

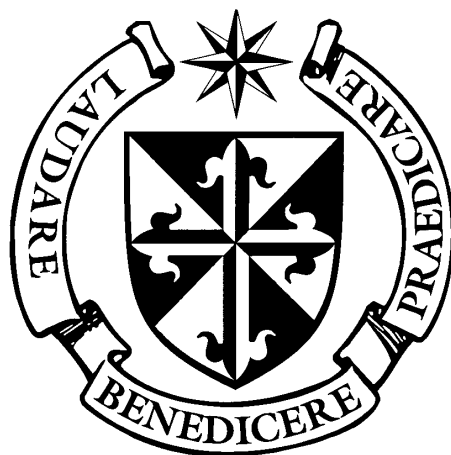
**DOMINICAN SISTERS (THIRD ORDER)  
CONGREGATION OF NEWCASTLE NATAL**

**Established at Bushey Heath, Hertfordshire**

(Registered number 233236)

Financial statements

Year ended 31 December 2016



**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
(Registered Number 233236)  
**ANNUAL REPORT**  
**31 DECEMBER 2016**

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**Saint Dominic Founder of the Order of Preachers**  
(1170 – 1221)

# **DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL TRUSTEE, OFFICERS AND PROFESSIONAL ADVISORS**

## **TRUSTEE OF THE CHARITY**

Saint Rose of Lima Association Limited, the Directors and Officers of which are the Congregation Prioress and Congregation Council members of the Sisters of the Dominican Congregation of Saint Catherine of Siena of Newcastle Natal, as below

## **CONGREGATION prioress and DIRECTOR OF THE TRUSTEE**

M. F. Cunningham (Sister Felicity OP), appointed Director 28 April 2017  
A. B. Cunningham (Sister Ann OP), resigned as Director 28 April 2017

## **GENERAL COUNCILLORS and DIRECTORS OF THE TRUSTEE**

M. C. Tuohy (Sister Maria OP), Sister Bursar, appointed Director 28 April 2017  
K. E. d'Artois (Sister Karen Marguerite OP), appointed Director 28 April 2017  
E. Airey (Sister Eileen OP), appointed Director 28 April 2017

F. M. Jordan (Sister Raymunda OP), Congregation Vicaress, resigned as Director 28 April 2017  
E. C. O'Brien (Sister Damien OP), General Secretary, resigned as Director 28 April 2017  
P. A. Hayden (Sister Martina OP), resigned as Director 28 April 2017  
E. D. McGarry (Sister Winifred OP), resigned as Director 28 April 2017

## **SISTER BURSAR**

M. Tuohy (Sister Maria OP)

## **GENERAL BURSAR**

P. M. Kelly FIA Retired

## **FINANCE MANAGER**

R. D. Bolton FCA

## **ADDRESS**

Rosary Priory  
93 Elstree Road  
Bushey Heath  
Bushey WD23 4EE

**Telephone:** 020 8950 6065  
**Fax:** 020 8950 7991  
**Website:** [www.dominicansisters.co.uk](http://www.dominicansisters.co.uk)

## **CHARITY REGISTRATION NUMBER**

233236

## **AUDITORS**

BDO LLP  
55 Baker Street, London W1U 7EU

## **SOLICITORS**

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London WC2A 3LH

Stone King LLP  
13 Queen Square  
Bath BA1 2HJ

McGrath LLP  
66/67 Newman Street  
London W1T 3EQ

## **BANKERS**

Royal Bank of Scotland plc  
London Drummonds Branch, 49 Charing Cross, London SW1A 2DX

## **INVESTMENT MANAGERS**

Rathbone Investment Management Limited  
8 Finsbury Circus, London EC2M 7AZ

## **CUSTODIAN TRUSTEES**

Bank of New York Mellon and Rathbone Nominees Limited

# **DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**

## **TRUSTEE'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

The Trustee of the Dominican Sisters (Third Order) Congregation of Newcastle Natal, the registered charity, is Saint Rose of Lima Association Limited and is a company which is limited by guarantee.

The Directors of the Trustee present the Trustee's Report and the audited financial statements of the Dominican Sisters (Third Order) Congregation of Newcastle Natal for the year ended 31 December 2016. The Charity encompasses the European (UK and Rome) activities of the religious congregation titled Sisters of the Dominican Congregation of Saint Catherine of Siena of Newcastle, Natal. Sisters of the Charity (47 at 31 December 2016) ministered in England and Italy. Other sisters of the religious congregation (32 at 31 December 2016) minister in South Africa, two ministering in five not for profit entities but the Charity has no financial interest in their operation and these financial statements do not include their activities. Further information on the basis of accounting is set out in Note 1 to the Financial Statements.

The accounts accompanying this report are the accounts of the charitable trust on which the assets in Europe of the Congregation are held. They include all the Charity's activities in Europe and follow the Charities SORP (FRS102) to which the Charity transitioned on 1 January 2014.

The Charity Commission Guidelines note that: *A Charity's aims are usually found in the objects clause of its governing document, which should adequately and fully express what the organisation is set up to do.*

**Our Aims:** The objective of the Charity is the advancement of the Roman Catholic Religion and the support of any associated charitable work for the time being carried on through the Trustee with the approval of the Congregation Prioress.

**Original Mission:** Our aims stem from the original mission of Mother Rose Niland who in 1896 founded the Sisters of Saint Catherine of Siena, within the Dominican tradition, in Newcastle, South Africa. Like so many active congregations founded at the time, Mother Rose set out to meet the urgent social need for education among the indigenous and colonial population. These early pioneers were women of great faith and courage who took enormous risks and suffered considerable hardships. Part of their legacy was fine schools, some of which still exist. Among these pioneers there was an urgency and zeal to evangelise as well as to educate. So they were faithful to the Dominican motto: To give to others the fruits of our contemplation.

As Dominican Sisters we find inspiration in the following quotation from the Basic Constitution:

*To perfect our love of God and neighbour in the following of Christ, by religious profession we are enrolled in the Order of Preachers, completely consecrated to God in a new way, dedicated to the whole Church, and totally engaged in spreading the Word of God.*  
(Basic Constitution of the Order of Preachers, Para III)

## **Geographical location and operation of the Charity**

The Charity operates in the following countries: United Kingdom and Italy.

## **Governance, structure and management**

### **Governance**

In terms of civil law the Charity is formally established by a Trust Deed dated 20 January 1953, as varied by the provisions of a Scheme sealed on 4 May 1995, and is a registered charity – Charity Registration No. 233236. The Trustee of the Charity is Saint Rose of Lima Association Limited and is an English company which is limited by guarantee. It acts through its five Directors and Officers (four from 28 April 2017) who are the Congregation Prioress and her Council. As such, they have detailed knowledge of the work of the Charity and its structure. New Directors on being appointed are required to familiarise themselves with the responsibilities of being a trustee, and on the Charity's position.

The names of the Directors and Officers who served during the year are set out in the reference and administrative details on page 1 of this report and accounts. Subsequent to the year end, on 28 April 2017 all the Directors in place throughout 2016 resigned having completed their terms of office and following the appointment on 28 April 2017 of Sisters Felicity Cunningham, Eileen Airey, Karen d'Artois and Maria Tuohy. Brief pen portraits of each of the Directors of the Trustee are set out below.

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**Sister Ann Cunningham** was elected Congregation Prioress in December 2004. She was re-elected for a further term with effect from 12 December 2010. After some years in the teaching profession, she trained in the areas of formation ministry, spiritual direction and retreat work. Sister resigned on 28 April 2017.

**Sister Raymunda Jordan** was elected Councillor in December 2004 and subsequently appointed Congregation Vicareess. She was re-elected for a further term with effect from 12 December 2010. She is experienced in leadership. Her professional background is in education, becoming head teacher of a mixed comprehensive school, and now as a facilitator and counsellor. Sister resigned on 28 April 2017.

**Sister Damien O'Brien** was elected Councillor in December 2004. She was re-elected for a further term with effect from 12 December 2010. She is the former head teacher of an infant school with considerable experience in education and of administration. Sister resigned on 28 April 2017.

**Sister Martina Hayden** was elected Councillor in December 2010. She was involved in education in England for many years, teaching at secondary level for a few years and from 1960 – 1980 as Head Teacher first at a preparatory school and, from 1969, at St Catherine of Siena Catholic Primary School, Garston, Hertfordshire. After spending four years on an Adult Education Team, she spent three years in parish work as a missionary in Argentina. She has since worked as a counsellor. Sister resigned on 28 April 2017.

**Sister Winifred McGarry** was elected Councillor in December 2010. She spent 10 years in Kingston, Jamaica, as a missionary; prior to that she was involved in education, first in school, and then in youth service as a university chaplain. Currently, she assists at Blackfriars Hall, Oxford. Sister resigned on 28 April 2017.

**Sister Felicity Cunningham** was elected Congregation Prioress in December 2016 and appointed Director of the Charity on 28 April 2017. Prior to her election, she was Region Prioress in South Africa. After some years in the teaching profession, she spent several years in parish ministry, and a number of years in formation ministry.

**Sister Maria Tuohy** was elected Councillor in December 2016 and appointed Director of the Charity on 28 April 2017. She was teaching in secondary education for many years and subsequently engaged in administration of the Charity. She was Councillor and Director of the Charity from 1982 to 1993.

**Sister Karen Marguerite d'Artois** was elected Councillor in December 2016 and appointed Director of the Charity on 28 April 2017. She has worked in university chaplaincy and faith formation for children and adults, and trained in formation ministry. With a strong background in administration, she is currently Co-ordinator of the Niland Conference Centre run by the Charity.

**Sister Eileen Airey** was elected Councillor in December 2016 and appointed Director of the Charity on 28 April 2017. She was teaching at secondary level for eleven years and also head of religious education for three years in this period. In 1993 she was elected to the Congregation Council, returning from Argentina, and worked in team ministry in several parishes in the Stevenage area. In 2000 she returned to mission work in Argentina for three years, returning again in 2006 for another two years. In between she was a parish sister in Harpenden and from 2009 in Aberdare, Wales. In 2011, she went to South Africa as formator of the young sisters in training and was involved in retreat work until 2017.

The Congregation Prioress and her Council are elected every six years at a General Chapter Meeting of the Congregation. The General Chapter, composed of elected and ex-officio members, elects the Congregation Prioress and her General Councillors on the basis of their personal qualities, their understanding and experience of the ministries of sisters and to provide a useful mix of skills. Following their election to Congregation Council, these sisters are appointed Directors of the Trustee and are responsible for the organisation of the Charity and the administration of its assets. It is their duty to ensure that the activities undertaken are for the advancement of the objects of the Charity. Decisions are taken by the Congregation Prioress and her Council as the Directors of the Trustee.

The Congregation Prioress visits all the convents and houses of the Congregation either personally or by delegate every three years. The purpose of the visitation is that she may endeavour to examine and assess the quality of community and apostolic life and that she may come to know the sisters better by giving them an opportunity to make known their needs and their opinions about the life, apostolate and administration of the community. Systems of accountability mean that the Congregation Prioress and her Councillors are aware of and able to assist with the progress and development of the ministries carried out by the sisters.

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### **Bursars and Local Communities**

The Sister Bursar, Sister Maria Tuohy, is responsible for the handling of financial and property matters, and attending and reporting on these at meetings of the Directors of the Trustee. She is assisted by the General Bursar and the Finance Manager, both being lay staff.

Each local community is governed by an elected Prioress or, particularly for smaller houses, chooses a participative style of leadership.

House Bursars are responsible for financial aspects of local communities. A number of sisters have been granted budgets for the expenditure they incur in the course of their ministries and report monthly on their use of this facility.

### **Remuneration of Directors of the Trustee**

While the Directors of the Trustee have been maintained in accordance with the Charity's duty to provide for the sisters, they have received no remuneration whether in the course of their duties or otherwise. Any income paid to them in the course of their work has been given to the Charity.

### **Remuneration of Key Management Personnel**

Initial remuneration levels of key management personnel were established by surveying comparative rates and negotiation with the individuals. Subsequent annual review of pay has applied the same change as applied to other employees.

### **Risk Management**

In line with the requirement for the Trustee to undertake a risk assessment exercise and report on the same in this report, the Directors of the Trustee have identified the major risks to which the Charity is exposed. The Directors of the Trustee have identified seven main areas where risks may occur:

- ◆ The Charity's Work
- ◆ Governance and Management
- ◆ Operational
- ◆ Safeguarding
- ◆ Data Protection
- ◆ Social Media
- ◆ Financial

**The Charity's Work:** considers the activity of the Charity which is primarily the advancement of the Roman Catholic Religion and associated charitable work. Factors considered include that this may require to be reinterpreted in the circumstance that sisters are ageing and few new members are joining. The Directors of the Trustee monitor this aspect.

**Governance and Management:** considers the efficacy of the trustee body. Risks considered are of a trustee body which lacked sufficient skills, commitment and appropriate decision-making procedures. Such risks could include a lack of training of sisters and staff or poor stewardship of resources – human, financial and property. The Directors of the Trustee monitor this aspect and engage in appropriate courses and training.

**Operational:** guards against the possibility of danger to the health, safety and well-being of those with whom we come in contact, of employees and of sisters; and against the potential risk that the property and buildings of the Charity could suffer alienation or damage, or may not be appropriately adapted for use by the physically or mentally challenged. The Directors of the Trustee arrange for specialist advice to be retained in this area, and for appropriate insurance cover.

**Safeguarding:** guards against any form of abuse and strives towards a 'Culture of Safeguarding'. Child and vulnerable adult policies and procedures are in place both in relation to ministry engagement of sisters and in relation to our own vulnerable adults. In its compliance with the One Church Approach, the Trustee is committed to implement policies and procedures of the National Catholic Safeguarding Commission. The Directors of the Trustee retain an individual to monitor this aspect and themselves engage in training.

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**Data Protection:** guards against potentially damaging threats to our and others' data, whether internal or external, deliberate or accidental. The Directors of the Trustee retain an individual to advise on this aspect.

**Social Media:** guards against the inappropriate use of social media and potential danger to our reputation through such use. The Directors of the Trustee have established a policy for this aspect which is disseminated amongst personnel.

**Financial:** guards against the potential risk to the Charity of the occurrence of fraud or financial irregularity, which could include unauthorised expenditure, inappropriate investment policies, and unreliable accounting. The Directors of the Trustee have established appropriate separation of roles and authority levels for those dealing with the Charity's assets.

As indicated above, having identified the major risks to which the Charity is exposed, the Directors of the Trustee have established systems and procedures to mitigate those risks as far as reasonably possible. All policies are updated regularly to assure right practice.

## **Realising the Charity's Objective**

The Directors of the Trustee have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Advancement of the Roman Catholic Religion for Public Benefit, the Charity's main objective, is realised in the following ways:

- 1 Worship and Prayer Life
- 2 Education
- 3 Caring, Pastoral and Social Ministries
- 4 Collaboration
- 5 Use of Houses of the Charity

Each of these is considered in turn below:

### **1. Worship and Prayer Life**

The daily celebration of the Liturgy, the prayer of the people of God – the Eucharist and the Prayer of the Church – is one of the principal elements in our Dominican Life. Members of the Congregation are given the opportunity for private prayer, ongoing formation, study of the Scriptures, and days of recollection. In each of our houses, members invite people from the wider community to join us in prayer. Our preaching mission can only emerge out of a life rooted in prayer and praise. When we leave the liturgy, we are being missioned back to the world, to 'give to others the fruits of our contemplation'. Members are open to receiving and listening to people seeking spiritual guidance and help.

The place of prayer, silence and retreat at Cricklewood, is valued by its users. The beautiful pousinia (a place of prayer) is well used and is open to anyone who wishes to have a 'place apart'. In addition, sisters are available to offer a listening ear and to give spiritual guidance and direction.

A number of sisters continue to offer prayer groups and Gospel-sharing groups. These groups, which meet regularly, give members of the public the opportunity to escape the stresses of everyday life for a short time and take time for quiet contemplation and reflection.

Sisters make use of the Niland Conference Centre to run workshops and days of reflection for those who are interested including sisters. These days are opportunities for reflection on what is important in the spiritual, social and cultural realms.

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## **2. Education**

The Charity has been engaged in the ministry of education since its foundation. Education remains a cornerstone of our ministry as Dominican women and is regarded as an essential agent in evangelisation. One of the areas of focus in this regard is Adult Formation at the Niland Conference Centre. One sister is Team Co-ordinator of the Niland Conference Centre and, supported by sister team members, the Dominican charism of preaching the Gospel remains at the heart of all the activities and events hosted at the Niland Conference Centre. Other sisters are engaged:

- at the Angelicum University in Rome as the Assistant Dean of the Faculty of Social Sciences, as Director of the Masters Programme in Management and Corporate Social Responsibility, as co-editor of the recent publication titled *Preaching Justice 11: Contributions of Dominican Sisters to Social Ethics in the Twentieth Century*, and running the annual seminar for part-time Angelicum students which covers various topics, such as 'the ageing society', 'the future of marriage and the family', and 'urbanisation in the 21st century',
- as the Vice Secretary General at the Angelicum University in Rome, assisting and mentoring students who are writing their Doctoral Theses,
- in supporting and working with schools and parishes, through running in-service training days for staff and catechists who themselves are involved in promoting the Catholic faith.

## **3. Caring, Pastoral and Social Ministries**

Several of our sisters are engaged in parish ministries. These include:

- being active in catechetics
- assisting in the training of catechists
- participating as members of parish teams
- arranging retreat days for groups in local parishes
- organising and running reflection and musical sessions during the main seasons of the Church's liturgical year
- engaging in marriage counselling

Throughout the year, the sisters continued to carry out various forms of social and pastoral work in order to fulfil their individual ministries. This work enables the Charity to reach out to those in need within society generally and to benefit a significant number of people.

Some examples of the work of individual sisters are given below by way of illustration:

- A number of sisters are involved in ministry as pastoral workers. Their ministry takes them into areas of need amongst the poor, the elderly and infirm (some of whom are in their own homes, others in nursing homes). Sisters visit them regularly and, where they can, give necessary help. Often these people long for the visits during which they find someone who is prepared to listen and to help. At times, in both areas of poverty and areas where the aged are living, the sister is the only other human face they see for days on end. Some sisters are also involved in Parishes where they reach out to the poor and needy through religious education and social care.
- A sister is involved in prison ministry.
- A sister is involved, with others, in a centre that focuses on the needs of asylum seekers, refugees and vulnerable women who have been trafficked and are being rehabilitated. Much work is done to assist these women and relevant authorities are contacted in an effort to give them the help they need.
- In order to draw attention to the needs in society, sisters lobby government and participate with others in an effort to bring change for the good of society. They have been active in drawing attention to the challenges and risks of climate change, issues which affect the whole world.

The Charity enables and supports individual members of the Congregation in ministry and outreach work thereby furthering the message set out in the Gospel.



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**4. Collaboration with Religious and Other Organisations in the Church**

Such collaboration includes:

- collaborating with other Religious Institutes in working with Caritas:
  - (a) in offering support to migrants and abused and dislocated people,
  - (b) in setting up an organisation called Safe in Faith addressing high levels of domestic abuse in local areas;
- hosting days of renewal, reflection and prayer to which all religious and parishes are invited;
- collaborating with the Anglican and Baptist Churches in the area by offering pastoral care and a listening ear;
- working with the Blueprint Trust in giving training courses to managers to help develop a management approach based on human dignity and serving the common good;
- working in a team at Women at the Well – a drop-in day centre for vulnerable women with varied needs;
- assisting in the office of Blackfriars Hall in Oxford; it is also the studium of the English Province of the Dominican Order;
- working as Assistant Editor for New Blackfriars, a bimonthly theological and philosophical journal;
- the involvement of the Congregation Prioress in UISG (International Union of Superiors General) which keeps the Charity updated on global needs and concerns;
- through the Congregation Prioress, representing the charity at COR (Conference of Religious), being fully involved in Dominican Sisters International, the Dominican Association of Britain and Ireland, and in DSE (Dominican Sisters Europe) keeping the Congregation in touch with what is happening in Religious life in general, as well as at the level of the Dominican Order;
- sisters continuing to collaborate with other Dominicans through their participation in Dominican Family Days, the annual Dominican Seminar and meetings of lay Dominicans;
- Directors of the Trustee participating in study days, conferences on the consecrated life and charity conferences.

**5. Houses of the Charity with a special emphasis**

- The houses of the Charity are places of hospitality and, in a variety of ways, the public benefits from use of the facilities provided: for example, one community hosted events of significance for those from local nursing and care homes.
- As mentioned above, in Cricklewood our St Rose's Chapel, Peace Garden and Poustinia offer a quiet place for reflection, prayer and silence to those of all faiths seeking peace and tranquillity away from the noise and busyness of everyday life.
- St Michael's Convent is regularly used by Church and local groups for meetings, discussions and day events, mostly led by the sisters. The convent chapel is also open for private prayer.
- Our convent at Rosary Priory is regularly used for courses on prayer, reflection and music appreciation.

**The Mission of the Congregation in South Africa**

The Congregation supports the mission in South Africa and the charitable works carried on in its name, particularly evangelisation, education for life programmes and care of the poor, destitute and needy.

**Strategic Plan for 2017 and Future Plans**

The 18th General Chapter of the Congregation was held in December 2016. The General Chapter theme: - 'Make ready to proclaim the Gospel', 'Preach the word, be urgent in season and out of season' – will permeate the mission of the Congregation for the next six years. It is the responsibility of the recently elected Congregation Council to draw up a strategic plan in leading the Congregation forward in fidelity to the mandates of the 2016 Acts of the General Chapter. The background to the strategic plan which will be set by the new Directors of the Trustee is a commitment that:

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- the mission of preaching requires every community to continue to reach out towards fresh expression of classic Dominican preaching and to articulate this in contemporary language for promotion of vocations to fast-changing generations
- to enable future mission our finances need to be managed
- our corporate witness to truth and justice needs greater focus
- our future calls us to think increasingly of collaboration and healing of the past
- pastoral care of frail and elderly sisters includes deeper issues of ageing, life stages and death
- formation continues to be a priority and that sisters have a responsibility to develop their own on-going formation plans including continuing study of theology

In the light of an ageing and diminishing Congregation, the Institute for the Consecrated Life in Rome, approved the proposed model of leadership as decided by the 2016 General Chapter:

- (a) The Congregation will be governed by the Congregation Prioress and three (previously four) Councillors.
- (b) The Region will be governed by the Region Prioress and two (previously three) Councillors.

Throughout 2016, the Strategic Plan of the Directors of the Trustee continued to focus on the formation of its members. The aim of the Formation Team was to prepare, train and educate applicants to become fully active members and to implement effectively the aims of the Charity. A further aim of the Formation Team was to provide programmes for each stage of formation both initial and ongoing. 'Come and see' workshops were facilitated by members of the Team. These workshops provide insight and an experience of the principal objective of the Charity which embraces evangelisation, the advancement of the Roman Catholic Religion and the support of associated charitable work. Provision for ongoing formation was offered to members to assist the development of leadership and the future direction of the Charity.

In support of the aims of the Charity, the Directors of the Trustee remain indebted to the following employees:

- The Finance Team
- The Safeguarding and Data Protection Officer

## **Financial Review**

### **Trustee's Responsibilities**

The Trustee is responsible for preparing the trustee's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for the year. In preparing those financial statements, the Trustee is required:-

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

The Trustee is responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Basis of Accounting**

The 2016 financial statements of the Charity are attached to this report. They are prepared on the basis of full reporting of the Charity's activities wherever carried out – currently this is in the UK and Rome.

The Charity's reserves are unrestricted.

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## **TRUSTEE'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

Following guidance issued by the Charity Commission (CC15c) these financial statements are prepared under the Charities SORP (FRS 102) rather than SORP 2005 as required by the Charities (Accounts and Reports Regulations 2008). This departure is made to provide a true and fair view.

As required, the Trustee reports that no assets were held as custodian trustee during the reporting period.

#### **Financial Outcome of the Year**

Income totalled £4.5m (2015: £4.4m) before including gains/losses on revaluing investment assets, and includes gains on disposal of fixed assets (largely to right-size our property occupation) of £2.3m (2015: £2.4m). Net income before taking account of gains/losses on investments was £2.2m (2015: £2.4m). Following the recovery in the market values of quoted investments during 2016 there was a gain at 31 December 2016 on investment assets of £4.4m (2015 loss: £1.0m). Including this, net income was £6.6m (2015 £1.4m). During 2016 the Euro rose slightly against sterling (the Charity's functional currency), from an opening €1.36 to a closing €1.17, an average of €1.26 (2015: €1.32) to the pound. The small exchange gain (2015: loss £0.4m) arose largely from restatement in pounds sterling of assets denominated in Euros. The Statement of Financial Activities and the Notes to this set out the areas of income and expenditure and further information on these.

The balance sheet shows total funds under the Charity's control of £54.1m (2015: £47.4m). These funds are used to support the ongoing charitable work of the Charity. For example, tangible assets including property account for £4.3m (2015: £4.4m) of this total and comprise the net book value of premises occupied for the Charity's work and of equipment and vehicles used in this. Further, the investments and short term deposits shown in the balance sheet are held for the income they earn which goes towards financing the Charity's present and future objective. The Charity receives little by way of donations from the public, donations received almost entirely being from sisters' pension rights.

#### **Reserves Policy**

The Trustee has continued to consider the policy to be adopted on the need for reserves. In common with most religious groups there have been five important trends affecting the Charity in recent years:

- the rate of income received on investments has seriously declined and there has been increased volatility in market values;
- the average age of sisters continues to increase both because of fewer new entrants and the greater longevity of existing sisters;
- mortality of older sisters means there is increasing risk that pensions currently in payment will cease;
- fewer of the sisters following their vocation are earning pay which is commensurate with their qualifications; and
- for the same reason, the few younger sisters have little entitlement to future pensioning.

In earlier years, there were specific designated funds for savings and future needs. In 2015 the Directors of the Trustee decided to establish a continuity fund to absorb these varying needs in a single designation. The reality is that the Charity has no source of income other than that arising on its investments and the donations from its sisters. The Charity's assets are required to support expenditure by providing income, physical resource or funding. At 31 December 2016 the continuity fund is £49.7m. The other designated fund is for property and equipment and reflects the extent to which assets are tied up in property, being £4.3m at 31 December 2016. Together, these represented almost all the £54.1m of reserves which are all free reserves. At 31 December 2015, reserves totalled £47.4m.

The Trustee's overall objective is to seek to maintain reserves at such a level that, excluding gains or losses on investments and translation, the income generated for a year, taking one year with another, meets the cost of charitable expenditure to support the Charity's aims. In 2015 and 2016 recurring income broadly met expenditure. Thus, currently, the objective is achieved. However, in the continuing climate of low investment income and increasing calls for expenditure this cannot be relied upon.

The Trustee will review the policy at least annually when the financial statements are considered for approval. The policy will be monitored in the meantime by the Sister Bursar.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

## **Investment Policy**

The major part of the Charity's funds is held as investments with the aim of producing an income in the shorter term and capital growth in the longer term. Approximately every two years the Directors of the Trustee review the policy for investment. This was formally established in 1995, is aimed to be reviewed on about a two-year cycle and was last reviewed in 2014. The 2014 review was undertaken with the background of a move from an advisory to a discretionary role for the investment managers. The objective is to achieve a balance between income and capital growth, the longer-term growth being necessary to support the Charity's work by a growing income level. This aim has been shared with the Investment Managers who manage the portfolio knowing the Trustee's policy and ethical views. The Trustee receives at least a quarterly portfolio valuation and commentary with appropriate index comparisons, and meets the Investment Managers at least twice a year to discuss their approach and actions taken.

The Trustee requires appropriate diversification of holdings, both across different types of investment and different investment entities. As the Charity has been involved in work in various areas of the world and cannot know where future demands may arise, some investment is outside UK based companies. Unless it specifically decides otherwise, the Trustee requires that no single equity holding should exceed 3% of the portfolio of investments or 1% of the particular security issued. The Trustee seeks to avoid investment in companies whose business involves tobacco, the production of armaments or excessive exploitation of resources or people, and direct investment in such contracts as futures, options and interest rate swaps. However, these are matters within the discretion of the Investment Managers.

It is in the nature of valuation by the market that in some years there are increases and in others falls. The Trustee monitors the position and is in regular dialogue with the Investment Managers. Income in 2016 is higher than in 2015 but this followed from investment of most of the proceeds of property sales. It continues to suffer from the historically low dividend levels and derisory interest rates being earned on funds which have been placed on deposit so they can be accessed relatively speedily at known value.

## **THANKS**

Mention has been made earlier of the contribution of sisters, employees and support staff to the work of the Charity. In concluding this report, the Directors of the Trustee reiterate their appreciation.

This report was approved and authorised for issue by the Directors of the Trustee and the following authorised to sign on the Trustee's behalf on 17 May 2017

M. F. Cunningham  
Congregation Prioress  
Director of the Trustee

K. E d'Artois  
Congregation Secretary  
Director of the Trustee

Date: 17 May 2017

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**

We have audited the financial statements of Dominican Sisters (Third Order) Congregation of Newcastle Natal for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustee in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the trustee and auditor**

As explained more fully in the Statement of Trustee's Responsibilities in the Trustee's Report, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they 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 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 the charity's net income and application of resources, including the 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.

### **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 Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the Charity 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.

### **BDO LLP**

*Statutory Auditor*  
London  
United Kingdom  
22 May 2017

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £000	2015 £000
<b>Income from:</b>			
Donations and legacies	3	591	659
Charitable activities	3	55	71
Investments	4	1,537	1,261
Other	3	2,319	2,437
<b>Total</b>	5	<b>4,502</b>	<b>4,428</b>
<b>Expenditure on:</b>			
Raising funds - Investment management costs		92	77
Charitable activities	6	2,170	1,906
<b>Total resources expended</b>	5	<b>2,262</b>	<b>1,983</b>
<b>Net income/expenditure before net gains/(losses) on investments</b>		<b>2,240</b>	<b>2,445</b>
Net gains/(losses) on investments	11	4,361	(1,023)
<b>Net income/expenditure</b>		<b>6,601</b>	<b>1,422</b>
<b>Other recognised gains and losses</b>			
Foreign exchange gain/(loss) on translation	15	34	(396)
<b>Movement in funds</b>		<b>6,635</b>	<b>1,026</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	15	47,448	46,422
<b>Total funds carried forward</b>	15	<b>54,083</b>	<b>47,448</b>

The above results for 2016 and 2015 are derived from continuing activities. The Charity has no recognised gains and losses other than those stated above; accordingly a statement of total realised gains and losses has not been prepared.

*The notes on pages 15 to 23 form part of these financial statements*

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	10	4,261	4,371
Investments	11	49,580	42,724
<b>Total fixed assets</b>		<b>53,841</b>	<b>47,095</b>
<b>Current assets</b>			
Debtors	12	167	133
Cash at bank and in hand	17	336	433
		<b>503</b>	<b>566</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	(261)	(213)
<b>Net current assets</b>		<b>242</b>	<b>353</b>
<b>Total net assets</b>		<b>54,083</b>	<b>47,448</b>
<b>The funds of the charity</b>			
Unrestricted funds:	15	54,083	47,448
<b>Total charity funds</b>		<b>54,083</b>	<b>47,448</b>

The financial statements were approved and authorised for issue by the Trustee and were signed on its behalf on 17 May 2017.

M. F. Cunningham  
Director of the Trustee

*The notes on pages 15 to 23 form part of these financial statements*

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

Statement of cash flows	<u>Notes</u>	2016 £000	2015 £000
<b>Net cash (used in) operating activities</b>	17	(1,415)	(1,210)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		1,511	1,225
Proceeds from sale of property and equipment		2,387	6,518
Purchase of property and equipment		(119)	(197)
Proceeds from sale of investments		2,861	1,848
Purchase of investments		(5,356)	(11,962)
<b>Net cash (used in) investing activities</b>		<u>( 131)</u>	<u>(3,778)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		( 131)	(3,778)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		433	4,205
<b>Change in cash and cash equivalents due to exchange rate movements</b>		34	6
<b>Cash and cash equivalents at the end of the reporting period</b>	17	<u><u>336</u></u>	<u><u>433</u></u>

*The notes on pages 15 to 23 form part of these financial statements*



**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities applicable to 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The Trustee considers there are no material uncertainties about the Trust's ability to continue as a going concern. There were no significant judgements or estimates necessary in preparing the financial statements.

With respect to the next reporting period, 2017, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustee's annual report for more information).

**b) Fund accounting**

There are no restricted funds. Unrestricted funds are available for use at the discretion of the Trustee in furtherance of the charitable objectives of the Charity.

Designated funds are funds which the Trustee has decided at its discretion to set aside for particular purposes in the future and form part of the Charity's unrestricted funds. The Trustee has the power to reallocate such funds within unrestricted funds.

All income and expenditure is shown in the Statement of Financial Activities.

**c) Income**

Income (which includes donations and gain on disposal of fixed assets) is accounted for on a receivable basis as soon as the Charity has entitlement to the income, there is probability of receipt and the amount is quantifiable.

Investment income includes dividends receivable, recognised when the share price goes 'ex-div' which is after a particular company dividend has been declared as payable to shareholders on the register at a particular date.

**d) Expenditure**

All expenditure is accounted for on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure has been listed under headings that aggregate all the costs related to that activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure is comprised of expenditure relating to the direct furtherance of the charitable objectives. Where costs cannot be directly attributable they have been allocated to activities on a basis consistent with use of the resources.

Allocation of expenditure across the different areas of advancing the Charity's main objective, being advancement of the Roman Catholic Religion for Public Benefit, is impracticable. Sisters are engaged in many activities, and each property similarly fulfils different functions.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**e) Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's charitable work. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. In the circumstances of the Charity, to include an allocation of the living expenses of the Directors of the Trustee (the Congregation Prioress and her Council) would be of little benefit in comparison with the cost of capturing the information.

The basis on which support and governance costs have been allocated is set out in note 6.

**f) Costs of raising funds**

The costs of raising funds consist of investment management costs.

**g) Operating leases**

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced when necessary. Rental charges, which in most cases are based on usage, are charged on a straight line basis over the term of the lease.

**h) Tangible fixed assets and depreciation**

Freehold land and buildings were included for the first time in 1995 at deemed cost. Acquisitions since are stated at cost. Other tangible fixed assets are stated at cost including any incidental expenses of acquisition. The costs of minor additions to fixed assets, defined as those costing less than £10,000 each (2015: £10,000) are expensed in the year in which they are incurred.

Depreciation is provided to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold land	- not depreciated
Freehold buildings	- 50 years
Motor vehicles	- 4 years

**i) Financial instruments**

The Trust 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 fair value.

**j) Fixed asset investments**

The fair value of listed investments is taken as the closing quoted market value. There are no unlisted investments.

Certain deposits with banks held for their income earning and monies held by the investment managers pending investment are included in investments.

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.

**k) Realised and unrealised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**l) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Unless significant, transactions in foreign currencies are recorded at the average rate for the year. All exchange differences are taken to the Statement of Financial activities.

**m) Liquid resources**

Liquid resources include bank deposits which are subject to a notice period of 24 hours or more.

**n) Creditors and provisions**

Creditors and provisions are established by consideration of individual unpaid future liabilities existing in respect of the reporting year.

**2 Legal status of the Trust**

The Trust is formally established by a Trust Deed dated 20 January 1953, as varied by the provisions of a Scheme sealed on 4 May 1995, and is a registered charity in England and Wales – Charity Registration No. 233236.

**3 Income**

Income from donations comprises:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Covenanted salaries and pensions from sisters	<b>568</b>	<b>633</b>
Other donations and gifts	<b>23</b>	<b>26</b>
	<hr/> <b>591</b> <hr/>	<hr/> <b>659</b> <hr/>

No donations have been received from the corporate trustee.

Income from charitable activities comprises:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Other education income	<b>55</b>	<b>71</b>
	<hr/> <b>55</b> <hr/>	<hr/> <b>71</b> <hr/>

Other income includes £2,299,560 (2015 £2,416,978) gain on disposal of fixed assets.

**4 Investment income**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interest receivable	<b>204</b>	<b>224</b>
Dividends receivable	<b>1,333</b>	<b>1,037</b>
	<hr/> <b>1,537</b> <hr/>	<hr/> <b>1,261</b> <hr/>

All dividends were earned on listed investments.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**5 Geographical analysis of income and expenditure**

	2016 £000	2015 £000
Income:		
UK	4,492	4,394
Other	10	34
	<hr/>	<hr/>
Total	4,502	4,428
	<hr/>	<hr/>
Expenditure:		
UK	2,197	1,899
Other	65	84
	<hr/>	<hr/>
Total	2,262	1,983
	<hr/>	<hr/>

**6 Analysis of expenditure on charitable activities**

	General support £000	Governance related £000	Total 2016 £000	Total 2015 £000
Staff costs	86	10	96	138
Property costs	764	-	764	613
Other community costs	1,186	-	1,186	1,040
Professional fees and bank charges	74	-	74	52
Statutory audit fee	-	25	25	32
Other charitable projects	25	-	25	31
	<hr/>	<hr/>	<hr/>	<hr/>
	2,135	35	2,170	1,906
	<hr/>	<hr/>	<hr/>	<hr/>

Basis of apportionment:

Staff cost allocation to governance is based on a reasonable approximation. All other costs are the costs borne. Allocation of expenditure across the different areas of advancing the Charity's main objective is impracticable as sisters and convents are involved in all areas.

**7 Staff costs**

	2016 £000	2015 £000
Wages and salaries	90	129
Social security costs	6	9
	<hr/>	<hr/>
	96	138
	<hr/>	<hr/>

The Trustee considers its key management personnel comprise the Directors of the Trustee, the Sister Bursar, the General Bursar and the Finance Manager.

The Directors of the Trustee are the Congregation Prioress and General Councillors. As sisters, their living expenses were borne by the Charity. The Directors of the Trustee received no remuneration or other benefits in connection with their duties for the Trustee or otherwise during the year.

The employee benefits of the General Bursar and the Finance Manager totalled £73,865 (2015 £51,708).

No employee received employee benefits in excess of £60,000 in the year (2015 £60,000 - none).

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

The average number of employees, all of whom were engaged in charitable activities, during the year was 2 (2015: 4).

**8 Net income before other recognised gains and losses**

	2016 £000	2015 £000
<b>Net income before other recognised gains and losses is stated after charging the following:</b>		
Auditors' remuneration:		
- Statutory audit examination	25	32
Depreciation	141	139
	<u>166</u>	<u>171</u>

**9 Related party transactions**

Covenanted salaries and pensions include an aggregate £87,745 (2015: £95,690) received without conditions from sisters treated as related parties. Other than this and the employment contracts with the relevant lay staff there have been no transactions between related parties and the Charity.

**10 Tangible fixed assets**

	Freehold land and buildings £000	Motor vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2016	6,593	178	6,771
Additions	107	12	119
Disposals	(147)	(11)	( 158)
	<u>6,553</u>	<u>179</u>	<u>6,732</u>
At 31 December 2016	6,553	179	6,732
<b>Depreciation</b>			
At 1 January 2015	2,239	161	2,400
Charge for the year	131	10	141
Disposals	(59)	(11)	( 70)
	<u>2,311</u>	<u>160</u>	<u>2,471</u>
At 31 December 2016	2,311	160	2,471
<b>Net book value</b>			
At 1 January 2016	4,354	17	4,371
	<u>4,354</u>	<u>17</u>	<u>4,371</u>
At 31 December 2016	4,242	19	4,261
	<u>4,242</u>	<u>19</u>	<u>4,261</u>

All tangible fixed assets relate to direct charitable purposes.

On 31 December 1995 the Trustee included freehold land and buildings at estimated replacement cost using insurance values as a basis and this has been used since then as the deemed cost for the purposes of the financial statements.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**11 Investments**

	2016	2015
	£000	£000
Carrying value (being market value) at 1 January 2016	42,724	33,598
Additions at cost	5,356	11,962
Disposal proceeds	(2,861)	(1,848)
Net investment (losses)/gains	4,361	(1,023)
Exchange gain on short term bank deposits	-	35
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2016	49,580	42,724
	<hr/>	<hr/>
	2016	2015
	£000	£000
<b>Listed investments:</b>		
UK fixed interest	4,332	3,146
UK equity shares	23,311	20,317
Investment trusts	436	396
Unit trusts	2,443	2,391
Overseas fixed interest	2,464	2,243
Overseas equity shares	12,750	9,574
	<hr/>	<hr/>
Market value at 31 December 2016	45,736	38,067
<b>Cash at bank held within Investments</b>	3,844	4,657
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2016	49,580	42,724
	<hr/>	<hr/>
Historical cost at end of year	37,930	35,303
Cumulative unrealised investment gain	11,650	7,421
	<hr/>	<hr/>
Carrying value (being market value) at 31 December 2016	49,580	42,724
	<hr/>	<hr/>

**12 Debtors**

	2016	2015
	£000	£000
Prepayments and accrued income	167	133
	<hr/>	<hr/>

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**13 Creditors**

	2016	2015
	£000	£000
<b>Amounts falling due within one year</b>		
Taxation and social security	2	2
Accruals and deferred income	259	211
	<u>261</u>	<u>213</u>

**14 Capital commitments**

	2016	2015
	£000	£000
Contracted for but not provided in the accounts	Nil	Nil

**15 Statement of change in reserves**

	Balance brought forward £000	Transfers £000	Income £000	Expenditure £000	Net investment gains £000	Foreign exchange differences £000	Balance carried forward £000
<b>Unrestricted income funds</b>							
General funds	77	(6,590)	4,502	(2,262)	4,361	34	122
Designated funds							
- Property and equipment	4,371	(110)	-	-	-		4,261
- Continuity	43,000	6,700					49,700
<b>Total unrestricted funds</b>	<u>47,448</u>	<u>-</u>	<u>4,502</u>	<u>(2,262)</u>	<u>4,361</u>	<u>34</u>	<u>54,083</u>

**Designated funds:**

At 1 January 2016 the designated Continuity fund was established to show the extent to which funds are required to be retained to provide the basic financial structure to earn income to meet future expenditure. Property and equipment is a fund representing the unrestricted tangible fixed assets of the Charity.

**Transfers:**

Transfers recorded above are from the property and equipment designated fund at 1 January 2016 or from general funds arising in 2016 and are to the continuity fund.

**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**16 Analysis of net assets between funds**

	General funds	Designated funds	Total funds
	£000	£000	£000
<b>Fund balances at 31 December 2016 are represented by:</b>			
Tangible fixed assets	-	4,261	4,261
Investments	-	49,580	49,580
Current assets	383	120	503
Current liabilities	( 261)	-	(261)
<b>Total net assets</b>	<u>122</u>	<u>53,961</u>	<u>54,083</u>
<b>Unrealised gains included above</b>			
On investment assets	<u>-</u>	<u>11,650</u>	<u>11,650</u>

**17 Cash flow information**

**a) Reconciliation of changes in resources to net cash outflow from operating activities**

	2016	2015
	£000	£000
Net income for the reporting period	6,601	1,422
Adjustments:		
(Gain)/loss on investments	(4,361)	1,023
Gain on disposal of fixed assets	(2,300)	(2,417)
Investment income	(1,537)	(1,261)
Depreciation	141	139
(Increase)/decrease in debtors	(7)	56
Increase/(decrease) in creditors	48	(172)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(1,415)</u>	<u>(1,210)</u>

**b) Reconciliation of net cash flow to movement in net funds**

	2016	2015
	£000	£000
Increase in cash in the period	(131)	(3,778)
Cash inflow/(outflow) from decrease in liquid resources	-	-
<b>Movement in net funds in the period</b>	<u>( 131)</u>	<u>(3,778)</u>
Foreign exchange translation differences	34	6
Net funds brought forward	433	4,205
<b>Net funds carried forward</b>	<u>336</u>	<u>433</u>



**DOMINICAN SISTERS (THIRD ORDER) CONGREGATION OF NEWCASTLE NATAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**c) Analysis of net funds**

	At 1 January 2016 £000	Cash flow £000	Foreign exchange differences £000	At 31 December 2016 £000
Cash at bank and in hand	433	(131)	34	336
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>