

The Carmelite Charitable Trust

Report and Accounts

31 December 2016

Charity registration number:
1061342

Keith Vaudrey & Co.
1st Floor
15 Young Street
London W8 EH

The Carmelite Charitable Trust
Legal and administrative information

Trustees

The Reverend A Lester O.Carm
The Reverend K Melody O.Carm
The Reverend D Cassidy O.Carm
The Reverend F Kemsley O.Carm
The Reverend P Fitzgerald-Lombard O.Carm

Secretary

The Reverend P Fitzgerald-Lombard O.Carm

**Provincial Bursar and
Correspondent**

Brother Paul de Groot O.Carm

Trust office

The Carmelite Charitable Trust
Churchill House
Suite 320/321
120 Bunns Lane
Mill Hill
London NW7 2AS

Charity number

1061342

Auditors

Keith Vaudrey & Co.
15 Young Street
London W8 EH

Investment managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Epworth Investment Management Limited
9 Bonhill Street
London EC2A 4PE

Bankers

Royal Bank of Scotland plc
62-63 Threadneedle Street
London EC2R 8LA

Solicitors

Stone King LLP
Boundary House
91 Charterhouse St
London EC1M 6HR

CARMELITE CHARITABLE TRUST

Trustees' Report

The Trustees present their report and accounts for the year ended 31st December 2016.

Introduction

The Carmelite Charitable Trust holds the assets of the British Province of Carmelite Friars with which these accounts deal. It is governed by a scheme of the Charity Commission sealed on 31st December 1996. The charity registration number is 1061342. The Carmelite Friars (also known as the Order of Brothers of the Blessed Virgin Mary of Mount Carmel) are an international Catholic religious order. It was founded in the early 13th century on Mount Carmel in present day Palestine. At the end of 2016, there were a total of 27 friars in the British Province.

Vision and Public Benefit

The vision of Carmelite Charitable Trust is to be present in society and, inspired by the Carmelite charism to work alongside people of faith and people of goodwill. This is done through traditional Christian ministry and also through being alongside those who are often at the edges of Church and society. This “charism” gives the Carmelites a particular perspective and world view in which the experience of the divine is found in a creative interplay of community, prayer and service. It offers a witness to society of alternative values.

Our major resource is the individual friars and communities of the British Carmelite Province, together with the members of the wider Carmelite Family and other linked groups.

The main public benefit of the Trust is the practical service and outreach it offers within and outside the Christian community. This is enabled by a shared vision and inspired by an experience of its charism which for over 800 years has offered a way of hope and fulfilment to all.

What We Achieved in 2016

Following the decision made at the chapter in 2014, the East Finchley community has been closed and the property sold.

The specialist library has been sent to Kenya as a resource for the formation of Carmelite students.

The Aylesford Development Committee has
withdrawn from negotiations with a developer;
continued to explore the building of a pastoral centre with the
Roman Catholic Diocese of Southwark.

A review has begun with a professional advisor of the contracts of our employees.

A friar completed and received a doctorate.

A friar was released for a short sabbatical.

The enrolment with NEST as our pension provider has been successful.

What We Hope to Achieve in 2017

The Chapter on the theme of Being in Mission Together will be celebrated in May where the priorities for the next three years will be discussed and decided upon.

The work of the Aylesford Development Committee to ensure the long term viability of the site at Aylesford will continue

Begin a review of how the finances of the Trust are structured to allow for necessary activities to be resourced from the General Fund.

Begin a review of investment policy with in-depth examination of likely future needs.

The Resources of the Carmelite Charitable Trust

The primary resource of the trust is the Carmelite friars who offer as witness a variety of different ways of experiencing the charism in the twenty first century and enabling the public benefit to be realised. Twelve friars are living in three communities, six friars are in individual apostolates, and four friars are in nursing homes. The achievements and memories of four friars were celebrated in 2016 at their funerals. The impact on the Trust has been considerable but the Chapter in 2017 will enable a re-visioning of hopes and resources.



Fr Piet Wijngaard's funeral cortege

Aylesford Community

The friars in the community form the heart of The Friars, Aylesford which because of the complexity of the site is a charity in its own right (Registration Number 1068518).

The Carmelites first arrived at Aylesford in 1242 from Mount Carmel in the Holy Land, remaining here until 1538 - the time of the Dissolution of the Monasteries. The Carmelites returned to their ancient home in 1949 and it is now a place of welcome and pilgrimage. The Shrine is dedicated to the Assumption of the Blessed Virgin Mary and Saint Simon Stock. It is a place where people of all ages and all faiths and none, will find a welcome, where the sacred is expressed through prayer, the arts and nature.

The Friars is open to visitors throughout the year at no charge and offers a welcome to around 200,000 visitors a year.

Local self-help groups find a welcome at The Friars and a number meet there. The local Alcoholics Anonymous group is one such which has met there now for over 30 years.

The Trust continues to support The Friars because of its iconic status.

York Community

The friars in the community in York are based in the Catholic Chaplaincy at the University of York and in the parish at Acomb. They serve as Parish Priest at Acomb, as the Catholic chaplain on the university chaplaincy team and as the Catholic chaplain to a local hospital.. They are involved in the multi-faith ecumenical outreach which is a vibrant dimension of York city life.

There is a full-time lay Carmelite worker who runs the British Province Communications and Outreach Office based in the chaplaincy.

Parish ministry has always been a significant part of the life of the trust as a friar working in a parish says;

The Carmelite ideal of being praying communities in the midst of the people is perhaps most visible in our parish communities. At present these are four: Faversham in Kent, Acomb in York, Llanelli in Wales and Hay-on-Wye on the Welsh borders. It is in the parish context where we encounter people at every stage of life and we journey with them through the ups and downs of life – marriages, baptisms and funerals and every significant event of life in between. In any of our communities where there is an encounter with people we seek to respond to their situation with openness and compassion, bringing to them something of the Carmelite ideal of welcoming all who are seeking God. In parishes however this goes a little deeper as the community of Friars, and frequently other groups within the Carmelite Family, are a constant presence in the lives of generations of families. In a parish such as Faversham, generations of families have had an encounter with a Carmelite and while the individual Friar may come and go, there is always a sense that the community is a constant presence. Even in Acomb where we have only had a presence for two years, there is a memory of our presence in Hazlewood Castle from the mid-70s to mid-90s and as well as a realisation that we were present in the city of York for the 20 years before taking pastoral responsibility for Acomb.

In the parish context then, the Carmelite community makes a genuine difference as we seek to model a way of life that is always welcoming, open and responding to the situation in which we find ourselves. Reaching out in



A parish mass at Acomb

different ways to the wider community we provide a presence in the hospital, catholic schools, hospice and university as well as on the governing bodies of different schools and charities within the areas in which we minister. Our presence in a parish is a means whereby we can respond to all sorts of different needs, bringing what expertise we have in the service of the wider population, not simply those who profess themselves religious.

Faversham Community

The friars in community at Faversham minister in the parish and the shrine of St. Jude, the patron saint of difficult cases. The shrine chapel attached to the parish church is small but there is a steady stream of visitors, coming long distances, particularly during the summer months. Large numbers come for the annual Feast of St. Jude which is celebrated on the weekends before and after October 28th, the day of the feast.

Apart from the shrine itself, there is the Shrine Office with a lay manager and staff whose fundraising activities are a major source of income for the Trust. A quarterly newsletter mailed to around 16,000 addresses in the UK, Ireland and other countries. Many people contact the shrine looking for support and spiritual encouragement and this often develops into a long-term relationship with the shrine. These individual contacts and the support given by the staff form an important part of the apostolate of the shrine and of the Carmelite friars.

Other Forms of Community and Outreach

Since the inception of the friar movement in the 13th Century with the movement of people from the countryside into the cities friars have chosen to be where the need is and to respond to it. As well as what might be described as a traditional community based activities which focus on people coming to centres run and served by the Trust a number of friars are engaged in full or part-time activities outside the community. In 2016 friars have been working in two parishes in Wales, as chaplains to a prison, a school and two care homes.

Others provide much needed pastoral care within the Lesbian Gay Bisexual and Transgender community, those who have experienced termination of pregnancy and those whose committed relationships have ended. Three friars are involved in serving three different groups of HCPT (Hosanna House and Children's Pilgrimage Trust) working with children and young adults who face significant challenges to disability, learning difficulties and social need. In all of this outreach work, people are served on the basis of need and not that of religious faith.

The Carmelite Charitable Trust is linked to a number of Lay Carmelite (Third Order) Chapters and Carmelite Spirituality Groups throughout Britain. The Carmelite friars provide various forms of support. A Provincial Delegate and his assistant have been employed to advise and support the Third Order groups. A magazine, *Assumpta*, is published to enable these groups to keep in touch and deepen their spirituality. Individual friars also assist in other ways by celebrating mass for Third Order meetings, giving talks, directing days of recollection and retreats as well as helping with ongoing formation courses. Groups typically meet monthly and are prominent in supporting their own local parishes and being involved in other voluntary groups. They also raise funds to support the formation of future Carmelite friars.

Education

The public benefit is enhanced by the Carmelite Charitable Trust's traditional commitment to education.

The Trust sponsors and is actively involved in the organisation of the Ebor Lectures which is a collaborative initiative by various Christian denominations and church groups. The Ebor lectures are now well embedded in York and attract audiences of up to 1,000 people. The lectures seek to provide a place of conversation and encounter between theology and public life.

The Trust continues to play a significant role in the development of the Carmelite Institute of Britain and Ireland, (CIBI) the distance learning institute which is a joint project with the Carmelites of the Irish Province and the Discalced Carmelite Anglo-Irish Province. The contribution of the Trust consists in the provision of two persons to serve on the executive committee, and others help in the preparation of coursework material and the marking of the students' papers. The Trust provides rooms and other facilities for meetings which take place in Britain and gives a grant towards expenses of £17,100. CIBI offers an MA. course in Carmelite Studies.

Carmelite friars and lay Carmelites are involved in giving talks and lecturing at every level from popular local groups to 3rd level education.

The Trust has its major library at Aylesford where the collection specialises in Carmelite books and works on spirituality. Another library at Aylesford has more popular religious and other books for the use of guests staying at The Friars. The archives of the province have been moved to a specialist unit at Downside Abbey, Stratton-on-the-Fosse, Somerset, in order to make them more easily available for scholarly research.

Communications

The Trust actively communicates its activities to the public. This is through regular newsletters, magazines and especially now on the internet. The Province has its own website (<http://www.carmelite.org>) as do the communities. These provide a wealth of information from scholarly articles to summaries of activities and diary dates. There are blogs and links to social media sites. This is co-ordinated by the Communications and Outreach Office. The Communications and Outreach Manager is also involved in local and national media which brings a Carmelite voice to a wider public which would not otherwise be touched.

Mission Outreach

Although currently no British friars are serving on the missions, the Trust does give financial and other assistance wherever it can.



The East Finchley library arriving in Kenya

In 2016 the Trust continued to support financially the international work of the Carmelites in Zimbabwe, Indonesia and the work of the Carmelite Sisters in San Salvador who run a hospice for those who cannot afford medical care (£15,000). Further support was given to help finance the building of a Carmelite formation centre in Mozambique (£41,000) and through CAFOD (the official aid agency of the Catholic Church in England and Wales) the Trust continued to support its Gap Year Training programme (£3,000).

Structure, Governance and Management

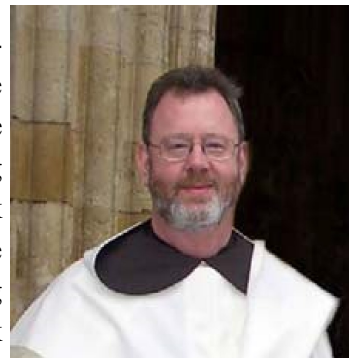
Under the Scheme of the Charity Commissioners which governs the Trust, the Trustees are the elected members of the provincial council of the British Province of the Carmelite Friars. These are the prior provincial and four provincial councillors who are elected by the members of the province at the provincial chapter which is held every three years. In 2016 The Trustees tended to meet monthly.

The Trustees who held office during 2016 were:

Prior Provincial (and chair of the Trustees):

Fr Antony Lester, O. Carm.

Fr Antony joined the Order in 1974 and studied for the priesthood in Rome and London. He has completed a one year course as a Community and Youth Worker. He served as bursar at The Friars, Aylesford and in the parish in Walworth before becoming prior of Hazlewood Castle and then Catholic chaplain in York University. He was elected prior provincial in 2002. In 2008, he resumed his role as university chaplain in York before being elected again as provincial. He continues to live in the York Community.



Provincial Councillors (and Trustees)

Fr Kevin Melody, O.Carm.

Fr Kevin joined the Order in 1996. He studied for the priesthood in the Missionary Institute, Mill Hill, and was ordained in April 2003. He has a M.A. from Heythrop College in Christian Spirituality. He served for a number of years as parish priest of Walworth. He has spent some time in East Timor, helping in the development of the Carmelite mission there. Following the Provincial Chapter, he was appointed Prior of the York community and parish priest at Acomb.



Fr Damian Cassidy, O.Carm.

Fr Damian is a registered Nurse who joined the Order in 1996. He studied for the priesthood in Mill Hill and was ordained in July 2003. He has served in The Friars, Aylesford, and was the Province Vocations Director whilst there. After this, he was appointed to the university chaplaincy at York. In 2010, he was re-appointed to The Friars and as Vocations Director. Following the Provincial Chapter, he was appointed Prior of Aylesford.



Fr Francis Kemsley, O.Carm.

Fr Francis joined the Order in 1973. He studied for ordination at Milltown Park in Dublin. In the course of a long and varied career, he has served several terms as Provincial Councillor and Trustee. He has been the Province's formation director and has also been Prior of Aylesford.



Fr Paul Jenkins, O.Carm. To July 2016

Fr Paul joined the Order in 2009. Previously he had been a Christian Brother in West Africa and then with Cafcas in County Durham. He studied at Heythrop College and was ordained priest in October 2014.



Fr Patrick Fitzgerald-Lombard, O.Carm From July 2016

Fr Patrick graduated from Durham University. with a BSc .He trained as a civil engineer and qualified MICE. He entered the Carmelites in 1973 and was ordained priest in 1989. He studied in Rome, completing the STL with a biblical speciality. He served as Provincial Secretary in the 1990's and looked after the Province's financial administration. He was responsible for setting up the current governing document of the Trust .He has been in parish ministry since 1998, mostly in Wales and is currently in Hay-on-Wye.

Safeguarding of children and vulnerable people is a priority for the Trustees. The Trust continues to employ a part-time Safeguarding Coordinator and she has been consulted on a number of occasions to advise the Trustees.

The Trustees are advised by a Finance Commission and a Formation Commission. The commissions have friars and specialist advisors on them and meet about four times a year.

The properties owned by the Trust and the individual members are fully covered by comprehensive insurance policies. The Trustees are advised by a firm of specialised insurance brokers, D. E. Ford, and apart from property insurance and employer's liability insurance, there are comprehensive policies to cover all personal belongings, the vehicles owned by the Trust and full travel insurance for individual members and employees of the Trust.

Risks to the Trust

The Trustees have continued to assess and evaluate the major risks to which the Trust is exposed, in particular those related to possible claims against the actions of individual members of the Province who find it difficult to live within the parameters that have been set for them. The Charity Commission and the police have been informed about a friar where information came to light in 2016 and which is ongoing.

With an increasing number of friars living outside of community the Trustees have become aware that the accounts in the centralised banking system carried a high risk of being abused after some infractions. Three accounts have been taken out of the system so that the agreed budgets cannot be exceeded without reference to the trustees.

The trustees have been unable to devote the time to seeking professional advice in updating and writing policies in Risk Management, Financial Investment and Health and Safety.

Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. In preparing these financial statements, generally accepted accounting practice entails that the trustees: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; state whether the financial statements comply with the trust deed, 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 the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, suffi-

cient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Financial Review

The Trust employs twelve people, five part time.

The Trust pays everyone above the Living Wage.

Three employees earn above £30,000 a year.

For management purposes, the income and expenditure activities of the Trust are divided into separate accounts:

- Province General Fund,
- Individual Carmelite community accounts,
- Accounts for specific projects and activities:
 - Vocations, Communications and Outreach, Carmelite Family etc.
- Designated funds: Retirement, Formation, Mission and Development.

They are grouped together in the general overall audited accounts.

During 2016, the total income received by the Carmelite Charitable Trust was £4,218,573, (2015 £2,276,928).

The increase in income in 2016 was due to sale of the property and large legacies received during the year.

The total expenditure by the Trust in 2016 was lower than in previous year and amounted to £1,320,832, (2015 £1,370,620).

The Carmelite Charitable Trust recorded an overall surplus of income over expenditure of £3,617,343, (in 2015 it was a surplus of £900,007).

Investment Policy

The province has a number of portfolios, one each for the General Fund and the Retirement Fund, both managed by CCLA Investment Management Limited and one each for the Formation Fund, Mission Fund and Development Fund, managed by Epworth Investment Management Limited. The portfolios are expected to generate a reliable income stream. On the advice of the Investment Managers and the Finance Commission the Trustees have not changed the parameters of these portfolios despite the volatility in the markets.

The performance of the portfolios is monitored by the Finance Commission and the choice of investments regulated by a set of ethical principles established by the Trustees which are reviewed periodically.

With the sale of East Finchley the trustees have invested £1.5 m in the Retirement Fund to

provide a reliable income for Care home costs. A new investment portfolio has also been set up to provide support for friars who are out of ministry.

Reserve Policies

The Carmelite Charitable Trust exists to provide funds for their members of the Order to fulfil its objects, mainly to advance the Roman Catholic faith. The Trust is responsible for its members from the time they join to the time they die. Generally a period of 50 years or more. Planning of the reserves must therefore take into account this time scale.

The Trustees are aware that the structure of the designated funds must meet these needs. In 2016 one of the Trust's property was sold and the proceeds were invested in the funds with insufficient income.

At 31st December 2016 the total reserves of the Trust amount to £17,844,760 of which £4,926,324 is represented by the Building Fund.

The General Fund stands at £3,642,536. The policy of this fund is to meet the day to day running costs. However, the income from this fund has been insufficient for several years.

The Retirement Fund stands at £3,895,301. As the members of the Trust are ageing, the underlying policy has been to provide for their care. The fund is now expected to meet any needs during their retirement time after additional investment made in 2016.

The Development Fund stands at £1,603,784. The fund was built up to cover the development that was expected to occur at Aylesford. As described earlier in this report considerable work is being done to make the Aylesford site sustainable for a Carmelite community. Depending on the work progress, this reserve might be utilised in the next two or three years.

The Formation Fund stands at £1,580,924. The policy of this fund is to provide for the formation of members of the Carmelite Charitable Trust. This fund is expected to meet any requirements during initial and ongoing formation of the members.

The Mission Fund stands at £1,196,905. As the members of the Trust do not actively engage on mission work abroad the policy of this fund is to assist with any request, particularly for formation of the Carmelite Family around the world. The requests on the fund usually exceed the income generated by the fund.

Following the Trustees decision, new EF Fund was established (£998,986). This fund will help to support brothers removed from the ministry.

There is a healthy tension between a desire to have sufficient reserves to enable the Trust to be secure in the future and the part of the Carmelite charism which is mendicant and insists on a radical dependence on the providence of God.

Approved by the Trustees
and signed on their behalf

Kevin J Alban
Trustee

21st June 2017

The Carmelite Charitable Trust
Auditors' Report

Independent auditors' report to the Trustees of the Carmelite Charitable Trust

We have audited the financial statements of the Carmelite Charitable Trust for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 14 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the 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.

Signed on 22 June 2017

Keith Vaudrey & Co

Chartered Accountants and Statutory Auditors

1st Floor
15 Young Street
London W8 5EH

Keith, Vaudrey & Co is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Carmelite Charitable Trust

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 December 2016

	Notes	General fund £	Designated funds £	2016 £	2015 £	General fund £	Designated funds £
Income							
Voluntary income							
Donations, fundraising and legacies	1	928,889	190,503	1,119,392	1,574,664	1,151,253	423,411
Pastoral income	2	230,547	703	231,250	243,582	239,563	4,019
Investment income							
Investment income	3	87,818	179,589	267,407	243,016	86,010	157,006
Other interest		-	3,261	3,261	3,000	-	3,000
Other income							
Miscellaneous income		209,685	30,872	240,557	212,666	212,666	-
Surplus on sale of assets		2,356,706	-	2,356,706	-	-	-
Total income		3,813,645	404,928	4,218,573	2,276,928	1,689,492	587,436
Expenditure							
Raising funds							
Newsletter and other costs	4	178,041	-	178,041	187,968	187,968	-
Charitable activities							
Pastoral works	5	701,386	49,352	750,738	708,774	676,833	31,941
Province activities	5	113,257	141,865	255,122	291,803	113,181	178,622
Support and administration	6	127,046	63	127,109	172,002	159,392	12,610
Governance costs	7	9,822	-	9,822	10,074	10,074	-
Total expenditure		1,129,552	191,280	1,320,832	1,370,621	1,147,448	223,173
Net gains (losses) on investments	12	217,736	501,866	719,602	(6,300)	26,160	(32,460)
Net income (expenditure) before transfers		2,901,829	715,514	3,617,343	900,007	568,204	331,803
Transfers between funds	18	(1,655,135)	1,655,135	-	-	(630,478)	630,478
Net income (expenditure)		1,246,694	2,370,649	3,617,343	900,007	(62,274)	962,281
Balances brought forward 1 January		2,395,842	11,831,575	14,227,417	13,327,410	2,458,116	10,869,294
Balances carried forward 31 December		3,642,536	14,202,224	17,844,760	14,227,417	2,395,842	11,831,575

Continuing operations

None of the charity's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The charity has no recognised gains or losses other than those shown above and therefore no separate statement of total gains and losses has been prepared.

The Carmelite Charitable Trust
Balance Sheet
as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	4,985,434	5,710,319
Investments at market value	12	<u>9,991,577</u>	<u>6,771,974</u>
		14,977,011	12,482,293
Current assets			
Stock	13	27,435	32,443
Loan to Carmelite Curia	14	219,939	202,653
Debtors	15	798,435	236,280
Cash at bank and in hand		<u>1,880,644</u>	<u>1,361,939</u>
		2,926,453	1,833,315
Creditors: amounts falling due within one year	16	<u>(58,704)</u>	<u>(88,191)</u>
Net current assets		2,867,749	1,745,124
Total assets less current liabilities		<u>17,844,760</u>	<u>14,227,417</u>
		<u>17,844,760</u>	<u>14,227,417</u>
Capital and reserves			
General funds		3,642,536	2,395,842
Designated funds	18	<u>14,202,224</u>	<u>11,831,575</u>
		<u>17,844,760</u>	<u>14,227,417</u>

Approved by the Trustees
and signed on their behalf

Kevin J Alban
Trustee
Approved by the Trustees on 21 June 2017

The Carmelite Charitable Trust
Statement of cash flows
for the year ended 31 December 2016

	Note	2016 £	2015 £
Cash generated in operating activities	A	<u>(298,392)</u>	<u>622,319</u>
Cash flows from investing activities			
Investment income		270,668	246,016
Proceeds of investment sales		101,000	66,500
Purchases of investments		(2,601,000)	(66,500)
Proceeds on sale of assets		3,158,516	14,250
Purchase of fixed assets		<u>(112,086)</u>	<u>(719,222)</u>
Cash provided (used) in investing activities		<u>817,098</u>	<u>(458,956)</u>
Increase in cash and cash equivalents in year		<u>518,706</u>	<u>163,363</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		518,705	163,361
(Decrease) increase in cash held by investment managers for re-investment		<u>1</u>	<u>2</u>
		<u>518,706</u>	<u>163,363</u>

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income (expenditure)	3,617,343	900,007
Deduct investment income	(270,668)	(246,016)
Add depreciation	35,161	26,927
Surplus on sale of assets	(2,356,706)	(1,320)
Add/(deduct) net movement on investments.	(719,602)	6,300
Increase (decrease) in creditors	(29,487)	5,283
(Increase) decrease in stock	5,008	3,010
(Increase) decrease in Curia Loan	(17,286)	12,577
(Increase) decrease in debtors	<u>(562,155)</u>	<u>(84,449)</u>
	<u>(298,392)</u>	<u>622,319</u>

The Carmelite Charitable Trust
Principal Accounting policies
for the year ended 31 December 2016

1 Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

3 Income

All income is recognised 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. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date.

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included when 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. This is normally upon notification by our investment advisor of the dividend yield in the investment portfolio.

Expenditure

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

The cost of generating funds includes the fees paid to investment managers in respect of the management of the charity's investment portfolios.

Expenditure on charitable activities comprises direct expenses incurred on the defined charitable purposes of the charity and includes staff costs attributable to the activity.

Governance costs comprise of expenditure on compliance with and advice on constitutional and statutory matters.

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary. Irrecoverable VAT is included in the items of expenditure to which it relates.

4 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

5 Tangible fixed assets

The Carmelite Charitable Trust
Principal Accounting policies
for the year ended 31 December 2016

Freehold land and buildings are included at a valuation based either on a value estimated by the trustees or on historical cost. The Trustees do not consider that the expense of a professional valuation in order to ascertain the separate values of the land and buildings is justified.

The buildings are in constant use in furtherance of the charitable objectives and are maintained to standards that ensure that their residual value is not less than the book value. Buildings are not depreciated, for reason stated, they have a very long useful economic life such that annual depreciation would be immaterial.

All assets costing more than £1,000 and with an expected life of more than one year are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant, equipment, fixtures and fittings 20%

Motor vehicles 25% on cost

After five years plant, equipment, fixtures and fittings with a net book value of nil are written out of the accounts as in the opinion of the Trustees such assets have a negligible residual value.

6 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as 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.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

7 Stock

Stock is valued at the lower of cost and net realisable value and consists of books for resale and distribution.

8 Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

9 Taxation

The Carmelite Charitable Trust, as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

The Carmelite Charitable Trust
Notes to the Accounts
for the year ended 31 December 2016

	General fund	Designated fund	2016	2015	General fund	Designated fund
	£	£	£	£	£	£
1 Donations, fundraising and legacies						
Appeals and donations	335,303	318	335,621	325,298	324,119	1,179
Legacies	593,586	190,185	783,771	1,249,366	827,134	422,232
	<u>928,889</u>	<u>190,503</u>	<u>1,119,392</u>	<u>1,574,664</u>	<u>1,151,253</u>	<u>423,411</u>
2 Pastoral income						
Mass stipends	93,115	-	93,115	93,740	93,740	-
Salaries and pensions	137,432	703	138,135	149,842	145,823	4,019
	<u>230,547</u>	<u>703</u>	<u>231,250</u>	<u>243,582</u>	<u>239,563</u>	<u>4,019</u>
The salaries and pensions arise from income earned by Members of the Order all of which is covenanted to the trust.						
3 Investment income						
	£	£	£	£	£	£
Dividends and interest from investments	86,842	179,589	266,431	242,177	85,171	157,006
Bank interest	976	-	976	839	839	-
	<u>87,818</u>	<u>179,589</u>	<u>267,407</u>	<u>243,016</u>	<u>86,010</u>	<u>157,006</u>
4 Newsletter costs						
Staff costs	85,372	-	85,372	86,142	86,142	-
Newsletter printing and distribution	92,669	-	92,669	101,826	101,826	-
	<u>178,041</u>	<u>-</u>	<u>178,041</u>	<u>187,968</u>	<u>187,968</u>	<u>-</u>
5 Charitable activities						
Pastoral works						
Staff costs	170,859	-	170,859	167,035	167,035	-
Depreciation	35,161	-	35,161	26,927	26,927	-
Premises	60,957	-	60,957	90,409	90,409	-
Other costs	434,409	49,352	483,761	424,403	392,462	31,941
	<u>701,386</u>	<u>49,352</u>	<u>750,738</u>	<u>708,774</u>	<u>676,833</u>	<u>31,941</u>
Province activities						
Donations, grants and contributions	107,237	67,307	174,544	161,812	98,765	63,047
Donation to The Friars, Aylesford	-	60,411	60,411	88,731	-	88,731
Formation and training	6,020	14,147	20,167	41,260	14,416	26,844
	<u>113,257</u>	<u>141,865</u>	<u>255,122</u>	<u>291,803</u>	<u>113,181</u>	<u>178,622</u>
6 Support and administration						
Provincial Commission expenses	23,914	-	23,914	34,489	34,489	-
Exchange losses	4,748	-	4,748	25,933	13,355	12,578
Central administrative costs	98,384	63	98,447	111,580	111,548	32
	<u>127,046</u>	<u>63</u>	<u>127,109</u>	<u>172,002</u>	<u>159,392</u>	<u>12,610</u>
7 Governance costs						
Audit fees	5,700	-	5,700	5,700	5,700	-
Accountancy fees	4,122	-	4,122	4,374	4,374	-
	<u>9,822</u>	<u>-</u>	<u>9,822</u>	<u>10,074</u>	<u>10,074</u>	<u>-</u>
8 Net incoming (outgoing) resources before transfers						
This is stated after charging (crediting)						
Staff costs (note 9)	256,231	-	256,231	253,177	253,177	-
Auditors remuneration	5,700	-	5,700	5,700	5,700	-
Accounting and other	4,122	-	4,122	4,374	4,374	-
Depreciation of owned assets	35,161	-	35,161	26,927	26,927	-

The Carmelite Charitable Trust
Notes to the Accounts
for the year ended 31 December 2016

9 Staff costs and trustees' remuneration

	2016 £	2015 £
Staff costs during the year were as follows:		
Wages and salaries	238,603	235,549
Social security costs	17,628	17,628
	<u>256,231</u>	<u>253,177</u>

No employee earned more than £60,000 per annum (including benefits) during the year or in the

The average number of employees, analysed by function was:

Fundraising	4	4
Domestic	1	1
Administrative	<u>5</u>	<u>5</u>
	<u>10</u>	<u>10</u>

Trustees

As members of the Order the Trustees' living expenses during the year were borne by the Trust but the trustees received no remuneration or other benefits in connection with their duties as Trustees during the year or in the previous year.

10 Taxation

The trust as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

11 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 January 2016	5,648,981	233,443	10,356	5,892,780
Additions	79,153	32,933	-	112,086
Disposals	(801,810)	(32,100)	-	(833,910)
At 31 December 2016	<u>4,926,324</u>	<u>234,276</u>	<u>10,356</u>	<u>5,170,956</u>
Depreciation				
At 1 January 2016	-	177,369	5,092	182,461
Charge for the year	-	33,090	2,071	35,161
On disposals	-	(32,100)	-	(32,100)
At 31 December 2016	<u>-</u>	<u>178,359</u>	<u>7,163</u>	<u>185,522</u>
Net book value				
At 31 December 2016	<u>4,926,324</u>	<u>55,917</u>	<u>3,193</u>	<u>4,985,434</u>
At 31 December 2015	<u>5,648,981</u>	<u>56,074</u>	<u>5,264</u>	<u>5,710,319</u>

The Carmelite Charitable Trust
Notes to the Accounts
for the year ended 31 December 2016

	2016	2015
	£	£
12 Investments		
Market value at 1 January 2016	6,771,742	6,778,042
Additions at cost	2,601,000	67,227
Sale proceeds from disposals	(101,000)	(67,228)
Net gain (loss) in year	719,602	(6,299)
Market value at 31 December 2016	9,991,344	6,771,742
Cash held by investment managers for re-investment	233	232
	<u>9,991,577</u>	<u>6,771,974</u>
Cost of listed investments at 31 December 2016	<u>7,739,645</u>	<u>5,214,198</u>
13 Stock	2016	2015
	£	£
Goods for resale - Books	27,435	32,443
	<u>27,435</u>	<u>32,443</u>
14 Loan to Carmelite Curia	2016	2015
	£	£
Loan to Carmelite Curia	219,939	202,653
The loan to the Curia Rome, of euro 500,000, was originally repayable over ten years from 31 March 2006. Euro 225,000 has been received to date. Interest of 1½% per annum is receivable on the outstanding balance.		
15 Debtors	2016	2015
	£	£
Prepayments and accrued income	25,761	7,574
Loan to Bohemian and Moravian Delegation	-	-
Other debtors	770,672	228,706
	<u>798,435</u>	<u>236,280</u>
16 Creditors: amounts falling due within one year	2016	2015
	£	£
Accruals	9,000	9,000
Masses unsaid	5,275	16,638
Sundry creditors	44,429	62,553
	<u>58,704</u>	<u>88,191</u>

17 The Friars, Aylesford

During the year the Trust donated £60,411 (2015: £88,731) to the Friars, Aylesford (a Company Limited by Guarantee) which manages the Marian Shrine and other activities at Aylesford.

At 31 December 2015 the trust under banking arrangements with the Royal Bank of Scotland had underwritten an overdraft incurred by the company of £388,179 (2015: £550,737)

The Carmelite Charitable Trust
Notes to the Accounts
for the year ended 31 December 2016

18 Designated funds

The income funds of the charity includes the following designated funds, set aside from the unrestricted funds of the trust by the trustees for specific purposes:

	At 1 January 2016	Transfers	Incoming resources	Utilised/ realised	At 31 December 2016
	£		£	£	£
Capital fund	5,648,981	(722,657)	-	-	4,926,324
Retirement	2,166,005	1,472,175	288,254	(31,133)	3,895,301
Mission	1,093,774	1,200	169,288	(67,357)	1,196,905
EF fund	-	1,000,000	8,680	(9,694)	998,986
Formation	1,381,382	-	222,227	(22,685)	1,580,924
Development fund	1,541,433	(95,583)	218,345	(60,411)	1,603,784
	<u>11,831,575</u>	<u>1,655,135</u>	<u>906,794</u>	<u>(191,280)</u>	<u>14,202,224</u>

19 Analysis of net assets between funds

	General fund	Designated funds	2016
	£	£	£
Tangible fixed assets	2,415,155	12,561,856	14,977,011
Current assets	1,286,085	1,640,368	2,926,453
Creditors: amounts falling due within one year	(58,704)	-	(58,704)
	<u>3,642,536</u>	<u>14,202,224</u>	<u>17,844,760</u>