed by the Constitutions and Statutes of the monks and nuns of the Cistercian Order of the Strict Observance, and other legislative documents, approved by the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life, in Rome on 3 June 1990. The assets comprising the monastery are held in a charitable trust, registered with the Charity Commission (Charity Registration Number NIC 105693) and it is through this trust that the varied works of the community are accounted for.

In terms of the Rule of St Benedict, our Constitutions and Canon law the monastery is governed by the Abbot who is elected by the solemnly professed members of the community for a six year term of office. The Abbot's governance is overseen by the Father Immediate, who makes a visitation every two years, and also by the General Chapter, which meets every three years, and the Abbot General who resides in Rome.

Trustees

The trustees are appointed by the Abbot. There are currently four trustees who have served from August. 1 2022;

Fr Philip Scott
Fr Francis Morgan
Fr Celsus Kelly
Br Michael McCourt

Key management personnel

The trustees consider that they alone comprise the key management of the charity and are in charge of directing and running the day to day operations of the charity. None of the trustees received any remuneration from the charity in respect to their services during the year.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 Northern Ireland requires the trustees to prepare financial statements for each financial year which give a true and fair view of affairs of the charitable company and of the incoming of resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Our Lady of Bethlehem Abbey Trust

Trustees' report

for the year ended July, 31 2023

Governance structure and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act (Northern Ireland) 2008, the Charity (Accounts and Reports) Regulations (Northern Ireland) 2015.

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.
The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet during the year to review developments with regard to the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including solicitors, investment managers and accountants. The day to day management of the charity's activities and the implementation of policies is the responsibility of the Abbot.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that they have established effective systems to mitigate those risks.

It has not escaped the notice of the trustees that year by year community numbers have been reducing and are concerned that before long the community may cease altogether to attract recruits and that then the community could die out. To counter this tendency, everything possible is being done to enable the community to live its contemplative life and values authentically and to observe the Rule of St Benedict and the Cistercian Constitutions as faithfully as is possible.

Acknowledgements

Employees and members of the Community

The trustees wish to record their recognition of the hard work, professionalism and commitment shown by all their staff and by the individual members of the community. Their dedication and support are very much appreciated.

Benefactors

The trustees are profoundly grateful for the financial and other support received from friends and families of the community, guests, visitors and members of the public. The many benefactors of Our Lady of Bethlehem Abbey are remembered in the prayers of the community.

For and on behalf of the trustees

Fr Celsus Kelly
Trustee

Our Lady of Bethlehem Abbey Trust

Independent Auditor's Report to the trustees of Our Lady of Bethlehem Abbey Trust

Opinion

We have audited the financial statements of Our Lady of Bethlehem Abbey Trust "(the charity)" the year ended July 31, 2023 which comprise the statement of financial activities, the balance sheet, the accounting policies and the 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 July 31, 2023 and of its total incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act (Northern Ireland) 2008.

Basis of opinion

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

Conclusions relating going concern

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

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

Other information

The other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon, The Trustees are responsible for the other information. 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 this fact.

We have nothing to report in this regard.

Our Lady of Bethlehem Abbey Trust

Independent Auditor's Report **to the trustees of Our Lady of Bethlehem Abbey Trust** *(continued)*

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 (Northern Ireland) 2015 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustee's responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, 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 Trustee either intends 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

We have been appointed as auditor under section 65(2) of the Charities Act (Northern Ireland) 2008 and report in accordance with regulations made under section 66 of that Act.

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

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

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

Our Lady of Bethlehem Abbey Trust

Independent Auditor's Report to the trustees of Our Lady of Bethlehem Abbey Trust (continued)

Auditor's responsibilities for the audit of the financial statements

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the Trustees of the charity, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, for our audit work, for this report, or for the opinions we have formed.

James B Kennedy
(Senior Statutory Auditor)
For and on behalf of James B Kennedy & Co.,
Chartered Accountants and Statutory Auditors
Belfast

Our Lady of Bethlehem Abbey Trust

Statement of financial activities

for the year ended July, 31 2023

	Note	Unrestricted funds	Restricted funds	2023	2022
		£	£	£	£
Incoming resources -					
Voluntary income	2	421,217	-	421,217	576,811
Investment income and interest	3	-	-	-	-
Trading activities	4	514,007	-	514,007	484,644
Other	5	98,058	-	98,058	65,178
Total incoming resources		1,033,282	-	1,033,282	1,126,632
Resources expended -					
Cost of generating funds					
Investment management fees		-	-	-	-
Charitable activities					
Ministry and support of members of the community	6	369,906	-	369,906	331,612
Upkeep of the Monastery and administering the parish	7	246,130	-	246,130	252,028
Governance	8	17,000	-	17,000	15,491
Trading activities	9	389,277	-	389,277	345,511
Total resources expended		1,022,314	-	1,022,314	944,642
Net incoming resources before other recognised gains	10	10,968	-	10,968	181,991
Other recognised gains					
Gains on revaluation of fixed assets for the charity's own use		-	-	-	-
Loss on investment assets	-	65,899	-	(65,899)	(158,158)
Net movement in funds		(54,931)	-	(54,931)	23,833
Total funds brought forward at August, 1		6,519,178		6,519,178	6,495,345
Fund balances carried forward at July 31,		6,464,247	-	6,464,247	6,519,178

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 14 - 22 form part of these financial statements.

Our Lady of Bethlehem Abbey Trust

Balance sheet

for the year ended July, 31 2023

	Note	Unrestricted funds	Restricted funds	2023	2022
		£	£	£	£
Fixed assets					
Tangible assets	12	3,552,906	-	3,552,906	3,564,202
Investments	14	2,392,736	-	2,392,736	2,158,635
		5,945,642	-	5,945,642	5,722,837
Current assets					
Stocks	15	78,631	-	78,631	85,347
Debtors	16	81,498	-	81,498	73,472
Cash at bank and in hand		432,655	-	432,655	695,249
		592,784	-	592,784	854,067
Creditors: amounts falling due within one year	17	(74,179)	-	(74,179)	(57,726)
Net current assets		518,605	-	518,605	796,341
Total assets less current liabilities		6,464,247	-	6,464,247	6,519,178
Creditors: amounts falling due after one year		-	-	-	-
Provisions for liabilities and charges		-	-	-	-
Net assets		6,464,247	-	6,464,247	6,519,178
The Funds of the Charity					
Unrestricted Funds					
Property Funds	18	3,484,637		3,484,637	3,484,637
Designated funds	19	2,068,203		2,068,203	2,110,820
General funds		911,408		911,408	923,721
		6,464,247	-	6,464,247	6,519,178
Restricted funds					
Total Funds		6,464,247	-	6,464,247	6,519,178

Approved by the trustees and signed on their behalf by:

Fr Celsus Kelly

Trustee

Approved on:

The notes on pages 14 - 22 form part of these financial statements.

Our Lady of Bethlehem Abbey Trust

Statement of cashflows

for the year ended July, 31 2023

	notes	2023 £	2022 £
Operating activities			
Net income in funds (as per the statement of financial activities)		(54,931)	227,439
<i>Adjustments for:</i>			
Depreciation		30,412	31,795
(Gains) in investments		65,899	(144,068)
Investment income and interest receivable		-	(4,000)
Decrease in stocks		6,716	27,036
Decrease in debtors		(8,027)	9,979
Decrease / (Increase) in creditors		16,453	(13,569)
Net cash provided by operating activities		56,522	134,613
Investing activities			
Investment income and interest receivable		-	4,000
Proceeds from sale of property, plant and equipment		30,400	-
Proceeds from the disposal of investments		-	300,000
Acquisition of property, plant and equipment		(21,148)	-
Purchase of investments		(300,000)	(400,000)
Net cash used in investing activities		(290,748)	(96,000)
Changes in cash and cash equivalents in the year		(234,226)	38,613
Cash and cash equivalents at August, 1		695,249	651,647
Cash and cash equivalents at July 31,		461,023	690,260
Cash and cash equivalents comprise:			
Cash at bank and in hand		432,655	690,260
Cash held by investment managers	-	-	-
Cash and cash equivalents at July 31,		432,655	690,260

The notes on pages 14 - 22 form part of these financial statements.

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

1 Summary of significant accounting policies

1.1 General information and basis of preparation

Our Lady of Bethlehem Abbey is an unincorporated organisation governed by its Deed of Trust. The address of the organisation is given in the charity information on page 3 of these financial statements. The charity is involved in the furtherance of Cistercian Order and Catholicism.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2020), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Practice as it applies from 1 January 2020.

The financial statements are prepared on a going concern basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

1.2 Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The items in the accounts where these judgements and estimates have been made include:

- assumptions adopted by the trustees in determining the value of any designations required from the charity's unrestricted funds;
- estimating the economic useful life of tangible fixed assets used to determine the annual depreciation charge;
- judgements made by the trustees in estimating the fair values attributed to the charity's investments; and
- the estimation of the gross profit percentage achievable on trading stock shop in order to adjust the retail value to the cost figure and any associated write down for slow moving or obsolete stock.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that then will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Notes to the accounts

for the year ended July, 31 2023

1.4 Income recognition (continued)

Income from commerce activities is recognised as earned. Investment income is recognised on a receivable basis

Other income is credited to the Statement of Financial Activities when it falls due.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale.

Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items then are not recognised in the financial statements until then are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. Then are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity.

Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Government grants in relation to tangible fixed assets are credited to the statement of financial activities over the useful lives of the related assets, whereas grants received in relation to operational expenditure are credited to the statement of financial activities for the full amount and designated to "Unrestricted Funds" due to the nature of the expenditure the grants were claimed and approved for funding. The nature and source of the grants are disclosed in the notes to the accounts.

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

~Expenditure on charitable activities includes the costs of running the charity's community as well as other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Cistercian Order and the community.

~Expenditure on raising funds comprise fees paid in respect of fund management in relation to the charity's investments.

~Other expenditure represents those items not falling into the categories above.

Charitable grants and donations are made where the Trustees consider there is a real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as an expense against the activity for which expenditure was incurred.

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

1.6 Tangible fixed assets

Capital expenditure incurred prior to July 31, 1999 was written off as incurred. The Order purchased the guest house as the monastery in 1948 and related lands. During the 1960's the monastery was built to house the community and stands to this day. In order to assess a reasonable and fair valuation of the property, taking into account its type, age, condition and life expectancy, the Trustees considered that 2015 insured valuation be discounted by individual property and subsequent years be depreciated at 2% straight line. Subsequent acquisitions or improvements are capitalised at cost. The acquisition cost of fixtures and plant at 1st August 1999 has been capitalised in the financial statements.

Improvements to land, buildings and acquisitions of other assets of £2,000 or more are capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows on a straight line basis:

Freehold land	0%
Freehold buildings	2%
Plant and machinery	7 - 25%
Fixtures and fittings	15 - 25%
Motor vehicles	15 - 25%

1.7 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, then are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.9 Debtors receivable and creditors payable within one year.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Ann losses arising from impairment are recognised in expenditure.

1.10 Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

1.11 Fund accounting

The income funds comprise those monies which can be used towards meeting the charitable objectives of the charity and applied at the discretion of the trustees.

The trustees have at their discretion identified specific areas where funds are to be administered;

Property fund, represents the net book value of the charity's freehold property and property improvements.

Programme related investment fund represents the carrying value of the charity's programme related investments.

Designated funds are monies set aside out of the general fund and designated for specific purposes identified by the trustees.

Restricted funds are monies raised for, or donations and legacies received restricted to a specific purpose, or subject to donor conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objectives.

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
2 Voluntary income				
Masses	114,845		114,845	136,731
Donations	106,291		106,291	168,901
Legacies	110,315		110,315	169,903
Stipends	38,335		38,335	41,572
Guest donations	5,587		5,587	6,309
Votive candles	13,493		13,493	14,540
Covenanted pensions and monastic income	32,351		32,351	38,856
Total voluntary income	421,217	-	421,217	576,811
3 Investment income and interest				
Investment income	-		-	-
Interest receivable	-		-	-
Total investment and interest income	-	-	-	-
4 Trading activities				
Monastery shop	326,370		326,370	301,042
Printing press	187,637		187,637	183,602
Total trading activities income	514,007	-	514,007	484,644
5 Other				
Rents received	46,295		46,295	45,873
Asset disposal	28,368		28,368	-
Miscellaneous	23,395		23,395	15,878
Revenue grants (5.1)	-		-	3,427
Total other income	98,058	-	98,058	65,178

5.1 The Trust was in receipt of Job Retention Scheme grants totalling £- (2022 £ 3,427).

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
6 Ministry and support of members of the community				
Support of the members of the Community and their ministry enables the members of the Community to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith and the relief of poverty and suffering. Such expenditure comprises:				
Staff costs	81,214	-	81,214	70,742
Premises costs	86,355	-	86,355	84,030
Community and living expenses	87,768	-	87,768	100,999
Ecclesiastical and spiritual renewal	111,092	-	111,092	38,101
Repayments of community loans	-	-	-	-
Charitable payments	3,477	-	3,477	37,740
Legacies	-	-	-	-
Total expensed on raising funds	369,906	-	369,906	331,612

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include trading management carried out within the charity.

Where support costs cannot be directly attributed to particular headings then have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on an area basis and other overheads have been allocated on a usage basis.

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
7 Upkeep of the Monastery and administering the parish				
Staff costs	31,961		31,961	28,882
Premises costs	97,379		97,379	94,757
Maintenance and repairs	70,024		70,024	86,530
Other costs	46,766		46,766	41,859
	246,130	-	246,130	252,028

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
8 Governance				
Auditor's remuneration	10,000	-	10,000	10,000
Professional fees	7,000	-	7,000	5,491
Professional fees and charges	17,000	-	17,000	15,491

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
9 Trading activities				
Staff costs	146,670	-	146,670	135,192
Monastery shop	178,584	-	178,584	148,446
Printing press	64,024	-	64,024	61,873
Costs directly associated with trading activities	389,277	-	389,277	345,511

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
10 Net incoming resources before other recognised gains				
This is stated after charging (crediting)				
Depreciation	30,412	-	30,412	30,140
Auditors remuneration -:			-	
.Statutory audit	10,000		10,000	10,000
.Non audit services	7,000		7,000	5,491
Forex loss (gain)	15		15	118
Revenue grants (5.1)	-		-	(3,427)

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
11 Staff costs				
Staff costs during the year were as follows:				
Wages and salaries	233,566	-	233,566	215,431
Social security costs	16,443	-	16,443	15,363
Pension costs	9,835	-	9,835	4,022
	259,844	-	259,844	234,816

No monetary value has been placed on administrative or other services provided by the members of the Community to the charity.

The average number of employees during the year, analysed by function were as follows:

	2023 Number	2022 Number
Ministry and support of members of the community	14	13
Upkeep of the Monastery and administering the parish	4	4
	18	17

No employee earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the financial year (2022, none)

12 **Trustees' remuneration**

No trustee received remuneration in respect of his services during the year (2022, none).

As members of a religious community the trustees' living and personal expenses were borne by the charity. They were not reimbursed for any expenses incurred in connection with their duties during the year (2022, £-)

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

13 Tangible fixed assets

	Land and Buildings £	Plant and machinery £	Motor vehicles £	Fixtures & equipment £	Total £
Cost					
At August 1, 2022	3,873,850	127,813	54,917	57,347	4,113,927
Additions	-	-	-	21,148	21,148
Disposals	(2,032)	-	-	-	(2,032)
At July 31, 2023	3,871,818	127,813	54,917	78,494	4,133,043
Depreciation					
At August 1, 2022	328,080	109,340	53,902	58,403	549,725
Charge for the year	27,340	1,507	-	1,565	30,412
Disposals	-	-	-	-	-
At July 31, 2023	355,420	110,847	53,902	59,968	580,137
Net book values					
At August 1, 2022	3,545,770	18,473	1,015	(1,056)	3,564,202
At July 31, 2023	3,516,398	16,966	1,015	18,527	3,552,906

14 Fixed asset investments

		2023 £	2022 £
At July 31, 2023 fixed asset investments comprised:			
Listed investments	note 14.1	2,392,636	2,158,535
Cash held by investment managers for reinvestment		100	100
		<u>2,392,736</u>	<u>2,158,635</u>

14.1 Listed investments and cash held for reinvestment

	Total £
Listed investments	
Market value at 1 August 2022	2,158,635
Additions at cost	300,000
Disposals at opening market value	-
Receipts	-
Gross unrealised investment gain / (loss)	(65,899)
Market value at July 31, 2023	<u>2,392,636</u>
Cash held by investment managers for reinvestment	<u>100.00</u>
Total investments at July 31, 2023	<u>2,392,736</u>
Investment Capital Cost at July 31, 2023	<u>2,346,000</u>

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

		2023	2022
		£	£
15	Stocks		
	House	-	-
	Trading	78,631	85,347
		<u>78,631</u>	<u>85,347</u>
16	Debtors		
	Prepayments and accrued income	28,353	26,934
	Other debtors	53,145	46,538
		<u>81,498</u>	<u>73,472</u>
17	Creditors, amounts due within one year		
	Accruals and deferred income	28,385	26,280
	Other creditors	45,794	31,446
		<u>74,179</u>	<u>57,726</u>
18	Property fund		
	Property fund, represents 90% of the full valuation cost of the Abbey's freehold land and properties. The trustees recognise the charity assets are essential to the day to day running of the charity and as such their value should not be regarded as funds that could be realised with any ease.		
	At 1 August	3,484,637	3,486,465
	Net movement in year	-	(1,828)
	At July 31,	<u>3,484,637</u>	<u>3,484,637</u>
19	Designated funds		
	The funds of the charity which have been set aside from unrestricted funds by the trustees for specific purposes are:		
	Care of the Community fund	(55,831)	1,263,150
	Trading reserve	13,213	231,303
	New Coffee Shop	-	573,750
		<u>(42,618)</u>	<u>2,068,203</u>
			<u>2,110,820</u>

Our Lady of Bethlehem Abbey Trust

Notes to the accounts

for the year ended July, 31 2023

19 Designated funds (continued)

Trading reserve

The trading reserve fund represents monies set aside for the continued provision, contingency and development of the trading activities run by the charity. They comprise the printing press and the monastery shops.

New Coffee Shop

With the closure of the Craft Shop in February 2019, the Trustees have recognised that they require an area for the visiting public to the monastery to rest and enjoy its spiritual surroundings within its grounds. Plans are been prepared for a new coffee shop adjacent to the Repository Shop and within easy access of the Guest House and Printing Press. The costs have been assessed and a revised provision of £573,750 has been set towards its construction.

20 Related party transactions

The total value of donations made by the trustees to the charity during the year was £31,653 (2022 - £ 35,436), been pensions donated to the charity.

21 Ultimate control

Under the guidelines of the Cistercian Order and its charter, the charity is controlled throughout the period by its Community of Cistercian monks resident at Our Lady of Bethlehem Abbey, Portglenone.

The Community does not hold any assets, incur liabilities or enter into any transactions in its own right. All assets and liabilities of the Community are vested in the trust, which undertakes all transactions entered into in the course of the Community's charitable activities.