

Charity for St Joseph's Missionary Society (British Region)

Report and Accounts

31 December 2016

England and Wales Charity registration number:

220690

Scottish Charity registration number:

SC039809

Keith Vaudrey & Co.

1st Floor

15 Young Street

London W8 EH

Charity for St Joseph's Missionary Society (British Region)
Report and accounts
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Charity for St Joseph's Missionary Society (British Region)

Legal and administrative information

Trustees

Rev Bernard Phelan MHM
Rev Stephen Botto MHM
Rev Paul Mooney MHM
Bro Eddie Slawinski MHM

Principle address

St. Joseph's Missionary Society
Herbert House
41 Victoria Road
Freshfield
Liverpool
L37 1LW

Charity registration numbers

England and Wales 220690
Scotland SC039809

Auditors

Keith Vaudrey & Co.
15 Young Street
London W8 EH

Investment managers

Brewin Dolphin Limited
12 Smithfield Street
London EC1A 9BD

Blackrock Advisors
12 Throgmorton Avenue
London EC2N 2DL

Henderson Global Investors
201 Bishopsgate
London EC2M 3AE

Bankers

Barclays Bank plc
Corporate Banking Centre
PO Box 229
Navigation Way
Preston PR2 2XY

Solicitors

Pothecary Witham Weld
70 St George's Square
London SW1V 3RD

Charity for St Joseph's Missionary Society (British Region)

Trustees Report 2016

The Trustee presents the statutory report with the accounts of the Trusts for the year ended 31 December 2016.

INTRODUCTION

St. Joseph's Society for Foreign Missions was founded in 1866 by Cardinal Herbert Vaughan at Mill Hill in London. The Society is an "international fellowship of Missionaries", dedicated to the work of evangelisation, to the building up of young Churches, and to the assisting of Churches in special need outside our home regions. Members of the Society are expected to leave their own country and culture and to be involved in pioneering areas of evangelisation. In December 2006 the Society's Generalate moved from Mill Hill to Maidenhead following the sale of St. Joseph's College in Mill Hill which traditionally had been the principal training centre of the Society. Because of its historical foundation the Society and its members are known as the Mill Hill Missionaries.

The Society is organised into three Missions: the Europe and North America Mission (comprising Great Britain, The Netherlands, Ireland, The United States, and the German Speaking Region, encompassing houses in Italy and Austria), the Africa Mission and the Asia Mission. Until recently it has drawn the majority of its members from Europe and North America. Today there are many candidates from East Africa, Cameroon, Congo, India and the Philippines.

It has Mission Areas in twelve countries - Kenya, Uganda, Sudan, Cameroon, Congo, South Africa, Pakistan, India, Malaysia, Philippines, Brazil, Indonesia, and a presence elsewhere in the world.

The accounts accompanying this report are the accounts of the Trust in which the assets of the Society's activities in Great Britain are vested, and cover the activities of the British Region of the Society. The accounts of the Central Society were historically incorporated with the British Region until 31st December 2012. With effect from 1st January 2013, the Central Society separated from the British Region and now operates and reports as Charity for St. Joseph's Missionary Society (Generalate) Charity Commission No. 1148980

The Charity for St. Joseph's Missionary Society (British Region) is governed by a principal deed dated 25th March 1929, and is registered at the Charity Commission No. 220690 and the Scottish Charity Regulator No. SC039809

ORGANISATION

In March 2012 under a Charity Commission Scheme dated 12th March 2012 and a Deed of Amendment dated 13th March 2012 the Charity was renamed *Charity for St Joseph's Missionary Society (British Region)* its objectives revised and four new Trustees were appointed replacing the above sole corporate Trustee.

All the Trustees of the Charity for St Joseph's Society (British Region) are appointed by the British Regional Council and are all Members of St Joseph's Missionary Society.

THE TRUSTEES

Rev Bernard Phelan MHM

Fr Phelan has been a full member of the Society since January May 1966. He was ordained in July 1967 and elected Regional of the British Region from 2011 to 2013. Prior to being elected Regional he was working on the Society's Mission in Uganda and has been a member of the Society's General Council. He returned to the Missions in 2016 but remains a Trustee.

Rev Stephen Botto MHM

Fr Botto has been a full member of the Society since October 1990. He was ordained in June 1991 and is currently Bursar of the British Region since June 2011. Prior to being appointed Bursar he was following a course of further studies and has worked on the Society's mission in the Cameroon.

Rev Paul Mooney MHM

Fr Mooney has been a full member of the Society since December 1986. He was ordained in July 1987 and is currently Rector of Herbert House, Freshfield, Merseyside since November 2011. Prior to being appointed Rector he was engaged in Pastoral work in Maidenhead, England and has worked on the Society's Mission in the Philippines.

Bro Eddie Slawinski MHM

Bro Slawinski has been a full member of the Society since April 1982. He is currently a member of the team making appeals and doing promotion work for APF - Mill Hill in England and Wales. He has previously worked on the Society's mission in the Cameroon.

PRINCIPAL ACTIVITIES AND AIMS

The principal objectives of the Society as stated in the trust deed are:-

Such charitable purposes that advance the religious and other charitable work of the Society including:

1. The promotion, maintenance and support of the Society and its members including the education of those members
2. The relief of poverty and

Charity for St Joseph's Missionary Society (British Region)

Trustees Report 2016

3. The advancement of the Roman Catholic Religion

The Trustees may use the capital and the income of the Charity in promoting the Objects. These objectives clearly state the aims of the Society.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities

GOVERNANCE, RESERVE POLICIES AND RISK ASSESSMENT

In line with the requirements for Trustees to undertake a risk assessment exercise and give an account of this in the report, the Trustees have looked at the risks the Institute faces in England and have reviewed the measures already in place to deal with them. The Trustees have identified the following main areas where risks may occur.

The General Council, supported by the Finance Council and Financial Secretary, is responsible as regards finance to the following:-

- Approve the annual budget
- Approve the annual financial report
- Approve the purchase or sale of land/property
- Grant requests/projects for members in need and non-MHM's
- Appoint external auditor for annual auditing
- Approve the Global and Regional Financial Manuals

All decisions with regard to financial matters and properties must be made in line with the Constitutions and Directives of the Society. The Trustees may only act within parameters set by the General Council and as outlined in the Financial Regulations Manual. There is no formal induction training for Trustees.

Employees are only authorised to act within the parameters of their job description and no employees are responsible for financial decision making at any level.

• Financial

The Society adheres to stringent policies as outlined in the Global Financial Regulations Manual and detailed in the British Region Financial Regulations Manual. The Financial Statements for year ended 31 December 2016 satisfy the Trustees with regard to the Charity's ability to continue to operate in future periods. The Trustees have given consideration to potential reductions to income in regard to the decision of the UK to leave the EU and the impact this may have on investment income and potentially to donations.

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Trustees Report 2016

The Charity maintains General Fund Reserves and Retirement Fund Reserves separate to Land and Building Reserves to ensure transparency of financial reports and to enable consideration of future financial planning. The Appeal Fund does not hold reserves, all surpluses being transferred to the Charity for St. Joseph's Missionary Society (Generalate) Charity No. 1148980 for funding of the Missions. No Restricted Funds are held for year ended 31 December 2016.

The Charity has an Investment Policy primarily aimed at maximising investment income whilst maintaining an ethical stance across a diverse range of asset class and security. The Charity will not invest in companies pursuing activities which are directly contrary to the purpose of the Trust Deed and investment is avoided in companies where their main business activities are in the areas of pornography, armaments/military equipment, gambling or tobacco. Investment Managers are instructed to follow the policy of 'safe' rather than 'speculative' investment whilst achieving an overall income yield not less than 3.5% annually. The Investment Policy is reviewed periodically to ensure continuing suitability.

Ongoing financial planning, through detailed budgetary consideration, is focused on the following key areas:

- The promotion, maintenance and support of the Society and its members, including the education of those members – these being reliant upon general donations, investment and legacy income
- The relief of poverty. Ongoing review of practices, reinforcing the appeals team (both employed and voluntary) to organise APF Appeals throughout England and Wales, to ensure the future sustainability of the Missions through both Red Box Donations and Covenant Donations
- The advancement of the Roman Catholic Religion.

• Laws and regulations

- The Trustees acknowledge their duty to ensure that the Charity complies with charity law and with the requirements of the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator (OSCR) as well as their responsibility for ensuring the Charity does not breach any of the requirements or rules set out in the Trust Deed and the Constitutions of the Society.
- The Trustees appoint a qualified external auditor to verify the accuracy of accounts, processes and procedures, to minimise the potential for inaccurate accounting and potential fraud.
- The Trustees are aware of their obligation to report any serious incidents to the Charity Commission.

• Protection of Vulnerable Adults:

The Trustees ensure ongoing compliance assessment to ensure the Society meets with the current legislative requirements as regards the Protection of Vulnerable Adults. As well as complying with its own 'Code of Conduct' and 'Safeguarding Guidelines' the Society also adheres to the Safeguarding Guidelines of the Catholic Church in England and Wales.

PUBLIC BENEFIT

The Trustees have consulted the guidance made available by the Charity Commission for England and Wales on the Public Benefit requirement of the Charities Act 2011.

The Trustees are confident that they have complied with their duty under the Charities Act 2011 in that they have had due regard to public benefit guidance published by the Commission. In furtherance of the trusts charitable purposes for the public benefit the trustees give details of their activities in the following paragraphs.

REVIEW OF 2016

- In 2016, the British Region which comprises England, Wales and Scotland had **90** members of whom **29** were retired and **1** of whom was in the UK pending appointment (staying in Herbert House).

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Overseas:

- **20** members were on missionary work overseas. They were spread over 12 different countries: Malaysia, India, Pakistan, Philippine Islands, New Zealand, Africa in Kenya, Congo, Uganda, Cameroon and South Africa, and also in the USA.
- The Society's Members work mainly in Parishes amongst people in need providing religious and humanitarian services. The latter includes urban projects such as rehabilitating drug users, helping displaced persons, working with the disabled, feeding schemes for children and in rural areas, projects for women.

England and Wales:

- **11** members were involved in raising missionary awareness and making appeals England and Wales. This work is carried out in confluence with Missio and collectively a total of £3,033,150 was raised in 2016 of which £1,213,260 went to the Society – increase of 1.5% on 2015.
- **4** members of the society were working in parishes in England while **5** others were chaplains to hospitals, care homes, schools, and convents. **2** members were lecturing on courses and **4** were on sabbaticals.
- There are **10** members of the region who are involved in management of the society and this would include those who are looking after our properties in Freshfield where most of our retired members reside.

Scotland:

- **4** members were involved in raising missionary awareness and making appeals in Scotland and during 2016 they visited 30 parishes. Also due to the declining numbers of diocesan priests they regularly visited 29 parishes on supply. The Society magazine for Scotland (St. Joseph's Advocate) was published twice during 2016 and one calendar was produced. We continue to run a series of weekly talks led by Fr. Tollan and Fr. Bernard, as well as providing reflection/religious retreat days and evenings, visits to schools and working with other groups belonging to the Catholic Church in Scotland - Fatima, Serra, Legion of Mary, Lourdes Hospitalite, Lourdes Nurses, Life in the Eucharist, A.S.D.C. and Anawim – all of whom use our Glasgow based house, Cardonald, for meetings. A Centring Prayer Group continues to be held every Tuesday and pilgrimages to Fatima and Lourdes were led by MHM Scotland. The proceeds of a Prize Draw (Friends of Mill Hill) held in 2016 went to Fonfuka, Cameroon. Fr. Bernard Fox the House Rector is also the representative for Mill Hill Missionaries for Safeguarding Scotland & Conference of Religious.

Future Developments

In addition to the continuation of its current activities a number of specific projects are envisaged.

- 1) To support the British Region Members in their missionary work overseas.
- 2) To provide for the retirement and health needs of members of the British Region.
- 3) To promote overseas mission in the British Region

Signed on behalf of the Trustees:

S J Botto

Trustee

Approved by the Trustees on: 24 7 2017

Charity for St Joseph's Missionary Society (British Region)
Auditors' Report

Independent auditors' report to the Trustees of the Charity for St Joseph's Missionary Society (British Region)

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

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 14 of the Charities Act 2011 (or its predecessors), regulations made under section 154 of that Act and under section 44(1)(c) of the Charities and Trustee Investment Act (Scotland) and report in accordance with regulations made under those Acts. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:-

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

Keith Vaudrey & Co
Chartered Accountants and Statutory Auditors
1st Floor
15 Young Street
London W8 5EH

25 July 2017

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

Charity for St Joseph's Missionary Society (British Region)
Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 December 2016

	Notes	Unrestricted funds			2016 £	2015 £	Unrestricted funds		
		General fund	Designated fund	Restricted fund			General fund	Designated fund	Restricted fund
		£	£				£	£	
Income									
Voluntary income									
Appeals, donations and legacies	1	289,816	17,634	1,350,300	1,657,750	1,867,191	528,354	56,981	1,281,856
Salaries, stipends and pensions		50,551	160,261	-	210,812	200,592	54,655	145,937	-
Masses said		107,873	-	-	107,873	107,866	107,866	-	-
Contribution from Generalate		-	140,000	-	140,000	150,000	-	150,000	-
Investment income									
Dividend and interest	2	179,005	466,831	-	645,836	571,686	159,288	412,398	-
Other income									
Miscellaneous income		3,141	-	-	3,141	814	814	-	-
Total income		<u>630,386</u>	<u>784,726</u>	<u>1,350,300</u>	<u>2,765,412</u>	<u>2,898,149</u>	<u>850,977</u>	<u>765,316</u>	<u>1,281,856</u>
Expenditure									
Raising funds									
Fundraising	3	7,042	-	354,824	361,866	374,484	15,715	-	358,769
Investment manager fees		6,370	52,369	-	58,739	48,960	5,321	43,639	-
Charitable activities									
Pastoral activities									
Upkeep of communities	4	833,697	205,535	-	1,039,232	1,042,148	834,183	207,965	-
Support of Missions and Society		5,650	-	113,450	119,100	118,825	10,575	-	108,250
Contribution to Generalate		-	-	834,080	834,080	751,904	-	-	751,904
Management and administration	5	76,760	54	-	76,814	79,122	79,032	90	-
Governance costs	6	9,900	-	-	9,900	9,600	9,600	-	-
Total expenditure		<u>939,419</u>	<u>257,958</u>	<u>1,302,354</u>	<u>2,499,731</u>	<u>2,425,043</u>	<u>954,426</u>	<u>251,694</u>	<u>1,218,923</u>
Net gains (losses) on investments	9	268,858	1,125,430	-	1,394,288	(295,123)	(132,132)	(162,991)	-
Net income (expenditure) before transfers		<u>(40,175)</u>	<u>1,652,198</u>	<u>47,946</u>	<u>1,659,969</u>	<u>177,983</u>	<u>(235,581)</u>	<u>350,631</u>	<u>62,933</u>
Transfers between funds		<u>533,906</u>	<u>(485,960)</u>	<u>(47,946)</u>	<u>-</u>	<u>-</u>	<u>468,982</u>	<u>(406,049)</u>	<u>(62,933)</u>
Net movement in funds		<u>493,731</u>	<u>1,166,238</u>	<u>-</u>	<u>1,659,969</u>	<u>177,983</u>	<u>233,401</u>	<u>(55,418)</u>	<u>-</u>
Balances brought forward 1 January		<u>6,436,102</u>	<u>19,502,701</u>	<u>-</u>	<u>25,938,803</u>	<u>25,760,820</u>	<u>6,202,701</u>	<u>19,558,119</u>	<u>-</u>
Balances carried forward 31 December		<u>6,929,833</u>	<u>20,668,939</u>	<u>-</u>	<u>27,598,772</u>	<u>25,938,803</u>	<u>6,436,102</u>	<u>19,502,701</u>	<u>-</u>

Statement of total recognised gains and losses

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

Charity for St Joseph's Missionary Society (British Region)
Balance Sheet
as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	7,699,069	7,699,546
Investments at market value	9	<u>17,779,083</u>	<u>16,451,412</u>
		25,478,152	24,150,958
Current assets			
Debtors	10	473,747	372,633
Cash at bank and in hand		<u>1,774,040</u>	<u>1,592,148</u>
		2,247,787	1,964,781
Creditors: amounts falling due within one year			
Sundry creditors	11	<u>127,167</u>	<u>176,936</u>
		2,120,620	1,787,845
Total assets less current liabilities		<u>27,598,772</u>	<u>25,938,803</u>
		<u><u>27,598,772</u></u>	<u><u>25,938,803</u></u>
Represented by:			
Funds and reserves			
General funds		6,929,833	6,436,102
Designated funds	12	20,668,939	19,502,701
Restricted funds	13	-	-
		<u>27,598,772</u>	<u>25,938,803</u>

Approved by the Trustees
and signed on their behalf

S J Botto
Trustee
Approved by the Trustees on 24.7.2017

Charity for St Joseph's Missionary Society (British Region)
Statement of cash flows
for the year ended 31 December 2016

	Note	2016 £	2015 £
Cash generated in operating activities	A	<u>(513,256)</u>	<u>(255,814)</u>
Cash flows from investing activities			
Investment income		645,836	571,686
Proceeds of investment sales		2,769,945	1,523,874
Purchases of investments		(2,513,849)	(2,228,605)
Proceeds on sale of assets		4,534	800
Purchase of fixed assets		(21,839)	(10,403)
Cash provided (used) in investing activities		<u>884,627</u>	<u>(142,648)</u>
 Increase in cash and cash equivalents in year		<u>371,371</u>	<u>(398,462)</u>
 Movement in year			
(Decrease) increase in cash at bank and in hand		181,892	(371,909)
(Decrease) increase in cash held by investment managers for re-investment		<u>189,479</u>	<u>(26,553)</u>
		<u>371,371</u>	<u>(398,462)</u>

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

	2016 £	2015 £
Net income (expenditure)	1,659,969	177,983
Deduct investment income	(645,836)	(571,686)
Add depreciation	20,924	33,545
Profit on sale of assets	(3,141)	(800)
Add/(deduct) net movement on investments.	(1,394,288)	295,123
Increase (decrease) in creditors	(49,769)	47,576
(Increase) decrease in debtors	<u>(101,115)</u>	<u>(237,555)</u>
	<u>(513,256)</u>	<u>(255,814)</u>

Charity for St Joseph's Missionary Society (British Region)
Principal Accounting policies
for the year ended 31 December 2016

1 Basis of preparation and assessment of going concern

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

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

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

3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date.

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield in the investment portfolio.

Expenditure

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

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

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

The contribution to the Generalate is calculated annually and represents the excess of APF income net of expenditure for the year.

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

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary.

4 Foreign currencies

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

5 Tangible fixed assets

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

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

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

Plant, equipment, fixtures and fittings 20%

Motor vehicles 25% on cost

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

Charity for St Joseph's Missionary Society (British Region)
Principal Accounting policies
for the year ended 31 December 2016

6 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

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

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

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

8 Fund accounting

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

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There is a single restricted fund, the APF - Mill Hill, restricted to the collection of money which is to be used for the support of missionary work and society, and within the objects of the Generalate the net income of this fund is paid over to St Joseph's Missionary Society (Generalate) on an annual basis.

9 Taxation

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

10 Pensions

Employees of the Trust are entitled to join the National Employment Savings Trust (NEST), a defined contribution plan under which the Trust pays fixed contributions to a separate entity. The Trust has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Charity for St Joseph's Missionary Society (British Region)

Notes to the Accounts

for the year ended 31 December 2016

	General fund	Designated fund	Restricted fund	2016	2015	General fund	Designated fund	Restricted fund
	£	£		£	£	£	£	
1 Appeals, donations and legacies								
Appeals and donations APF	-	-	1,273,332	1,273,332	1,250,590	-	-	1,250,590
Other	66,181	9,750	-	75,931	167,067	158,067	9,000	-
Legacies	223,635	7,884	76,968	308,487	449,534	370,287	47,981	31,266
	<u>289,816</u>	<u>17,634</u>	<u>1,350,300</u>	<u>1,657,750</u>	<u>1,867,191</u>	<u>528,354</u>	<u>56,981</u>	<u>1,281,856</u>
2 Investment income and interest receivable								
Income from investments	177,885	466,831	-	644,716	569,535	157,137	412,398	-
Bank and other interest	1,120	-	-	1,120	2,151	2,151	-	-
Rents (net of costs)	<u>179,005</u>	<u>466,831</u>	<u>-</u>	<u>645,836</u>	<u>571,686</u>	<u>159,288</u>	<u>412,398</u>	<u>-</u>
3 Raising funds								
Fundraising								
Fundraising APF	-	-	354,824	354,824	358,769	-	-	358,769
Other	7,042	-	-	7,042	15,715	15,715	-	-
	<u>7,042</u>	<u>-</u>	<u>354,824</u>	<u>361,866</u>	<u>374,484</u>	<u>15,715</u>	<u>-</u>	<u>358,769</u>
4 Pastoral activities								
Upkeep of Communities								
Premises	164,885	-	-	164,885	197,978	197,978	-	-
Community and personal	668,812	205,535	-	874,347	844,170	636,205	207,965	-
	<u>833,697</u>	<u>205,535</u>	<u>-</u>	<u>1,039,232</u>	<u>1,042,148</u>	<u>834,183</u>	<u>207,965</u>	<u>-</u>
5 Pastoral activities								
Management and administration								
Staff	26,849	-	-	26,849	28,098	28,098	-	-
Central administrative	39,005	54	-	39,059	34,269	34,179	90	-
Depreciation	10,906	-	-	10,906	16,755	16,755	-	-
	<u>76,760</u>	<u>54</u>	<u>-</u>	<u>76,814</u>	<u>79,122</u>	<u>79,032</u>	<u>90</u>	<u>-</u>
6 Governance costs								
Audit fee	6,800	-	-	6,800	6,800	6,800	-	-
Accounting and advice	3,100	-	-	3,100	2,800	2,800	-	-
	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>9,900</u>	<u>9,600</u>	<u>9,600</u>	<u>-</u>	<u>-</u>

7 Staff costs

Staff costs during the year were as follows:

	2016 £	2015 £
Wages and salaries	529,912	498,809
Social security costs	37,532	34,301
Pension costs	3,233	689
	<u>567,444</u>	<u>533,110</u>

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

The average number of employees, analysed by function was:

	2016 £	2015 £
Administrative and fundraising	6	7
Domestic, nursing and catering	20	18
Total	<u>26</u>	<u>25</u>

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 January 2016	7,663,877	197,281	19,550	7,880,708
Additions	-	15,078	6,761	21,839
Disposals	-	(22,356)	(3,393)	(25,749)
At 31 December 2016	<u>7,663,877</u>	<u>190,003</u>	<u>22,918</u>	<u>7,876,798</u>
Depreciation				
At 1 January 2016	-	169,499	11,663	181,162
Charge for the year	-	15,836	5,088	20,924
On disposals	-	(20,966)	(3,391)	(24,357)
At 31 December 2016	<u>-</u>	<u>164,369</u>	<u>13,360</u>	<u>177,729</u>
Net book value				
At 31 December 2016	<u>7,663,877</u>	<u>25,634</u>	<u>9,558</u>	<u>7,699,069</u>
At 31 December 2015	<u>7,663,877</u>	<u>27,782</u>	<u>7,887</u>	<u>7,699,546</u>

Charity for St Joseph's Missionary Society (British Region)
Notes to the Accounts
for the year ended 31 December 2016

	2016 £	2015 £
9 Investments		
Market value at 1 January 2016	16,410,987	16,001,379
Additions at cost	2,513,849	2,228,605
Sale proceeds from disposals	(2,769,945)	(1,523,874)
Net gain (loss) in year	1,394,288	(295,123)
Market value at 31 December 2016	17,549,179	16,410,987
Cash held by investment managers for re-investment	229,904	40,425
	17,779,083	16,451,412

Cost of listed investments at 31 December 2016

14,135,984 14,135,984

10 Debtors

	2016 £	2015 £
Taxation recoverable	105,034	90,313
Charity for St Joseph's Missionary Society	89,800	-
Sundry debtors	77,796	20,557
Legacies	127,792	206,492
Prepayment	73,325	55,271
	473,747	372,633

11 Creditors: amounts falling due within one year

	2016 £	2015 £
Sundry and expense creditors	101,447	121,036
Accruals	3,000	-
Charity for St Joseph's Missionary Society	-	31,209
Mass stipends	22,720	24,691
	127,167	176,936

12 Designated funds

The income fund of the Charity includes the following desingated funds which have been set aside our of unrestricted funds by the Trustees for the following specific purposes:

- Capital fund: represents the value of the society's land and buildings
- Retirement fund: represents monies set aside to fund retirement costs for members both at Herbert House, the retirement home, and those in residence

	At 1 January 2016 £	Transfers	Incoming resources £	Utilised/ realised £	At 31 December 2016 £
Capital fund	7,663,877	-	-	-	7,663,877
Retirement	11,838,824	(485,960)	784,726	867,472	13,005,062
	19,502,701	(485,960)	784,726	867,472	20,668,939

13 Restricted fund

	At 1 January 2016 £	Income £	Expenditure £	At 31 December 2016 £
APF- Mill Hill Fund	-	1,350,300	(1,350,300)	-

The APF- Mill Hill Fund consists of funds for mission work collected, for and on behalf of the Charity for St Joseph's Missionary Society (Generalate).

14 Analysis of net assets between funds

	General fund £	fund £	fund £	2016 £	2015 £	fund £	fund £	fund £
Fund balances at 31 December 2016 are represented by:								
Fixed assets								
Tangible assets	35,192	7,663,877	-	7,699,069	7,699,546	35,669	7,663,877	-
Investments	5,321,935	12,457,148	-	17,779,083	16,451,412	5,059,433	11,391,979	-
	5,357,127	20,121,025	-	25,478,152	24,150,958	5,095,102	19,055,856	-
Current assets	1,109,643	376,957	478,181	1,964,781	2,099,136	1,019,177	825,095	254,864
Balances between funds	192,128	82,532	(274,660)	-	-	184,497	60,793	(245,290)
Creditors: amounts falling due within one year	(90,771)	(12,644)	(203,521)	(306,936)	(129,360)	(110,761)	(9,025)	(9,574)
	6,568,127	20,567,870	-	27,135,997	26,120,734	6,188,015	19,932,719	-

15 Charity for St Joseph's Missionary Society (Generalate)

Charity for St Joseph's Missionary Society (British Region)

Notes to the Accounts

for the year ended 31 December 2016

During the year the Charity for St Joseph's Missionary Society (British Region) paid over £834,080 (2015: £751,904) from the APF-Mill Hill Fund for the Generalate's mission activities from general funds and received a subsidy towards retirement costs of £140,000 (2015: £150,000).