

**CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**                      The Reverend Frederick Hughes  
                                      The Reverend Anthony Madej  
                                      Brother Michael Richards  
                                      Brother Andrew Ferris

**Charity number**              233335

**Auditor**                      Kendall Wadley LLP  
                                      Granta Lodge  
                                      71 Graham Road  
                                      Malvern  
                                      Worcestershire  
                                      WR14 2JS

**Bankers**                      Royal Bank of Scotland Plc  
                                      7 Market Street  
                                      Leigh  
                                      Lancashire  
                                      WN7 2EE

**Solicitors**                    SME Solicitors  
                                      8 Sansome Walk  
                                      Worcester  
                                      WR1 1LW

**Investment advisors**        BRI Wealth Management Plc  
                                      BRI House  
                                      Elm Court  
                                      Meriden Business Park  
                                      Meriden  
                                      CV5 9RL

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# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

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# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## TRUSTEES REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The Trustees presents it's report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Congregation's Trust Deed dated 26 November 1964, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

### **Objectives and activities**

#### **Charitable objectives**

The Congregation's objective is to apply capital or income for such charitable purposes which advance the religious and other charitable work for the time being carried on in England and Wales by or under the direction or with the support of the Society as the Trustees with the approval of the Superior shall from time to time think fit.

#### **Investment Powers**

Investment powers are governed by the Trust Deed, which permits funds to be invested within the prevailing Charities legislation. Assets are held to generate investment income for Charitable expenditure, and are held within the Trustees powers.

#### **Policy**

Inspired by our faith in the Word of God the Congregation undertake a broad range of Charitable activities. The principle areas in which the Congregation is involved are set out below:

##### **1. Pastoral and social care**

The members of the Congregation undertake work in the community and their local parish including, the performance of the church, wedding and funeral services.

Social care includes work with the underprivileged, poor, drug addicts and mentally ill. Providing care and support both spiritual and financial.

##### **2. Health care**

Members of the Congregation visit the sick, aged, house bound and dying. Administering to their various needs.

#### **Public benefit compliance**

The Congregation confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Congregation's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Congregation continues and that the appropriate training is arranged. It is the policy of the Congregation that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## TRUSTEES REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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### **Achievements and performance**

The Statement of Financial Activities shows that total incoming resources amounted to £349,468 (2014: £304,639), during the year. This includes £51,035 (2014: £47,572) from investment income and £165,850 (2014: £151,997) from donations and appeals.

The movements to fixed assets during the year included the purchase of Fixtures, fittings and equipment for a total of £2,167 (2014: £2,974) and motor vehicles of £15,917 (2014: £nil).

At the end of the year to 31 December 2015 the total funds of the Congregation were £4,016,086. Of this £2,808,196, represents investments generating income to finance the work of the Congregation. The investment portfolio is managed by BRI Wealth Management Plc.

Over many years various members of the Congregation have given their working life to the Order. Now in retirement, and losing their tied accommodation, a provision is required to meet their future housing, financial and medical needs. These are to be supported out of the funds invested by the Congregation.

### **Financial review**

The English Vicariate has 12 members who have given most of their working lives to the Charitable activities of the Congregation. Where this work is for organisations independent of the Congregation, any earnings are received by the Charity.

The Congregation has a continuing commitment to support its members by contributing to a pension fund now administered by Standard Life. The pension received helps to support members, many of whom continue to carry out charitable work long past the normal retirement age.

### **Reserves policy**

It is the policy of the Congregation that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Congregation's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Note 18 to the financial statements split the Congregation's reserves between those designated for specific purposes and those available for day to day requirements.

The General reserve fund represents the unrestricted free reserves arising from past operating results. The Trustees are satisfied that the balance of the fund £788,771 is sufficient to enable the Congregation to carry out the objectives of the Charity. These are constantly under review and will be amended accordingly.

### **Risk Management**

The Trustees have assessed the major risks to which the Congregation is exposed, in particular those related to operations and finance of the Congregation, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The Congregation of the Priests of the Sacred Heart of Jesus of Betharram is administered by the Vicariate Superior together with three other Trustees.

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The Congregation is governed by a Trust Deed dated 26 November 1964 and is registered with the Charity Commission, Charity Registration Number 233335.

The Congregation has four Trustees, the Vicariate Superior and three other members of the Congregation of Priests of the Sacred Heart of Jesus of Betharram.

The Trustees who served during the year are shown below:

The Reverend Frederick Hughes  
The Reverend Anthony Madej  
Brother Michael Richards  
Brother Andrew Ferris

New Trustees are elected by the Board of Trustees from members of the Order and serve until their retirement.

Trustees are nominated by members of the Board of Trustees and appointed where they have the necessary skills to contribute to the Charity's development.

The statutory power to appoint new Trustees or to remove serving Trustees is vested in the Vicariate Superior.

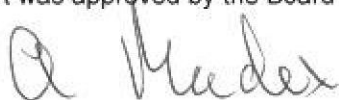
### **Auditor**

A resolution proposing that Kendall Wadley LLP be reappointed as auditors of the charity will be put to the members.

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees report was approved by the Board of Trustees.



**The Reverend Anthony Madej**

Trustee

Dated: 15 September 2016

# **CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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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 & Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Congregation and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

In preparing these accounts, the Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Congregation will continue in operation.

The Trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Congregation and enable it to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Congregation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM**

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We have audited the financial statements of Congregation of Priests of the Sacred Heart of Jesus of Betharram for the year ended 31 December 2015 set out on pages 7 to 19. 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 Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditor**

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

#### **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 Annual 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.

#### **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 incoming resources and application of resources, including 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.



# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

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#### **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 Report is inconsistent in any material respect with the accounts; 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.

#### **Other matter**

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.



**Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)**  
for and on behalf of Kendall Wadley LLP

15 September 2016

**Chartered Accountants**  
**Statutory Auditor**

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

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

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		Unrestricted funds	Designated funds	Total 2015	Total 2014
	Notes	£	£	£	£
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	165,850	-	165,850	151,997
Charitable activities	4	115,166	-	115,166	91,443
Investments	5	51,035	-	51,035	47,572
Other income	6	17,417	-	17,417	13,627
<b>Total income and endowments</b>		<b>349,468</b>	<b>-</b>	<b>349,468</b>	<b>304,639</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	13,484	-	13,484	33,111
Charitable activities	8	359,331	-	359,331	346,809
<b>Total resources expended</b>		<b>372,815</b>	<b>-</b>	<b>372,815</b>	<b>379,920</b>
Net gains on investments	12	(19,206)	-	(19,206)	97,654
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(42,553)</b>	<b>-</b>	<b>(42,553)</b>	<b>22,373</b>
Gross transfers between funds		(12,847)	12,847	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(55,400)</b>	<b>12,847</b>	<b>(42,553)</b>	<b>22,373</b>
Fund balances at 1 January 2015		844,172	3,214,467	4,058,639	4,036,266
<b>Fund balances at 31 December 2015</b>		<b>788,772</b>	<b>3,227,314</b>	<b>4,016,086</b>	<b>4,058,639</b>

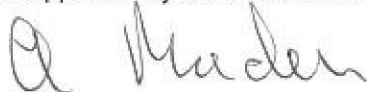
# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	13	419,119		421,450	
Investments	14	2,808,196		2,793,017	
		<u>3,227,315</u>		<u>3,214,467</u>	
<b>Current assets</b>					
Debtors	16	13,766		11,600	
Cash at bank and in hand		797,441		854,500	
		<u>811,207</u>		<u>866,100</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(22,436)</u>		<u>(21,928)</u>	
Net current assets			788,771		844,172
<b>Total assets less current liabilities</b>			<u>4,016,086</u>		<u>4,058,639</u>
<b>Income funds</b>					
Designated funds		3,227,314		3,214,467	
Unrestricted funds		788,772		844,172	
		<u>4,016,086</u>		<u>4,058,639</u>	

The accounts were approved by the Trustees on 15 September 2016



The Reverend Anthony Madej  
Trustee

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	19		(58,125)		(113,753)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(18,084)		(2,974)	
Proceeds on disposal of tangible fixed assets		2,500		-	
Repayment of investment loans and receivables		(15,179)		416,059	
Proceeds on disposal of other investments		(19,206)		97,654	
Interest received		51,035		47,572	
<b>Net cash generated from investing activities</b>			1,066		558,311
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(57,059)		444,558
Cash and cash equivalents at beginning of year			854,500		409,942
<b>Cash and cash equivalents at end of year</b>			797,441		854,500

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **Company information**

Congregation of Priests of the Sacred Heart of Jesus of Betharram is a registered charity in England and Wales.

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Congregation is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Congregation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2015 are the first accounts of Congregation of Priests of the Sacred Heart of Jesus of Betharram prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

At the time of approving the accounts, the Trustees has a reasonable expectation that the Congregation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Congregation.

#### **1.4 Incoming resources**

Cash donations are recognised on receipt. Other donations are recognised once the Congregation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Congregation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT, which cannot be recovered.

Expenditure relating to charitable activities comprise all expenses that are incurred in the undertaking of the charitable activities of the Congregation.

Governance costs include direct and related support costs relating to the governance infrastructure allowing the Congregation to generate information required for public accountability.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	10% to 25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The historical cost of investments at 31 December 2015 is £2,853,326 (2014 - £2,260,995).

#### 1.7 Impairment of fixed assets

At each reporting end date, the Congregation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Congregation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Congregation's balance sheet when the Congregation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Congregation's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Congregation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the Congregation's accounting policies, the Trustees is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	2015	2014
	£	£
Donations and gifts	165,850	151,997



# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Charitable activities

	Chaplaincy fees	Mass Stipends	Supply income and Stole fees	Christmas and Easter Offerings	Total 2015	Total 2014
	£	£	£	£	£	£
Sales within charitable activities	56,115	21,391	17,697	19,963	115,166	91,443

### 5 Investments

	2015	2014
	£	£
Income from listed investments	50,763	47,380
Interest receivable	272	192
	51,035	47,572

### 6 Other income

	2015	2014
	£	£
Other income	17,417	13,627

### 7 Raising funds

	2015	2014
	£	£
<u>Investment management</u>	13,484	33,111
	13,484	33,111
<b>For the year ended 31 December 2014</b>		
Investment management		33,111

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Charitable activities

	2015 £	2014 £
Staff costs	55,284	23,040
Depreciation and impairment	17,916	17,709
Priests expenses	6,961	5,434
Provisions, clothing and laundry	37,136	37,398
Travelling and motor expenses	48,153	42,197
Telephone	2,752	2,988
Stationery, postage and computer consumables	5,859	3,636
Nursing care, chemists, dentist	9,265	3,667
Pilgrimage and retreat expenses	15,193	13,449
Payments to exterior priests	2,000	2,000
Staff costs - domestic wages	15,663	15,078
Vocational advertisement	3,645	910
Sundries	5,912	3,626
Bank charges	247	195
Holidays	9,771	7,682
Appeal and regional levy	615	618
Insurance	418	3,485
Repairs and maintenance	36,274	7,918
General Council Rome	10,000	10,220
Donations, gifts and charity	990	1,461
Missions	39,215	45,541
	<u>323,269</u>	<u>248,252</u>
Share of governance costs (see note 9)	36,062	98,557
	<u>359,331</u>	<u>346,809</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>359,331</u>	
	<u>359,331</u>	
<b>For the year ended 31 December 2014</b>		
Unrestricted funds		<u>346,809</u>
		<u>346,809</u>

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Support costs

	Support costs	Governance costs	2015	2014	Basis of allocation
	£	£	£	£	
Accountancy	-	15,984	15,984	15,799	Governance
Audit	-	900	900	900	Governance
Professional fees	-	19,178	19,178	81,858	Governance
	-	36,062	36,062	98,557	
Analysed between					
Charitable activities	-	36,062	36,062	98,557	

### 10 Trustees

The Trustees of the Congregation are also members of the Order and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all members of the Order within the English Vicariate. The living costs of the Trustees are therefore borne by the Congregation.

### 11 Employees

There were no employees during the year.

Employment costs	2015 £	2014 £
Other pension costs	55,284	23,040

### 12 Net gains/(losses) on investments

	2015 £	2014 £
Gain/loss on sale of investments	19,206	(97,654)

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2015	585,385	6,171	37,054	48,683	677,293
Additions	-	424	1,743	15,917	18,084
Disposals	-	-	-	(10,485)	(10,485)
At 31 December 2015	585,385	6,595	38,797	54,115	684,892
<b>Depreciation and impairment</b>					
At 1 January 2015	171,595	5,217	33,588	45,442	255,842
Depreciation charged in the year	11,476	424	1,295	4,721	17,916
Eliminated in respect of disposals	-	-	-	(7,985)	(7,985)
At 31 December 2015	183,071	5,641	34,883	42,178	265,773
<b>Carrying amount</b>					
At 31 December 2015	402,314	954	3,914	11,937	419,119
At 31 December 2014	413,790	954	3,465	3,241	421,450

### 14 Fixed asset investments

	2015 £	2014 £
Listed investments	2,808,196	2,793,017
Listed investments included above:	2015 £	2014 £
Listed investments carrying amount	2,808,196	2,793,017

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

<b>14</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>	
	<b>Movements in fixed asset investments</b>		<b>Shares £</b>
	<b>Cost or valuation</b>		
	At 31 December 2015		2,793,017
	Additions		2,720,966
	Valuation changes		213,688
	Disposals		(2,919,475)
	At 31 December 2015		2,808,196
	<b>Carrying amount</b>		
	At 31 December 2015		2,808,196
	At 31 December 2014		2,793,017
<b>15</b>	<b>Financial instruments</b>	<b>2015 £</b>	<b>2014 £</b>
	<b>Carrying amount of financial assets</b>		
	Equity instruments measured at cost less impairment	2,808,196	2,793,017
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	22,436	21,928
<b>16</b>	<b>Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
	<b>Amounts falling due within one year:</b>		
	Prepayments and accrued income	13,766	11,600
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015 £</b>	<b>2014 £</b>
	Accruals and deferred income	22,436	21,928

# CONGREGATION OF PRIESTS OF THE SACRED HEART OF JESUS OF BETHARRAM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 18 Analysis of net assets between funds

	Unrestricted fund £	Designated fund £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible assets	-	419,119	419,119
Investments		2,808,196	-
Current assets/(liabilities)	788,771	-	788,771
	<u>788,771</u>	<u>3,227,315</u>	<u>1,207,890</u>

### 19 Cash generated from operations

	2015 £	2014 £
(Deficit)/surplus for the year	(42,553)	22,373
Adjustments for:		
Investment income recognised in profit or loss	(51,035)	(47,572)
Loss/(gain) on disposal of investments	19,206	(97,654)
Depreciation and impairment of tangible fixed assets	17,915	17,708
Movements in working capital:		
(Increase) in debtors	(2,166)	(8,908)
Increase in creditors	508	300
<b>Cash absorbed by operations</b>	<u>(58,125)</u>	<u>(113,753)</u>