

PALLOTTINE MISSIONARY SISTERS

TRUSTEES REPORT AND FINANCIAL STATEMENTS

31st MARCH 2017

Charity Number 234185

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

Pallottine Missionary Sisters

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Pallottine Missionary Sisters

Legal and Administrative Details

For the year ended 31st March 2017

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

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Introduction

The trustees present their annual report with the financial statements of the charity for the year ended 31st March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Structure, Governance & Management

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

Mission and Purpose

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

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

Public Benefit

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

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

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

Key Management

The trustees consider that they, together with the chief executive officer and the manager of the home, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees received no remuneration. The chief executive officer and manager of the home have their remuneration reviewed by the trustees on an annual basis.

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Areas of activity

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

Park Mount, Elderly Care Home

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

Achievements - 2016/2017

- Continued with the Cyclical Maintenance and completed the following works :
 - installed new internal Fire Doors throughout the home
 - replaced the heating system boiler.
 - replaced the passenger lift and additional chair lift
 - changed the vehicles for the home to meet the needs of the Residents
- Continued training Staff to a minimum of NVQ level 2 and included Dementia Training.
- Maintained the Day Care Facility offering services seven days a week.
- Maintained as close as possible to 100% occupancy throughout the year.
- Continued to financially supplement nine residents in receipt of Local Authority Funding.
- Increased all Staff Salaries to meet the Living Wage legislation.
- Implemented the Staff Pension Scheme

Plans for 2017/2018

- Continue to promote the home to ensure occupancy levels are maximized and the Day Care facility continues to expand.
- Organise fundraising events.
- Continue to monitor budgets, financially plan for the future to ensure new wages increase and the maintenance of the home.
- To open a new six bed Respite Care Home.
- Open the new accommodations in the grounds for the Pallottine Sisters.
- Continue with the Cyclical Maintenance Plan for the Care Home.

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017



Residents enjoying a trip to the Airport



Residents enjoying a tea party in Park Mount Care home to celebrate the Queen's Birthday

Pallottine Missionary Sisters
Trustees Report
For the year ended 31st March 2017

During the year the Care Home receives many words of thanks; below are a few received during this year:

The voices of service users and their family:

Our care home staff received a thank you card from the family of a new Resident

Thank you all so much for the love and care you all gave to "M" during his stay with you
It gave us peace of mind knowing that he was in such good hands.

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

Thank you so much for your care for mam. Thanks also for the cups of tea and for putting up with my worries about her when I came to visit. It was good of you to care for her to the end rather than sending her back to hospital.

Our care home staff received a thank you card from the family of a Resident

Thank you so much for all the wonderful care, kindness and support that every single one of you has given to my dad over the past four years.

Park Mount is an extraordinary care home, full of love, peace, laughter and joy and my dad had a lovely four years there.

Our care home staff received a thank you card from a family of a Resident

Just a note of special thanks to all staff for the excellent care of "M". She is looked after very well and is very happy.

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

INTRODUCTION TO TANZANIA

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

From the beginning the Sisters have been involved mainly in Education and Health Care which are the keys to development and reducing real poverty and deprivation. They have also committed themselves to Formation Work - the training of young women to become Pallottine Sisters, so that the services they are providing can continue and be of benefit to the people they serve.

Activities currently undertaken are:

- Education - Pallotti Secondary School for Girls in Siuyu, Singida, St. Leo's English Medium Primary School in Igunga, Tabora and Siuyu Primary School, Singida.
- Health Care – St. Joseph's Dispensary in Siuyu, Usa River Health Centre in Arusha and the Rehabilitation Centre in Siuyu.
- Formation work –The Initial Formation is in Siuyu and the Noviciate House is in Arusha. Here they have an opportunity to study together with many other young people training to become religious men and women.

Sisters work in the running of our institutions whilst others are preparing to go on for further studies. Three Sisters continue to teach in the local government Primary School in Siuyu.

The education of the Sisters is one of the main concerns for the Trustees. The Sisters need to be professionally trained, so that they will be equipped to provide a high standard of service to the many people who depend on them, especially the poor in Tanzania.

Presently six Sisters are following Courses at various universities in Tanzania.

Education: Through Education to Development

Pallotti Secondary School for Girls in Siuyu, Singida was opened in 1995 with one class of 45 students. In the year 2000 it began to receive students for Advanced Level Education in the Arts subjects - History, Geography, English and Swahili. In July 2013 it began to offer Science subjects Physics, Chemistry, Biology, Basic Mathematics and Geography. In 2010, the School developed into a Two Form Entry School with a capacity for about 460 girls from Form One to Form Six. This year we have 468 students with 100 in Form V and VI. Many of them are doing A Level Science combinations.

The school is completely dependent on School Fees, Sponsorships and Donations. It is not government funded. With the help of generous donors we were able to give free places to 110 students who come from deprived families mainly in the rural areas, of these 70% came from the Singida Region which is classified as semi-desert.

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Some of the Key Achievements for 2016/17

The students at Pallotti Secondary School in Siuyu village in Singida continue to study hard and perform well academically. All of them passed the 2016 National Examinations.

Nearly 80% got Division One or Two in the Form Four ('O' Level examination) and Pallotti came 2nd out of 96 schools in the Singida Region and 93rd out of 3,280 schools in Tanzania in the category of having more than 40 Candidates. We had 88 students.

Our Form Twos also did very well. Of the 81 students, 66 got Division One (over 81%), 11 got Division Two and 4 had Division Three.

The 'A' Level results (Form Six) were also good. Of our 46 students 8 got Division One, 21 got Division Two and 17 had Division Three.

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

Three students are from the Rehabilitation Centre for Handicapped Children in Siuyu. They come to Pallotti in their wheelchairs every morning and return to the Centre in the evening.

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

Development

In 2016 we did major renovations to some School buildings - the Kitchen, one Dormitory Block and the Administration Block. Solar Panels for lighting were installed in the Examination Hall, two Dormitory Blocks and the new Toilet Block. The new Library was furnished and water was connected to the school from the village supply.

St. Leo's English Medium Primary School

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

The staff and pupils are working hard and getting excellent results. In the 2016 Primary Examinations St. Leo's did extraordinarily well – in their category they came 1st out of 307 Primary Schools in the Tabora Region and 14th out of 8,109 schools nation-wise.

Pallottine Missionary Sisters

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For the year ended 31st March 2017

HEALTH CARE

St. Joseph's Dispensary Siuyu

St. Joseph's was registered in 2007. It is situated on the site of Pallotti Secondary School. It offers Primary Health Care to the local villages, Pallotti Secondary School and the convent community. This service is essential and it is well used. Basic primary tests are offered to diagnose and treat malaria, typhoid fever and worms. Haemoglobin levels are assessed. Diabetes and sexually transmitted diseases are treated. Counselling and HIV tests are conducted and during the year 8 tested HIV positive.

Some statistics for 2016:

- 5,948 were treated at the Dispensary
- 3,335 Babies attended the RCH (Reproductive and Child Health) Clinic – Male 1,782 and Female 1,553. Children who received Vaccination 171
- 235 Pregnant Mothers were treated
- VCT – Voluntary Counselling and Testing: 109 were tested for HIV – 45 male and 64 females – 5 females and 3 males were diagnosed as Positive

St. Joseph's Dispensary is staffed by three Sisters - all Nurses, one Clinical Officer, an Assistant Nurse, a Village Health Worker and a Laboratory Assistant. One Sister is trained to do HIV Testing and counselling and the Clinical Officer is following an Upgrading Course to become a Medical Officer. The running costs of the Dispensary are a further expense for the Pallottine Sisters as some who use its services, are unable to pay for medicines or treatment.

Usa River Health Centre

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

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

Rehabilitation Centre Siuyu

Two Sisters - one of them is the Assistant Manager - work full time at the Rehabilitation Centre where 57 children live and are being cared for. The Sisters receive no salary. Two thirds of the children are mentally or/and physically challenged. Those who are only physically challenged attend the local Primary School.

FORMATION WORK

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

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

Since 1990 fifty young Tanzanian women have joined the congregation and thirty-six of these are now professionally trained and six others are following courses in further education. We also have twenty six young women at various stages in our initial Formation Programmes. We trust that this will ensure the sustainability of the mission in the future.

Pallottine Missionary Sisters

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For the year ended 31st March 2017

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

Conclusion:

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



Pallotti School - Anna saying thank you for being sponsored

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017



Pallotti School



Pallotti School

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017



Pupils at St Leo's School, Igunga.

Plans for 2017/2018

- Continue to maintain a high standard in all our services
- Open two new missions – the congregation has been invited to open a mission among the Maasai in Morogoro in Eastern Tanzania and another one in Zambia outside Lusaka.
- Renovate the Formation House in Arusha and open the Noviciate to young women from other countries
- Organise fundraising events.

Pallottine Missionary Sisters

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For the year ended 31st March 2017

PARISH WORK IN LONDON

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

STUDENT SISTERS

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

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

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

APOSTOLIC AND PASTORAL CARE IN ROCHDALE, LANCASHIRE

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

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

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

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

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

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

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Recruitment and Training of Trustees

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

Risk Management

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

Volunteers

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

Future Plans

The trustees made a decision in April 2017 to refurbish No 4 Keele Crescent, a property which was no longer needed by the Pallottine Sisters as a convent. Once refurbished the home would provide 6 Respite Care beds for the elderly and be managed together with Park Mount Care Home. The home is due to open in December 2017.

The property in Meadway Drive has been sold in September 2017 as this was no longer needed by the Pallottine Sisters.

In July 2017 construction of a new eight bedroomed bungalow in the grounds of Park Mount Care Home, Macclesfield. The home is for accommodation of the retired Pallottine Sisters and the Superior of England. Completion is planned for March 2018.

In 2017 the charity has supported their Missions in Tanzania to renovate the Noviate House in Arusha and complete a new Convent in Igunga.

Investment Policy

The charity's investments are managed by W H Ireland.

The trustees' investment powers are set out in the charity's trust deed. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the trustees from time to time. There is also an ethical policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from activities such as armaments.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees and their representatives who meet the investment managers at least twice a year. The overall portfolios' performances are monitored against quarterly returns and against a selection of appropriate indices.

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Financial Review

A summary of the year's results can be found on page 17 of this report and accounts.

Total income resources amounted to £1,403,959 (2016: £1,344,567). The prime source of income for the charity is the fees from the home which totalled £1,253,560 (2016: £1,192,813). Other income is made up of the sisters pensions, donations, legacies, investment income and surplus on sale of fixed assets amounting to £150,399 (2016: £151,754).

Resources expended amounted to £1,349,904 (2016: £1,380,826). The major expense was staff costs of the home of £773,775 (2016: £680,210).

Net income for the year before gains on investments was £54,055 (2016: expenditure £36,259). Investment gains of £47,877 (2016: loss £120,012) resulted in net income of £101,932 (2016: expenditure £156,271).

Investment performance

On the 25th July 2016 the trustees appointed W H Ireland as the trust investment manager.

The trustees transferred £2.2m from their cash investments to W H Ireland. The investment managers have invested £1.7m in various listed investments. The remaining balance of £500,000 will be invested in the forthcoming year.

When fully invested, the charity's aim is to achieve an income yield of 3%. An analysis of the charity's investments can be found in note 11 of the accounts.

Given that the charity has no immediate need to realise value from the portfolio other than through income, and given that the trustees' intention is to hold investments over the long term, the advice given has been to continue to monitor the investment performance but not radically amend the investment policy.

Reserves policy

The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that the level of free reserves for operational existence should be equal to six months expenditure.

Charitable Donations

The Trust made charitable donations of £11,207 (2016: £2,176) in the year.

Consultation and Engagement

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

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

Audit Information

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

Pallottine Missionary Sisters

Trustees Report

For the year ended 31st March 2017

Trustees Indemnity Arrangements

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

Statement of The Trustees' Responsibilities

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

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

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

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved by order of the board of trustees on 10th January 2018 and signed on their behalf

Sister Mary McNulty

Trustee

Report of the Independent Auditors to the Trustees of

Pallottine Missionary Sisters

We have audited the financial statements of Pallottine Missionary Sisters for the year ended 31st March 2017 on pages 16 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14 the trustees are responsible for the preparation of the financial statements which give a true and fair view.

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Allen Mills Howard Limited

Chartered Accountants & Statutory Auditors

Eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

56 Manchester Road

Altrincham

Cheshire, WA14 4PJ

10th January 2018

Pallottine Missionary Sisters
Statement of Financial Activities
For the year ended 31st March 2017

	Note	Unrestricted Funds £	Designated Funds £	Total 2017 £	Total 2016 £
Income and endowments from					
Donations and legacies	2	128,835	3,250	132,085	140,726
Charitable activities					
Operation of care home	3	1,253,560	-	1,253,560	1,192,813
Investments	4	12,966	-	12,966	11,028
Other income					
Surplus on sale of tangible fixed assets		5,348	-	5,348	-
Total income		1,400,709	3,250	1,403,959	1,344,567
Expenditure on					
Cost of raising funds:					
Investment management costs		10,157	-	10,157	-
Expenditure on charitable activities:					
Charitable donations	5	2,207	9,000	11,207	2,176
Support members of the congregation and operation of care home	6	1,265,133	63,407	1,328,540	1,378,650
Total expenditure		1,277,497	72,407	1,349,904	1,380,826
Net income (expenditure)					
Before gain/(losses) on investments	8	123,212	(69,157)	54,055	(36,259)
Gross transfers between funds		(9,765)	9,765	-	-
Net gains/(losses) on investment assets		47,877	-	47,877	(120,012)
Net movement in funds		161,324	(59,392)	101,932	(156,271)
Reconcillation of funds					
Funds at beginning of year		2,032,929	2,154,311	4,187,240	4,343,511
Funds at the end of year		2,194,253	2,094,919	4,289,172	4,187,240

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

The notes form part of these financial statements.

Pallottine Missionary Sisters

Balance Sheet

For the year ended 31st March 2017

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	10	1,141,941	1,122,627
Investments	11	2,249,302	2,716,824
		<hr/>	<hr/>
Total fixed assets		3,391,243	3,839,451
		<hr/>	<hr/>
Current assets			
Debtors	12	54,446	29,968
Cash at bank and in hand		899,256	367,525
		<hr/>	<hr/>
Total current assets		953,702	397,493
		<hr/>	<hr/>
Liabilities			
Creditors: amounts falling due within one year	13	(55,773)	(49,704)
		<hr/>	<hr/>
Net current assets		897,929	347,789
		<hr/>	<hr/>
Net assets		4,289,172	4,187,240
		<hr/>	<hr/>
The funds of the charity:	14		
General funds		2,194,253	2,032,929
Designated funds		2,094,919	2,154,311
		<hr/>	<hr/>
Total charity funds		4,289,172	4,187,240
		<hr/>	<hr/>

The notes form part of these financial statements

The financial statements were approved by the Trustees on 10th January 2018 and signed on their behalf by:

Sister Mary McNulty
Trustee

Reverend John Martin
Trustee

Pallottine Missionary Sisters

Statement of Cash Flows

For the year ended 31st March 2017

		2017	2016
	Note	£	£
Cash flows from operating activities:	19		
Net cash used in operating activities		89,684	126,383
		<hr/>	<hr/>
Cash flows from investing activities:			
Investment income		12,966	11,028
Proceeds from the disposal of fixed assets		10,440	-
Purchase of tangible fixed assets		(96,758)	(43,726)
Proceeds from the disposal of investments		2,741,824	160,507
Purchase of investments		(1,717,215)	(2,087,090)
		<hr/>	<hr/>
Net cash provided by investing activities		951,257	(1,959,281)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,040,941	(1,832,896)
Cash and cash equivalents brought forward		367,525	2,200,421
		<hr/>	<hr/>
Cash and cash equivalents carried forward	20	1,408,466	367,525
		<hr/>	<hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements

For the year ended 31st March 2017

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS102) issued on 16th July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

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 charity constitutes a public benefit as defined by FRS102.

The accounts are presented in sterling and are rounded to the nearest pound.

Reconciliation with previous Generally Accepted Accounting Practices

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102, a restatement of comparative items was needed. Other than the presentational adjustments to reanalyse the expenditure for the year ended 31st March 2016 to accord with the format prescribed in the updated Charities SORP FRS102, no further adjustments were required.

Going Concern

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

Funds Structure

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charitable objects.

The tangible fixed asset fund comprises the net book value of the charity's land and buildings and fixture and fittings. The existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded therefore as realisable.

Designated funds comprise monies set aside out of unrestricted funds for specific future purpose or projects.

Income recognition

All incoming resources are recognised once the charity has entitlement to the resources, it is certain the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

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

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

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been received.

Interest on funds held for 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.

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

1. ACCOUNTING POLICIES (continued)

Expenditure recognition

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to that expenditure. All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. The classification between activities is as follows:

Expenditure on raising funds comprises investment managers' fees.

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Depreciation is charged from the year of acquisition as follows:

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

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

Fixed asset investments

Investments are 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 charity 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.

Realised gains (or losses) on investment assets are calculated at the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

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

Creditors and provisions

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

Services provided by members of the Congregation

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

Operating leases

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

Foreign currencies

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

2. Donations and legacies

	2017	2016
	£	£
Salaries and pensions	101,523	128,333
Donations	16,388	12,393
Legacy	14,174	-
	<hr/>	<hr/>
	132,085	140,726
	<hr/> <hr/>	<hr/> <hr/>

3. Income from charitable activities

	2017	2016
	£	£
Resident fees	1,253,560	1,192,813
	<hr/>	<hr/>
	1,253,560	1,192,813
	<hr/> <hr/>	<hr/> <hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

4. Investment income

	2017	2016
	£	£
Interest on cash deposits	6,253	11,028
Listed investments	6,713	-
	<hr/>	<hr/>
	12,966	11,028
	<hr/> <hr/>	<hr/> <hr/>

5. Donations

	2017	2016
	£	£
Donations in support of missionary work overseas	9,000	-
Institutions and individuals	2,207	2,176
	<hr/>	<hr/>
	11,207	2,176
	<hr/> <hr/>	<hr/> <hr/>

6. Support of members of the congregation and operation of care home

	2017	2016
	£	£
Staff costs	695,797	621,161
Staff recruitment	2,854	3,665
Temporary staff	7,301	-
Provisions	65,982	71,878
Light and heat	37,321	44,606
Telephone	7,147	5,813
Sisters' living and personal expenses	36,166	49,746
Education, training, spiritual and holidays	29,348	26,141
Rent and rates	27,591	19,608
Insurance	25,528	23,163
Motor and travel	32,284	22,044
Repairs and renewals	118,364	150,643
Depreciation	72,352	175,899
Printing, postage & stationery	10,722	8,872
Training	2,269	8,517
Legal and professional	(1,117)	4,652
Resident expenses	16,960	12,763
Staff uniforms	2,539	3,558
Support costs (note 7)	111,464	85,705
Governance costs (note 7)	19,970	33,669
Hire of equipment	5,450	5,408
Subscriptions	2,248	1,139
	<hr/>	<hr/>
	1,328,540	1,378,650
	<hr/> <hr/>	<hr/> <hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

7. Governance and support costs

	Support costs	Governance costs	2017	2016
	£	£	£	£
Staff costs	77,978	-	77,978	59,049
Advertising and marketing	1,896	-	1,896	8,846
Computer costs	12,532	-	12,532	12,123
Finance costs	2,619	-	2,619	3,159
Auditor's remuneration		7,080	7,080	7,860
Auditor's remuneration – non audit services		-	-	360
Legal and professional	10,183	12,890	23,013	27,977
Sundries	6,256	-	6,256	-
	<hr/>	<hr/>	<hr/>	<hr/>
	111,464	19,970	131,434	119,374
	<hr/>	<hr/>	<hr/>	<hr/>

8. NET (EXPENDITURE) before gains on investments

	2017	2016
	£	£
This is stated after charging		
Operating leases: equipment	5,450	5,408
Depreciation	72,352	175,899
Auditor's remuneration		
– Audit fees	7,080	7,860
– Accounting services	-	360
	<hr/>	<hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

9. **Staff costs**

	2017	2016
	£	£
Salaries and wages	729,658	645,583
Social security costs	44,117	34,627
	<hr/>	<hr/>
	773,775	680,210
	<hr/> <hr/>	<hr/> <hr/>

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

	2017	2016
Provision of care	46	44
Administration	1	1
	<hr/>	<hr/>
	47	45
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose emoluments exceeded £60,000:

	2017	2016
£60,000 to £70,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, chief executive officer and the home manager.

Trustees Remuneration

Income of the Sisters (salaries and pensions) is donated to the charity for the benefit of the community as a whole. As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity. They received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2016: Nil). Father J Martin was reimbursed travel expenses of £3,562 (2016: £2,139) during the year.

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

10. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 st April 2016	1,909,216	859,056	68,720	2,836,992
Additions	-	54,489	42,269	96,758
Disposals	-	(3,190)	(56,793)	(59,983)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2017	1,909,216	910,355	54,196	2,873,767
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 st April 2016	840,941	812,032	61,392	1,714,365
Charge for the year	35,935	25,291	11,126	72,352
Disposals	-	(3,190)	(51,701)	(54,891)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2017	876,876	834,133	20,817	1,731,826
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 st March 2017	1,032,340	76,222	33,379	1,141,941
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2016	1,068,275	47,024	7,328	1,122,627
	<hr/>	<hr/>	<hr/>	<hr/>

As permitted under FRS 102, the charity has continued to adopt a policy of not revaluing its tangible fixed assets.

The book value of the charity's London property owned at 31st March 1995 is based on trustees valuation. As permitted by FRS102, the value assigned to this property is now deemed to be cost. Additions subsequent to 31st March 1995 are stated at cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's UK freehold land and buildings and their book values. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

Since the year end the charity has disposed of its freehold land and buildings in Newcastle for proceeds of £170,000. The property held a net book value of £158,600.

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

11. Investments

	Cash £	Listed Investments £	Loans £	Total £
Market value				
At 1 st April 2016	2,087,090	-	629,734	2,716,824
Additions at cost	25,000	1,692,215	-	1,717,215
Repayments	(2,112,090)	-	(629,734)	(2,741,824)
Net realised gains	-	47,877	-	47,877
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 st March 2017	-	1,740,092	-	1,740,092
Cash held for reinvestment	-	509,210	-	509,210
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2017	-	2,249,302	-	2,249,302
	<hr/>	<hr/>	<hr/>	<hr/>

Listed investments at 31st March 2017 comprise the following:

	2017
	£
UK Equities	957,023
UK investment and unit trusts	623,101
Overseas investment and unit trusts	159,968
	<hr/>
	1,740,092
	<hr/>

Material investments with a market value of over 5% of the total market value of investments are as follows:

	2017
	£
Blackrock Comm Income Investment Trust	91,350
IShares USD Treasury BDI-3yr-UCITS EFT USD DIST	253,188
IShares Physical Metals	106,865
	<hr/>

All listed investments were dealt in on a recognised stock exchange.

12. Debtors

	2017	2016
	£	£
Trade debtors	50,022	28,032
Other debtors	4,424	1,936
	<hr/>	<hr/>
	54,446	29,968
	<hr/>	<hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	14,736	18,680
Accruals and deferred income	29,031	19,657
Taxation and social security	12,006	11,367
	<hr/>	<hr/>
	55,773	49,704
	<hr/>	<hr/>

Deferred Income

	£
Deferred income at 1 st April 2016	606
Utilised in the year	(606)
Received in the year	141
	<hr/>
Balance at 31 st March 2017	141
	<hr/>

Deferred income consists of care fees paid in advance.

14. Funds

Retirement Fund

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

Tangible fixed assets fund

The tangible fixed asset fund represents the net book value of the charity land and buildings and fixture and fittings. A decision was made to separate this fund from the unrestricted fund and other designated funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such, their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

Tanzania funds

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

Analysis by movements

	2016	Income	Transfers	Expenditure	Gains/ (losses)	2017
	£	£	£	£	£	£
Retirement fund	1,036,261	-	(53,389)	-	-	982,872
Fixed assets fund	1,115,299	-	54,489	(61,226)	-	1,108,562
Tanzania fund	2,751	3,250	8,665	(11,181)	-	3,485
Unrestricted fund	2,032,929	1,400,709	(9,765)	(1,277,497)	47,877	2,194,253
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,187,240	1,403,959	-	1,349,904	47,877	4,289,172
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

15. Analysis of net assets between funds

	General Fund £	Designated Funds £	Total £
Tangible fixed assets	33,379	1,108,562	1,141,941
Investments	1,266,430	982,872	2,249,302
Current assets	950,217	3,485	953,702
Current liabilities	(55,773)	-	(55,773)
	<hr/>	<hr/>	<hr/>
	2,194,253	2,094,919	4,289,172
	<hr/>	<hr/>	<hr/>

16. Leasing agreements

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2017 £	2016 £
Within one years.	4,366	5,450
Between one and five years.	6,299	11,707
	<hr/>	<hr/>
	10,665	17,157
	<hr/>	<hr/>

17. Ultimate controlling party

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

18. Transactions with trustees

As members of the congregation, none of the trustees have resources of their own as all pensions and other income have been donated to the charity. During the year, the total amount donated by the trustees to the charity was £29,282 (2016: £40,795).

Pallottine Missionary Sisters

Notes to the Financial Statements (continued)

For the year ended 31st March 2017

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

	2017	2016
	£	£
Net movement in funds	101,932	(156,271)
Add back depreciation charges	72,352	175,899
Deduct investment income	(12,966)	(11,028)
Deduct gains/add back losses on investment	(47,877)	120,012
Surplus on disposal of tangible fixed assets	(5,348)	-
(Increase)/decrease in debtors	(24,478)	445
(decrease)/increase in creditors	6,069	(2,674)
	<hr/>	<hr/>
Net cash used in operating activities	89,684	126,383
	<hr/>	<hr/>

20. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	899,256	367,525
Cash held by investment manager	509,210	-
	<hr/>	<hr/>
Total cash and cash equivalents	1,408,466	367,525
	<hr/>	<hr/>