

Charity registration number: 235703

The Little Way Association

Report and Accounts

31 August 2017

The Little Way Association

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The Little Way Association
Legal and Administrative Information

TRUSTEES	Rev Daniel O'Riordan SDB Mr Dennis Charlick Mr Peter John Beynon Mrs Nan Katharine Waldron (resigned 31 August 2017)
PRESIDENT	Ms Maria Grcar
ACCOUNTANTS	Mr David O'Brien Mr Angelo Manorajah
ADDRESS	Sacred Heart House 119 Cedars Road Clapham Common London SW4 0PR
CHARITY REGISTRATION NUMBER	235703
AUDITORS	Keith, Vaudrey & Co First Floor 15 Young Street London W8 5EH
PRINCIPAL BANKERS	Allied Irish Bank Plc 10 Berkeley Square London W1J 6AA Barclays Bank Plc 7 St John's Hill Clapham Junction London SW11 Allied Irish Bank Plc 219 Crumlin Road Dublin 12
SOLICITORS	Druces LLP Salisbury House London Wall London EC2M 5PS

The Little Way Association

Trustees' Report

The trustees present their report and accounts for the year ended 31 August 2017.

Introduction

The Little Way Association is governed by a trust deed dated 10th April 1964 and is registered on 5th August 1964 with the Charity Commission for England and Wales, Charity Registration Number 235703 and a prior constitution (amended in 1962). The accounts in this report cover all the activities carried out by the Association, being religious and charitable work and the upkeep of the Association's religious centres at Lourdes, Fatima, Knock and Walsingham. The legal and administrative information in the financial statements form part of the trustees' annual report.

Public Benefit

The Trustees have consulted the guidance available by the Charity Commission for England and Wales on the Public Benefit requirement of the Charities Act 2011. The Trustees are confident that they have complied with their duty under section 4 of the Charities Act 2011 in that they have had due adherence to public benefit guidance published by the Commission. In furtherance of the trust's charitable purposes for the public benefit the trustees give details of their activities in the following:

Aims of the Little Way

- By prayer and self sacrifice, to help priests and missionaries in their work of making Christ known and loved.
- To study and follow the spirituality of St Therese of Lisieux, emulating her love of God and all humanity, and imitating her childlike simplicity and perfect confidence in God our Father.
- To help the missionary work of the Roman Catholic Church in all parts of the world by funding the building of chapels, simple houses, schools and wells in areas of need; by supporting Roman Catholic priests with Mass Offerings, maintaining Religious sisters and Catechists; and by giving grants for food, medicines and other aid for hungry, sick and deprived people, internally displaced people, needy children and victims of wars and natural disasters.

Principal activities

The Association's principal activity during the year continued to be the spiritual and financial support of Roman Catholic missionaries undertaking religious and humanitarian work for needy and deprived people in Africa, Asia, India and Latin America. This activity is underpinned and inspired by a devotion to St Therese of Lisieux and commitment to her spirituality.

The origins and development of the Association

The origins of The Little Way Association date back to the middle of the 20th century, when a young Irish woman, Mary Doohan, left her family home in rural Ireland to live and work in London, following the end of the second World War. She was a devout Roman Catholic and initially wanted to devote her life to nursing, however in order to earn her living she turned to a prosaic office job, continuing her spiritual, humanitarian and Church interests in her spare time. She made many contacts with like-minded Catholics in London and, when one of her brothers who was a Catholic missionary priest in the Philippines told her of his parish's urgent need to replace the roof of their church, Mary tried her hand at fundraising.

She quickly discovered a great talent for this, gathering willing helpers from her parish and from the Church Associations of which she was a member. When the roof in the Philippines was successfully funded, Mary and her helpers widened their scope and continued to fundraise for a succession of projects in needy parishes in the missions. Word spread amongst British and Irish missionary priests and Religious working overseas and this led to an ever-increasing number of requests for financial help.

It was not long before the volume of requests, the demands of fundraising, and the organisation of a large number of variously talented volunteers, became so great that Mary had to devote all of her time to her new vocation. She gave up her office job and, after fulfilling the legal requirements, The Little Way Association was set up as a Registered Charity with the Charity Commission for England and Wales.

The Little Way Association

Trustees' Report

Mary's rented office in central London was no longer adequate for the needs of the new Association but soon a generous supporter was inspired to give her the means to make an initial payment on a disused convent in south London, to serve as the new Association's headquarters. The building was large enough to provide office space and also had outbuildings which Mary and her helpers converted into a hostel for priests and students temporarily in London. The income from the hostel provided the money needed to pay off the remaining debt on Sacred Heart House. A yearly raffle was organised on a grand scale specifically for administration costs. This in turn was finally replaced by the dedicated administration fund which exists today and for which regular appeals are made. Unlike many other fundraising Charities, The Little Way Association does not deduct administration costs from donations sent in for missionary projects.

As the 20th century progressed, the number of requests from missionaries for grants continued to increase and, fortunately, the number of generous donors also grew. The volume of work and the need for continuity eventually encouraged Mary Doohan to recruit some paid staff to join her volunteers. A few helpers who had initially worked as volunteers in their spare time were able to become full time workers when offered a modest salary.

Little Way Centres were being opened in Walsingham, Lourdes, Fatima and Knock, to provide information on St Therese and on missionary needs, and in some cases to offer accommodation to pilgrims. These Centres continue to be an important aspect of the Association's outreach.

In her final years, Mary Doohan collaborated with Bishop Mang Thang, of Hakha Diocese in Myanmar to found and establish the Little Way Sisters of St Therese and also the Little Way Missionary Priests of St Therese, both religious congregations being based in Myanmar but also working in neighbouring countries. Bishop Mang Thang is now Archbishop of Mandalay and the two Congregations he founded with Mary are an important Christian presence in Myanmar. The close and unique ties between the Archbishop and our Association continue, and we seek to be as supportive as possible.

The main fundraising activities continue to be a mailing of appeal, newsletter and booklet two or three times a year to existing supporters. In recent years a website has been developed to gain the attention of new supporters which gives an opportunity to donate online.

The hands-on, labour intensive methods of administration of the second half of the twentieth century are gradually being replaced by twenty-first century technology. Computerisation enables the small staff, which still consists of volunteers and paid staff working side by side, to handle a large volume of work efficiently. Our foundress, Miss Mary Doohan, died in 2008 and was succeeded by the Vice President, Dr Norman Waldron, who died in 2012. He in turn was succeeded by the current President, Maria Grcar, who worked very closely with Mary Doohan for many years and then with Norman Waldron after Mary's death.

Plans for future periods

The Little Way Association intends to continue its work of assisting many Roman Catholic projects in Africa, Asia (including India), and Latin America and also in making the spirituality of St Therese of Lisieux more widely known, loved and followed.

New data protection legislation is due to come into force in May 2018 and the Association is currently studying how this legislation should be implemented with regard to donor records. The Association relies on the on-going support of its loyal donors and mails them with an appeal for all the work of the Association as well as feedback on a selection of funded projects twice or three times a year. This mailing includes a booklet containing religious matter, such as Novenas and prayers, articles on missionaries, spiritual subjects and the life and spirituality of St Therese of Lisieux. This booklet has a significant role in one of the primary aims of the Association, namely making St Therese better known and loved. Any restriction on this regular mailing would have serious implications for the work of the Association so it is essential that we comply with the new legislation in the most informed and appropriate way, in line with other similar Charities in the United Kingdom.

The Little Way Association

Trustees' Report

In order to widen still further the scope of the Association, we are about to implement a strategy of contacting Roman Catholic Archbishops and Bishops in Africa, India, Latin America and Asia who have not recently, or who have never, sent project proposals for consideration by the Association. The Association will inform, or remind, the Archbishops, or Bishops, of the work of the Association and give general guidelines as to the genre and size of projects the Association assists. This will hopefully encourage them to contact the Association if they have projects in need of help.

Achievements and Performance

The Little Way Association continues to improve administrative efficiency, especially through computer technology. Almost every diocese in Africa, India, Asia and Latin America has e-mail so communication with projects and monitoring of delays in implementation are now possible in a way that they have not been in the recent past. Grants are usually sent bank to bank which is quicker and safer than the former method of a cheque in the post.

Organisation and Governance of the Association

The Association is run by the trustees with the assistance of a small number of full and part time staff and a number of unpaid volunteers both in the UK and overseas. The executive Committee, currently consisting of President, Vice-President and Secretary, are also officers of the Association under the terms of the constitution.

The day to day running of the Association is directed by the President, who consults the executive Committee when appropriate. She liaises with the Trustees and attends their meetings, which usually take place at Sacred Heart House. The paid staff work in various administrative roles at Sacred Heart House. In order to minimise the cost of salaries to the Association two staff members work variable hours, enabling them to respond to peaks and troughs of workload.

The activities carried out by the United Kingdom volunteers are administrative or clerical at Sacred Heart House, and include hospitality, encouraging prayer for the missions, and promoting the message of St Therese at the Association's Centre in Walsingham. This is equivalent to an average of 80 volunteer hours per week.

Review of the Year

As usual our benefactors gave generously to help missionaries look after the spiritual and material needs of many thousands of needy people throughout the world. The total income to our funds from donations was £1,818,282. The sum of £2,341,304 was received/ receivable from legacies. These final acts of charity from our loyal benefactors are a fitting testimonial to their generous concern for people in need and will enable us to continue funding missionaries and their projects for a number of years. The sum of £1,137,299 of donations, and £159,487 of legacies, was restricted by our donors to go to specific funds. The unrestricted donations of £680,983 allowed us to use the funds when and where there is the greatest need, so we have been able to supplement every one of our projects. We were able to send a total of £2,331,580 made up of charitable donations, to hundreds of projects in more than 30 countries around the world.

Whilst the number of small projects assisted financially by the Association make a comprehensive list impractical, we are able to summarise the major categories of projects and activities which have been helped, as follows: £271,710 was allocated to projects for people in great poverty (the hungry, sick and deprived), who are unable to earn a living wage, who are sick but who cannot afford essential medicine, who have had to flee their homes because of warfare or intolerance, or who have become frail through age but have no family to support them. £268,753 was given to projects where babies and children were the principle beneficiaries, for example orphanages, schools, and feeding programmes for the malnourished.

This category also includes nurseries and care-homes for children who have lost both parents to the AIDS epidemic in developing countries, also abandoned and street children.

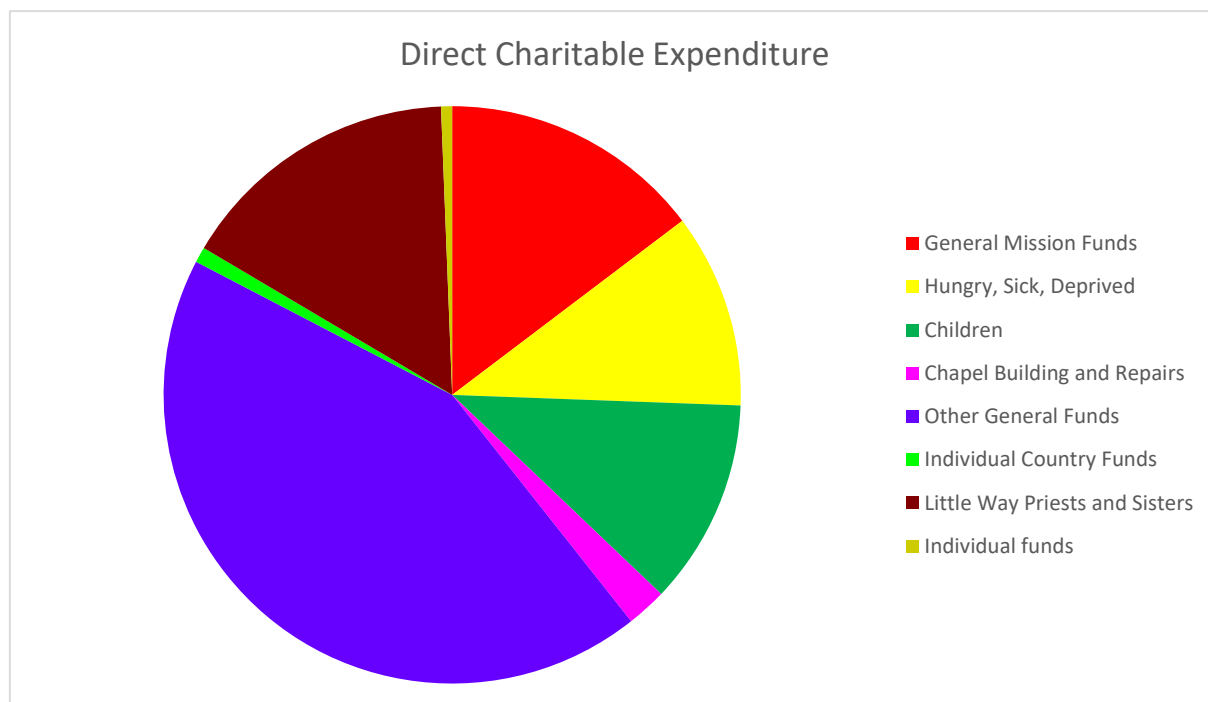
The Little Way Association Trustees' Report

A total of £259,487 helped projects to provide safe, clean water to villages, schools, parish houses, and religious communities, and a further £50,255 went to build toilets for schools and other buildings serving the community, especially where children and vulnerable people were forced to use insanitary shacks, or even open ground, for their needs. £84,235 was given from our Houses fund to help projects building simple, basic houses for desperately poor families, widows, and elderly people.

£373,727 was given to support isolated villages or groups of Catholics who were trying to build a chapel for their community and who were too poor to buy some or all of the materials needed. £413,804 went to seminaries to help with the maintenance costs of young men who wish to train for the priesthood but whose families are too poor to contribute. A total of £311,633 went to assist with the financial costs of the missionary outreach of priests and Religious sisters, to help with the training and maintenance of Catechists, who play a vital role in large missionary parishes, and to provide facilities for the care of sick and retired missionaries; £315,608 was given for particular missions or missionaries as specified by our donors, and £183,799 was sent to Archbishops and Bishops to distribute as Mass stipends to priests working in parishes which are unable to support them. The priests who receive the stipends offer the Mass for the donor's intentions.

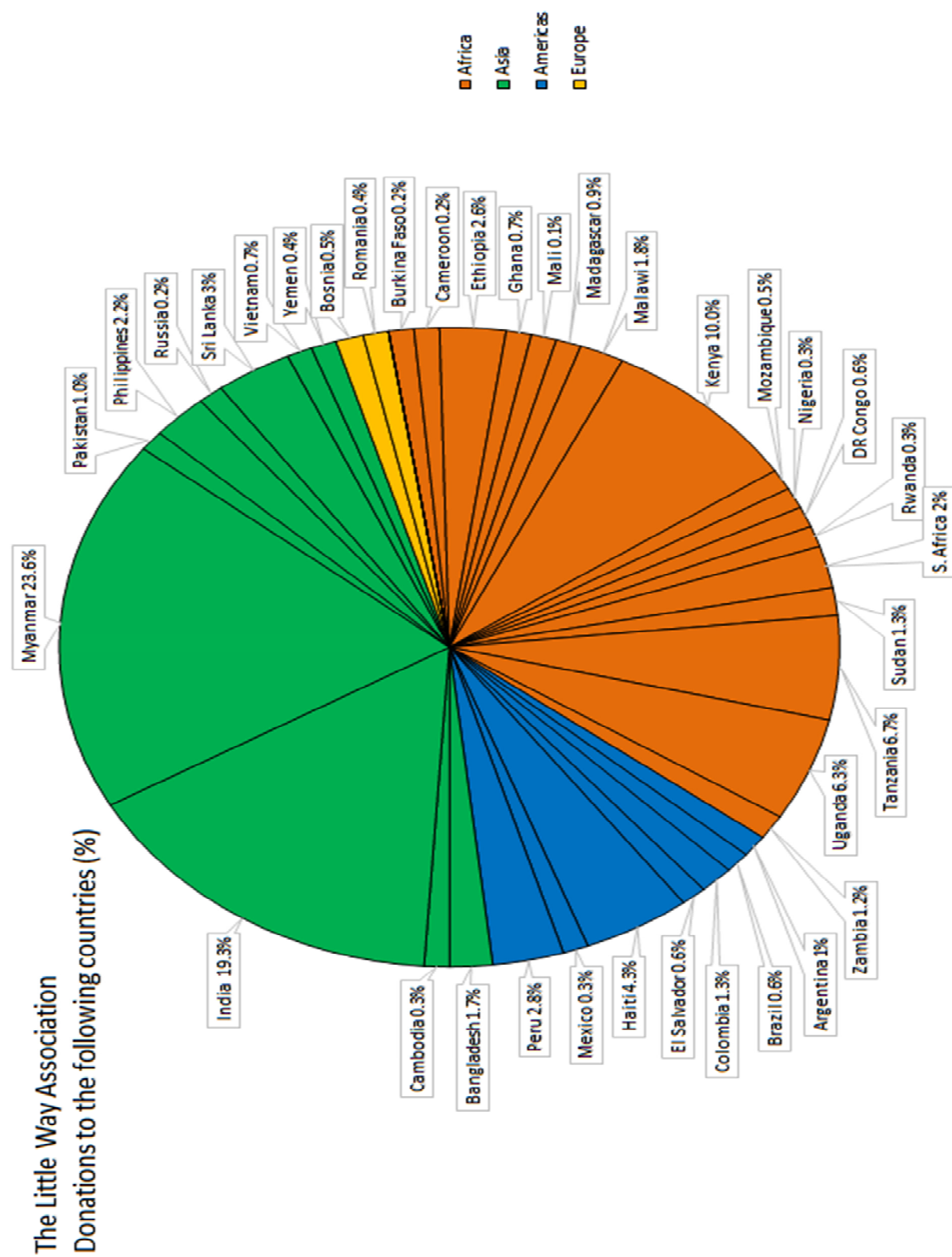
Most of the requests for grants that we receive come from Archbishops, Bishops, priests and Religious of the Roman Catholic Church in Africa, Asia and Latin America. This enables us to have a policy of allocating grants to projects that not only have the endorsement of the local Church hierarchy, but also which will be monitored and overseen by them. We have a Little Way Association National Director in place in India, too, who provides first hand information on projects as well as supervising Little Way Groups, which are lay Groups who study the spirituality of St Therese and engage in local welfare initiatives.

In summary, we continue our pattern of fundraising and grant giving, both of which aspects of the Association require diligence, energy and integrity. We pray for the intentions of our benefactors and friends and have Masses offered for them and for all deceased benefactors. We each in our different ways continue to be deeply committed to the aims of the Association and to our work in the service of the Church.



Total donations of £2,515,379 were made to more than 30 countries as shown on the pie chart with the percentage per country shown:

The Little Way Association
Trustees' Report



The Little Way Association

Trustees' Report

Reserves Policy

It is the policy of the trustees to maintain reserves at a sufficient level to meet missionary needs and to provide help in the event of natural disasters and wars. The charity aims to achieve a level of reserves to approximately twelve months of average expenditure.

Trustees

The current trustees are listed on page 2. Appointment of trustees is governed by the Trust Deed; the Board of Trustees is authorised to appoint new trustees or to fill vacancies arising through the resignation or death of an existing trustee.

Relationships with other charities

The Little Way Association liaises with Aid to the Church in Need on occasions when a project proposal has been sent to them which they are not able to fund but which they believe does fit the Little Way Association's criteria for funding.

Statement of Trustees' Responsibilities

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

The law applicable to Charities in England and Wales requires 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

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

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

- Regulations 2008 and the provisions 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 and other irregularities.

Risk assessment

In line with the requirements for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Association currently faces in Britain and have reviewed the measures already in place, or needing to be put in place, to deal with them.

Having assessed the major risks to which the Charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls over key financial systems, and by examining the operational and business risks faced by the Charity, they have established effective systems to mitigate those risks.

Rev Daniel O'Riordan SDB
Trustee

Approved by the Trustees on 22nd June 2018

The Little Way Association
Report of the Independent Auditors
to the Trustees of The Little Way Association

We have audited the financial statements of The Little Way Association for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the 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 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

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

We have been appointed as auditor under section 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:-

Give a true and fair view of the state of the charity's affairs as at 31 August 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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

sufficient accounting records have not been kept; or

the financial statements are not in agreement with the accounting records and returns; or

we have not received all the information and explanations we require for our audit.

J I Borucki, FCA
Keith Vaudrey & Co
Statutory Auditor
Chartered Accountants

Signed on 26 June 2018
First Floor 15 Young Street
London W8 5EH

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

The Little Way Association
Statement of Financial Activities
for the year ended 31 August 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £	Unrestricted Funds £	Restricted Funds £
Income							
Voluntary income:							
Donations and covenants		680,983	1,137,299	1,818,282	1,839,238	613,373	1,225,865
Legacies		2,181,817	159,487	2,341,304	1,378,813	1,378,813	-
Other income		23,894	-	23,894	8,366	8,366	-
Interest receivable and investment income		7,212	-	7,212	12,563	12,563	-
Total income		2,893,906	1,296,786	4,190,692	3,238,980	2,013,115	1,225,865
Expenditure							
Costs of generating funds							
Fund raising expenditure	2	92,036	-	92,036	90,443	90,443	-
Charitable activities							
Charitable donations	13	-	2,331,580	2,331,580	2,278,820	-	2,278,820
Mass offerings		-	183,799	183,799	247,086	-	247,086
Upkeep of religious centres		18,374	-	18,374	27,006	27,006	-
Support costs	3	232,052	-	232,052	8,040	8,040	-
Governance costs	4	15,606	-	15,606	16,600	16,600	-
		266,032	2,515,379	2,781,411	2,577,552	51,646	2,525,906
Total expenditure		358,068	2,515,379	2,873,447	2,667,995	142,089	2,525,906
Net income/ (expenditure) before transfers		2,535,838	(1,218,593)	1,317,245	570,985	1,871,026	(1,300,041)
Transfers between funds		(617,425)	617,425	-	-	(1,378,813)	1,378,813
Net movement in funds		1,918,413	(601,168)	1,317,245	570,985	492,213	78,772
Funds balances brought forward at 1 September 2016		5,719,928	1,663,537	7,383,465	6,812,480	5,227,715	1,584,765
Funds balances carried forward at 31 August 2017		7,638,341	1,062,369	8,700,710	7,383,465	5,719,928	1,663,537

None of the charity's activities were acquired or permanently discontinued during the above two financial periods.

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

The Little Way Association
Balance Sheet
as at 31 August 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	7	117,559	124,228
Investments	8	<u>200,962</u>	<u>200,962</u>
		318,521	325,190
Current assets			
Debtors	9	573,976	310,062
Cash at bank and in hand		<u>8,137,514</u>	<u>6,781,828</u>
		8,711,490	7,091,890
Creditors: amounts falling due within one year	10	<u>(329,301)</u>	<u>(33,615)</u>
Net current assets		<u>8,382,189</u>	<u>7,058,275</u>
Total assets less current liabilities		<u><u>8,700,710</u></u>	<u><u>7,383,465</u></u>
Funds			
Unrestricted		7,638,341	5,719,928
Restricted	11	<u>1,062,369</u>	<u>1,663,537</u>
		<u><u>8,700,710</u></u>	<u><u>7,383,465</u></u>

Rev Daniel O'Riordan SDB
Trustee
Approved by the Trustees on 22nd June 2018

The Little Way Association
Statement of Cash Flows
for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flow from operating activities:			
Net Cash provided by (used in) operating activities	See below	1,348,474	467,921
Cash flows from investing activities:			
Interest received and income		7,212	12,563
Net cash provided by (used in) investing activities		<u>1,355,686</u>	<u>480,484</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		1,355,686	480,484
Increase in cash	14	<u>1,355,686</u>	<u>480,484</u>

Reconciliation of net cash flow to movement in net debt

Increase in cash in the period		1,355,686	480,484
Net funds at 1 September 2016		<u>6,781,828</u>	<u>6,301,344</u>
Net funds at 31 August 2017	14	<u><u>8,137,514</u></u>	<u><u>6,781,828</u></u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/ (expenditure)	1,317,245	570,985
Adjustments for:		
Add depreciation	6,669	6,669
Interest received	(7,200)	(12,563)
Investment income	(12)	-
(Increase)/ decrease in debtors	(263,914)	(113,577)
Increase/ (decrease) in creditors	295,686	16,407
	<u><u>1,348,474</u></u>	<u><u>467,921</u></u>

The Little Way Association
Notes to the Accounts
for the year ended 31 August 2017

1 Accounting policies

Basis of Preparation of Accounts

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

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

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

Tangible fixed assets for use by the charity and depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	2% p.a straight line
Fixtures and office equipment	20% p.a. reducing balance

Investments

Fixed asset investments are stated at market value. Unrealised gains and losses are recognised in the statement of financial activities.

Foreign currencies

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

Income

Voluntary income and donations are accounted for as received by the charity. Legacies are credited to the statement of financial activities once the charity has been notified of its entitlement to the income and the value of the legacy is capable of financial measurement. The income from fundraising is shown gross, with associated costs included in fundraising costs. Gifts in the form of investments are included at their probate value or market value on the date of receipt. No permanent endowments have been received in the year.

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

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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

The Little Way Association
Notes to the Accounts
for the year ended 31 August 2017

Expenditure

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

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

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

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

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary. Irrecoverable VAT is included in the items of expenditure to which it relates.

Fundraising costs

Fundraising expenditure comprises costs involved in inducing people to contribute financially to the charity's work. This includes advertising for donations; all expenditure on stationery, postage and telephones is allocated to fundraising expenditure.

Governance costs

Governance costs include all expenditure not directly related to charitable activity or fundraising. All overhead expenditure including office running costs (other than stationery, postage and telephones), staff salaries and professional fees is allocated to management and administration costs.

Fund accounting

purposes of the Association or allocated for the general running expenses of the charity. Some voluntary income is expressly to cover costs of fundraising and administration and this is shown as restricted fund expenditure on the statement of financial activities.

The restricted funds comprise of several funds as disclosed in note 11 in more detail. It comprises of funds for specific activity requested by the donor.

2	Fundraising expenses	2017	2016
		£	£
	Stationery, postage and telephone	34,225	45,479
	Advertising	57,811	44,964
		<u>92,036</u>	<u>90,443</u>
3	Support costs	2017	2016
		£	£
	Staff costs (note 5)	115,776	144,820
	Depreciation	6,669	6,669
	Premises costs	37,274	45,722
	Other administrative expenses	23,074	18,616
	Exchange rate (Gains)/ losses	49,259	(207,787)
		<u>232,052</u>	<u>8,040</u>

The Little Way Association
Notes to the Accounts
for the year ended 31 August 2017

4 Management and administration of the charity	2017	2016
	£	£
Fees paid to the auditors:		
- Audit	6,600	6,600
- Accounting	2,640	3,600
- Other	1,200	0
Legal and professional costs	6,736	6,400
	<u>15,606</u>	<u>16,600</u>

5 Staff costs

No remuneration was paid to the trustees in the year. The other staff costs were:

	2017	2016
	£	£
Salaries and wages	105,903	131,899
Social security costs	3,335	7,159
Pension costs	6,538	5,762
	<u>115,776</u>	<u>144,820</u>

The average weekly number of staff employed by the charity was as follows:

	2017	2016
Administration and fundraising	<u>9</u>	<u>9</u>

6 Pension Scheme

The Little Way Association participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

1. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

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As at the balance sheet date there were three active members of the Plan employed by The Little Way Association. The Little Way Association has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2014 were completed in 2015 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £88 million and the Plan's Technical Provisions (i.e. past service liabilities) were £122 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £34 million, equivalent to a funding level of 72%.

The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% p.a.
Pre retirement discount rate	4.1
Post retirement discount rate	3.3
Inflation: Retail Prices Index (RPI)	3.1
Inflation: Consumer Prices Index (CPI)	2.2
Rate of increase in earnings	3.1

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2014. The market value of the Plan's assets at that date was £88 million and the Plan's Technical Provisions (i.e. past service liabilities) was £122 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £34 million, equivalent to a funding level of 72%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2014 valuation was forwarded to The Pensions Regulator as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

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The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

Owing to this situation, we have included 2 figures/calculations, namely:

- The cost of withdrawal if we include Series 3 liabilities in the calculation
- The cost of withdrawal if we exclude Series 3 liabilities from the calculation

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and we would request payment of the higher amount with any adjustment being made when the regulations are implemented.

7 Tangible fixed assets

	Land and buildings £	Fixtures and equipment £	Total £
Cost			
At 1 September 2016	326,268	26,085	352,353
Additions	-	-	-
Disposals	-	-	-
At 31 August 2017	<u>326,268</u>	<u>26,085</u>	<u>352,353</u>
Depreciation			
At 1 September 2016	202,467	25,658	228,125
On disposals	-	-	-
At 31 August 2017	<u>208,993</u>	<u>25,801</u>	<u>234,794</u>
Net book value			
At 31 August 2017	<u>117,275</u>	<u>284</u>	<u>117,559</u>
At 31 August 2016	<u>123,801</u>	<u>427</u>	<u>124,228</u>

8 UK Investments

	2017 £	2016 £
At market value:		
Listed investments	962	962
National Savings Bonds	<u>200,000</u>	<u>200,000</u>
	<u>200,962</u>	<u>200,962</u>
Listed investments - value at date of gift	2,290	2,290

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9 Debtors	2017	2016
	£	£
Legacies receivable	413,181	174,475
Other debtors	2,795	2,658
Gift aid debtors	158,000	132,929
	<u>573,976</u>	<u>310,062</u>

10 Creditors: amounts falling due within one year	2017	2016
	£	£
Other creditors	329,301	33,615
	<u>329,301</u>	<u>33,615</u>

11 Restricted funds

The restricted funds comprise many different funds which fall into three main categories:

- general funds which are applied for the general purpose for which they were set up.
- appeals funds by country; these funds are applied to projects in the particular country.
- funds in respect of individual projects.

The summarised movements on the funds for the year are as below:

	Balance at 1 September 2016	Incoming Resources	Expenditure	Transfers	Balance at 31 August 2017
	£	£	£	£	£
Direct charitable expenditure					
General mission funds	280,304	152,066	342,559	-	89,811
Hungry, sick, deprived	28,234	234,391	271,710	9,085	-
Children	(104,188)	306,469	268,753	169,959	103,487
Chapel building and repairs	(171,452)	41,889	52,253	181,816	-
Other general funds	1,419,645	120,174	1,003,016	-	536,803
Individual country funds	27,605	34,138	8,400	-	53,343
Little Way Priests and Sisters	229,864	57,918	370,559	82,777	-
Individual funds	80,329	212,926	14,330	-	278,925
	<u>1,790,341</u>	<u>1,159,971</u>	<u>2,331,580</u>	<u>443,637</u>	<u>1,062,369</u>
Mass offerings	(126,804)	136,815	183,799	173,788	-
	<u>1,663,537</u>	<u>1,296,786</u>	<u>2,515,379</u>	<u>617,425</u>	<u>1,062,369</u>

General mission funds represent donations received for spiritual and evangelical projects, ie. the support of priests, Sisters and Brothers in their missionary work.

Hungry, sick and deprived: Funds given under this heading can be applied to refugees, victims of famine and general natural disasters, medical requirements, old people and generally the most deprived members of society.

Children: These funds are applied to malnourished children and the support of orphanages, schools, abandoned babies and street children.

Chapel building and repairs: Materials are provided with these funds for the building and repair of small missionary chapels.

Other general funds comprise those for catechists, seminarians, lepers, dispensaries, houses for poor people, schools, wells and water supplies.

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Individual country funds are those given for use in certain countries without specific reference to the project or the recipient, but usually these funds result in part from media focus on various parts of the world, and also our advertisements appealing for aid for eg. Sudan.

Little Way Priests and Sisters: These funds given as financial help to Religious congregations named Little Way Sisters of St Therese based in Myanmar (Burma). The Sisters help thousands of needy people, as well as assisting the clergy in their pastoral ministry. All funds are distributed via Hong Kong.

Individual funds are those given by the name of the project or the person in charge of a project, and result from our appeals or articles in our magazines and newsletters.

12 Analysis of fund balances between the net assets	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	117,559	-	117,559
Investments	200,962	-	200,962
Current assets	7,649,121	1,062,369	8,711,490
Creditors: amounts falling due within one year	(329,301)	-	(329,301)
	<u>7,638,341</u>	<u>1,062,369</u>	<u>8,700,710</u>

13 Charitable donations

The charitable donations were paid to many different Missionary Societies, Dioceses and individual priests, Sisters and Brothers, to be used in carrying out missionary and other charitable work in many countries. Listed below are amounts paid to Missionary Societies, Dioceses and individual priests, Sisters and Brothers.

	£
Apostles of Jesus Seminary	7,000
Apostolic Vicariate of Hosanna	6,132
Apostolic Vicariate of Isiolo	6,691
Apostolic Vicariate of Southern Arabia	9,091
Archdiocese of Colombo	20,000
Archdiocese of Lilongwe	15,000
Archdiocese of Madras	32,784
Archdiocese of Mandalay	227,923
Archdiocese of Taunggyi	56,829
Augustinians of the Assumption	25,036
Brothers of the Sacred Heart Society	8,500
Capuchin Franciscan Friars	16,000
Chemin Neuf Community	14,706
Chinese Chaplaincy	10,000
Claretian Missionaries of Northeast India	8,541
Columban Sisters	6,439
Comboni Missionaries of the Heart of Jesus	9,450
Comboni Sisters	19,644
Congregacao Missionarios sao Francisco de Sales	22,842
Congregacion Hermanas de Nazaret	15,152
Congregation Missionnaire Scheut ASBL	10,000
Congregation of Rosarians	11,000
Congregation of Daughters of Mary Immaculate	9,091
Congregation of Daughters of Our Lady of the Sacred Heart	6,000
Consolata Missionaries	81,114
Diocese of Chipata	10,475

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Diocese of Dodoma	5,518
Diocese of Eluru	16,365
Diocese of Faisalabad	7,074
Diocese of Hakha	121,820
Diocese of Homa Bay	8,000
Diocese of Kalay	15,719
Diocese of Kayanga	5,950
Diocese of Maralal	7,526
Daughters of the Cross of Liege	8,000
Dindigul Roman Catholic Diocese	8,699
Diocese de Abancay	5,287
Diocese de Chulacanas	4,924
Diocese of Arua	9,889
Diocese of Chingleput	47,600
Diocese of Chiquiquira	15,152
Diocese of Cuddapah	7,300
Diocese of Dharmapuri	6,000
Diocese of Dundee, Kwazulu-Natal	9,000
Diocese of El Espinal	8,541
Diocese of Guntur	14,651
Diocese of Hawassa	6,000
Diocese of Ifakara	7,000
Diocese of Jaffna	50,000
Diocese of Jowai	34,000
Diocese of Kitui	14,000
Diocese of Klerksdorp	5,000
Diocese of Kumbakonam	21,637
Diocese of Kurnool	5,600
Diocese of Lilongwe	5,003
Diocese of Lurin	18,939
Diocese of Marthandom	15,510
Diocese of Morogoro	5,000
Diocese of Multan	8,199
Diocese of Musoma	19,517
Diocese of Nalgonda	7,873
Diocese of Oeiras	14,394
Diocese of Sagar	19,000
Diocese of Salem	12,800
Diocese of Sivagangai	12,000
Diocese of Soddo	13,666
Diocese of Soroti	7,500
Diocese of Sylhet	7,600
Diocese of Wa	7,576
Diocese of Warangal	5,935
Dominican Sisters	8,000
Fathers of the Holy Cross	10,000
Franciscan Missionaries of Our Lady of Peace	7,576
Franciscan Missionary Sisters for Africa	7,000
Franciscan Sisters of St. Joseph	8,700
Generalate of the Sisters of Charity of Jesus and Mary	10,000
Good Samaritan General Hospital	7,576
Holy Ghost Congregation	21,353
Incarnate Word Sisters	7,260
Indian Missionary Society	10,000
Institute of Charity	51,786
Jesuit Assam Mission	3,800
Marist Brothers	7,576

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Medical Missionaries of Mary	13,666
Missionaries of the Sacred Heart	9,712
Missionary Community of St. Paul	44,276
Missionary Sisters of the Holy Rosary	6,833
Missionary Sisters of Mother Mary	6,061
Missionary Sisters of the Precious Blood	6,061
Missionary Society of St. Columban	15,000
Missions Etrangeres de Paris	15,152
Monasterio Nuestra Senora del Parana	24,242
Nunziatura Apostolica to Ethiopia	9,395
Nunziatura Apostolica to India and Nepal	18,939
Nunziatura Apostolica to Uganda	64,012
Nunziatura Apostolica to Bangladesh	29,545
Nunziatura Apostolica to Haiti	99,523
Nunziatura Apostolica to Pakistan	7,576
Nunziatura Apostolica to Tanzania	96,422
Parish of the Blessed Virgin Mary of Loreto, Orenburg	5,125
Parohia Greco - Catolica Gherta Mare	10,000
Parroquia Nuestra Senora de la Candelaria	7,576
Pontifical Mission Society	10,932
Salesian Fathers	8,000
Siervas del Plan de Dios	12,121
Sisters of Charity of Jesus and Mary	11,400
Sisters of St. Paul	7,576
Sisters of the Cross of Chavanod	15,000
Sisters of the Immaculate Heart of Mary	5,000
Sisters Servant of Infant Jesus (Druzba Sestara Sluzavke)	11,957
Sivagangai Multipurpose Social Service Society	8,000
Society of Franciscan Sisters of St. Thomas	5,000
Society of Jesus	14,394
Society of the Divine Word	7,000
Soeurs Pallottines	5,125
St Martin de Porres Brothers	7,000
St. Patrick's Missionary Society	13,666
The Augustinians	15,152
Congregation of the Most Holy Redeemer	10,249
Immaculate Conception Society	10,000
Little Way Association, Thottappally	42,661
Sons of Divine Providence	8,541
Trust of the Daughters of Mary Immaculate & Collaborators	20,000
Ursuline Franciscan Society	15,000
Trinitarian Sisters	24,504
Verona Fathers	11,955
Others	243,199
Total	2,515,379

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14 Analysis of changes in net debt

	At 1 Sept 2016	Cash flows	Non-cash changes	At 31 Aug 2017
	£	£	£	£
Cash at bank and in hand	<u>6,781,828</u>	<u>1,355,686</u>	<u>0</u>	<u>8,137,514</u>

15 Taxation

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

16 Volunteers

The activities carried out by the UK volunteers are administrative or clerical in nature at Sacred Heart House, and the Little Way Association promotes the message of St Therese and encourages prayer for the missions at its Theresian Centre in Walsingham. This is equivalent to an average of 80 volunteer hours per week.