

**PALLOTTINE MISSIONARY SISTERS**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**31<sup>st</sup> MARCH 2016**

**Charity Number 234185**

**Allen Mills Howard Limited**  
**Chartered Accountants & Statutory Auditors**  
**56 Manchester Road**  
**Altrincham**  
**Cheshire**  
**WA14 4PJ**

**Pallottine Missionary Sisters**

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**Pallottine Missionary Sisters**

**Legal and Administrative Details**

**For the year ended 31<sup>st</sup> March 2016**

Principal Address:	52 Park Mount Drive Macclesfield Cheshire SK11 8NT	
Provincial:	Sr Mary McNulty	
Trustees:	Sr Mary McNulty Sr Christine Bohr Sr Anne Teresa Logue Sr Elizabeth Rowan Rev John Martin	appointed 01/12/2015 resigned 05/11/2015 resigned 27/05/2016
Chief Executive Officer:	Ms Jennifer Trotter	
Charity Number:	234185	
Governing Instrument:	The charity is governed by the Trust Deed dated 9 March 1964, varied 15 July 1987 and 2 August 1996 which administers the Trust property owned by the Pallottine Missionary Sisters.	
Auditors:	Allen Mills Howard Limited Chartered Accountants & Statutory Auditors 56 Manchester Road Altrincham Cheshire WA14 4PJ	
Bankers:	The Royal Bank of Scotland Plc 62-63 Threadneedle Street London EC2R 8LA	
Investment Manager:	Mr Andrew Hough-Smith – appointed 25 <sup>th</sup> July 2016 W H Ireland 11 St. James Square Manchester M2 6WH	
Solicitors:	Fieldings Porter Silverwell House 32 Silverwell Street Bolton BL1 1PT	

## **Pallottine Missionary Sisters**

### **Trustees Report**

#### **For the year ended 31<sup>st</sup> March 2016**

##### **Introduction**

The trustees present their annual report with the financial statements of the charity for the year ended 31st March 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16<sup>th</sup> July 2014.

##### **Structure, Governance & Management**

The trust is an unincorporated trust, constituted under a trust deed dated 9<sup>th</sup> March 1964 as varied by scheme of 15<sup>th</sup> July 1987 and 2<sup>nd</sup> August 1996. The Pallottine Missionary Sisters are members of a religious Congregation, founded in Rome in 1838. A foundation was made in Germany in 1895 and in England in 1909. The Trustees meet approximately three-monthly. We review the needs of those whom we serve, performance and service delivery, financial and risk management at our Elderly Care Home. We review reserves, property maintenance and the development of our property. We are familiar with the work in the services of the Trust, through our apostolates, financial awareness, and attendance at Trustee meetings. Trustees are encouraged to attend training to update their knowledge and responsibilities. This year all the Trustees attended Trustee-related workshops. The day to day running of the home is delegated to the manager and the Chief Executive Officer.

##### **Mission and Purpose**

Our mission is an all-embracing apostolate. Our aim is to respond to the needs of the time. Our main mission in the UK is meeting the needs of the elderly in our Residential Care Home. Our mission in Tanzania involves primary health care in the community, and secondary education for young women.

Our charism is 'universal'. It excludes no one and includes every work for the relief of poverty, for education and for the good of all. Our methods are adaptable to the needs of the time. We uphold human dignity at every stage of life. This is acknowledged by our care of the elderly, chaplaincy in a Mental Health Hospital, home and hospital visiting in Rochdale and London, and the good standard of education and health care offered to students, adults, and those impacted by HIV/AIDS in Tanzania.

##### **Public Benefit**

The purpose and practice above reduces loneliness and isolation of the elderly, at home and in hospital in Rochdale and London, and in our Elderly Care home in Macclesfield, by enabling elderly persons to maintain their independence and access good care when their capacity for self-care is limited.

Facilitates hundreds of women in Tanzania to access education, - the key to reducing poverty. Provides good health care for all in developing areas in Tanzania, thus reducing suffering, neglect and infant-deaths.

We confirm that we have had regard to the Charity Commission's general guidance on public benefit when reviewing our mission, purpose and objectives and in carrying out the Trusts activities. We have concluded that the Trust operates in compliance with these guidelines.

##### **Key Management**

The trustees consider that they, together with the chief executive officer and the manager of the home, 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 received no remuneration. The chief executive officer and manager of the home have their remuneration reviewed by the trustees on an annual basis.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**Areas of activity**

Our main service to the Public in the UK is our Care Home for the Elderly, in Macclesfield. Other services include Pallotti Girls Secondary school in Tanzania, a Primary health care facility in Tanzania and Voluntary activities in London and Rochdale.

**Park Mount, Elderly Care Home**

The Elderly Care Home currently provides care for 39 Residents in 35 single rooms and 2 double rooms. The Day Care Service includes transport, lunch, a variety of activities and personal care when required.

**Achievements - 2015/2016**

- Extended the Dining Facilities and built a new Hairdressing Facility for the Residents.
- Continued with the Cyclical Maintenance replacing all the carpets to the residents' rooms.
- Obtained Planning Permission to build new accommodation in the grounds of the home.
- Implemented a Computerised Medication System.
- Continued training Staff to a minimum of NVQ level 2 and included Dementia Training.
- Maintained the Day Care Facility offering services seven days a week.
- Maintained as close as possible to 100% occupancy throughout the year.
- Continued to financially supplement nine residents in receipt of Local Authority Funding.
- Introduced Budgets for Departmental Heads and completed Management and Leadership Training.
- Increased all Staff Salaries to meet the Living Wage legislation.
- Introduced a new Employees Benefits Package.

**Plans for 2016/2017**

- Introduce a Staff Pension Scheme.
- Continue to promote the home to ensure occupancy levels are maximized and the Day Care facility continues to expand.
- Organise fundraising events.
- Continue to monitor budgets, financially plan for the future to ensure new wages increase and the maintenance of the home.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**



Some of the Residents of Park Mount Care Home enjoying a day out at Readsmere, Cheshire

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**The voices of service users and their family:-**

**Our care home staff received a thank you card from a daughter of a new Resident**

A really big thank you for getting "M" settled into Park Mount Care Home as well and so quickly. He looks very much better already than when he was at home. My very best wishes.

**Our care home staff received a thank you card from a daughter of a new Resident**

A big thank you for looking after "M", she is very well cared for. It has been a difficult time for everyone but made easier by all the support from staff at the home. Thanks again.

**Our care home staff received a thank you card from a son of a new Resident**

Thank you doesn't seem adequate to express our sincere gratitude for your selfless dedication and the exemplary care you gave "M" during his stay at the home.

**Our care home staff received a thank you card from a daughter of a new Resident**

Thank You for all the kindness and care you have shown to "M" since he has been with you, I will return to America knowing he will be truly looked after.

## **Pallottine Missionary Sisters**

### **Trustees Report**

#### **For the year ended 31<sup>st</sup> March 2016**

#### **INTRODUCTION TO TANZANIA**

The Pallottine Missionary Sisters have been supporting a mission in Africa since June 1990 when three Sisters left England and opened a community in the Singida Diocese in the centre of Tanzania. In 1992 they were given 10 acres of land in Siuyu, a small village about 20km from Singida town, for the purpose of building a Secondary School for Girls and a Convent for the Sisters.

From the beginning the Sisters have been involved mainly in Education and Health Care which are the keys to development and reducing real poverty and deprivation.

Activities currently undertaken are:

- Education - Pallotti Secondary School for Girls in Siuyu, Singida, St. Leo's English Medium Primary School in Igunga, Tabora and Siuyu primary School, Singida.
- Health Care – St. Joseph's Dispensary in Siuyu, Usa River Health Centre in Arusha and the Rehabilitation Centre in Siuyu.
- Formation work – the training of young women to become Pallottine Sisters. The Initial Formation is in Siuyu and for Novices in Arusha.

Sisters work in the running of our institutions whilst others are preparing to go on for further studies. Three Sisters teach in the local government Primary School in Siuyu. The education of the Sisters is a vital concern for the Trustees. The Sisters need to be professionally trained, so that they will be equipped to provide a high standard of service to the many people who depend on them, especially the poor in Tanzania.

#### **Education: Through Education to Development**

Pallotti Secondary School for Girls in Siuyu, Singida was opened in 1995 with one class of 45 students. In the year 2000 it began to receive students for Advanced Level Education in the Arts subjects -History, Geography, English and Swahili. In July 2013 it began to offer Science subjects Physics, Chemistry, Biology, Basic Mathematics and Geography. In 2010, the School developed into a Two Form Entry School with a capacity for about 460 girls from Form One to Form Six.

The school is completely dependent on School Fees, Sponsorships and Donations. It is not government funded.



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**Some of the Key Achievements for 2015**

The students at Pallotti Secondary School continue to perform well academically. All of them passed the 2015 National Examinations.

Our Form Four students ('O' Levels) did exceptionally well. Nearly 90% got Division One or Two. Pallotti came 2<sup>nd</sup> out of 93 schools in the Singida Region and 61<sup>st</sup> out of 3,452 schools in Tanzania in the category of having more than 40 Candidates. We had 75 students.

Our Form Twos also did very well. Of the 97 students, 77 got Distinction (nearly 80%), 18 got Merit and 2 got Credit.

The 'A' Level results (Form Six) were also good. Of our 28 students 50% got Distinction or Merit. The others got Credit (9) or Pass.

We sincerely thank our teachers and students for their dedication and hard work.

In 2015 we had 470 students with 95 in Form V and VI. Many of them were doing 'A' level Science combinations.

Two students are from the Rehabilitation Centre for Handicapped Children in Siuyu. Leonard is in Form Two and Prisca is in Form One. They come to Pallotti in their wheelchairs every morning and return to the Centre in the evening.

All of the staff at the school are Tanzanians except for four senior teachers - Volunteers from Ireland and a senior Sister. Nine Tanzanian Pallottine Sisters are working at Pallotti Secondary School teaching and doing the work of administration. The school is making a significant contribution to the development of the Region in general, and especially to the status and dignity of women.

**Development**

In 2015 – 2016 major renovations on the Convent buildings were undertaken. Most of the buildings were painted on the outside, mosquito netting on the windows was replaced and the roofs were painted. A number of galvanised sheets which were rusty had to be replaced. In the school the new Library was furnished and the kitchen is in the process of being renovated.

**St. Leo's English Medium Primary School**

In January 2013 four Sisters from the Siuyu community moved to Igunga. In St. Leo's English Medium Primary School the Sisters are doing the administration work as well as teaching. The school is owned by the Diocese of Tabora.

The staff and pupils are working hard and getting excellent results. In the 2015 Primary Examinations St. Leo's came 1st out of 738 Primary Schools in the Tabora Region.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**HEALTH CARE**

**St. Joseph's Dispensary Siuyu**

St. Joseph's was registered in 2007. It is situated on the site of Pallotti Secondary School. It offers Primary Health Care to the local villages, Pallotti Secondary School and the convent community. This service is essential and it is well used. Basic primary tests are offered to diagnose and treat malaria, typhoid fever and worms. Haemoglobin levels are assessed. Diabetes and sexually transmitted diseases are treated. Counselling and HIV tests are conducted and during the year 6 tested HIV positive.

Some statistics for 2015:

- 7,488 were treated at the Dispensary
- 387 children were immunized
- 240 attended the Antenatal Clinic

St. Joseph's Dispensary is staffed by three Sisters - one Clinical Officer and two Nurses (one works part time as she is also the Superior of the community), an Assistant Nurse, a Village Health Worker and two Laboratory Assistants.

**Usa River Health Centre**

Three Pallottine Sisters are in full time employment at Usa River Health Centre in the Arusha District. One Sister, a Clinical Officer is the administrator and two are nurses. The Centre is owned by the Holy Ghost Fathers.

In Arusha, the Pallottine Sisters are supporting the Azizi group of persons living with AIDS. They also pay school fees for a number of orphans or children from families impacted by HIV/AIDS.

**Rehabilitation Centre**

One Sister is the Assistant Manager of the Rehabilitation Centre where 52 children are being cared for, two thirds of whom are mentally or/and physically challenged.

**FORMATION WORK**

The training of young women to become Pallottine Sisters is undertaken in the Siuyu community and in the Formation House in Arusha.

In the year 2000 the Trustees decided to open a Formation House in Arusha, so that the young Sisters could avail of the many opportunities for study found in the area.

Since 1990 forty-six young Tanzanian women have joined the congregation and thirty-four of these are now professionally trained. We also have thirty-three young girls at various stages in our initial Formation Programmes. We trust that this will ensure the sustainability of the mission in the future.

We strongly believe that Education is the Key to Development. Education - and especially the education of girls is vital to combat poverty and sickness and to promote development especially in the rural semi-desert areas of the Singida Region.

**Conclusion:**

As well as the educational and health benefits, the mission in Tanzania is providing employment for many in the schools and Health Centres and also through the provision of foodstuff to the growing number of students at Pallotti Secondary School and at St Leo's Primary School. Our mission has brought much needed hope and development to the area.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**PARISH WORK IN LONDON**

We are a small community in London. We are retired professionals and missionaries. Our apostolates still include hospital, home, and bereavement visits.

**STUDENT SISTERS**

We provide accommodation and opportunities for our missionary sisters who come to London to study.

The charity contributes towards supporting our Tanzanian Novitiate and Pallotti Girls Secondary School.

The charity continues to care for our elderly Sisters, while it is possible to care for them safely.

**REFURBISHMENT**

During the year the charity has completed the repairs to our London house.

**APOSTOLIC AND PASTORAL CARE IN ROCHDALE, LANCASHIRE**

Sister Leonie carries out her weekly Ministry, as a Sister and a Volunteer in St. Patrick's Parish, Rochdale, Lancashire, UK. Not being a driver, Sr. Leonie has enlisted the help of Bridie, who also does voluntary work in the Parish.

Together, we are the named Sacristans at Church. We are among a team of Eucharistic Ministers. We visit thirteen sick and elderly Parishioners in their own place of Residence each Sunday and take them Holy Communion. We visit patients recommended to us when admitted to our local hospital. We also visit on a Sunday to meet Staff who are on duty and are unable to get to Mass.

Sister Leonie goes to Holy Family Primary School each week to participate in the Sacramental Programme with the children preparing for their First Holy Communion and Reconciliation at the age of 7-8 years.

We care for the graves of the Pallotti Sisters who are buried in Facit and Rochdale Cemeteries. According to the Season we place pots of fresh plants on each of the sets of four. We have 44 Sisters in total here in our Foundation Town of Rochdale.

As a member of the Macclesfield community I continue to visit our elderly sisters and residents within Park Mount.

I contribute to the ongoing development of our sisters in Tanzania.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**Recruitment and Training of Trustees**

Trustees are nominated by the English Provincial of the Pallottine Missionary Sisters in accordance with the Deed of Trust. On appointment, new trustees are introduced to the workings of the charity and are kept updated of their responsibilities and the charity's position.

**Risk Management**

The Trustees confirm that they have identified and considered the major risks to which the Trust is exposed, the potential impact of individual risk should they materialise and, what mitigating actions are taken or need to be taken, in order to reduce each risk to a level which the trustees consider to be acceptable.

**Volunteers**

A number of people serve as volunteers to the charity who assist in resident activities, drive vehicles and assist in the kitchen.

## **Pallottine Missionary Sisters**

### **Trustees Report**

#### **For the year ended 31<sup>st</sup> March 2016**

#### **Investment policy**

The investment strategy is set by the trustees and takes account income requirements, the risk profile and the advice of their financial advisor. The performance of the investments are reviewed by the trustees and their representative on a regular basis.

#### **Financial Review**

The pages following summarise the accounts and performance of the Charity. The principal source of income for the charity is the fees from the residential Care Home. In a highly competitive market, smarter thinking and quality implementations have given the Care Home the best possible foundations for the future and generating trading surpluses. People are a crucial element of the Care Home, and the Trustees appreciate all the efforts made by all our staff.

A summary of the year's results can be found on page 13 of this report and accounts.

Total income resources amounted to £1,344,567 (2015: £1,429,933). The prime source of income for the charity is the fees from the home which totalled £1,192,813 (2015: £1,148,380). The increase in fees is due to a higher occupancy and price increase. Other income is made up of the sisters pensions, donations, legacies and investment income amounting to £151,754 (2015: £281,553).

Resources expended amounted to £1,380,826 (2015: £1,388,076). The major expense was staff costs of £680,210 (2015: £720,086).

The charity is hopeful that there will be a small surplus in the forthcoming year.

#### **Investment performance**

The charity's investment income has fallen in the year. As the charity's investments are repaid, the income from the investments will continue to fall. A further explanation is given in note 11 of the accounts. In July 2016 the trustees appointed W H Ireland as its investment manager.

#### **Reserves policy**

The charity had £4.2million of funds at 31 March 2016; £1.1m is tied up in fixed assets. The majority of this is property. Just over £1million of the remaining funds has been designated as a retirement fund for the Sisters, which is based on an annual calculation. For operational existence, the Trustees believe six months' running costs should be set aside, this equates to approximately £700,000. Additional sums are needed to maintain the properties and investment in future services.

#### **Charitable Donations**

The Trust made charitable donations of £2,176 (2015: £26,087) in the year.

#### **Consultation and Engagement**

The Trust employs a range of mechanisms for consulting and engaging with its staff, volunteers, beneficiaries and other stakeholders.

Their input is used to help formulate the Trusts' mission, develop operational policies and shape the way the Trusts' services are delivered on the ground.

#### **Audit Information**

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are individually aware there is no relevant audit information of which Trust's auditors are unaware and each Trustee has taken all this steps he or she ought to have taken as a Trustee to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2016**

**TRUSTEES INDEMNITY ARRANGEMENTS**

The charity has insurance to indemnify the trustees to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities in trustees of the charity.

**STATEMENT OF THE TRUSTEES' RESPONSIBILITIES**

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the 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 or other irregularities.

Approved by the trustees on 28<sup>th</sup> February 2017 and signed on their behalf

**Sister Elizabeth Rowan**

**Trustee**

## **Report of the Independent Auditors to the Trustees of**

### **Pallottine Missionary Sisters**

We have audited the financial statements of Pallottine Missionary Sisters for the year ended 31st March 2016 on pages thirteen to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

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

#### **Matters on which we are required to report by exception**

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

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

Allen Mills Howard Limited  
Chartered Accountants & Statutory Auditors  
Eligible to act as auditor in terms of Section 1212 of the Companies Act 2006  
56 Manchester Road  
Altrincham  
Cheshire, WA14 4PJ

**28<sup>th</sup> February 2017**

**Pallottine Missionary Sisters**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2016**

	Note	Unrestricted Funds £	Designated Funds £	Total 2016 £	Total 2015 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	2	134,777	5,949	140,726	187,694
<b>Charitable activities</b>					
Operation of care home	3	1,192,813	-	1,192,813	1,148,380
Investments	4	11,028	-	11,028	93,859
Total income		1,338,618	5,949	1,344,567	1,429,933
<b>EXPENDITURE ON:</b>					
Charitable activities	5	1,195,590	185,236	1,380,826	1,388,076
<b>Total expenditure</b>		1,195,590	185,236	1,380,826	1,388,076
<b>NET INCOME (EXPENDITURE)</b>		143,028	(179,287)	(36,259)	41,857
Transfers between funds	14	(233,056)	233,056	-	-
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>					
Gains/(losses) on investment assets	11	(120,012)	-	(120,012)	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		(210,040)	53,769	(156,271)	41,857
<b>RECONCILIATION OF FUNDS:</b>					
Funds at beginning of year		2,242,969	2,100,542	4,343,511	4,301,654
Funds at the end of year		2,032,929	2,154,311	4,187,240	4,343,511

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes form part of these financial statements.



**Pallottine Missionary Sisters**

**Balance Sheet**

**For the year ended 31<sup>st</sup> March 2016**

	Note	2016		2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>1,122,627</b>		1,254,800
Investments	11		<b>2,716,823</b>		910,254
			<hr/>		<hr/>
			<b>3,839,450</b>		2,165,054
 <b>CURRENT ASSETS</b>					
Debtors	12	<b>29,969</b>		30,414	
Cash at bank and in hand		<b>367,525</b>		2,200,421	
		<hr/>		<hr/>	
		<b>397,494</b>		2,230,835	
 <b>LIABILITIES</b>					
Creditors: amounts falling due within one year	13	<b>49,704</b>		52,378	
		<hr/>		<hr/>	
 <b>NET CURRENT ASSETS</b>			<b>347,790</b>		1,178,457
			<hr/>		<hr/>
 <b>NET ASSETS</b>			<b>4,187,240</b>		4,343,511
			<hr/>		<hr/>
 <b>THE FUNDS OF THE CHARITY</b>	14				
General funds			<b>2,032,929</b>		2,242,969
Designated funds			<b>2,154,311</b>		2,100,542
			<hr/>		<hr/>
 <b>TOTAL CHARITY FUNDS</b>			<b>4,187,240</b>		4,343,511
			<hr/>		<hr/>

The notes form part of these financial statements

Approved by the Trustees on 28<sup>th</sup> February 2017 and signed on their behalf by:

**Sister Elizabeth Rowan**  
Trustee

**Reverend John Martin**  
Trustee

**Pallottine Missionary Sisters**

**Notes to the Financial Statements**

**For the year ended 31<sup>st</sup> March 2016**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16<sup>th</sup> July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), and the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

**Going Concern**

The charity has prepared budgets which indicate that the charity has sufficient reserves in order to meet its liabilities as they fall due and, on that basis, the trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

**Funds Structure**

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

**Income recognition**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Income comprises fees from private individuals and local authorities, donations, legacies and investment income.

Donations, including salaries and pensions received from the sisters, are recognised when the charity has confirmation of both the amount and settlement date.

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

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

**Expenditure recognition**

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

All expenditure is accounted for on an accrual basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include donations and costs in respect of the support of members of the Congregation and enabling their ministry, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**1. ACCOUNTING POLICIES (continued)**

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide the support in the form of personal development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

All expenditure in support and governance is attributable directly to the charitable activity of supporting members of the Congregation and enabling their ministry and hence there has been no apportionment between headings.

**Tangible fixed assets**

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged from the year of acquisition as follows:

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Freehold buildings	50 years
Furniture and equipment	3 to 10 years
Motor vehicles	25% reducing balance basis

**Fixed asset Investments**

Investments are recognised at their transaction value.

Realised gains and losses on investment assets are calculated at the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying values. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Debtors**

Trade and other debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The finance charge to expenditure is at a constant rate calculated using the effective interest method.

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**1. ACCOUNTING POLICIES (continued)**

**Fund accounting**

Unrestricted funds are those funds for use at the discretion of the trustees in furtherance of the general objective of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided, at their discretion, to set aside for a specific purpose.

**Services provided by members of the Congregation**

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

**Operating leases**

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

**Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange on that date.

**2. DONATIONS AND LEGACIES**

	<b>2016</b>	2015
	<b>£</b>	£
Salaries and pensions	<b>128,333</b>	124,382
Interest on cash deposits	<b>12,393</b>	15,490
Legacies	-	47,822
	<hr/>	<hr/>
	<b>140,726</b>	187,694
	<hr/> <hr/>	<hr/> <hr/>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2016</b>	2015
	<b>£</b>	£
Resident fees	<b>1,192,813</b>	1,148,380
	<hr/>	<hr/>
	<b>1,192,813</b>	1,148,380
	<hr/> <hr/>	<hr/> <hr/>

**4. INVESTMENT INCOME**

	<b>2016</b>	2015
	<b>£</b>	£
Unit trusts	-	698
Interest on cash deposits	<b>11,028</b>	7,952
Loan interest	-	85,209
	<hr/>	<hr/>
	<b>11,028</b>	93,859
	<hr/> <hr/>	<hr/> <hr/>

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**5. CHARITABLE ACTIVITIES**

	<b>2016</b>	2015
	£	£
Staff costs	<b>621,161</b>	664,290
Staff recruitment	<b>3,665</b>	399
Provisions	<b>72,920</b>	68,033
Light and heat	<b>44,606</b>	40,359
Telephone	<b>5,813</b>	6,667
Sisters' living and personal expenses	<b>49,746</b>	56,202
Education, training, spiritual and holidays	<b>26,141</b>	34,181
Rent, rates and water	<b>19,608</b>	15,785
Insurance	<b>23,163</b>	23,065
Travel costs	<b>22,044</b>	23,649
Maintenance	<b>150,643</b>	61,809
Depreciation	<b>175,899</b>	204,289
Donations (note 9)	<b>2,176</b>	26,087
Printing, postage & stationery	<b>13,238</b>	16,429
Training	<b>6,782</b>	15,448
Legal and professional	<b>15,004</b>	18,694
Resident expenses	<b>12,763</b>	16,741
Sundries	<b>3,558</b>	1,013
Support costs (note 6)	<b>78,227</b>	74,276
Governance costs (note 6)	<b>33,669</b>	20,660
	<hr/>	<hr/>
	<b>1,380,826</b>	1,388,076
	<hr/>	<hr/>

**6. GOVERNANCE AND SUPPORT COSTS**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2016</b>	2015
	£	£	£	£
Staff costs	<b>59,049</b>	-	<b>59,049</b>	55,796
Advertising and marketing	<b>8,846</b>	-	<b>8,846</b>	6,011
Computer costs	<b>7,173</b>	-	<b>7,173</b>	9,238
Finance costs	<b>3,159</b>	-	<b>3,159</b>	3,231
Auditor's remuneration	-	<b>6,550</b>	<b>6,550</b>	4,050
Auditor's remuneration				
– non audit services	-	<b>300</b>	<b>300</b>	-
– irrecoverable VAT	-	<b>1,370</b>	<b>1,370</b>	810
Legal and professional	-	<b>25,449</b>	<b>25,449</b>	15,800
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>78,227</b>	<b>33,669</b>	<b>111,896</b>	94,936
	<hr/>	<hr/>	<hr/>	<hr/>

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**7. NET INCOME/(EXPENDITURE) FOR THE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Operating leases: equipment	<b>6,122</b>	6,122
Depreciation	<b>175,899</b>	204,289
Auditor's remuneration		
– Audit fees	<b>6,550</b>	4,050
– Accounting services	<b>300</b>	-
– Irrecoverable VAT	<b>1,370</b>	810
	<b>=====</b>	<b>=====</b>

**8. STAFF COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Salaries and wages	<b>645,583</b>	675,486
Social security costs	<b>34,627</b>	44,600
	<b>=====</b>	<b>=====</b>
	<b>680,210</b>	720,086
	<b>=====</b>	<b>=====</b>

The average number of employees during the year was as follows:

	<b>2016</b>	<b>2015</b>
Provision of care	<b>44</b>	47
Administration	<b>1</b>	1
	<b>=====</b>	<b>=====</b>
	<b>45</b>	48
	<b>=====</b>	<b>=====</b>

No employees had emoluments in excess of £60,000 during the year (2015: Nil).

**Trustees Remuneration**

Income of the Sisters (salaries and pensions) is donated to the charity for the benefit of the community as a whole. As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2015: Nil). Father J Martin was reimbursed travel expenses of £2,139 (2015: £2,783) during the year.

**9. DONATIONS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Donations in support of missionary work overseas	<b>-</b>	22,665
Institutions and individuals	<b>2,176</b>	3,422
	<b>=====</b>	<b>=====</b>
	<b>2,176</b>	26,087
	<b>=====</b>	<b>=====</b>

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**10. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Furniture and equipment £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 <sup>st</sup> April 2015	1,871,188	853,358	68,720	2,793,266
Additions	38,028	5,698	-	43,726
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2016	1,909,216	<b>859,056</b>	<b>68,720</b>	<b>2,836,992</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 <sup>st</sup> April 2015	805,007	674,085	59,374	1,538,466
Charge for the year	35,934	137,947	2,018	175,899
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2016	<b>840,941</b>	<b>812,032</b>	<b>61,392</b>	<b>1,714,365</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 <sup>st</sup> March 2016	<b>1,068,275</b>	<b>47,024</b>	<b>7,328</b>	<b>1,122,627</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2015	1,066,181	179,273	9,346	1,254,800
	<hr/>	<hr/>	<hr/>	<hr/>

As permitted under FRS 15, the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

All tangible fixed assets are stated at cost with the exception of one property in London. On 31<sup>st</sup> March 1995 No. 35 Wilmington Square was valued by the trustees at £100,000. Refurbishments since then have been added at cost. There are no details of the original cost of 35, Wilmington Square. The property had a net book value of £208,424 at 31<sup>st</sup> March 2016.

It is likely that there are material differences between the open market values of the charity's UK freehold land and buildings and their book values. 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 the users of the accounts.

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**11. INVESTMENTS**

	Cash £	Loans £	Total £
<b>Market value</b>			
At 1 <sup>st</sup> April 2015	-	910,254	910,254
Additions	2,087,090	-	2,087,090
Repayments	-	(160,508)	(160,508)
Reversal of previous years' interest	-	(120,012)	(120,012)
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2016	<b>2,087,090</b>	<b>629,734</b>	<b>2,716,824</b>
	<hr/>	<hr/>	<hr/>

All investments are held to provide an investment return. All the investments are held in the United Kingdom.

The charity has made loans to Pallpet Limited, a private limited company. The loans are stated at cost and are unsecured.

The trustees, after taking legal advice in respect of the loans to Pallpet Limited, have renegotiated the amount of interest on the loans. This has resulted in a reversal of £120,012 in relation to previous years' recognised interest.

All loans have now been repaid in full.

**12. DEBTORS**

	2016 £	2015 £
Charges for care services	<b>28,033</b>	28,466
Taxation	<b>1,936</b>	1,948
	<hr/>	<hr/>
	<b>29,969</b>	30,414
	<hr/>	<hr/>

**13. CREDITORS: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	<b>18,680</b>	7,483
Accruals and deferred income	<b>19,657</b>	32,935
Taxation and social security	<b>11,367</b>	11,960
	<hr/>	<hr/>
	<b>49,704</b>	52,378
	<hr/>	<hr/>

**Deferred Income**

	£
Deferred income at 1 <sup>st</sup> April 2015	13,885
Utilised in the year	(13,885)
Received in the year	606
	<hr/>
Balance at 31 <sup>st</sup> March 2016	<b>606</b>
	<hr/>

Deferred income consists of care fees paid in advance.



**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**14. FUNDS**

**Retirement Fund**

The sisters' retirement fund comprises monies set aside to provide for the care and support of members of the congregation as they grow older.

**Fixed assets fund**

In order to fulfil its charitable objectives the Charity requires several properties. These properties although unrestricted assets, cannot be realised without undermining the Charity's work. The Trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of as designated fund. The fund is based on the net book value of freehold land and buildings and furniture and equipment.

**Tanzania funds**

The Tanzania fund represents fund accumulation in order to support the Pallottine Sister's work in Tanzania.

**Analysis by movements**

	2015	Income	Transfers	Expenditure	Gains/ (losses)	2016
	£	£	£	£	£	£
Retirement fund	850,815	-	185,446	-	-	1,036,261
Fixed assets fund	1,245,454	-	43,726	(173,891)	-	1,115,299
Tanzania fund	4,273	5,949	3,884	(11,355)	-	2,751
Unrestricted fund	2,242,969	1,338,618	(233,056)	(1,195,590)	(120,012)	2,032,929
	<u>4,343,511</u>	<u>1,344,567</u>	<u>-</u>	<u>(1,380,826)</u>	<u>(120,012)</u>	<u>4,187,240</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Fund £	Designated Funds £	Total £
Tangible fixed assets	7,328	1,115,299	1,122,627
Investments	1,680,562	1,036,261	2,716,823
Current assets	394,743	2,751	397,494
Current liabilities	(49,704)	-	(49,704)
	<u>2,032,929</u>	<u>2,154,311</u>	<u>4,187,240</u>

**Pallottine Missionary Sisters**

**Notes to the Financial Statements (continued)**

**For the year ended 31<sup>st</sup> March 2016**

**16. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2016 £	2015 £
Expiring Between one and five years.	6,122	6,122
	<hr/>	<hr/>
	6,122	6,122
	<hr/>	<hr/>

**17. CAPITAL COMMITMENTS**

	2016 £	2015 £
Contracted but not provided for in financial statements.	-	27,500
	<hr/>	<hr/>

**18. ULTIMATE CONTROLLING PARTY**

The Charity is controlled by the members of the English Provincial of the Pallottine Missionary Sisters by the virtue of the fact that they appoint the trustees.

**19. CONTINGENT LIABILITIES**

On 20<sup>th</sup> November 2015 The Charity Commission wrote to the Charity requesting further information about its investments. It is not possible at this stage for the Trustees to predict the timescale or likely outcome of this enquiry.

The Trustees cannot exclude the possibility that a material liability might arise however it is too early for any prediction to be reasonably made and no provision is made in these accounts.