

**Daughters of Our Lady of Good Counsel  
and St Paul of the Cross**

**Unaudited Financial Statements  
for the year ended**

**31 December 2016**

**HODSON & CO.**

Chartered accountant  
Wiston House  
1 Wiston Avenue  
Worthing  
West Sussex BN14 7QL

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Trustees' Annual Report

year ended 31 December 2016

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The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2016.

### Reference and administrative details

<b>Registered charity name</b>	Daughters of Our Lady of Good Counsel and St Paul of the Cross
<b>Charity registration number</b>	250451
<b>Principal office</b>	2 Manor Road Tankerton Whitstable Kent CT5 2JT

### The trustees

P Robertson  
M Short  
P Foreman  
H Thompson

<b>Accountants</b>	Hodson & Co. Chartered accountant Wiston House 1 Wiston Avenue Worthing West Sussex BN14 7QL
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### Structure, governance and management

The Daughters of Our Lady of Good Counsel and St Paul of the Cross (Vocation Sisters) is a charity established by a Trust Deed dated 15 June 1967 and is registered with the Charity Commission of England and Wales (no. 250451).

### Organisation

The charity is organised so that the trustees meet regularly to manage its affairs.

### Trustees

Appointment of trustees is governed by the Trust Deed of the charity. The Trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee according to the Trust Deed.

All trustees are already familiar with the practical work of the charity. If new trustees were to be appointed, short training sessions would be undertaken to familiarise new trustees with the charity and the context within which it operates.

### Objectives and activities

The principal objective of the Charity is the advancement of the Roman Catholic religion.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Trustees' Annual Report *(continued)*

year ended 31 December 2016

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### Objectives and activities *(continued)*

#### Public Benefit Statement

The charity's main activities focus on counselling and undertaking charitable works to further the charitable purpose of the charity and for the public benefit.

#### Achievements and performance

The Charity continues to provide counselling and undertake charitable works. Pastoral ministry, counselling and supervision have continued in the South East and work with religious orders over a wider area. In London the Charity is engaged in pastoral ministry within the Hospice movement.

#### Financial review

Direct charitable expenditure consists of all expenditure directly relating to the objects of the charity, this includes the running costs of each property. The community account expends general overheads and includes depreciation on all properties.

The charity's income is reliant on the pensions of its members together with the honorarium produced by counselling and charitable works.

#### Reserves

The trustees continue to review the financial affairs of the charity with the aim to increase income, and to improve control over costs and its operations. It is the policy of the charity to hold in reserve a sum that would cover total annual running expenses. Unrestricted funds were maintained at least this level throughout the year.

The trustees consider that the present level of funding will be adequate to support the continuation of the charity and for it to fulfil its obligations.

#### Risk Management

The trustees actively review the major risks that the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with the annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

#### Investment Powers And Restrictions

The objects of the charity authorises it to invest and deal with monies not immediately required for its purposes in and upon such investments, securities and property as may be thought fit. The trustees have an ethical investment policy that the fund managers are obliged to comply with. The trustees have considered the most appropriate policy for investing funds and have found that the investments shown in note 10 of the accounts meets their requirements to generate both income and capital growth in accordance with the ethical investment policy. The trustees are satisfied with the performance of the investments during the year.

#### Plans for future periods

The charity will continue to provide counselling and to undertake charitable works.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Trustees' Annual Report *(continued)*

**year ended 31 December 2016**

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The trustees' annual report was approved on 24 October 2017 and signed on behalf of the board of trustees by:

M Short  
Trustee

*M. Short*

P Foreman  
Trustee

*P. Foreman*



# **Daughters of Our Lady of Good Counsel and St Paul of the Cross**

## **Independent Examiner's Report to the Trustees of Daughters of Our Lady of Good Counsel and St Paul of the Cross**

**year ended 31 December 2016**

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I report on the financial statements for the year ended 31 December 2016, which comprise the statement of financial activities, statement of financial position and the related notes.

### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Independent Examiner's Report to the Trustees of Daughters of Our Lady of Good Counsel and St Paul of the Cross *(continued)*

**year ended 31 December 2016**

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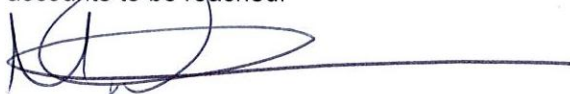
### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act, and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



M J Hodson FCA  
Independent Examiner

Hodson & Co  
Wiston House  
1 Wiston Avenue  
Worthing  
West Sussex BN14 7QL

24 October 2017

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Statement of Financial Activities

31 December 2016

		2016		2015
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
<b>Income and endowments</b>				
Donations and legacies	3	27,845	27,845	63,077
Other trading activities	4	44,472	44,472	44,472
Investment income	5	26,081	26,081	26,161
Other income	6	501	501	575
<b>Total income</b>		<u>98,899</u>	<u>98,899</u>	<u>134,285</u>
<b>Expenditure</b>				
Expenditure on charitable activities	7,8	131,826	131,826	141,339
<b>Total expenditure</b>		<u>131,826</u>	<u>131,826</u>	<u>141,339</u>
Net gains/(losses) on investments	10	(24,514)	(24,514)	8,610
<b>Net expenditure and net movement in funds</b>		<u>(8,413)</u>	<u>(8,413)</u>	<u>(15,664)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		2,217,039	2,217,039	2,232,703
<b>Total funds carried forward</b>		<u>2,208,626</u>	<u>2,208,626</u>	<u>2,217,039</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 11 to 15 form part of these financial statements.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Statement of Financial Position

31 December 2016

		2016	2015
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	15	1,115,707	1,152,834
Investments	16	856,625	832,110
		<u>1,972,332</u>	<u>1,984,944</u>
<b>Current assets</b>			
Debtors	17	1,519	1,571
Cash at bank and in hand		236,875	232,624
		<u>238,394</u>	<u>234,195</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>2,100</u>	<u>2,100</u>
<b>Net current assets</b>		236,294	232,095
<b>Total assets less current liabilities</b>		<u>2,208,626</u>	<u>2,217,039</u>
<b>Net assets</b>		<u>2,208,626</u>	<u>2,217,039</u>
<b>Funds of the charity</b>			
Unrestricted funds		2,208,626	2,217,039
<b>Total charity funds</b>	19	<u>2,208,626</u>	<u>2,217,039</u>

These financial statements were approved by the board of trustees and authorised for issue on 24 October 2017, and are signed on behalf of the board by:

M Short  
Trustee

*M. Short*

P Foreman  
Trustee

*P. Foreman*

The notes on pages 11 to 15 form part of these financial statements.



# **Daughters of Our Lady of Good Counsel and St Paul of the Cross**

## **Accounting Policies**

**year ended 31 December 2016**

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### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### **Going concern**

There are no material uncertainties about the charity's ability to continue.

### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- depreciation and useful life of properties - this requires an estimation of the useful economic life of property and an estimate of land apportionment.

Where the charity makes estimates and assumptions concerning the future, the resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Accounting Policies *(continued)*

**year ended 31 December 2016**

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### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

### **Tangible assets**

All fixed assets are initially recorded at cost.



# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Accounting Policies *(continued)*

year ended 31 December 2016

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### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	over 50 years
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	over 4 years
Equipment	-	over 5 years

### Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

### Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

## Notes to the Financial Statements

year ended 31 December 2016

### 1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is 2 Manor Road, Tankerton, Whitstable, Kent, CT5 2JT.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

### 3. Donations and legacies

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
<b>Donations</b>				
Donations	2,076	2,076	1,122	1,122
<b>Legacies</b>				
Legacies	–	–	36,070	36,070
<b>Other donations and legacies</b>				
Pensions	25,769	25,769	25,885	25,885
	<u>27,845</u>	<u>27,845</u>	<u>63,077</u>	<u>63,077</u>

### 4. Other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Honorarium	<u>44,472</u>	<u>44,472</u>	<u>44,472</u>	<u>44,472</u>

### 5. Investment income

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Income from cash investments	25,226	25,226	25,413	25,413
Bank interest receivable	855	855	748	748
	<u>26,081</u>	<u>26,081</u>	<u>26,161</u>	<u>26,161</u>

### 6. Other income

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Other income - solar panel	<u>501</u>	<u>501</u>	<u>575</u>	<u>575</u>



# Daughters of Our Lady of Good Counsel and St Paul of the Cross

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

year ended 31 December 2016

### 6. Other income *(continued)*

### 7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Community account	60,277	60,277	62,476	62,476
Support costs	71,549	71,549	78,863	78,863
	<u>131,826</u>	<u>131,826</u>	<u>141,339</u>	<u>141,339</u>

### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2016 £	Total fund 2015 £
Community account	60,277	69,449	129,726	139,240
Governance costs	—	2,100	2,100	2,099
	<u>60,277</u>	<u>71,549</u>	<u>131,826</u>	<u>141,339</u>

Activities undertaken directly includes depreciation of £37,966 (2015 £38,022).

### 9. Analysis of support costs

	Community account £	Total 2016 £	Total 2015 £
Premises and household	65,133	65,133	72,381
Communications and IT	2,002	2,002	2,878
General office	965	965	598
Governance costs	3,160	3,160	2,459
Motor expenses	21	21	29
Study and course expenditure	268	268	518
	<u>71,549</u>	<u>71,549</u>	<u>78,863</u>

### 10. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Gains/(losses) on listed investments	<u>24,514</u>	<u>24,514</u>	<u>(8,610)</u>	<u>(8,610)</u>

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

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

year ended 31 December 2016

### 11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	37,966	38,022

### 12. Independent examination fees

	2016 £	2015 £
Fees payable to the independent examiner for: Independent examination of the financial statements	2,100	2,100

### 13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

2016 £	2015 £
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The average head count of employees during the year was Nil (2015: Nil).

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

### 14. Trustee remuneration and expenses

- no remuneration or other benefits from employment with the charity or a related entity were received by the trustee.

### 15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 January 2016	1,265,823	49,786	55,459	18,295	1,389,363
Additions	—	—	—	839	839
<b>At 31 December 2016</b>	<u>1,265,823</u>	<u>49,786</u>	<u>55,459</u>	<u>19,134</u>	<u>1,390,202</u>
<b>Depreciation</b>					
At 1 January 2016	148,843	35,665	35,864	16,157	236,529
Charge for the year	25,316	2,118	9,646	886	37,966
<b>At 31 December 2016</b>	<u>174,159</u>	<u>37,783</u>	<u>45,510</u>	<u>17,043</u>	<u>274,495</u>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<u>1,091,664</u>	<u>12,003</u>	<u>9,949</u>	<u>2,091</u>	<u>1,115,707</u>
At 31 December 2015	<u>1,116,980</u>	<u>14,121</u>	<u>19,595</u>	<u>2,138</u>	<u>1,152,834</u>

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

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

year ended 31 December 2016

### 15. Tangible fixed assets *(continued)*

All fixed assets owned by the charity are used directly for charitable purposes.

### 16. Investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2016	832,110
Other movements	24,515
<b>At 31 December 2016</b>	<u>856,625</u>
<b>Impairment</b>	
At 1 January 2016 and 31 December 2016	-
<b>Carrying amount</b>	
At 31 December 2016	<u>856,625</u>
At 31 December 2015	<u>832,110</u>

All investments shown above are held at valuation.

#### Financial assets held at fair value

The above investments are all in investment assets held in the UK. All are unrestricted funds. At 31 December 2016 the investments were £856,625 in a Collective Investment Account with Skandia MultiFUNDS Limited. These investments are held to provide an investment return for the charity.

### 17. Debtors

	2016 £	2015 £
Prepayments and accrued income	<u>1,519</u>	<u>1,571</u>

### 18. Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	<u>2,100</u>	<u>2,100</u>

### 19. Analysis of charitable funds

#### Unrestricted funds

	At 1 January 2016 £	Income £	Expenditure £	Gains and losses £	At 31 December 2016 £
General funds	<u>2,217,039</u>	<u>98,899</u>	<u>(131,826)</u>	<u>24,514</u>	<u>2,208,626</u>

# Daughters of Our Lady of Good Counsel and St Paul of the Cross

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

year ended 31 December 2016

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### 20. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2016 £
Tangible fixed assets	1,115,707	1,115,707
Investments	856,625	856,625
Current assets	238,394	238,394
Creditors less than 1 year	(2,100)	(2,100)
<b>Net assets</b>	<u>2,208,626</u>	<u>2,208,626</u>

### 21. Related parties

As a religious community any income received by members of the Vocation Sisters is received into the charity, including salaries and pensions. The charity provides housing and subsistence to its members including trustees. During the year there were six members of the congregation. Each member receives an income for their office together with living accommodation, living expenses and reimbursement of costs. This expenditure is shown under 'support costs'.

### 22. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.