

Charity Registration number
1123034
Company Registration number
6453716

**The Society of the Little Flower
(Limited by Guarantee)
Report and Accounts**

31 December 2019

Borucki & Co
Chartered Accountants
42 Radnor Road
Harrow, Middlesex, HA1 1RZ

The Society of the Little Flower
Report and accounts
Contents

	Page
Reports	
Legal and administrative information	1
Trustees' report	2
Auditors' report	12
 Accounts	
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the accounts	17

The Society of the Little Flower
Legal and administrative Information

Trustees	The Most Reverend Fernando Millan Romeral O. Carm., STL, STD (resigned 31 December 2019) The Very Reverend Carl Markelz O. Carm., BBA, MDiv. The Very Reverend Kevin Alban O.Carm., STB MA, MTh, PhD The Reverend Robert Colaresi O.Carm. MA, MRS Ms Pauline Stuart MA
Principal office	Barclays House 51 Bishopric Horsham West Sussex RH12 1QJ
Charity registration number	1123034
Company Registration number	6453716
Auditors	Borucki & Co (Chartered Accountants) 42 Radnor Road Harrow Middlesex HA1 1RZ
Bankers	NatWest, 47 Carfax, Horsham RH12 1FD.
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

The trustees (who for company law purposes are the Directors) present their report and accounts for the year ended 31 December 2019.

Trustees

The following act as Trustees of the Charity and Directors of the Limited Liability Company:

- The Most Reverend Fernando Millán Romeral O. Carm. – Prior General of the Carmelite Order – resigned on 31 December 2019 having left office as Prior General;
- The Very Reverend Carl Markelz O. Carm. – former Bursar General of the Carmelite Order
- The Very Reverend Kevin Alban O. Carm. – Prior Provincial of the British Province of Carmelites and Chair of Trustees;
- The Reverend Robert Colaresi O. Carm – former Director of the US and Canadian Society of the Little Flower;
- Ms. Pauline Stuart – lay advisor

Organisation

In 1974 the Order of Carmelites, a religious order in the Roman Catholic Church, established a charitable trust, the “Carmelite Order General Fund”. This was changed in 2004 to the “Society of the Little Flower”. In 2007 the Trustees decided to create a company limited by guarantee with the same aims and objectives, also called “The Society of the Little Flower”. This company was incorporated on 14 December 2007, under a memorandum and articles of association, and registered as n. 6453716. The Charity Commission gave charitable status to it on 3 March 2008 n. 1123034. The charitable company officially began its activities on 18 June 2008 when the previous charitable trust transferred its assets to it. The statutory power of appointing trustees lies with the existing Trustees.

In the light of the implementation of the GDPR in May 2018 across Europe, the Trustees concluded that they would not be able to make an agreement with either the Society of the Little Flower in the US nor with other foreign third-party suppliers that would satisfy the requirements of the new Data regime. It was decided therefore that over the course of 2018 the two organisations would break their ties.

This process was begun in 2018 and was not complete at year-end. In the first two months of 2019 the former data base, Prosper, was still used. As a result of great efforts by the staff, it was possible in March 2019 to transfer all donor data to a system called ThankQ. This is a Customer Relationship Manager (CRM) produced by Access Accounting, fully compliant with all data and privacy requirements and used by a number of leading charities in the UK, such as, Children in Need, the Samaritans and the Stroke Association.

Principal Aims

The general objects of the Charity are the advancement of the Roman Catholic Religion, by means of the establishment or furtherance of any charitable works carried on by, or under the control or supervision of members of the Order of Carmelites, and by means of the provision of scholarships and bursaries for the education and training of priests and/or members of the said Order.

In a particular way, but without prejudice to the foregoing overall aims, the Society of the Little Flower seeks to spread devotion to St. Thérèse of Lisieux, a Carmelite nun who died in 1896 and often referred to as “The Little Flower”, and in this way to help people grow in

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

their Christian faith. The process of attracting potential donors, maintaining their giving, replying to their correspondence and keeping them informed of the Society's work is complex, time consuming and inevitably expensive. Moreover, there are no voluntary workers to keep labour costs down. The Society wishes to attract supporters who will be active over a number of years, not just make a single donation and disappear. This requires a certain amount of investment in materials that will be informative, as well as attractive.

Fundraising Activities and Performance

The Society sends materials to donors who have already contributed in the past and therefore maintains their data as a legitimate interest. The Society is fully compliant with best practice as it stands and offers all donors the choice of asking their names to be removed from the list of those who receive mailings. The Society has implemented the provisions of the General Data Protection Regulation and all staff were fully trained in its provisions. Ongoing training will be provided as the implications of the GDPR evolve.

In 2019 231,221 (in 2018 167,420) pieces of mail were sent out only to existing donors. The increase in activity is due to two more mailings in 2019 than in 2018.

The mailings in 2019 were as follows, including the rate of return for each one:

Month	Appeal	Rate of Return in Replies received
January	Annual Membership	18.5%
February	Between Friends Spring Newsletter*	5.4%
March	Easter Cards	36.6%
April	All Occasion Cards	35.2%
May	Rose Labels	13.7%
June	Between Friends Summer Newsletter*	8.8%
July	Feast day	22.2%
August	Key Ring	20.2%
September	All Souls Intentions	36.6%
October	Christmas Cards	37.8%
November	Angels	20.4%

* these are not considered fundraising mailings, but information offered to donors, some of whom make an unsolicited contribution.

The fundraising method, "direct mail", is carried out in accordance with the policies of the Fundraising Regulator, the Direct Marketing Association of the UK and with the standards of the Institute of Fundraising. The Society is a member of the two latter bodies and attends regular briefings and up-datings on legal issues and "best practice".

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

In addition, the Trustees always meet with the fundraising manager employed by the Society in the UK to discuss strategy and to supervise the content of the mailings. All written communications are reviewed by the Chair of Trustees before mailing. No third parties are used to devise mailings, send them or reply to them.

The employees of the UK Society carry out the tasks of receiving and processing donations. This involves sorting of mail into various categories, opening mail, recording donation amount on reply card, running cheques through scanner, preparing deposit slips, taking donations to the bank; data entry where details of the donation are uploaded to the database and other donor information recorded. Each donor receives an acknowledgement letter which is generated automatically, but which is sometimes modified manually to deal with a particular question or request. In addition, details of returned mail (bad address, refused, gone away etc.) are also logged on the database. In 2019 some 54,000 (in 2018 51,900) pieces of mail were received as a result of direct mailing and processed using 4 employees.

The Society maintains the highest level of data protection and has registered its server operations with the UK Information Commissioner. No personal data is sold or exchanged with other organisations.

In addition, all those who are contacted by the Society can opt out of any further communications and their names will be removed immediately from the active list. Another check is run against the national Mail Preference Service of those who do not wish to receive mail from fundraising organisations.

Fulfilling donor requests and maintaining contact: when donors reply to an appeal, they often ask for religious items, for which they enclose a donation, or for a Mass to be offered for their special intention, or for prayers or even for help with religious difficulties. All staff have been alerted to the situation of vulnerable donors who may feel pressured and have been instructed to treat these donors with special sensitivity.

These personal requests are often dealt with on an individual basis and represent a large part of the pastoral outreach of the Charity which is not strictly part of fundraising, but which has a cost. In addition, the Society produces a newsletter (*Between Friends*) twice a year to keep donors updated about the way in which their donations are used.

Campaigning and fundraising are integral parts of charitable activity, and that activity is educational and faith building even if no donation is given. By the same token, money spent on education and faith building cannot be given a monetary value under the present reporting regime.

All this work of receiving, processing and replying was performed by a total permanent staff of 5 people for a wage bill of £173,444 (in 2018 £ 169,000). This slight increase in staff costs reflects the expense of increased pension contributions and staff training and recruitment.

It is worth noting that of the 16,000 donors who contribute every year, around 3,400 started giving in 2002, the first year of fundraising, and continue to do so today. In 2019 each donor on average contributed £14.43 (in 2018 £16.78) per gift, and the individual donor value was £58.73 (in 2018 £54.00). In effect part of the cost of fundraising is also an investment for future giving.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

In 2019 donations were up on prior year at £953,355 (in 2018 £830,236). Legacy income fell to £28,717 (in 2018 £70,007). The increase in donations is attributable to the two extra appeals compared to 2018.

The total cost of fundraising in 2019 rose to £865,991 from £674,188 in 2018. The largest share of the cost was the amount spent on producing and sending materials to donors. Production costs were affected adversely by having to pay VAT on home produced materials and the cost of sending the materials by increased postal charges.

The Trustees have noted and acted on the following advice:

There is no set level for fundraising costs, either in law or in good practice. This is because there are many factors that affect the levels of costs that can be incurred, including the method of fundraising, the popularity of the cause and the size and profile of the charity. Charities should secure the best terms for fundraising activities they can for the charity and be open and transparent about these costs.

(Charity Commission of England and Wales, *Charities and Fundraising* (2011), p. 5)

Charitable expenditure comprises those costs incurred by the charity in furtherance of the charity's objectives and represents the cost of goods and services and other costs that have been incurred in charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirement of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Overall, the Society's performance in 2019 was as follows:

	2019	2018	2017	2016
Incoming resources	£1,031,525	£941,420	£1,142,631	£1,253,658
Total expended	£1,009,221	£837,650	£1,010,673	£1,222,948
Net	£22,304	£103,770	£131,958	£30,710

Summary of the Results of Fundraising Activities

We believe that the items and information sent out by the Society are part of the benefits the Charity offers and are distributed free of charge. We encourage people to participate in our worldwide missionary programme by means of their donations and prayers. In 2019 the Society continued its tradition of organising a pilgrimage and Mass for its supporters in Aylesford Priory, Kent. The Trustees believe that there is a real benefit to its supporters who attend this event in terms of their education about the Carmelite Order and its missions and in terms of the strengthening of their faith and sense of solidarity with the poor and marginalised.

Programme Allocations

Although the reporting requirements under which the charity operates do not allow joint cost allocations, whereby some fundraising costs can be attributed to programmes with a pastoral benefit, it is revealing to look at the Society's costs in the light of a hypothetical allocation.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

In the first place, the Society sends information of an educational nature to all its donors and potential donors. This not only helps them to make an informed decision about whether to support the Society or not but is of benefit in a more general sense since it contributes to their general knowledge of Carmelite missions around the world. This second sense of overall education is important, since even those who do not respond to an appeal, do read the material that is sent to them and are influenced by it. The proof of this is that in many cases legacies have been received by the Society from individuals who have made few or even no contributions during their life. Presumably such people felt unable to make a donation while they were alive, yet they make generous, often lavish provision for the Society in their wills.

Money spent on keeping people informed is a form of investment which may or may not pay off in financial terms, but certainly is part of the educational outreach of the Society. In the USA, it has been suggested by professional organisations that around 20% of the cost of fundraising could be allocated to this educational purpose.

Secondly, it has been accepted by the Charity Commission that there is a pastoral or spiritual benefit deriving from material sent by organisations such as the Society of the Little Flower. In general terms, the letters sent out help people to be aware and understand better the role faith plays in their lives. Specifically, the mailings speak of the value of prayer, good works, social solidarity and a sense of Christian identity. In the case of the Society, these values are embedded and embodied in the life of St Thérèse of Lisieux whose devotion it is the aim of the Society to promote.

The impact of both the direct mail and the pilgrimage is to create a sense of identity among the Society's supporters and to give a feeling of purpose to their participation in the Society's works, which goes beyond a purely monetary connection with them. The Society is open to all people irrespective of colour, race or creed and its benefits are freely available without making any contribution or donation.

While it is almost impossible to quantify, following studies by US organisations, in the UK the promotion of faith, prayer and social values might account for another 15% of the cost of production and mailings.

To summarise, around 30% of the cost of the operation might be attributed to direct fundraising, another 20% on educational programmes and finally around 15% on faith-related, inspirational programmes.

Public benefit

The Trustees have consulted the guidance made available by the Charity Commission for England and Wales on the Public Benefit requirement of the Charities Act 2006. The Trustees are confident that they have complied with their duty under section 4 of the Charities Act 2006 in that they have had due regard to public benefit guidance published by the Commission. In furtherance of the trust's charitable purposes for the public benefit the trustees give details of their activities in this report.

Monies Disbursed 2019

The principal source of the donation made by the Society of the Little Flower to the Curia each year continues to be money given by supporters of the Society in Great Britain and Ireland. The donation to the Curia amounted to €105,000, representing a slight increase of €5,000 over 2018.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

The recipients of the Society's donation were agreed in advance by the Trustees and copies of reports from the various projects sent to both the General Bursar of the Order in Rome and to the offices of the Society in England.

Summary of Projects Supported in 2019

<i>Beneficiary</i>	<i>Amount in €</i>
1. Students in Rome	21,408
2. Kenya Formation	48,441
3. East Timor Formation	10,000
4. Mozambique Formation	24,931
5. Venezuela Formation	17,500
6. Latin Delegation India	7,500
TOTAL IN EURO	129,780

The amount disbursed by the Curia exceeded the amount received from the Society by €24,091 and was due to some of the monies held at the end of 2018 being spent in 2019.

1. Support for Carmelite Students from Developing Countries

During the past year, the Society of the Little Flower funded twelve postgraduate students in Rome. The students come from several Carmelite provinces in the developing world: Kenya, East Timor, Vietnam, the Philippines, Indonesia, India, and Mozambique.

The postgraduate students are studying a wide range of subjects to license and doctorate level: Dogmatic Theology, Canon Law, Philosophy, Psychology, Spirituality, Human Formation and Church History.

The Curia supports this number of students because it believes very strongly that giving a good education to friars from these areas is the best investment for the future. Well-trained Carmelites can work within the Order on internal formation and educational programmes without having to draw on outside and often expensive expertise. Secondly, the men who obtain advanced degrees can work themselves in universities, colleges and seminaries providing a good source of external income for their communities.

2. Kenya Formation

The Society gave € 48,441 in 2019 for formation expenses. The costs of formation are a major part of the budget for the Delegation and the Society has supported them for many years. As of 2019, the Kenyan Carmelites numbered six priests, of whom one is in Rome and another in Barcelona, both studying. Three friars have finished their initial theological studies and one more still has another year before he finishes. There is one brother who is about to finish his three-year philosophy programme and will go to the noviciate in Zimbabwe in 2020. Two more postulants have begun their philosophical studies and finally five men have almost terminated the introductory course in the religious life and will begin philosophy in 2020. The Carmelites in Kenya have made steady progress over the years and now number 18 friars.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

3. East Timor

The Society had agreed many years ago to contribute directly to the mission of the Australian province in East Timor to the tune of €25,000 per annum. Recently, this has been reduced to €10,000 p.a. due to the shrinking overall grant from the Society to the Curia.

This mission is located in one of the poorest countries in the world and the one million inhabitants are almost all Catholic. The Australian province has a large complex for training priests and brothers near Dili the capital, as well as a parish in Zumalai.

The Prior Provincial of Australia and Timor Est has provided the following information:

9 Priests (1 Australian)

- 4 – formation ministry, seminary/religious lecturing, retreats, chaplaincy (university)
- 2 – parish ministry (Zumalai)
- 1 – preparing for sabbatical in Portugal when travel possible
- 1 – parish supplies, religious community chaplaincy
- 1 - national police chaplain

Another priest is currently pursuing doctoral studies in Rome, in preparation for seminary teaching

1 Solemnly Professed Brother – Principal of schools (3) in Zumalai parish, Director of Boarding House associated with school in Zumalai.

Another solemnly professed Brother has completed a Masters in Educational Administration in Portugal, awaiting return to work in schools in Timor-Leste when travel restrictions allow.

Community Development Ministry is co-ordinated by an Australian woman, based in Australia, qualified expert in community development work, lived for many years in Timor Leste, speaks local language fluently. The program has 3 foci:

- Education - Support of schools in Zumalai parish (maintenance, subsidy for volunteer teachers, provision of teaching resources, teacher training – specifically in regard to safeguarding of children in accordance with province policy);
 - Support of Boarding House in Zumalai parish (24 students in 2019);
 - Support of secondary and tertiary students with scholarships (24 in 2019 -15 tertiary, 5 of whom graduated in 2019; 9 – secondary). A number of these students were further supported by being accommodated in one of our two formation houses in Dili.
- Youth Engagement - Funding support (\$US3,000) for Sport and Culture event in Zumalai parish (12 volleyball teams and 4 teams of students who competed in a trivia quiz).

4. Mozambique

In 2019 the Society donated almost €25,000 to the Carmelite project in Mozambique. There are 21 members of the Carmelite mission there under the guidance of the Brazilian province of Pernambuco. All are natives of Mozambique, with the exception of the Provincial Delegate (superior) who is from Brazil. Four members from Mozambique are priests, two of whom are studying abroad. There are five friars in simple vows who are studying theology in

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

the Interdiocesan seminary in Maputo or philosophy in a Catholic Institute for laypeople in the same city. The three novices of the mission are in Kristi Mambo in Zimbabwe, hosted by the Carmelites of the Irish Province. Finally, there are eight men who are exploring their vocation and learning the fundamentals of the religious life. The costs of formation are heavy and represent one of the principal ways that the Society contributes to this mission. There are in fact some 50 young men who have shown an interest in the Carmelites, but at present it is only possible to take five in the next year.

The second main donation from the Society in 2019 was for the completion of a second religious house, Stella Maris. This is not far from the original foundation of São José, which serves as a parish for the local church.

5. Venezuela Formation Programme (Provinces of Catalonia and Betica)

Both the Catalan and Betican provinces of Spain have missions in Venezuela and there are slight differences in the training programmes. There are postulants in their first year of religious life, novices who are discerning whether to make an initial commitment to the Order and students who are engaged in philosophical and theological studies.

In summary:

	POSTULANTS	NOVICES	STUDENTS
BETICA PROVINCE	8 in Venezuela	2 in Brazil	4 in Spain
CATALAN PROVINCE	4 in Venezuela	2 in Spain	4 in Spain or Venezuela
TOTAL	12	4	8

The prospects for the Carmelites in Venezuela are gradually improving, despite an unstable political and economic situation in the country at large.

6. General Commissariat of Latin Rite Indian Carmelites

This unit came into existence in 2006 with the transfer of 20 Discalced Carmelite friars to the other branch of the Order, known as the Ancient Observance. In September 2019, the Delegation became a General Commissariats with a major superior. There are now six communities in the Delegation, five in India and one in Vreden, in the north west of Germany near the Dutch border. The principal house of the Delegation in Paravur is also the location of a Carmelite run High School. The other houses are spiritual centres for retreats and other spiritual exercises. In addition, members of the Delegation also staff a house and church of the Irish province in Kildare, about 50km west of Dublin. Inevitably, the cost of training weighs heavily and the Society supports some of these costs in India and elsewhere.

In 2019 there were two ordinations to the priesthood and three simple professions at the conclusion of the noviciate. There are 6 friars studying undergraduate theology and 7 studying for their BA in Philosophy. In addition, 4 men are discerning their vocation in the noviciate and 8 beginning to study the principles of the religious life as postulants. The Commissariate also runs a programme for young men who have not finished their high school education which lasts between 2 to 3 years. There are 28 students at this level. The prospects for these Carmelites in India are very good indeed.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

Trustees' responsibilities with regard to the accounts

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming 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 the Charities SORP;
- make judgments 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 operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk Assessment

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operations, finances of the Trust, as well as those relating to the external economic environment and the regulatory framework in which the Trust operates. The Trustees review these risks on a regular basis and are satisfied that systems are in place to mitigate exposure to major risks from within the Society. On the other hand, the Trustees recognize that the external risks the Society faces are important, but difficult to manage. One set of risks to the ability of the Society to meet the needs of its beneficiaries is the changed public perception of fundraising in the UK and beyond. So far there has been no adverse reaction to the Society, but the Trustees are monitoring this carefully. Paradoxically, the greater risk to the Society is the possible changed regulatory environment which will both add considerable expenses and limit the scope of communication with potential donors.

**The Society of the Little Flower
(Limited by Guarantee)
Trustees' Report 31 December 2019**

Investment and Reserve Policy

Earnings from the Society's investments were up in 2019 at £46,339 (2018 £39,096) reflecting the good performance of the UK economy.

In 2004 the Trustees of the former Trust established the Development Fund, with the intention that income would be used to provide the Society with long term funding. The overall aim is to have a fund of sufficient size, currently set at £2 million, that will contribute to the income stream of the charity in the form of interest and dividends and thereby reduce the charity's dependence on direct donations as the sole source of its incoming resources. The value of this fund increased from £1,409,623 in 2018 to £1,598,083 in 2019 due to a very good performance of the UK stock market in 2019.

At the end of 2019, the Society had a cash reserve of £200,000 which represents 25% of the annual running costs of the charity. During 2019, £150,000 of the cash reserve at the beginning of the year was moved into better yielding investments. This shift was anticipated in the Trustee Report for 2018.

Going concern

During the early part of 2020, the coronavirus outbreak in the UK affected the operation of the Society with the office being closed for some eight weeks. The effect on income is very difficult to predict although it is worth noting that internet donations were being received at a higher level than in the past. This uncertainty on income does not, in the Trustees opinion, affect the Society's future activities as expenses and the grant to the Curia are to a large extent contingent on the availability of funds and in any event there are sufficient reserves to continue operations.

Objectives accomplished in 2019

- a. Move internet site to a new platform within the EU.
- b. Move server with database to a site local to the UK office.
- c. Update and collate trustees' interests into a register.
- d. Continue with data protection and privacy training.
- e. Implement processes for development of materials in UK.

Objectives set for 2020

- a. Recruit trustees to replace resigning members.
- b. Transition newly elected Prior General to trusteeship.
- c. Continue Data Protection training.
- d. Appoint a EU Data Representative to comply with EU regulations.
- e. Develop and expand social media platforms as a way of diversifying income streams.
- f. Optimize VAT burden on the Society.

Signed on behalf of the trustees on 26 May 2020

Kevin Alban
Trustee

The Society of the Little Flower

Auditors' Report

Report of the Independent Auditors to the trustees of The Society of the Little Flower

We have audited the financial statements of The Society of the Little Flower for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)..

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its income and expenditure 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.

Basis for opinion

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than with the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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
- sufficient accounting records have not been kept; 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.

The Society of the Little Flower

Auditors' Report

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

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

Borucki & Co
Chartered Accountants and Statutory Auditors
42 Radnor Road
Harrow
Middlesex HA1 1RZ

26 May 2020

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

The Society of the Little Flower
Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 December 2019

	Notes	General fund £	Development fund £	Restricted fund	Total 2019 £	Total 2018 £	General fund £	Development fund £	Restricted fund
Income									
Voluntary income									
Donations		951,656	-	1,699	953,355	830,236	809,801	-	20,435
Legacies		28,717	-		28,717	70,007	70,007	-	
Investment income									
Dividends		-	46,339		46,339	39,096	-	39,096	
Interest		-	-		-	1	1	-	
Other income		3,114			3,114	2,080	2,080		
Total income		983,487	46,339	1,699	1,031,525	941,420	881,889	39,096	20,435
Expenditure									
Raising funds									
Fundraising expenditure	4	865,991	-		865,991	684,796	684,796	-	
Charitable activities									
Donations		115,792	4,871	10,239	130,902	134,717	118,968	5,000	10,749
Governance costs	6	12,328	-		12,328	19,037	19,037	-	
Total expenditure		994,111	4,871	10,239	1,009,221	838,550	822,801	5,000	10,749
Total income less expenditure		(10,624)	41,468	(8,540)	22,304	102,870	59,088	34,096	9,686
Net gains (losses) on investment	8	-	146,992	-	146,992	(118,189)	-	(118,189)	-
Net income (expenditure) before transfers		(10,624)	188,460	(8,540)	169,296	(15,319)	59,088	(84,093)	9,686
Transfers between funds									
		-	-	-	-	-	-	-	-
		(10,624)	188,460	(8,540)	169,296	(15,319)	59,088	(84,093)	9,686
Net movement in funds		(10,624)	188,460	(8,540)	169,296	(15,319)	59,088	(84,093)	9,686
Balances brought forward 1 January		459,716	1,409,623	9,686	1,879,025	1,894,344	400,628	1,493,716	-
Balances carried forward 31 December		449,092	1,598,083	1,146	2,048,321	1,879,025	459,716	1,409,623	9,686

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 Society of the Little Flower
Balance Sheet as at 31 December 2019
Company Registration number 6453716

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	7		18,860		33,152
Investments	8		<u>1,558,639</u>		<u>1,365,309</u>
			1,577,499		1,398,461
Current assets					
Debtors	9	111,808		106,818	
Cash at bank and in hand		<u>430,224</u>		<u>455,872</u>	
		542,032		562,690	
Creditors: amounts falling due within one year	10	<u>(71,210)</u>		<u>(82,126)</u>	
Net current liabilities			470,822		480,564
Total assets less current liabilities			<u>2,048,321</u>		<u>1,879,025</u>
Total net assets			<u><u>2,048,321</u></u>		<u><u>1,879,025</u></u>
Represented by:					
Funds and reserves					
Unrestricted funds					
General funds			449,092		459,716
Designated funds	11		<u>1,598,083</u>		<u>1,409,623</u>
			2,047,175		1,869,339
Restricted funds	12		<u>1,146</u>		<u>9,686</u>
			<u>2,048,321</u>		<u>1,879,025</u>

-

Kevin Alban O.Carm.
Trustee

Approved by the trustees on 26 May 2020

The Society of the Little Flower
Statement of cash flows
for the year ended 31 December 2019

	Note	2019 £	2018 £
Cash used in operating activities	A	<u>(25,649)</u>	<u>7,609</u>
Cash flows from investing activities			
Investment income		46,339	39,097
Purchase of fixed assets		-	(3,600)
Purchases of investments		<u>(194,440)</u>	<u>(37,226)</u>
Cash provided (used) in investing activities		<u>(148,101)</u>	<u>(1,729)</u>
Decrease in cash and cash equivalents in year		<u>(173,750)</u>	<u>5,880</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		(25,648)	4,009
(Decrease) increase in cash held in Building Society		<u>(148,102)</u>	<u>1,871</u>
		<u>(173,750)</u>	<u>5,880</u>

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

	2019 £	2018 £
Net movement in funds	169,296	(15,319)
Deduct investment income	(46,339)	(39,097)
Add depreciation and amortization	14,292	14,292
Add/(deduct) net movement on investments.	(146,992)	118,189
Increase (decrease) in creditors	(10,916)	(79,776)
(Increase) decrease in debtors	<u>(4,990)</u>	<u>9,320</u>
	<u>(25,649)</u>	<u>7,609</u>

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2019

1 Accounting policies

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.

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.

Tangible fixed assets

Leasehold improvements are amortized in equal instalments over the residual term of the lease.

All other 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% 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.

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 Charity 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.

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.

The restricted funds are monies received for specific purposes.

Taxation

The charity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

2 Net movement in funds

This is stated after charging

	General fund	Development fund	2019	2018	General fund	Development fund
	£	£	£	£		
Staff costs (note 3)	173,444	-	173,444	169,007	149,457	-
Auditors remuneration	5,500	-	5,500	5,350	5,350	-
Accounting and other	2,854	-	2,854	2,195	2,195	-
Depreciation of owned assets	14,292	-	14,292	14,292	14,292	-

3 Staff costs

	General fund	Development fund	2019	2018	General fund	Development fund
	£	£	£	£		
Wages and salaries	150,820	-	150,820	149,457	149,457	-
Social security costs	11,851	-	11,851	10,740	10,740	-
Pension cost	5,244	-	5,244	3,849	3,849	-
Staff health plan	3,350	-	3,350	3,612	3,612	-
Staff training and recruitment	2,179	-	2,179	1,349	1,349	-
	173,444	-	173,444	169,007	169,007	-

The average number of employees, analysed by function was:

Fundraising and administrative	4	4
--------------------------------	---	---

No employee received more than £60,000 in the year or in the previous year.

No trustee received any remuneration in the year or in the previous year.

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2019

	General Fund	Development Fund	2019 £	2018 £	General Fund	Development Fund
4 Cost of generating funds						
Fundraising						
Mailing production and distribution (note 5)	369,865	-	369,865	190,616	190,616	-
Donor lists and database	10,165	-	10,165	9,943	9,943	-
Fulfilment materials	16,279	-	16,279	12,138	12,138	-
Premises	87,231	-	87,231	56,052	56,052	-
Employees	173,444	-	173,444	169,007	169,007	-
Administrative support	-	-	-	54,812	54,812	-
Promotional events and advertising	19,546	-	19,546	12,807	12,807	-
Website costs	10,656	-	10,656	9,194	9,194	-
Office expenses	173,277	-	173,277	170,227	170,227	-
	<u>865,991</u>	<u>-</u>	<u>865,991</u>	<u>684,796</u>	<u>684,796</u>	<u>-</u>

5 Mailing production and distribution

Acquisition	-	-
House	<u>369,865</u>	<u>190,616</u>
	<u>369,865</u>	<u>190,616</u>

The trustees are unable to quantify the value of pastoral outreach contained within the above costs. However both the acquisition and house mailings are intended to offer their readers not only information about the Charity's activities but also moral guidance and spiritual support.

	General Fund	Development Fund	2019 £	2018 £	General Fund	Development Fund
6 Governance costs						
Auditors remuneration	5,500	-	5,500	5,350	5,350	-
Accountancy fees	2,854	-	2,854	2,195	2,195	-
Trustees travel and subsistence	3,974	-	3,974	11,492	11,492	-
	<u>12,328</u>	<u>-</u>	<u>12,328</u>	<u>19,037</u>	<u>19,037</u>	<u>-</u>

Trustees travel and subsistence comprises the travel, accommodation and subsistence costs of trustees who are members of the Carmelite Order. Expenses are incurred while attending trustees and management meetings and while on inspection visits to projects being funded.

7 Tangible fixed assets

	Leasehold improvement	Furniture and Equipment	Total
Cost			
At 1 January 2019	137,473	27,956	165,429
Additions	-	-	-
Disposals	-	(13,088)	(13,088)
At 31 December 2019	<u>137,473</u>	<u>14,868</u>	<u>152,341</u>
Depreciation			
At 1 January 2019	(110,591)	(21,686)	(132,277)
Charge for the year	(10,575)	(3,717)	(14,292)
On disposals	-	13,088	13,088
At 31 December 2019	<u>(121,166)</u>	<u>(12,315)</u>	<u>(133,481)</u>
Net book value			
At 31 December 2019	<u>16,307</u>	<u>2,553</u>	<u>18,860</u>
At 31 December 2018	<u>26,882</u>	<u>6,270</u>	<u>33,152</u>

8 Investments

	2019 £	2018 £
Listed Investments		
Market value at 1 January 2019	1,016,586	1,097,549
Additions at cost	194,440	37,226
Gain (loss) in year	<u>146,992</u>	<u>(118,189)</u>
Market value at 31 December 2019	<u>1,358,018</u>	<u>1,016,586</u>
On deposit with building society	<u>200,621</u>	<u>348,723</u>
	<u>1,558,639</u>	<u>1,365,309</u>
Cost of listed investments at 31 December 2019	<u>990,899</u>	<u>806,460</u>

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2019

9 Debtors	2019	2018
	£	£
Prepayments	41,189	38,912
Sundry debtors	10,000	1,417
Prepaid materials	54,637	44,589
Income tax recoverable on donations	5,982	21,900
	<u>111,808</u>	<u>106,818</u>

10 Creditors: amounts falling due within one year	2019	2018
	£	£
Other taxes and social security	10,385	6,669
Expense creditors	56,667	74,022
Other creditors	4,158	1,435
	<u>71,210</u>	<u>82,126</u>

11 Designated funds	At 1 January 2019	Incoming resources	Utilised/ realised	At 31 December 2019
Development fund	1,409,623	193,331	(4,871)	1,598,083

The development fund consists of funds set aside to allow for the long term funding of projects.

12 Restricted funds	At 1 January 2019	Incoming resources	Utilised/ realised	At 31 December 2019
Kerala fund	9,686	1,699	(10,239)	1,146

The Kerala fund consists of funds given by donors specifically for assistance in Kerala.

13 Analysis of net assets between funds	General fund	Designated funds	Restricted funds	2019
	£			£
Tangible fixed assets	18,860	1,558,639	-	1,577,499
Current assets	501,442	39,444	1,146	542,032
Creditors: amounts falling due within one year	(71,210)	-	-	(71,210)
	<u>449,092</u>	<u>1,598,083</u>	<u>1,146</u>	<u>2,048,321</u>