

The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2015

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	4
Independent auditor's report	21

Accounts

Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Principal accounting policies	26
Notes to the accounts	31

Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Germana Santos fsp (<i>Chair</i>) Sister Mary Connell fsp (<i>Secretary</i>) Sister Angela Grant fsp Sister Rosetta (Gregoria) Mignolli fsp (<i>Bursar</i>)
Council	Sister Germana Santos Sister Maria Healy fsp Sister Mary Ann Savilla fsp Sister Josette Spiteri fsp
Principal office	Middle Green Slough SL3 6BS
Telephone	01753 577629
Facsimile	01753 511809
Website	www.pauline-uk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough SL1 4SG
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ J McSparran & McCormick 19 Waterloo Street Glasgow G2 6AH

Reference and administrative details of the charity, its trustees and advisers

Property consultants Gerald Eve LLP
72 Welbeck Street
London
W1G 0AY

and at 140 West George Street
Glasgow
G2 2HG

Insurance consultants Bluefin Insurance Services Limited
1st Floor
Gail House
Lower Stone Street
Maidstone
Kent
ME15 6NB

Reference and administrative details of the charity, its trustees and advisers

The Pious Society of the Daughters of St Paul trades under the name

Pauline Books & Media

Retail outlets are located at:

199 Kensington High Street, London W8 6BA

82 Bold Street, Liverpool L1 4HR

Clayton Street West, Newcastle-upon-Tyne NE1 5HH

5A-7 Royal Exchange Square, Glasgow G1 3AH

The following operations are located at Middle Green, Slough SL3 6BS:

Production/editorial

Graphic design

Website

Wholesale



Pauline Books & Media

Daughters of St Paul communicating the Gospel in the spirit of St Paul



Kensington High Street, London



Clayton Street West, Newcastle upon Tyne



Bold Street, Liverpool



Royal Exchange Square, Glasgow

The Trustees present their statutory report together with the accounts of The Pious Society of the Daughters of St Paul (the "charity") for the year ended 31 December 2015. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 30 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Introduction

The Daughters of St Paul (the "Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. On 1 January 2015, the Daughters of St Paul numbered 2,310 sisters throughout 51 countries and comprised 234 communities. The Congregation forms part of a worldwide group of Congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory approved by the Holy See on 25 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name Daughters of St Paul expresses a fundamental relationship with St Paul, the Apostle. The main objective of the Congregation is the perfection of charity (to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life) and to communicate the Good News of Jesus Christ to the world with the most modern means of social communication. The sisters evangelise the various human cultures, by communicating all that promotes the whole person and generates the Gospel values in all people.

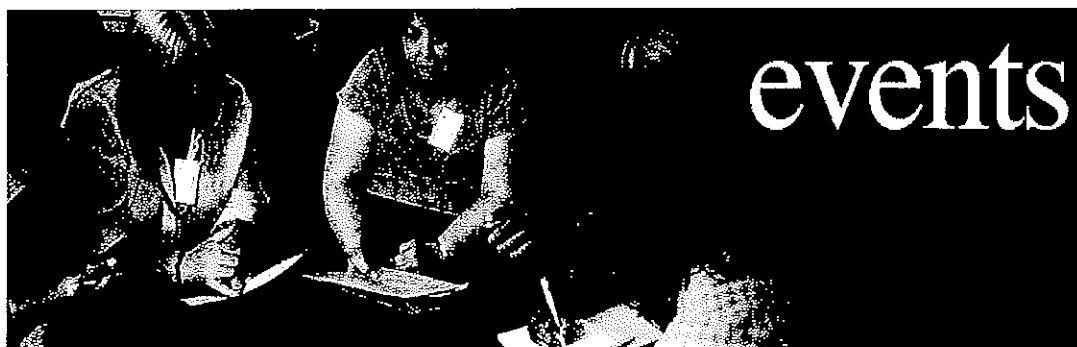
Pauline Books & Media ensures that they are acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance. Chapels in Pauline Books & Media Centres are open to the public for masses and for people to enter and benefit from personal prayer. In view of public benefit and a culture of education, Pauline Books & Media also send products to their communities in poorer countries for distribution in schools and parishes.



Objectives, activities and relevant policies

Outreach

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, email and developments in technology they avail of these new means and appreciate the interest and feedback they receive from the public. Throughout the year, the sisters continued to meet with Diocesan Religious Education advisers and teachers at Education meetings.



General Government and British Delegation

During the year, the trustees reflected on governance issues including the "Relationship with Generalates" overseas. In view of expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a small percentage (2%) of turnover to cover part of such costs.

Centenary of Foundation

15 June 2015 marked the Centenary of the Foundation of the Daughters of St Paul by Blessed James Alberione in Alba, Italy. On 5 October 2014, Pope Francis referred to our Founder as "that great apostle of communication". On the apostolic level, Father Alberione promoted the printing of popular editions of the Bible to help the message of Christ reach "every home, every family and those even further away".

Centenary events in Great Britain

To commemorate our Centenary, special celebrations were held in the cities where our sisters live and carry out their mission. It was also a very special event for our co-workers, friends and customers.

During the year, the Centenary Bible Project was launched. It was presented at masses in the parishes where we carry out our mission of evangelisation: Slough (Holy Family and Holy Redeemer), London (Our Lady of Victories Church), Liverpool (Christ the King Cathedral), Glasgow (St Andrew's Cathedral), Newcastle, and at other venues such as Swanwick and the Niland Centre, London.

Objectives, activities and relevant policies (continued)

Centenary events in Great Britain (continued)

Arrangements were made for the sponsorship of Bibles which were donated to families, school children, prisoners and hospitals. The much appreciated painting of the Good Samaritan by Sister Mary Lou Winters, Daughter of St Paul, was on display at various venues throughout the year.



Pauline Centenary Laity Conference – Langley

An important event took place at Langley over the 2015 Early May Bank Holiday weekend. The Daughters of St Paul in Great Britain invited all co-workers and collaborators from London, Liverpool, Newcastle, Glasgow and Langley to participate in the Pauline Centenary Laity Conference. A special Sung Mass was held at Our Lady of Victories Parish Church, Kensington, London. At the end of Mass, Monsignor Curry, Parish Priest, read a letter of gratitude and appreciation from Cardinal Vincent Nichols of Westminster, addressed to the Daughters of St Paul. He thanked us for our presence, witness and mission and wrote: "not only in the diocese but also to the Church throughout England and Wales. The whole Christian community in this country has reason to be grateful to you".

On 26 April 2015, Vocation Sunday, the Langley community joined Father Noel Connolly SPS (St Patrick's Missionary Society) and parishioners at Holy Redeemer Church, Slough, for the celebration of our Centenary year and the presentation of the Bible project. Donations were received and bibles were donated to Wexham Hospital.

Centenary Mass – Liverpool

On 20 September 2015, Archbishop Malcolm McMahon OP celebrated Mass at the Metropolitan Cathedral of Christ the King, Liverpool, to commemorate the Centenary of Foundation of the Daughters of St Paul and the 60th Anniversary of our Foundation in Great Britain.

A large gathering of clergy, friends, parishioners and members of staff were also present at the special Mass. Many of them expressed their sincere appreciation for the presence, ministry and witness of our sisters who throughout the years, since 1959 when they first arrived in the Archdiocese, dedicated their lives to the specific mission of evangelisation through the media of social communication.

Objectives, activities and relevant policies (continued)

Centenary Mass – Liverpool (continued)

Following the Mass, all were invited to the *Gibberd Room* for afternoon tea where many memories were shared, including the welcome received by Archbishop John Heenan on 5 July 1959 when the first Branch House of the Daughters of St Paul was established in Widnes. Canon Hayes, the local parish priest at the time, was fondly remembered.

Newcastle

On 3 October 2015, Sister Germana Santos, Sister Angela Grant, the laity from Newcastle Pauline Books & Media Centre and representatives from the Delegation attended a special Mass at St Mary's Cathedral which was followed by the Centenary Bible Project.

Glasgow

On Tuesday 30 June 2015, we celebrated our Centenary in Glasgow. To mark the unique event a thanksgiving Mass was celebrated at 7pm in St Andrew's Metropolitan Cathedral by Archbishop Philip Tartaglia of Glasgow. Clergy from Glasgow, Edinburgh, Motherwell and Paisley gathered for the celebration. Five candles were carried in during the entrance procession to represent the continents the sisters work in. The homily was brilliantly delivered by Father Eamon Mulcahy to a most welcoming audience. Father Mulcahy spoke about Blessed Father James Alberione: his vision and dream that Gospel would reach all peoples through the media of social communication.

Celebrations: Jubilarians

Easter 2015, was a time of prayer, praise and thanksgiving for all the sisters in our Delegation. Together with Sister Gregoria Mignolli who celebrated her Diamond Jubilee, sisters Amelita Ventic and Giovanna Galaverna celebrated their Golden Jubilees. We shared their joy and gratitude for the great gift of grace and blessings received throughout the years.

Professional formation

The training of members of our Congregation is ongoing and clearly directed to the Congregation's specific vocation and apostolic projects.

Regular meetings of members and special seminars are organised by the General Government of the Daughters of St Paul. Such meetings are held on an international level for the purposes of apostolic and financial information, training of sisters, mutual consultation and joint decision making on matters of shared interest and concern. At such meetings the sisters also study the directives of the Magisterium of the Church concerning Catholic activities in the field of Mass Media of Communication.

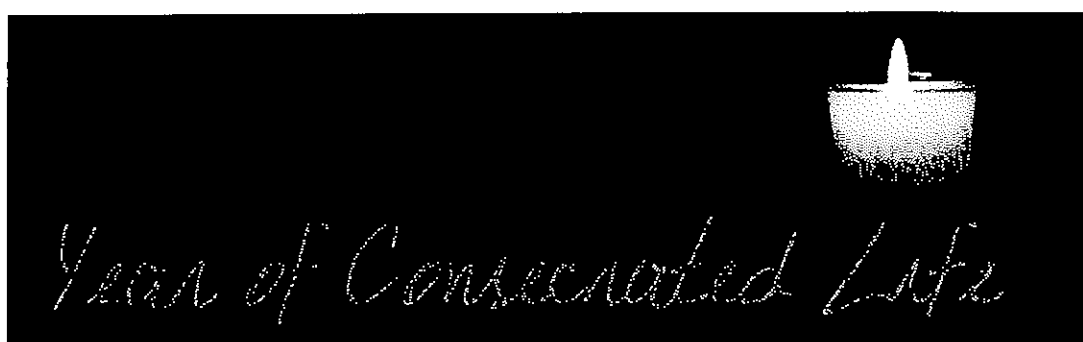
Objectives, activities and relevant policies (continued)

Spiritual formation of members of the British Delegation

In June, Sister Amelita Ventic and Sister Lalaine Fedalina joined the "Charism Tour" in Rome organised by the General Government of the Daughters of St Paul. Three other members of the Delegation also went to Rome for their spiritual exercises.

Year of Consecrated Life

On 21 November 2014 Pope Francis announced that 2015 would be a year dedicated to the promotion of Consecrated Life, asking the Church's religious sisters, brothers and priests to "wake up the world" with their testimony of faith, holiness and hope. Sister Mary Lou Winters, Daughter of St Paul, painted the special banner which was displayed in Churches and which hints at the joy of the Gospel, the light that consecrated religious hold out to the world. The banner was made available to religious throughout Great Britain.



On 25 April 2015, a day for consecrated people was organised by the Religious Life Institute. Sister Gemma Simmond CJ led the talks at the Archdiocese of Liverpool Vicariate for Religious. The Daughters of St Paul supplied resources. Products from Pauline Books & Media, Newcastle, were also provided at the gathering in Newcastle for consecrated people on the theme *In the Simplicity of My Heart, I Have Joyfully Offered All These Things to You*.

The Family

The annual mass in celebration of marriage and family took place on Sunday 8 February in Churches throughout Great Britain. Pauline Books & Media provided special resources on "Marriage and the Family".



Objectives, activities and relevant policies (continued)

Apostolic activities

Slough

The community at Middle Green, Langley, is an apostolic international one made up of six different nationalities. The sisters take active participation in the Parish life of Holy Family Church, Langley, and in the other nearby Parishes. The Chapel of the Daughters of St Paul at Middle Green is also open to members and groups of other denominations who like to gather there with their pastors for prayer and reflection and to be spiritually refreshed.

The editorial, graphic/design, production departments are based at Langley, from where the website is maintained and updated and market research is carried out. The sisters also operate a warehouse at Middle Green and distribute their products to retailers and customers worldwide.

Langley

The Annual Conference of the Association of Provincial Bursars took place from 5 to 8 October 2015 at High Leigh conference, Hertfordshire. A record number of delegates representing various religious congregations were present. Among the audience were Sister Gregoria Mignolli and Sister Mary Ann Salvilla. At the invitation of the organisers of the Conference, they set up a book stall carrying mostly Pauline Books & Media productions and other recent and relevant publications on Consecrated Life. All those present were welcomed to the Conference by Sister Carmel Bateson HFB.

The main speaker was Father Michael Cunningham SDB. Other expert and high-quality speakers addressed the assembly on a range of topics affecting charities: employment issues, health and wellbeing, and dementia. Miss Amanda Francis (Buzzacott) spoke on "Investing for Income, SORP and Impact Reporting", Sister Elizabeth Cotter, IBVM, Vicar for Religious with the Archdiocese of Dublin and Canon Lawyer spoke on "Religious Orders and Temporal Goods", On 7 October, Sister Germana Santos, Sister Maria Healy and Sister Angela Grant joined the Conference. During the stay at High Leigh, all present had time to share experiences, concerns and solutions.

Liverpool

Pauline Books & Media Centre is located in Bold Street, in the heart of the city. There is a Chapel in the Centre open to people for private prayer. The sisters continue to work in collaboration with all the parishes in the Archdiocese of Liverpool and the Shrewsbury Diocese. The Centre carries a comprehensive selection of books on theology, spirituality, liturgy and a selective display of DVDs, posters, calendars, icon materials and religious education material. The Centre offers a specific service to schools.

Objectives, activities and relevant policies (continued)

Apostolic activities (continued)

Newcastle upon Tyne

Pauline Books & Media is adjacent to St Mary's Cathedral in the heart of Newcastle City Centre. The Cathedral is the mother church of the Diocese of Hexham and Newcastle. In collaboration with the Diocese whose mission statement is "to encourage and support each other in our faith and to offer this faith to others", Pauline Books & Media continued throughout 2015 to reach out to priests, religious, teachers, tourists, youth and gatherings of all denominations.

Our work in the Diocese of Hexham and Newcastle operates in leased premises at St Mary's Cathedral in Newcastle upon Tyne. To assist the Diocese we agreed to hold over on the existing ten year lease with Sursum Corda Limited, a subsidiary of the Diocese of Hexham and Newcastle, until the Diocese has completed its review. The lease with the Diocese of Hexham and Newcastle was renewed effective from 1 July 2014 for a period of ten years with a 12 month rolling break clause.

It is intended to review the rent annually to maintain affordability. The Diocesan Bishop, Right Reverend Seamus Cunningham, appreciates the value of our ministry amongst the people of the Diocese of Hexham and Newcastle and wishes us to continue our ministry in his diocese.

Glasgow

"The Conference of Religious in Scotland continues to empower women and men religious and the whole Church to be prophetic witnesses in today's society, speaking out on the vital issues which influence the lives of the people of Scotland and beyond."

Pauline Books & Media, Royal Exchange Square, is committed in a special way to the mission and priorities of the Catholic Church in Scotland. The sisters work in close partnership with the dioceses, parishes, schools and the Scottish Catholic Education Service. Pauline Books & Media provides important resources to support youth work, education, Christian marriage, family life, priestly and religious vocations. The members of staff are also involved in children's story sessions such as the telling of the Christmas story. The sisters attended the Annual Headteachers' Conference at which 120 teachers were present and supplied our products which are much appreciated by teachers.

Cardinal Cormac Murphy O'Connor represented Pope Francis at ceremonies marking the 400th anniversary of the martyrdom of St John Ogilvie. Daughters of St Paul were present at the special mass in St Andrew's Cathedral, Glasgow on 10 March 2015, the Saint's feast day.

The trustees are in regular touch with their professional advisers regarding issues relevant to our property at Pauline Books & Media, Glasgow.

Objectives, activities and relevant policies (continued)

Insurance

On 29 September 2015 the trustees met with Mrs Debbie Bristow, Divisional Director of Bluefin Insurance Services Limited, to discuss and agree renewal of insurance for the period 2015/2016. Debbie presented the trustees with a copy of the Insurance Renewal Report for the Daughters of St Paul trading as Pauline Books & Media and gave a brief overview of current market conditions. Bluefin's fee for the forthcoming period was advised and confirmed by the trustees as being acceptable and they agreed to renew all insurance policies.

Healthcare

The Health and Safety policy was revisited during the year. Xact Consulting Limited produced a manual, a copy of which is available at each Pauline Book & Media Centre.

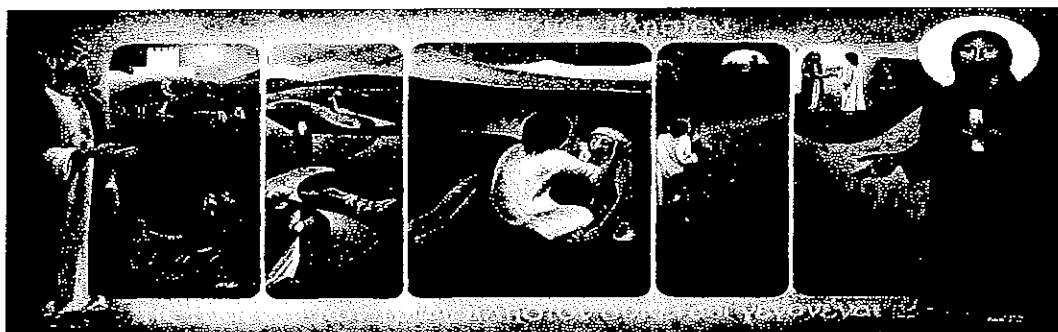
Safeguarding

The trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland.

Sister Angela Grant attended meetings organised by the Northampton Diocese in relation to Safeguarding. She keeps up to date with its guidelines and informs members of the communities of its importance and of our responsibilities as an employer. She also raised awareness of the main issues regarding attitudes and language.

Other achievements during 2015

- ♦ Pauline Books & Media online was launched at our Kensington Books & Media Centre, London, on 1 October 2015. The trustees are hopeful that the new online platform will help the charity to better compete online.
- ♦ A new computer system for Pauline Books & Media that provides a new stock management system, EPOS and ecommerce solution for the book trade was installed and implemented during the summer of 2015. Whilst there have been some initial teething problems with the implementation of the new system, the trustees are hopeful that once these issues are resolved, the system will provide a much more accurate and efficient means of tracking our stock.



Financial review

Results for the year

Total income for the year amounted to £1,208,026 (2014 - £1,247,584). Of the total income, £1,143,046 was derived from the charity's primary purpose trading activities (2014 - £1,190,756).

Total expenditure for the year amounted to £1,448,676 (2014 - £1,458,186). Of this total, £1,422,342 (2014 - £1,442,827) was directly related to the costs of the charity's primary purpose trading activities. Despite operating in an increasingly cost competitive market, the charity has managed to maintain gross profit margins at an average of 43% (2014 - 43%).

Net expenditure for the year was therefore £240,650 (2014 – £210,602).

Reserves policy

The Charity Commission requires trustees to include a statement in their annual report about the charity's reserves policy, the level of reserves held and the reason for this. The reserves policy is aimed at helping the Daughters of St Paul to properly manage resources. It also helps the trustees to develop financial plans and formally report on the same to the members of the Congregation and its General Government.

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. Given the nature of the charity's work, the trustees believe that the level of free reserves should be approximately equal to between four and six months' annual expenditure.

The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

The balance sheet shows total reserves of £4,480,564. Of this, £4,299,274 represents the net book value of the charity's tangible fixed assets used to support the work of the sisters. A further £100,000 represents designated monies set aside to support the sisters in their retirement.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £81,290 at 31 December 2015. Four months' expenditure is approximately £483,000 and hence there is currently a shortfall in the level of free reserves. The trustees are aware that presently our reserves are too low for our needs and that we need to take action to maintain the correct level of reserves.

Financial review (continued)

Financial position (continued)

Following the year end, the trustees are executing a plan to relocate the Centre in Glasgow, principally due to the financial benefit to be obtained from this transaction. A new property has been purchased for £500,000 and the existing Glasgow property is expected to be sold in August 2016 for a sum of £2,275,000 which will help the charity earn a significant surplus of approximately £1.8 million. This should help to ease pressure on the charity's free reserves, at least in the short to medium term. In addition, the trustees have been assured of financial support by the international congregation if and when needed.

The charity's assets

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

Plans for future periods

It is the intention of the trustees to continue to meet the following objectives:

- ♦ to ensure all members of the Delegation receive the high level of care they require and enable them to carry out their ministry;
- ♦ to produce resources to meet specific needs of families, schools, parishes and general public;
- ♦ to review the utilisation and requirements in respect to the charity's properties. In March 2016, the trustees acquired new premises within Glasgow at 36 St Enoch Square for gross consideration of £500,000. This purchase will be funded through the sale of the charity's existing property at 5A-7 Royal Exchange Square for gross consideration of £2,275,000. A contract has now been signed by the parties to the sale and the transaction is expected to be completed in August 2016;
- ♦ to ensure that Pauline Books & Media Centres are financially viable.

Principal risks and uncertainties

The trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring progress, by being informed also through reading relevant documentation from the Charity Commission they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

Principal risks and uncertainties (continued)

Competition from large scale retailers

In recent years, competition from larger retailers, particularly those with an online presence, such as Amazon, has led to a decline in revenues for Pauline Books and Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in four different locations across the UK. The trustees acknowledge the impact of the trends in the retail sector and, as a response, the charity has invested in the development of a new website which went live on 1 October 2015. The charity is now also trading through Amazon Marketplace. The trustees are hopeful that the new online platforms will help the charity to better compete online going forward.

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members at 31 December 2015 was 68 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Availability of financial resources

As noted in the financial review above, the charity's balance of free reserves as at 31 December 2015 falls significantly short of the target set by the trustees which is required to provide a buffer against any temporary shortfalls in income, to cover upcoming core costs and to cover any other costs in relation to unforeseen emergencies. Whilst the position at 31 December 2015 is far from ideal, the trustees are expecting a significant surplus of circa £1.8 million to be generated from the disposal of their property in Glasgow. This should help to ease pressure on the charity's free reserves, at least in the short to medium term. In addition, the trustees have been assured of financial support by the international congregation if and when needed.

Governance, structure and management

In terms of Canon Law, the Congregation is an Institute of Pontifical Status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the provinces and delegations of the Congregation.

Governance, structure and management (continued)

The British Delegation is governed by the Delegate and her Council. The Delegate and Councillors are appointed by the Superior General, following a consultation of the members of the British Delegation.

In terms of Civil law, the charity is governed by a Trust Deed dated 16 January 1987 and a Scheme of the Charity Commission dated 14 January 1997 as varied by a Deed of Variation dated 16 July 2013. The Charity Registration Number in England and Wales is 296042. The Charity is also registered with the Office of the Scottish Charities Regulator in Scotland (Scottish Charity Registration Number SCO37889).

Trustees

The following trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2015 except as shown.

Trustee

Sister Germana Santos fsp (Delegate Superior and Chair)	Appointed 13 August 2015
Sister Mary Connell fsp (Secretary)	
Sister Angela Grant fsp	
Sister Giuseppa (Virginia) Marras	Resigned 29 February 2016
Sister Gregoria Mignolli fsp (Bursar)	

On 13 August 2015, Sister Germana Santos was appointed Delegate Superior and Chair of trustees. Sister Angela Grant was previously responsible for these roles. Sister Giuseppa (Virginia) Marras, resigned during the year.

The trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities, and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix. They act as a board and are the legal representatives of the Government of Delegation, which is the governing body of the Daughters of St Paul in Great Britain.

They are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, solicitors, IT experts and insurance brokers. They attend the meetings of the Conference of Religious of England, Wales and Scotland, meetings of the Association of Provincial Bursars and charity seminars organised by professional groups. They encourage good practice standards at all times.

Governance, structure and management (continued)

Trustees (continued)

The trustees hold regular meetings throughout the year. Once a year they meet to examine the trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters. All trustee meetings are held at the Convent of Our Lady, Middle Green, Slough, SL3 6BS.

The trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money. They also report the reception of donations for their mission. Mandates with the principal bankers are in place, to the effect that three trustees may sign cheques.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

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

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, applicable Charities (Accounts and Reports) Regulations, and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch.
- ◆ Graphic design: an in-house origination and design service for new products, web pages and advertising.
- ◆ Wholesale sales at Slough: a warehouse operation, serving wholesale and retail outlets, Church and educational establishments.
- ◆ Retail sales: the retail operation of the Pauline Books & Media Centres in London, Liverpool, Newcastle upon Tyne and Glasgow.
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions.
- ◆ Central administration: secretarial, accounting, finance and computer services.
- ◆ Website; and
- ◆ Communities: administration of the religious and private lives of the sisters.

Employees

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The trustees recognise that the laity (Lay staff: 9 full time members and 21 members part-time) are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Governance, structure and management (continued)

Remuneration of key management personnel

The trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Members of the Delegation

At the end of 2015 there were 22 sisters in the British Delegation who live as part of four communities in Slough, London, Liverpool and Glasgow. The active sisters in the Delegation are employed as follows:

- ◆ Delegate superior: 1
- ◆ Secretarial work: 1 sister
- ◆ Retail Centres: 9 sisters
- ◆ Production, Graphic designer: 1 sister
- ◆ Accounts Department, Web, and Wholesale operations: 8 sisters
- ◆ Home care: 2 sisters

The average age of the sisters in 2015 was 68 years. The sisters do not receive a wage for their services. They continue to use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments. Care for the elderly and sick members of the Delegation is a priority for the trustees.



Signed on behalf of the trustees:

Sr Mary Gurnell
Trustee

Approved on: *15 August 2016*

Independent auditor's report to the trustees of The Pious Society of the Daughters of St Paul

We have audited the accounts of The Pious Society of the Daughters of St Paul for the year ended 31 December 2015, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations under Section 154 of that Act, and in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011, Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 December 2015

Opinion on accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient and proper accounting records have not been kept; or
- ◆ the accounts 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.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

8 September 2016

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

Statement of financial activities Year to 31 December 2015

	Notes	Unrestricted funds	
		2015 £	2014 £
Income from:			
Donations and legacies	1	43,498	52,718
Bank interest	2	483	381
Income from charitable activities			
. Communications media income	3	1,143,046	1,190,756
Other income			
. Foreign exchange gains		20,999	3,729
Total income		1,208,026	1,247,584
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	1,422,342	1,452,257
Other expenditure			
. Loss on disposal of tangible fixed assets		210	—
. Foreign exchange losses		26,124	5,929
Total expenditure		1,448,676	1,458,186
Net expenditure and net movement in funds	7	(240,650)	(210,602)
Reconciliation of funds			
Total funds brought forward at 1 January 2015		4,721,214	4,931,816
Total funds carried forward at 31 December 2015		4,480,564	4,721,214

There are no material differences between the net movement in funds stated above and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	10		4,299,274		4,379,143
Current assets					
Stocks	11	320,759		309,570	
Debtors	12	76,597		71,942	
Cash at bank and in hand		386,242		144,723	
		<u>783,598</u>		<u>526,235</u>	
Creditors: amounts falling due within one year	13	<u>(602,308)</u>		<u>(184,164)</u>	
Net current assets			181,290		342,071
Total net assets			<u>4,480,564</u>		<u>4,721,214</u>
The funds of the charity:					
Unrestricted funds					
· Tangible fixed assets fund	14		4,299,274		4,379,143
· Designated funds	15		100,000		250,000
· General fund			81,290		92,071
			<u>4,480,564</u>		<u>4,721,214</u>

Approved by the trustees
and signed on their behalf by:

h Gregoria Nignelli

Trustee

Approved on: *15 August 2016*

Statement of cash flows Year to 31 December 2015

	Notes	2015 £	2014 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(10,045)	(76,797)
Cash flows from investing activities:			
Bank interest received		483	381
Purchase of tangible fixed assets		(78,402)	(18,205)
Net cash (used in) provided by investing activities		(77,919)	(17,824)
Cash flows from financing activities:			
Cash inflows from new borrowing		329,483	—
Net cash provided by financing activities		329,483	—
Change in cash and cash equivalents in the year		241,519	(94,621)
Cash and cash equivalents at 1 January 2015	B	144,723	239,344
Cash and cash equivalents at 31 December 2015	B	386,242	144,723

Notes to the statement of cash flows for the year to 31 December 2015.

A Reconciliation of net expenditure to net cash used in from operating activities

	2015 £	2014 £
Net expenditure (as per the statement of financial activities)	(240,650)	(210,602)
Adjustments for:		
Depreciation charge	158,061	152,504
Interest receivable	(483)	(381)
Deficit on disposal of tangible fixed assets	210	—
(Increase) decrease in stocks	(11,189)	33
(Increase) decrease in debtors	(4,655)	9,825
Increase (decrease) in creditors	88,661	(28,176)
Net cash used in operating activities	(10,045)	(76,797)

B Analysis of cash and cash equivalents

	2015 £	2014 £
Total cash and cash equivalents (cash at bank and in hand)	386,242	144,723

Principal accounting policies 31 December 2015

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2015.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

Reconciliation with previous Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve.

Assessment of going concern

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

The trustees acknowledge that the charity's balance of free reserves of £81,290 as at 31 December 2015 falls significantly short of the minimum target level of reserves of circa £483,000. They acknowledge also that with the exclusion of the stock balance at 31 December 2015, the charity held net current liabilities of £139,469. However, in assessing whether the going concern assumption is appropriate, the trustees have taken account of the significant property transaction that is expected to take place in August 2016. The property at 5A-7 Royal Exchange Square is expected to be sold for gross consideration of £2,275,000 and will result in a gain on disposal of circa £1.8 million.

In addition, the trustees acknowledge also that they have the continued financial support of the Generalate of the Congregation. This includes confirmation that any balances owed by the charity to the Generalate will not be demanded until such a time as the charity is able to repay its debt.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Services provided by members of the Congregation

For the purposes of these accounts, no value has been placed on the administrative and other services provided by the members of the Congregation.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes sundry costs such as losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- | | |
|-----------------------------------|---------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Fixtures and fittings | 10% per annum |
| ◆ Computer software and equipment | 20% per annum |
| ◆ Motor vehicles | 20% per annum |

Tangible fixed assets (continued)

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

Principal accounting policies 31 December 2015

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2015 £	2014 £
Pensions of individual religious received under Gift Aid or Deed of Covenant	30,737	31,576
Donations	12,761	21,142
	43,498	52,718

2 Bank Interest

	2015 £	2014 £
Interest receivable	483	381

3 Communications media Income

	2015 £	2014 £
Turnover from trading activities	1,142,092	1,190,289
Royalties and copyright income	954	467
	1,143,046	1,190,756

4 Spreading the Gospel through communications media

	2015 £	2014 £
Costs of goods sold	654,276	677,855
Community living and personal expenses	125,715	129,592
Support costs (note 5)	642,351	644,810
	1,422,342	1,452,257

5 Support costs

	2015 £	2014 £
Staff costs (note 8)	217,469	222,814
Depreciation	158,061	152,504
Book centre and office expenses	257,932	260,062
Governance costs (note 6)	8,889	9,430
	642,351	644,810

6 Governance costs

	2015 £	2014 £
Auditor's remuneration	8,889	9,430

7 Net expenditure and net movement in funds

This is stated after charging:

	2015 £	2014 £
Staff costs (note 8)	217,469	222,814
Auditor's remuneration		
. Statutory audit services	8,889	9,430
Rentals under operating leases	5,571	5,514
Depreciation	158,061	152,504

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2015 £	2014 £
Wages and salaries	205,641	210,077
Social security costs	8,190	9,141
Other pension costs	3,638	3,596
	217,469	222,814

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2015 FTE	2014 FTE	2015 Average number	2014 Average number
Charitable activities				
. Spreading the Gospel through communications media	13	14	22	22

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2014 - none).

The trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2014 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2015	5,665,819	836,250	424,536	49,814	6,976,419
Additions	1,250	6,059	71,093	—	78,402
Disposals	—	—	(210)	—	(210)
At 31 December 2015	5,667,069	842,309	495,419	49,814	7,054,611
At cost	5,014,608	842,309	495,419	49,814	6,402,150
At valuation — 1997	652,461	—	—	—	652,461
	5,667,069	842,309	495,419	49,814	7,054,611
Depreciation					
At 1 January 2015	1,446,265	696,339	404,858	49,814	2,597,276
Charge for the year	116,563	31,692	9,806	—	158,061
Disposals	—	—	—	—	—
At 31 December 2015	1,562,828	728,031	414,664	49,814	2,755,337
Net book values					
At 31 December 2015	4,104,241	114,278	80,755	—	4,299,274
At 31 December 2014	4,219,554	139,911	19,678	—	4,379,143

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation. With the exception of freehold land and buildings, all other assets are included above at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to users of the accounts.

11 Stocks

	2015 £	2014 £
Finished goods and goods for resale	320,759	309,570

12 Debtors

	2015 £	2014 £
Trade debtors	37,430	31,237
Other debtors	2,088	4,297
Prepayments	37,079	36,408
	76,597	71,942

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Amount due to the Congregation's Generalate (see below)	421,208	44,968
Expense creditors	113,996	73,756
Payments due in respect to tangible fixed assets	14,257	—
Other creditors and accruals	34,388	46,991
Deferred income	18,459	18,449
	602,308	184,164

At 31 December 2015, an amount of £421,208 (2014 – £44,968) was owed to the General Governing Body of The Pious Society of the Daughters of St Paul in Rome (the Generalate). £329,483 (2014 - £nil) of this balance is in respect to a 'bridging loan' provided to assist with the purchase of a new property in Glasgow. The remaining balance relates to arrears in respect to the charity's contribution to the Bursar General's Office towards support of the Congregation's work generally and other expenditure settled by the Generalate directly on behalf of the charity. Such work is consistent with the charity's objects.

14 Tangible fixed assets fund

	Total £
At 1 January 2015	4,379,143
Net movement in year	(79,869)
At 31 December 2015	4,299,274

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease in order to meet future contingencies.

15 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2015 £	New designations £	Transferred to general fund £	At 31 December 2015 £
Retirement fund	250,000	—	(150,000)	100,000

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the future.

16 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2015 £
Fund balances at 31 December 2015 are represented by:				
Tangible fixed assets	—	—	4,299,274	4,299,274
Current assets	683,598	100,000	—	783,598
Creditors: amounts falling due within one year	(602,308)	—	—	(602,308)
Total net assets	81,290	100,000	4,299,274	4,480,564

17 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 3% of their gross salary to the plan, which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £3,638 (2014 - £3,596).

18 Post balance sheet events

In March 2016, the trustees acquired new premises at 36 St Enoch Square, Glasgow for gross consideration of £500,000. The purchase will be funded through the sale of the charity's existing property at 5A-7 Royal Exchange Square, Glasgow for gross consideration of £2,275,000. A contract has now been signed by the parties to the sale and the transaction is expected to be completed in September 2016. Following the sale, the 'bridging loan' provided by the charity's Generalate (referred to in note 14 above) will be repaid in full.

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.