

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

Report and Accounts

31 December 2017

England and Wales Charity registration number:

220690

Scottish Charity registration number:

SC039809

Keith Vaudrey & Co.

1st Floor

15 Young Street

London W8 EH

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

Trustees

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

Principle address

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

Charity registration numbers

England and Wales 220690
Scotland SC039809

Auditors

Keith Vaudrey & Co.
15 Young Street
London W8 EH

Investment managers

Brewin Dolphin Limited
12 Smithfield Street
London EC1A 9BD

Blackrock Advisors
12 Throgmorton Avenue
London EC2N 2DL

Henderson Global Investors
201 Bishopsgate
London EC2M 3AE

Bankers

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

Solicitors

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

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

Trustees Report 2017

The Trustee presents the statutory report with the accounts of the Trusts for the year ended 31 December 2017.

INTRODUCTION

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

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

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

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

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

ORGANISATION

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

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

THE TRUSTEES

Rev Dermot Byrne MHM

Fr. Byrne has been a full member of the Society since November 1991. He was ordained in June 1992 and elected Regional of the British Region 1st January, 2017. Prior to being elected Regional he was working on the Society's Mission in Uganda.

Rev Stephen Botto MHM

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

Rev Paul Mooney MHM

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

Bro Eddie Slawinski MHM

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

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

Trustees Report 2017

PRINCIPAL ACTIVITIES AND AIMS

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

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

1. The promotion, maintenance and support of the Society and its members including the education of those members
2. The relief of poverty and
3. The advancement of the Roman Catholic Religion

The Trustees may use the capital and the income of the Charity in promoting the Objects.

These objectives clearly state the aims of the Society.

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

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

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

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

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

GOVERNANCE, RESERVE POLICIES AND RISK ASSESSMENT

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

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

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

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

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

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

Trustees Report 2017

• Financial

The Society adheres to stringent policies as outlined in the Global Financial Regulations Manual and detailed in the British Region Financial Regulations Manual. The Financial Statements for year ended 31 December 2017 satisfy the Trustees with regard to the Charity's ability to continue to operate in future periods. The Trustees have given consideration to potential reductions to income in regard to the decision of the UK to leave the EU and the impact this may have on investment income and potentially to donations. The Charity maintains General Fund Reserves and Retirement Fund Reserves separate to Land and Building Reserves to ensure transparency of financial reports and to enable consideration of future financial planning. The Appeal Fund does not hold reserves, all surpluses being transferred to the Charity for St. Joseph's Missionary Society (Generalate) Charity No. 1148980 for funding of the Missions. No Restricted Funds are held for year ended 31 December 2017.

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

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

• Laws and regulations

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

• Protection of Vulnerable Adults:

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

PUBLIC BENEFIT

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

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

REVIEW OF 2017

- In 2017, the British Region which comprises England, Wales and Scotland had **85** members of whom **28** were retired and **2** resident in the UK pending appointment (both staying in Herbert House our Retirement Home in Freshfield).

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

Trustees Report 2017

Overseas:

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

England and Wales:

- **7** members were involved in raising missionary awareness and making appeals England and Wales. This work is carried out in confluence with Missio and collectively a total of £3,023,556 was raised in 2017 of which £1,209,422 went to the Society – a decrease of -0.3% on 2016. **1** member is working as the National Director of the Pontifical Mission Societies/Missio for England and Wales
- **4** members of the society were working in parishes in England while **4** others were chaplains to hospitals, care homes, schools, and convents. **2** members were lecturing on courses and **1** were on sabbaticals.
- There are **12** members of the region who are involved in management of the society (**5** British Region & **7** Generalate) – these include those who are looking after our properties in Freshfield where the majority of our retired members reside.

Scotland:

- **4** members (assisted by Fr. Mark Connolly when on home leave awaiting renewal of his visa for India) were involved in raising missionary awareness & making appeals in Scotland. During 2017 they visited 26 parishes. Also due to the declining numbers of diocesan priests they visited 24 parishes regularly on supply. The Society magazine for Scotland, St. Joseph's Advocate, was published twice during 2017 + 1 calendar. We continue to run a series of weekly talks led by Fr. Tollan and Fr. Bernard as well as providing reflection / religious retreat days / evenings, visits to schools and working with other groups belonging to the Catholic Church in Scotland (Fatima, Serra, Legion of Mary, Lourdes Hospitalite, Lourdes Nurses, Life in the Eucharist and A S D C all of whom use Cardonald for their meetings. A Centring Prayer Group continues to be held every Tuesday and pilgrimages' to Fatima and Lourdes were led by MHM Scotland. The proceeds of a Prize Draw (Friends of Mill Hill) held in 2017 went to Boyui Primary School, Cameroon. Fr. Bernard is also the representative for MHM for safeguarding Scotland and conference of religious.

Future Developments

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

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

Signed on behalf of the Trustees:

S J Botto

Trustee

Approved by the Trustees on: 11 May 2018

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

Auditors' Report

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

We have audited the financial statements of St Charity for St Joseph's Missionary Society (British Region) for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 with 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incomes and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:-

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

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

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

15 May 2018

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

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

Statement of financial activities (incorporating an income and expenditure account)

for the year ended 31 December 2017

		Unrestricted funds					Unrestricted funds		
	Notes	General fund	Designated fund	Restricted fund	2017	2016	General fund	Designated fund	Restricted fund
		£	£		£	£	£	£	
Income									
Voluntary income									
Appeals, donations and legacies	1	162,375	54,250	1,482,500	1,699,125	1,657,750	289,816	17,634	1,350,300
Salaries, stipends and pensions		44,877	149,606	-	194,483	210,812	50,551	160,261	-
Masses said		83,535	-	-	83,535	107,873	107,873	-	-
Contribution from Generalate		-	120,000	-	120,000	140,000	-	140,000	-
Investment income									
Dividend and interest	2	180,267	466,471	-	646,738	645,836	179,005	466,831	-
Other income									
Miscellaneous income		232	-	-	232	3,141	3,141	-	-
Surplus on sale of assets		1,398,231	-	-	1,398,231	-	-	-	-
Total income		1,869,517	790,327	1,482,500	4,142,344	2,765,412	630,386	784,726	1,350,300
Expenditure									
Raising funds									
Fundraising	3	12,379	-	381,985	394,364	361,866	7,042	-	354,824
Investment manager fees		6,767	55,630	-	62,397	58,739	6,370	52,369	-
Charitable activities									
Pastoral activities									
Upkeep of communities	4	844,480	164,459	-	1,008,939	1,039,232	833,697	205,535	-
Support of Missions and Society		4,620	-	108,250	112,870	119,100	5,650	-	113,450
Contribution to Generalate		465,000	-	951,202	1,416,202	834,080	-	-	834,080
Management and administration	5	83,272	-	-	83,272	76,814	76,760	54	-
Governance costs	6	10,994	-	-	10,994	9,900	9,900	-	-
Total expenditure		1,427,512	220,089	1,441,437	3,089,038	2,499,731	939,419	257,958	1,302,354
Net gains (losses) on investments	9	161,441	775,242	-	936,683	1,394,288	268,858	1,125,430	-
Net income (expenditure) before transfers		603,446	1,345,480	41,063	1,989,989	1,659,969	(40,175)	1,652,198	47,946
Transfers between funds		(860,809)	901,872	(41,063)	-	-	533,906	(485,960)	(47,946)
Net movement in funds		(257,363)	2,247,352	-	1,989,989	1,659,969	493,731	1,166,238	-
Balances brought forward 1 January		6,929,834	20,668,939	-	27,598,773	25,938,803	6,436,102	19,502,701	-
Balances carried forward 31 December		6,672,471	22,916,291	-	29,588,762	27,598,772	6,929,833	20,668,939	

Statement of total recognised gains and losses

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

Charity for St Joseph's Missionary Society (British Region)
Balance Sheet
as at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	8	5,810,198	7,699,069
Investments at market value	9	<u>18,650,672</u>	<u>17,779,083</u>
		24,460,870	25,478,152
Current assets			
Debtors	10	304,013	473,747
Cash at bank and in hand		<u>5,775,552</u>	<u>1,774,040</u>
		6,079,565	2,247,787
Creditors: amounts falling due within one year			
Sundry creditors	11	<u>951,673</u>	<u>127,167</u>
		5,127,892	2,120,620
Total assets less current liabilities		<u>29,588,762</u>	<u>27,598,772</u>
		<u>29,588,762</u>	<u>27,598,772</u>
Represented by:			
Funds and reserves			
General funds		6,672,471	6,929,833
Designated funds	12	22,916,291	20,668,939
Restricted funds	13	-	-
		<u>29,588,762</u>	<u>27,598,772</u>

Approved by the Trustees
and signed on their behalf

S J Botto
Trustee
Approved by the Trustees on 11 May 2018

Charity for St Joseph's Missionary Society (British Region)
Statement of cash flows
for the year ended 31 December 2017

	Note	2017 £	2016 £
Cash generated in operating activities	A	<u>22,185</u>	<u>(513,256)</u>
Cash flows from investing activities			
Investment income		646,738	645,836
Proceeds of investment sales		3,293,357	2,769,945
Purchases of investments		(3,204,531)	(2,513,849)
Proceeds on sale of assets		3,298,232	4,534
Purchase of fixed assets		(30,737)	(21,839)
Cash provided (used) in investing activities		<u>4,003,059</u>	<u>884,627</u>
 Increase in cash and cash equivalents in year		<u>4,025,244</u>	<u>371,371</u>
 Movement in year			
(Decrease) increase in cash at bank and in hand		4,001,512	181,892
(Decrease) increase in cash held by investment managers for re-investment		<u>23,732</u>	<u>189,479</u>
		<u>4,025,244</u>	<u>371,371</u>

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

	2017 £	2016 £
Net income (expenditure)	1,989,989	1,659,969
Deduct investment income	(646,738)	(645,836)
Add depreciation	19,608	20,924
Profit on sale of assets	(1,398,231)	(3,141)
Add/(deduct) net movement on investments.	(936,683)	(1,394,288)
Increase (decrease) in creditors	824,506	(49,769)
(Increase) decrease in debtors	<u>169,734</u>	<u>(101,115)</u>
	<u>22,185</u>	<u>(513,256)</u>

Charity for St Joseph's Missionary Society (British Region)
Principal Accounting policies
for the year ended 31 December 2017

1 Basis of preparation and assessment of going concern

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

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

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

3 Income

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

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

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

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

Expenditure

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

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

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

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

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

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

4 Foreign currencies

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

5 Tangible fixed assets

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

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

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

Plant, equipment, fixtures and fittings 20%

Motor vehicles 25% on cost

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

Charity for St Joseph's Missionary Society (British Region)
Principal Accounting policies
for the year ended 31 December 2017

6 Investments

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

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

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

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

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

8 Fund accounting

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

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

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

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

9 Taxation

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

10 Pensions

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

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

Notes to the Accounts

for the year ended 31 December 2017

	General fund	Designated fund	Restricted fund	2017	2016	General fund	Designated fund	Restricted fund
	£	£		£	£	£	£	
1 Appeals, donations and legacies								
Appeals and donations	-	-	1,272,021	1,272,021	1,273,332	-	-	1,273,332
Other	86,933	54,250	-	141,183	75,931	66,181	9,750	-
Legacies	75,442	-	210,479	285,921	308,487	223,635	7,884	76,968
	<u>162,375</u>	<u>54,250</u>	<u>1,482,500</u>	<u>1,699,125</u>	<u>1,657,750</u>	<u>289,816</u>	<u>17,634</u>	<u>1,350,300</u>
2 Investment income and interest receivable								
Income from investments	178,961	466,471	-	645,432	644,716	177,885	466,831	-
Bank and other interest	1,306	-	-	1,306	1,120	1,120	-	-
Rents (net of costs)	<u>180,267</u>	<u>466,471</u>	<u>-</u>	<u>646,738</u>	<u>645,836</u>	<u>179,005</u>	<u>466,831</u>	<u>-</u>
3 Raising funds								
Fundraising								
Fundraising	-	-	381,985	381,985	354,824	-	-	354,824
Other	12,379	-	-	12,379	7,042	7,042	-	-
	<u>12,379</u>	<u>-</u>	<u>381,985</u>	<u>394,364</u>	<u>361,866</u>	<u>7,042</u>	<u>-</u>	<u>354,824</u>
4 Pastoral activities								
Upkeep of Communities								
Premises	160,003	-	-	160,003	164,885	164,885	-	-
Community and personal	684,477	164,459	-	848,936	874,347	668,812	205,535	-
	<u>844,480</u>	<u>164,459</u>	<u>-</u>	<u>1,008,939</u>	<u>1,039,232</u>	<u>833,697</u>	<u>205,535</u>	<u>-</u>
5 Pastoral activities								
Management and administration								
Staff	28,790	-	-	28,790	26,849	26,849	-	-
Central administrative	49,073	-	-	49,073	39,059	39,005	54	-
Depreciation	5,409	-	-	5,409	10,906	10,906	-	-
	<u>83,272</u>	<u>-</u>	<u>-</u>	<u>83,272</u>	<u>76,814</u>	<u>76,760</u>	<u>54</u>	<u>-</u>
6 Governance costs								
Audit fee	6,800	-	-	6,800	6,800	6,800	-	-
Accounting and advice	4,194	-	-	4,194	3,100	3,100	-	-
	<u>10,994</u>	<u>-</u>	<u>-</u>	<u>10,994</u>	<u>9,900</u>	<u>9,900</u>	<u>-</u>	<u>-</u>

7 Staff costs

Staff costs during the year were as follows:

	2017	2016
	£	£
Wages and salaries	542,955	529,912
Social security costs	39,504	37,532
Pension costs	3,353	3,233
	<u>585,812</u>	<u>570,677</u>

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

The average number of employees, analysed by function was:

	8	6
Administrative and fundraising	19	20
Domestic, nursing and catering	27	26
Total		

8 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2017	7,663,877	190,003	22,918	7,876,798
Additions	-	26,995	3,742	30,737
Disposals	(1,900,000)	(28,240)	(14,749)	(1,942,989)
At 31 December 2017	<u>5,763,877</u>	<u>188,758</u>	<u>11,911</u>	<u>5,964,546</u>
Depreciation				
At 1 January 2017	-	164,369	13,360	177,729
Charge for the year	-	14,200	5,408	19,608
On disposals	-	(28,240)	(14,749)	(42,989)
At 31 December 2017	<u>-</u>	<u>150,329</u>	<u>4,019</u>	<u>154,348</u>
Net book value				
At 31 December 2017	<u>5,763,877</u>	<u>38,429</u>	<u>7,892</u>	<u>5,810,198</u>
At 31 December 2016	<u>7,663,877</u>	<u>25,634</u>	<u>9,558</u>	<u>7,699,069</u>

2017 **2016**

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

Notes to the Accounts

for the year ended 31 December 2017

9 Investments

	£	£
Market value at 1 January 2017	17,549,179	16,410,987
Additions at cost	3,204,531	2,513,849
Sale proceeds from disposals	(3,293,357)	(2,769,945)
Net gain (loss) in year	936,683	1,394,288
Market value at 31 December 2017	18,397,036	17,549,179
Cash held by investment managers for re-investment	253,636	229,904
	18,650,672	17,779,083
Cost of listed investments at 31 December 2017	15,145,744	14,135,984

10 Debtors

	2017 £	2016 £
Taxation recoverable	108,590	105,034
Charity for St Joseph's Missionary Society	-	89,800
Sundry debtors	81,451	77,796
Legacies	103,448	127,792
Prepayment	10,524	73,325
	304,013	473,747

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Sundry and expense creditors	139,496	101,447
Accruals	3,000	3,000
Charity for St Joseph's Missionary Society	791,581	-
Mass stipends	17,596	22,720
	951,673	127,167

12 Designated funds

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

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

	At 1 January 2017 £	Transfers	Incoming resources £	Utilised/ realised £	At 31 December 2017 £
Capital fund	7,663,877	(1,900,000)	-	-	5,763,877
Retirement	13,005,062	2,801,872	790,327	555,153	17,152,414
	20,668,939	901,872	790,327	555,153	22,916,291

13 Restricted fund

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
APF- Mill Hill Fund	-	1,482,500	(1,482,500)	-

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

14 Analysis of net assets between funds

	General fund £	fund £	fund £	2017 £	2016 £	fund £	fund £	fund £	fund £
Fund balances at 31 December 2017 are represented by:									
Fixed assets									
Tangible assets	46,321	5,763,877	-	5,810,198	7,699,069	35,192	7,663,877	-	-
Investments	5,476,148	13,174,524	-	18,650,672	17,779,083	5,321,935	12,457,148	-	-
	5,522,469	18,938,401	-	24,460,870	25,478,152	5,357,127	20,121,025	-	-
Current assets	5,306,745	170,627	602,193	6,079,565	1,964,781	1,109,643	376,957	478,181	
Balances between funds	(3,766,611)	3,821,362	(54,751)	-	-	192,128	82,532	(274,660)	
Creditors: amounts falling due within one year	(390,132)	(14,099)	(547,442)	(951,673)	(306,936)	(90,771)	(12,644)	(203,521)	
	6,672,471	22,916,291	-	29,588,762	27,135,997	6,568,127	20,567,870	-	-

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

During the year the Charity for St Joseph's Missionary Society (British Region) paid over £1,416,202 (2016: £834,080) from the APF-Mill Hill Fund and its General Fund for the Generalate's mission activities from general funds and received a subsidy towards retirement costs of £120,000 (2016: £140,000).