

Charity for St Joseph's Missionary Society (Generalate)

Report and Accounts

31 December 2017

England and Wales Charity registration number:

1148980

Company registration number

00487520

Keith Vaudrey & Co.

1st Floor

15 Young Street

London W8 EH

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

Trustees

Rev Michael Corcoran MHM
Rev Desmond McGillicuddy MHM
Bro Jos Boerkamp MHM
Rev Andrew Mukulu MHM
Rev Jimmy Lindero MHM

Principle address

St. Joseph's Parish Centre
36 Cookham Road
Maidenhead
Berkshire
SL6 7EG

Charity registration numbers

Charity 1148980
Company 00487520

Auditors

Keith Vaudrey & Co.
15 Young Street
London W8 EH

Investment managers

Brewin Dolphin Limited
12 Smithfield Street
London EC1A 9BD

Charles Stanley & Co Ltd
55 Bishopsgate
London
EC2N 3AS

Bankers

Royal Bank of Scotland plc
62-63 Threadneedle Street
London
EC1A 9BD

Solicitors

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

Charity for St Joseph's Missionary Society (Generalate)

Trustees report

The Trustees presents the statutory report with the accounts of the Trust 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, South Sudan, Cameroon, Congo, South Africa, Pakistan, India, Malaysia, Philippines, Brazil, Indonesia, and a presence elsewhere in the world.

The company was incorporated on 20 October 1950, under a memorandum and articles of association, and registered as No.00487520. The Charity Commission gave charitable status to it on 17 September 2012 No.1148980. Until 31 December 2012 the company was dormant. It began its activities on 1 January 2013 when the Charity for St. Joseph's Missionary Society (British Region) trust (Charity Commission No. 220690 and the Scottish Charity Regulator No. SC039809) transferred assets to it. The statutory power of appointing trustees lies with the existing Trustees.

ORGANISATION

All the Directors/Trustees of the Charity for St Joseph's Society (Generalate) are Members of St Joseph's Missionary Society. The directors of the company are appointed jointly by the General Superior and Vicar General. The General Superior is the Chairman of the Board of Directors.

THE TRUSTEES

Rev Michael Corcoran MHM

Fr Corcoran has been a full member of the Society since January 1985. He was ordained in August 1985 and elected General Superior of the Society in 2015. Prior to being elected General Superior he was the Head of the Society's Irish Region

Rev Desmond McGillicuddy MHM

Fr McGillicuddy has been a full member of the Society since May 1974. He was ordained in June 1975 and elected to the General Council in June 2015. He was appointed as a Director/Trustee in September 2015. Prior to being elected to the General Council he was working on the Society's Mission in Brazil.

Bro Jos Boerkamp MHM

Brother Boerkamp has been a full member of the Society since March 1976. He was elected to the General Council of the Society as Councillor for Finance in 2000 and re-elected for a second term in 2005. He retired from the General Council in 2010 and has been appointed Financial Secretary in July 2010. Prior to being elected to the General Council he was working on the Society's Mission in Kenya and Uganda.

Fr Andrew Mukulu MHM

Fr Mukulu has been a full Member of the Society since December 1997. He was ordained in August 1998 and elected to the General Council in June 2015. He was appointed as a Director/Trustee in May 2016. Prior to being elected to the General Council he was Rector of the Society's Formation House in the Cameroon

Rev Jimmy Lindero

Fr Lindero has been a full Member of the Society since October 2006. He was ordained in April 2007 and elected to the General Council in June 2015. He was appointed as a Director/Trustee in May 2016. Prior to being elected to the General Council he was working in the Society's mission in Pakistan.

Charity for St Joseph's Missionary Society (Generalate)

Trustees report

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 & support of the Society & 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.

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.

The Trustees are confident that they have complied with their duty under the Charities Act 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

Following the celebration of the its 150th Jubilee in 2016, the Society continued its work as usual in 2017.

Foremost amongst this is the Society's commitment to the formation of candidates for ordination to the priesthood. The Society continues to attract a large number of candidates from the mission countries in which it works with the result that in 2017 there were just over 200 candidates at various stages of formation in the Society's Formation Houses in Africa and Asia. This has produced over the past few years a regular number of ordinations and admissions to membership and in 2017 there were 4 ordinations.

As mentioned in last year's review of 2016, the Society was forced to close its formation programmes in the Democratic Republic of the Congo (DRC) because of the deteriorating conditions in the area in which it was situated. However, the Society is keen to continue its programmes of formation in the Congo so during the year a feasibility study was undertaken to see if they could be restarted in the capital Kinshasa. It is hoped the results of the study will be available in early 2018.

Charity for St Joseph's Missionary Society (Generalate)

Trustees report

Another aspect of the steadily increasing membership of the Society is that it has allowed it to consider opening new missions. One which has been under consideration during the past few years has been a mission to Cambodia so during 2017 planning has been undertaken on this with a view to starting it in 2018/9.

The Society funds its missionary work in different parts of the world through the investments held by the Generalate and by donations and by its share of the Missio/Mill Hill Missionary "Red Box" Appeals managed by its British Region.

The Society's UK Investments have performed well during the year exceeding the relevant benchmarks for both increase in value and yield for our level of risk. To meet the needs of its mission areas in the future, the Society, in consultation with its professional advisers, has been reorganising its investments so that they are grouped to provide funding for specific mission areas. The Society monitors the performance of its investments by keeping in close touch with its advisers both in the UK and the USA and by meeting with them annually.

As mentioned above the Society receives funding for its mission work from its joint fundraising appeals with Missio (Reg Charity No: 1056651) which are managed by its British Region (Reg Charity No: 220690 and SC039809). In 2017 this resulted in an increase of funding from this source of £117,122 as compared with 2016. The Society is working with Missio to improve cooperation and coordination to increase this figure even more in the future.

The Society also received generous contributions towards its work from its Regions in North America, Ireland, Britain and the Netherlands.

Another aspect of funding is the need for money for specific missionary projects and the Society has been running a series of workshops on project writing and fundraising from potential donor bodies. The aim is to empower individual members to be able to make successful applications rather than having to rely on a central office to do this. The evidence from applications being made since these workshops is that this approach is succeeding.

The Society held another Seminar of several weeks in Rome in September for its Members over 65 to help them adapt to this stage of their life. The Seminar was well received by those who attended. Planning for a Seminar for those in Mid-life (40-55 years) was also undertaken during the year. This will take place in Rome in July 2018.

Communication of its message and communication with its members and supporters is an important work of the Society and is kept under review. During the year a meeting of the Editors of the Society's European magazines was held at the Generalate and this included a webinar with the editors of the Society's magazines in India and the Philippines. The Society has also updated and revamped its website during the year.

In the 1970s the Society was part of a consortium of missionary societies running a college, The Missionary Institute London (MIL), providing formation and courses jointly for student missionaries. The college closed some years ago due to the lack of students and the Society took on the lead role in winding up its affairs. This was finally concluded this year with the Society distributing the remaining funds to the Societies that had composed the consortium.

The members of the Society continue to work in many poor and deprived areas of the world providing religious and humanitarian services. Many of these areas are difficult to work in because of disruption due to civil unrest as in the Cameroon or draconian government policies such as the "War on Drugs" in the Philippines. The Society also reopened its mission in South Sudan but because of the continuing instability there their activities are restricted. On a more positive note, in Karamoja Uganda where an armed insurgency has recently ceased, members of the Society are running empowerment programmes for former young insurgents to equip them for new ways of life.

Members of the General Council visit members in the areas in which they work and also keep in contact with them through modern means of communication. The General Council also liaises with the Society's Regions in Europe and North America and with other church bodies.

Charity for St Joseph's Missionary Society (Generalate)

Trustees report

As mentioned last year, the Society, because of its international composition, views with some concern the effect the implementation of the decision by the UK to leave the European Union could have on the operation of the Generalate here in the UK. In addition, the more restrictive immigration regime that has come into force in the UK during the past few years could impact on the Society's expectation that increasingly Members originating from its mission countries will be playing leading roles in the Society. The General Council of the Society are keeping this under review.

The Society made a net surplus on its income and expenditure in 2017 and the Trustees are therefore satisfied with the results for the year.

The Society achieved all the objectives it set itself for this year.

Future Developments

- 1) Seminar in Rome for Members of the Society in Mid-life
- 2) Start of a new Mission in Cambodia
- 3) If recommended by the Feasibility Study begin setting up a Formation Programme in Kinshasa in the Democratic Republic of the Congo (DCR).

RESERVES POLICY

Where appropriate, individual funds and reserves have been discussed in the Review of 2017. The Trustees are however very conscious of the commitment of the Society to continue its work in the future and the need to safeguard resources, especially with the increase of members nearing retirement age, and the majority of the younger members hailing from the Third World. The General Council has also been reviewing with its advisors whether the designated funds it has created continue to be the most appropriate use of this money.

INVESTMENT POLICY

The investment policy of the Society is to receive dividends from investments, made broadly on an ethical basis, so that the aims of the Society can be achieved. Our advisors have the instruction to follow the policy of 'safe' rather than 'speculative' investments.

RISK ASSESMENT

The Trustees keep under review the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. To this end it is in constant communication with its investment advisors both here and in the USA and holds an annual review meeting with them. It has recently been discussing with them changing the emphasis of its investments from capital growth to income producing.

The Trustees also review annually with the Society's Insurance Brokers its liabilities and the appropriateness and amounts of its Insurance cover. It is also reviewing the insurance of its Houses in its mission areas.

As a substantial source of income to the Society for its missionary work is the fundraising arrangement with "Missio" (Reg Charity No 1056651) the Society regularly liaises with Missio and the Society's British Region (Reg Charity No 220690 and SC039809) who collect the money on its behalf and monitors the income.

THE CHARITY'S ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Signed on behalf of the Trustees:

Michael Corcoran

Trustee

Approved by the Trustees on: 10 July 2018

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

We have audited the financial statements of St Charity for St Joseph's Missionary Society (Generalate) 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.

Basis for opinion

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than with the Companies Act 2006. Accordingly 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.

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 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.

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

10 July 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 (Generalate)
Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 December 2017

	Note	Unrestricted funds			2017	2016	Unrestricted funds		
		General fund	Designated funds	Restricted funds			General fund	Designated funds	Restricted funds
		£	£		£	£	£	£	
Income									
Voluntary income									
Appeals, donations and legacies	1	1,692,598	-	46,510	1,739,108	1,310,683	1,272,831	-	37,852
Salaries, stipends and pensions		7,991	-	-	7,991	5,003	5,003	-	-
Masses said		4,641	-	-	4,641	4,475	4,475	-	-
Contribution from overseas regions		467,402	601,321	-	1,068,723	799,672	-	799,672	-
Investment income									
Dividend and interest	2	627,522	320,396	13,726	961,644	1,029,840	700,584	314,630	14,626
Other income									
Surplus on sale of fixed assets		-	-	-	-	155,122	155,122	-	-
Miscellaneous income		-	-	-	-	64,692	64,692	-	-
Total income		2,800,154	921,717	60,236	3,782,107	3,369,487	2,202,707	1,114,302	52,478
Expenditure									
Raising funds									
Fundraising	3	3,661	-	-	3,661	9,254	9,254	-	-
Investment manager fees		99,354	42,545	2,533	144,432	139,874	98,043	39,516	2,315
Charitable activities									
Pastoral activities									
Upkeep of communities	4	236,234	-	-	236,234	271,376	271,376	-	-
Formation and training	4	264,726	532,019	12,079	808,824	733,174	231,035	478,561	23,578
Support of Missions and Society		596,749	681,110	3,300	1,281,159	1,063,907	809,975	250,132	3,800
Contribution to British region		120,000	-	-	120,000	140,000	140,000	-	-
Generalate costs		154,197	-	-	154,197	144,366	144,366	-	-
Management and administration	5	181,014	-	-	181,014	142,180	142,180	-	-
Governance costs	6	7,500	-	-	7,500	12,907	12,907	-	-
Total expenditure		1,663,435	1,255,674	17,912	2,937,021	2,657,038	1,859,136	768,209	29,693
Net gains (losses) on investments	9	732,755	681,469	16,328	1,430,552	3,383,174	2,454,854	841,628	86,692
Net income (expenditure) before transfers		1,869,474	347,512	58,652	2,275,638	4,095,623	2,798,425	1,187,721	109,477
Transfers between funds		(532,019)	532,019	-	-	-	(250,255)	250,255	-
Net movement in funds		1,337,455	879,531	58,652	2,275,638	4,095,623	2,548,170	1,437,976	109,477
Balances brought forward 1 January		23,285,726	17,623,743	588,656	41,498,125	37,402,502	20,737,556	16,185,767	479,179
Balances carried forward 31 December		24,623,181	18,503,274	647,308	43,773,763	41,498,125	23,285,726	17,623,743	588,656

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 (Generalate)
Balance Sheet
as at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	8	5,492,011	5,492,011
Investments at market value	9	33,592,653	34,927,996
Tangaza College	9	<u>136,271</u>	<u>136,271</u>
		39,220,935	40,556,278
Current assets			
Debtors	10	1,039,148	370,311
Cash at bank and in hand		<u>4,659,213</u>	<u>2,081,998</u>
		5,698,361	2,452,309
Creditors: amounts falling due within one year			
Sundry creditors	11	<u>1,145,533</u>	<u>1,510,462</u>
		4,552,828	941,847
Total assets less current liabilities		<u>43,773,763</u>	<u>41,498,125</u>
		<u><u>43,773,763</u></u>	<u><u>41,498,125</u></u>
Represented by:			
Funds and reserves			
General funds		24,623,181	23,285,726
Designated funds	12	<u>18,503,274</u>	<u>17,623,743</u>
		43,126,455	40,909,469
Restricted funds	13	<u>647,308</u>	<u>588,656</u>
		<u><u>43,773,763</u></u>	<u><u>41,498,125</u></u>

Approved by the Trustees
and signed on their behalf

Michael Corcoran
Trustee
Approved by the Trustees on: 10 July 2018

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

	Note	2017 £	2016 £
Cash generated in operating activities	A	<u>(1,150,324)</u>	<u>(2,123,867)</u>
Cash flows from investing activities			
Investment income		961,644	968,339
Proceeds of investment sales		11,585,513	3,849,467
Purchases of investments		<u>(9,475,195)</u>	<u>(3,986,007)</u>
Cash provided (used) in investing activities		<u>3,071,962</u>	<u>831,799</u>
Increase in cash and cash equivalents in year		<u>1,921,638</u>	<u>(1,292,068)</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		2,577,215	(118,409)
(Decrease) increase in cash held by investment managers for re-investment		2,332,059	46,566
(Decrease) increase in bonds and deposits held		<u>(2,987,636)</u>	<u>(1,220,225)</u>
		<u>1,921,638</u>	<u>(1,292,068)</u>

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

	2017 £	2016 £
Net income (expenditure)	2,275,638	(1,047,353)
Deduct investment income	(961,644)	(968,339)
Add depreciation	-	5,199
Add/(deduct) net movement on investments.	(1,430,552)	(63,327)
Increase (decrease) in creditors	(364,929)	278,436
(Increase) decrease in debtors	<u>(668,837)</u>	<u>(328,483)</u>
	<u>(1,150,324)</u>	<u>(2,123,867)</u>

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

2 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.

3 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.

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 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 (Generalate)
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 charity does not acquire put options, derivatives or other complex financial instruments.

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

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.

7 Fund accounting

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.

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

8 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.

Charity for St Joseph's Missionary Society (Generalate)

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	178,429		46,510	224,939	257,597	219,745	-	37,852	
British region - APF and legacies	1,416,202	-		1,416,202	844,880	844,880	-	-	
Legacies	97,967	-	-	97,967	208,206	208,206	-	-	
	<u>1,692,598</u>	<u>-</u>	<u>46,510</u>	<u>1,739,108</u>	<u>1,310,683</u>	<u>1,272,831</u>	<u>-</u>	<u>37,852</u>	
2 Investment income and interest receivable									
Income from investments	549,123	320,396	13,726	883,245	977,790	648,534	314,630	14,626	
Bank and other interest	9,880	-	-	9,880	4,209	4,209	-	-	
Rents (net of costs)	68,519	-	-	68,519	47,841	47,841	-	-	
	<u>627,522</u>	<u>320,396</u>	<u>13,726</u>	<u>961,644</u>	<u>1,029,840</u>	<u>700,584</u>	<u>314,630</u>	<u>14,626</u>	
3 Raising funds									
Fundraising									
Fundraising other	3,661	-	-	3,661	9,254	9,254	-	-	
	<u>3,661</u>	<u>-</u>	<u>-</u>	<u>3,661</u>	<u>9,254</u>	<u>9,254</u>	<u>-</u>	<u>-</u>	
4 Pastoral activities									
Upkeep of Communities									
Premises	154,961	-	-	154,961	74,884	74,884	-	-	
Community and personal	81,273	-	-	81,273	196,492	196,492	-	-	
	<u>236,234</u>	<u>-</u>		<u>236,234</u>	<u>271,376</u>	<u>271,376</u>	<u>-</u>		
Formation and training									
Mission experience programme	124,355	-	-	124,355	99,676	99,676	-	-	
Initial formation	-	532,019	12,079	544,098	512,139	10,000	478,561	23,578	
African and Asian formation and recruitment	45,863	-	-	45,863	54,231	54,231	-	-	
Ongoing formation	94,508	-	-	94,508	67,128	67,128	-	-	
	<u>264,726</u>	<u>532,019</u>	<u>12,079</u>	<u>808,824</u>	<u>733,174</u>	<u>231,035</u>	<u>478,561</u>	<u>23,578</u>	
5 Pastoral activities									
Management and administration									
Staff	76,989	-	-	76,989	92,833	92,833	-	-	
Central administrative costs	26,546	-	-	26,546	27,638	27,638	-	-	
Professional fees	24,408	-	-	24,408	18,994	18,994	-	-	
Depreciation	-	-	-	-	2,715	2,715	-	-	
	<u>181,014</u>	<u>-</u>	<u>-</u>	<u>181,014</u>	<u>142,180</u>	<u>142,180</u>	<u>-</u>	<u>-</u>	
6 Governance costs									
Audit fee	7,500	-	-	7,500	7,500	7,500	-	-	
Accounting and advice	-	-	-	-	5,407	5,407	-	-	
	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>12,907</u>	<u>12,907</u>	<u>-</u>	<u>-</u>	
7 Staff costs							2017	2016	
							£	£	
Staff costs during the year were as follows:									
Wages and salaries							69,021	99,510	
Social security costs							7,968	8,782	
							<u>76,989</u>	<u>108,292</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:									
Administrative and fundraising							3	3	
Total							<u>3</u>	<u>3</u>	
8 Tangible fixed assets						Freehold land and buildings	Motor vehicles	Furniture and equipment	Total
						£	£	£	£
Cost									
At 1 January 2017						5,492,011	40,578	16,002	5,548,591
Additions						-	-	-	-
Disposals						-	-	(16,002)	(16,002)
At 31 December 2017						<u>5,492,011</u>	<u>40,578</u>	<u>-</u>	<u>5,532,589</u>
Depreciation									
At 1 January 2017						-	40,578	16,002	56,580
Charge for the year						-	-	-	-
On disposals						-	-	(16,002)	(16,002)
At 31 December 2017						<u>-</u>	<u>40,578</u>	<u>-</u>	<u>40,578</u>
Net book value									
At 31 December 2017						<u>5,492,011</u>	<u>-</u>	<u>-</u>	<u>5,492,011</u>
At 31 December 2016						<u>5,492,011</u>	<u>-</u>	<u>-</u>	<u>5,492,011</u>

Charity for St Joseph's Missionary Society (Generalate)

Notes to the Accounts

for the year ended 31 December 2017

9 Investments

	2017 £	2016 £
Market value at 1 January 2017	29,039,255	25,416,992
Additions at cost	9,475,195	6,710,158
Sale proceeds from disposals	(11,585,513)	(6,471,068)
Net gain (loss) in year	1,430,552	3,383,174
Market value at 31 December 2017	28,359,489	29,039,256

Cash held by investment managers for re-investment	3,087,872	755,813
Bonds and deposits	765,292	3,752,927
	32,212,653	33,547,996

Investment property	1,380,000	1,380,000
	33,592,653	34,927,996

Cost of listed investments at 31 December 2017	20,913,371	24,287,067
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Tangaza College

The charity has contributed £136,260 to become a corporate member of Tangaza College (Catholic University of East Africa) an institution used by the order for the training and education of candidates for the priesthood.

10 Debtors

	2017 £	2016 £
Taxation recoverable	21,728	15,630
Sundry debtors	990,731	196,681
Legacies	24,689	158,000
Prepayment	2,000	-
	1,039,148	370,311

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Sundry and expense creditors	9,968	68,872
Accruals	33,293	31,769
Held for Missions and Missionaries	1,093,470	1,398,876
Mass stipends	8,802	10,945
	1,145,533	1,510,462

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 specific purposes:

	At 1 January 2017 £	Transfers	Incoming resources £	Utilised/ realised £	At 31 December 2017 £
Capital	5,492,011	-	-	-	5,492,011
African/Asisan Candidates	4,304,659	532,019	361,136	(549,077)	4,648,737
New Regions	7,191,769	-	640,729	(67,141)	7,765,357
Mission	635,304	-	601,321	(639,456)	597,169
	17,623,743	532,019	1,603,186	(1,255,674)	18,503,274

13 Restricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Fent travel	40,309	34,431	(3,300)	71,440
Ward Memorial	26,911	-	-	26,911
Burse	-	12,079	(12,079)	-
New Members Retirement	521,436	30,054	(2,533)	548,957
	588,656	76,564	(17,912)	647,308

The Fent travel fund represents money received for the purchase of transport in Mission areas.

The Ward Memorial Fund represents money left to the Society for non-administrative projects.

The Burse Fund represents money received from the United States to fund student education.

The New Members Retirement fund represents monies received for the provision of funding for members joining the Society in what were Mission areas.

Charity for St Joseph's Missionary Society (Generalate)

Notes to the Accounts

for the year ended 31 December 2017

14 Analysis of net assets between funds

	General	Designated	Restricted	2017	2016	General	Designated	Restricted
	£	£		£	£	£	£	£
Fund balances at 31 December 2017								
are represented by:								
Fixed assets								
Tangible assets	-	5,492,011	-	5,492,011	5,492,011	-	5,492,011	-
Investments	22,731,124	10,320,096	541,433	33,592,653	34,927,996	24,733,494	9,681,420	513,082
Tangaza College	136,270	-	-	136,270	136,270	136,270	-	-
	<u>22,867,394</u>	<u>15,812,107</u>	<u>541,433</u>	<u>39,220,934</u>	<u>40,556,277</u>	<u>24,869,764</u>	<u>15,173,431</u>	<u>513,082</u>
Current assets	3,528,442	2,064,044	105,875	5,698,361	2,452,310	553,547	1,823,189	75,574
Balances between funds	(627,123)	627,123			-	(627,123)	627,123	
Creditors: amounts falling due within one year	<u>(1,145,533)</u>	<u>-</u>	<u>-</u>	<u>(1,145,533)</u>	<u>(1,510,462)</u>	<u>(1,510,462)</u>	<u>-</u>	<u>-</u>
	<u>24,623,180</u>	<u>18,503,274</u>	<u>647,308</u>	<u>43,773,762</u>	<u>41,498,125</u>	<u>23,285,726</u>	<u>17,623,743</u>	<u>588,656</u>

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

During the year the Charity for St Joseph's Missionary Society (British Region) paid over £1,416,202 (2016 £844,880) for the Generalate's mission activities and received a subsidy towards retirement costs of £120,000 (2016 £140,000)