

**PALLOTTINE MISSIONARY SISTERS**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**31<sup>st</sup> MARCH 2018**

**Charity Number 234185**

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

**Pallottine Missionary Sisters**

**Contents**

**For the year ended 31<sup>st</sup> March 2018**

	Page
<b>Legal and Administrative Details</b>	<b>1</b>
<b>Trustees' Annual Report</b>	<b>2 – 31</b>
<b>Independent Auditors' Report</b>	<b>32-33</b>
<b>Statement of Financial Activities</b>	<b>34</b>
<b>Balance Sheet</b>	<b>35</b>
<b>Statement of Cashflows</b>	<b>36</b>
<b>Notes to the Financial Statements</b>	<b>37-48</b>

**Pallottine Missionary Sisters**

**Legal and Administrative Details**

**For the year ended 31<sup>st</sup> March 2018**

Principal Address:	52 Park Mount Drive Macclesfield Cheshire SK11 8NT
Provincial:	Sr Mary McNulty
Trustees:	Sr Mary McNulty Sr Elizabeth Rowan Rev John Martin Sr Anna Maldrzykowska      appointed 19 <sup>th</sup> November 2017
Chief Executive Officer:	Ms Jennifer Trotter
Charity Number:	234185
Governing Instrument:	The charity is governed by the Trust Deed dated 9 March 1964, varied 15 July 1987 and 2 August 1996 which administers the Trust property owned by the Pallottine Missionary Sisters.
Auditors:	Allen Mills Howard Limited Chartered Accountants & Statutory Auditors 56 Manchester Road Altrincham Cheshire WA14 4PJ
Bankers:	The Royal Bank of Scotland Plc 62-63 Threadneedle Street London EC2R 8LA
Investment Manager:	W H Ireland 11 St. James Square Manchester M2 6WH
Solicitors:	Fieldings Porter Silverwell House 32 Silverwell Street Bolton BL1 1PT

## **Pallottine Missionary Sisters**

### **Trustees Report**

#### **For the year ended 31<sup>st</sup> March 2018**

##### **Introduction**

The trustees present their annual report with the financial statements of the charity for the year ended 31st March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102).

##### **Structure, Governance & Management**

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

##### **Mission and Purpose**

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

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

##### **Public Benefit**

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

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

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

##### **Key Management**

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

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Areas of activity**

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

**Park Mount, Elderly Care Home**

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

**Achievements - 2017/2018**

- Continued with the Cyclical Maintenance and completed the following works: -
  - Renovated the Kitchen Serving Area
  - Updated the computer wiring and increased the number of connections throughout the home to allow access in all areas to the computerised systems and the Internet
  - Replaced all the bathroom, shower and toilet rooms flooring
  - Decorated all areas of the home
- Continued training Staff to a minimum of NVQ level 2 and included Dementia Training.
- Maintained the Day Care Facility offering services seven days a week.
- Maintained as close as possible to 100% occupancy throughout the year.
- Continued to financially supplement eight residents in receipt of Local Authority Funding.
- Increased all Staff Salaries to meet the Living Wage legislation.
- Implemented the Staff Pension Scheme.
- Held Events for Bonfire Night, Christmas Fayre and a number of Themed Afternoon Tea functions.
- Recruited and trained the new staff team for the opening of the six Respite Care Beds at Keele Crescent.

**Plans for 2018/2019**

- Continue to promote the Home to ensure occupancy levels are maximized and the Day Care facility continues to expand.
- Continue to organise events and promote the home in the local area.
- Continue to monitor budgets, financially plan for the future to ensure new wages increase and the maintenance of the home.
- Open the new accommodations in the grounds for the Pallottine Sisters.
- Continue with the Cyclical Maintenance Plan for the Care Home.
- Review the entertainment and the activities for the Residents.
- Set up a weekly luncheon club at the local Parish for the elderly local resident of Macclesfield.

**For the year ended 31<sup>st</sup> March 2018**



A raffle held on Bonfire night, fireworks and great food was also enjoyed by all the residents, visitors and staff.



Pallottine Missionary Sisters

Trustees Report

For the year ended 31<sup>st</sup> March 2018



Christmas Fayre at the home for all the residents, visitors and staff.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Residents and Families enjoying Cllr Beverley Dooley, Mayor of Macclesfield visiting the home.



**Pallottine Missionary Sisters**  
**Trustees Report**  
**For the year ended 31<sup>st</sup> March 2018**

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

**The voices of service users and their family:**

A very big thank you to all the staff for the care and attention which was given to 'x'. She was very happy at Park Mount and loved you all

Thank you all so much for your care, love and kindness to "x". Park Mount is indeed a very special place!

A very big thanks to all for the excellent care given to 'x'. She is so well looked after

You strived to get to know Mum and without exception helped her retain the dignity she deserved, your attention to detail allowed mum to always look smart and co-ordinated just as she would have wanted

With your help and dedication over the past seven months it has been so much easier for me to enjoy mother/daughter relationship, for which I am very grateful

**New Respite Care Home – opened March 2018**

On a daily basis we received telephone calls requesting short term beds for Respite Care to enable those caring for their loved ones and family a well-earned and needed rest, for those needing support following treatment and those waiting in hospital or at home for a long-term care bed

Therefore, The Trustees made the decision and committed to opening a Respite Care Home in a property already owned by the Charity

Keele Crescent was purchased in 1997, as accommodation for the sisters; this was used extensively by sisters and visitors until 2015 when the last sister (Sister Ann) moved out. Visitors continued to use the house, however; after some discussions it was decided that there was a need for short term care for the elderly in and around Macclesfield. So, it was decided to change the use of the building to a six bedded Respite Care Home in keeping with the sisters' values.

Work began on a full refurbishment in 2017. The home now boasts redecoration to a high standard. Six bedrooms all with emergency call pulley and en-suite toilets and basin facilities. Some having a full en-suite.

The ground floor is large and spacious with plenty of room to facilitate wheelchairs and freedom of movement for the resident's comfort. There is also a large fully equipped kitchen for freshly cooked meals a light and airy dining room and a large living room area.

There is a stair lift to the first floor which consists of two large communal bathrooms one a wet room the other with assisted bathing facilities, along with a further five bedrooms.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Images of the front, rear of the house and the large secure garden.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Large Kitchen and Dining Area



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Large Spacious Living Area with TV and reclining chairs.



Individual decorated Bedrooms.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Assisted bathing facilities.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



A chair lift to promote independence and access to all areas of the home.



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Developments in Tanzania during 2017/2018**

During the financial year 2017/2018 the Charity has made substantial donations to the Missions in Tanzania and these include the following: -

**The International Novitiate House, Arusha**

The Novitiate House opened in 2003 and since then the house has only had minimum maintenance; consequently, after fifteen years of usage now requires a full refurbishment.

In March 2017 the decision was made to use the house for an International Novitiate which would open up funding from all the Pallottine Provinces, pool together resources and skills. In September 2017 the house officially opened, and nineteen novices started their two-year novitiate formation. The girls are from Brazil, Cameroon, Tanzania, and Rwanda/Congo.



Chapel



Front of the House



Dining Room

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Meeting Room



New Access Road

The work undertaken included:

- A new access road (pictured above)
- Full redecoration internally and externally of the house
- Repairs to all external and internal walls
- Drilling for an additional water borehole
- Installation of Internet including Wi-Fi
- New furnishings throughout
- Repairs to all bathrooms
- New Kitchen Equipment
- A recreation area created
- The gardens have been rearranged to encourage the growing of more vegetables and fruits
- New buildings for the animal housing

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Convent in Igunga**

In 2017 the Sisters made a donation to finish the construction of a six-bedroom convent in Igunga. The donation was for furnishing, tiling and bathrooms, some donations had already been received for the main construction and along with management fees from the school meant the core work had been paid for. The ceilings in the new convent needed to be high due to the extreme heat.

The Sisters manage and support the running of St. Leo's English Medium Primary School in Igunga and were having a daily commute from a small house at Igunga Parish Centre. The Sisters lived in the parish in a noisy built up area, which was not within walking distance of the school which also meant they had to leave the 420 children that boarded there, and they could not supervise them closely to ensure their safety.

The construction of the new convent will mean the sisters are close to the school, and they can continue to deliver effective management, education and support to the school and community on a daily basis, and if needed, are on site for any further support that may be required.

The Convent consists of: -

Kitchen,

Dining Area,

Store Room

Sitting Room

Office

Small Chapel

Six bedrooms which all have en-suite bathrooms.



**Convent**



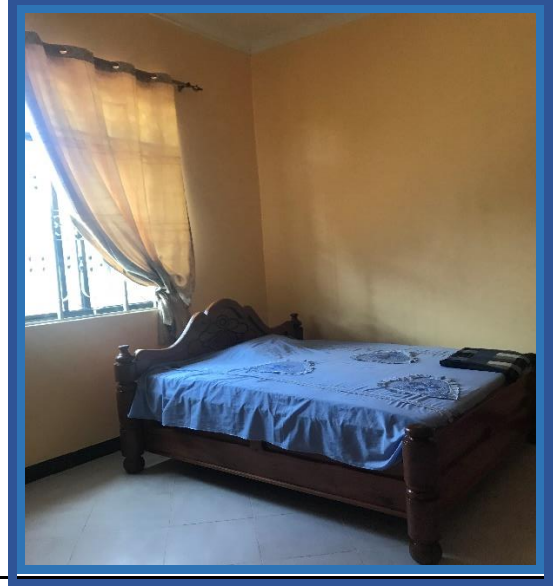
**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Front Entrance Porch



Bedroom



Lounge Area

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**School and Convent in Magogo Dakawa Parish, Morogogo, Tanzania**

In 2013, after the tragic death of two Maasai children who got killed crossing the busy main road while they were on their way to the local Government Primary School in Dakawa, the Parish Priest Fr. Drazan Klapez began building classrooms and a nursery to provide education in a school setting to the local children and the Maasai Community.

Fr. Klapez approached the Pallottine Sisters for assistance and Sisters Veronica Ghuliku and Theresia Gurti were missioned to the Dakawa Parish in February 2017 to offer their experience of many years in education. At the time the school in Magogo was fully operational with four classes; however, it was still unregistered. Legalities under President John Magufuli were paramount and Sr. Veronica realising the importance of this together with the Parish Priest the decision was made to close the school in April 2017.

The Children were on Easter Holidays at the time, and the assumption was that they would resume their education in a government school where some of them were registered. However; not all children returned. Some were sent to pasture their animals.

Sisters Veronica and Theresia asked the Parish Priest to call a meeting with the local leaders, and they explained the legalities as best they could, ensuring them that the school would reopen in 2018.

We have only twenty-one children attending school at the moment, however; when official registration is secured the school will be re-opened as an Independent English Pre and Primary Medium School allowing us to support more children through education.

Sister Veronica, had already been appointed to the New Mission in Zambia, so Sister Adiliana Anthony was appointed to continue to deliver support with Sister Theresia.

Fr. Drazan recognised the need for the school to be registered and the need for the Sisters to be permanently involved to meet the essential criteria. In light of this Fr. Drazan transferred the site in its entirety to the Pallottine Sisters which includes 57 acres of land, the water pump and the school buildings.

To manage the school effectively the Pallottine Sisters would need their own accommodation, so plans were drawn up to construct a six bedroomed Convent very close to the school. A donation was made from England for the construction costs of the building and security fencing. Once the official registration is received a boundary fence will be erected.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



The convent building under construction



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



The road to school has difficult terrain and you never know what you may meet!

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



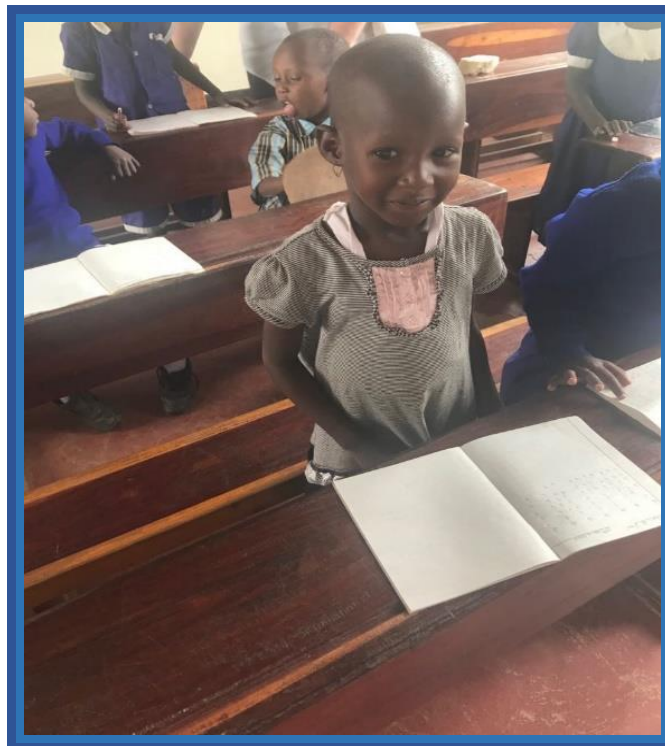
The front of the school with the stone thanking the donors from Croatia and the motto “To look with the heart”.



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Children enjoying their lessons in school.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Sister Mary offering support to a young student.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**



Break Time

## **Pallottine Missionary Sisters**

### **Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

#### **THE BACKGROUND OF TANZANIA**

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

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

Activities currently undertaken are:

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

Sisters work in the running of our institutions whilst others are preparing to go on for further studies. Only one Sister is now teaching in the local government Primary School in Siuyu.

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

Presently six Sisters are following Courses at various universities or colleges in Tanzania and one is studying at a University in Nairobi, Kenya.

#### **Education: Through Education to Development**

Pallotti Secondary School for Girls in Siuyu, Singida was opened in 1995 with one class of 45 students. In the year 2000 it began to receive students for Advanced Level Education in the Arts subjects - History, Geography, English and Swahili. In July 2013 it began to offer Science subjects - Physics, Chemistry, Biology, Basic Mathematics and Geography. In 2010, the School developed into a Two Form Entry School with a capacity for about 460 girls from Form One to Form Six. This year we have 472 students with 98 in Form V and VI. Many of them are doing "A" Level Science combinations.

The school is completely dependent on School Fees, Sponsorships and Donations. It is not government funded. With the help of generous donors we were able to give free places to 115 students who come from deprived families mainly in the rural areas, of these about 70% came from the Singida Region which is classified as semi-desert.



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Some of the Key Achievements for 2017/18**

The students at Pallotti Secondary School in Siuyu village in Singida continue to study hard and perform well academically. All of them passed the 2017 National Examinations. However, we see that the academic ability of many of our Form Six students is lower since the Government introduced the Policy of only offering University Grants to those who study at Government Secondary School.

**FORM TWO:**

- Our Form Twos did extraordinarily well. Of the **94** students, 90 got Division One (nearly 96%), 4 got Division Two.

**FORM FOUR - CSEE - O' Level examination**

- Over 75% got Division One or Two in the Form Four examination and Pallotti came 3<sup>rd</sup> out of 67 schools in the Singida Region and 133<sup>rd</sup> out of 3,039 schools in Tanzania in the category of having more than 40 Candidates. We had **81** students.

**ACSEE - FORM SIX – 'A' Level examination**

- The 'A' Level results were also good. Of our **47** students nearly 62% got Division One or Two - 7 got Division One, 22 got Division Two, 15 had Division Three and 3 had Division Four. Pallotti came 4<sup>th</sup> out of 9 schools in the Singida Region and 179<sup>th</sup> out of 449 High Schools in Tanzania in the category of having more than 30 Candidates.

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

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

All of the staff at the school are Tanzanians except for one senior Sister who is a part-time teacher of Scripture. Seven Tanzanian Pallottine Sisters are working at Pallotti Secondary School teaching and doing the work of administration. The school is making a significant contribution to the development of the Region in general, and especially to the status and dignity of women.

**Development at Pallotti.**

In 2017 we completed the major task of building a concrete security wall around the School buildings.

**St. Leo's English Medium Primary School**

In January 2013 four Sisters from the Siuyu community moved to Igunga. In St. Leo's English Medium Primary School the Sisters are doing the administration work as well as teaching. The school is owned by the Diocese of Tabora. Presently there are 567 pupils at St Leo's – 420 are Boarders and 147 are Day Pupils.

The staff and pupils are working hard and getting excellent results. In the 2017 Primary Examinations St. Leo's did extraordinarily well – in their category they came 1st out of 307 Primary Schools in the Tabora Region and 14<sup>th</sup> out of 8,109 schools nation-wise.

## **Pallottine Missionary Sisters**

### **Trustees Report**

#### **For the year ended 31<sup>st</sup> March 2018**

## **HEALTH CARE**

### **St. Joseph's Dispensary Siuyu**

St. Joseph's was registered in 2008. It is situated on the site of Pallotti Secondary School. It offers Primary Health Care to the local villages, Pallotti Secondary School and the convent community. This service is essential and it is well used. Basic primary tests are offered to diagnose and treat malaria, typhoid, fevers and worms. Haemoglobin levels are assessed. Diabetes and sexually transmitted diseases are treated. Counselling and HIV tests are conducted and during the year 8 tested HIV positive. A number of sick people from outside the area also come for treatment because of the caring service provided.

Some statistics for 2017:

- 4,803 sick were treated at the Dispensary: Male 547 and Female 4,256.
- 3,804 Babies attended the RCH (Reproductive and Child Health) Clinic – Male 2071 and Female 1,733. The number of Children who completed the Vaccination programme of 6 visits was 212
- 253 Pregnant Mothers attended Antenatal Care
- VCT – Voluntary Counselling and Testing: 74 were tested for HIV – 30 males and 44 females – 3 females and 2 males were diagnosed as Positive. These will now receive clinical treatment at hospitals in Makiungu or Singida Town.

St. Joseph's Dispensary is staffed by two Sisters who are qualified Nurses, a Clinical Officer, an Assistant Nurse, a Village Health Worker and a Laboratory Assistant. One Sister is trained to do HIV Testing and counselling. One Sister graduated with a Diploma as a Laboratory Technician and joined the Staff in October. The running costs of the Dispensary are a further expense for the Pallottine Sisters as some who use its services, are unable to pay for medicines or treatment.

### **Usa River Health Centre**

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

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

### **Rehabilitation Centre Siuyu**

One Sister - the Assistant Manager who is a Nurse and Occupational Therapist - works full time at the Rehabilitation Centre where over 60 children live and are being cared for. Other Sisters are involved on occasions as volunteers. The Sisters receive no salary. Two thirds of the children are mentally or/and physically challenged. All attend the local Primary School but those who are mentally challenged attend Special Needs classes.

## **FORMATION WORK**

The training of young women to become Pallottine Sisters is undertaken in the Siuyu community and in the Formation House in Arusha. In the year 2000 the Trustees decided to open a Formation House in Arusha, so that the young Sisters could avail of the many opportunities for study found in the area.

Since 1990 over fifty young Tanzanian women have joined the congregation and nearly forty of these have some professional training and six others are following courses in further education. We also have twenty young women at various stages in our initial Formation Programmes. We trust that this will ensure the sustainability of the mission in the future.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

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

**Conclusion:**

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

**Plans for 2018/2019**

- Continue to maintain a high standard in all our services
- To further develop and support our two new missions among the Maasai in Morogoro in Eastern Tanzania and in Zambia outside Lusaka.
- Promote the services and missions in Tanzania.
- Organise events and prepare projects to raise funds.
- Complete the refurbishment of the convent in Siuyu.
- Begin renovating Pallotti Secondary School in preparation for its Silver Jubilee in 2020.
- Work with the other Pallottine Provinces to develop the Noviciate House in Arusha.

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**PARISH WORK IN LONDON**

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

**STUDENT SISTERS**

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

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

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

**APOSTOLIC AND PASTORAL CARE IN ROCHDALE, LANCASHIRE**

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

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

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

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

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

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

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Recruitment and Training of Trustees**

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

**Risk Management**

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

**Volunteers**

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

**Future Plans**

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

In February 2018 work began in Siuyu to completely renovate the Convent. The works include new plumbing, electrical. Reconfigure rooms for better usage, extend the dining area, extend the visitors room, all external and internal painting, repairs to the roof, tiling to all bathrooms and floors.

In September 2017 meetings took place between The Pallottine Sisters and the Parish Priest in Arusha to look at the possibility of constructing a Dispensary. The Diocese has donated the land and have requested the Pallottine Sisters to construct the build and then provide the future management of the health service.

**Investment Policy**

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

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

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

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

**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Financial Review**

A summary of the year's results can be found on page 34 of this report and accounts.

Total income resources amounted to £1,493,406 (2017: £1,403,959). The prime source of income for the charity is the fees from the home which totalled £1,295,178 (2017: £1,253,560). Other income is made up of the sisters' pensions, donations, legacies, investment income and surplus on sale of fixed assets amounting to £198,228 (2017: £150,399).

Resources expended amounted to £2,130,362 (2017: £1,349,904). The increase in expenditure was mainly due to supporting the congregation in Tanzania and an increase in wage costs. A full analysis of costs are included in note 6 of the accounts.

Net expenditure for the year before gains on investments was £636,956 (2017: income £54,055). Investment losses of £38,231 (2017: gain £47,877) resulted in net expenditure of £675,187 (2017: income of £101,932).

**Investment performance**

The total value of listed investments at 31<sup>st</sup> March 2018 was £1,634,743 (2017: £2,249,302). The charity withdrew £600,000 from its investments to fund the new accommodation and support the congregation overseas.

When fully invested, the charity's aim is to achieve an income yield of 3%. An analysis of the charity's investments can be found in note 13 of the accounts.

**Reserves policy**

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

**Charitable Donations**

The Trust made charitable donations of £29,234 (2017: £2,207) in the year.

**Consultation and Engagement**

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

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

**Audit Information**

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



**Pallottine Missionary Sisters**

**Trustees Report**

**For the year ended 31<sup>st</sup> March 2018**

**Trustees Indemnity Arrangements**

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

**Statement of the Trustees' Responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 in business.

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

Approved by order of the board of trustees on 27<sup>th</sup> September 2018 and signed on their behalf

**Sister Elizabeth Rowan**

**Trustee**

## **Report of the Independent Auditors to the Trustees of**

### **Pallottine Missionary Sisters**

#### **Opinion**

We have audited the financial statements of Pallottine Missionary Sisters (the 'charity') for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2018 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.

#### **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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Report of the Independent Auditors to the Trustees of**

### **Pallottine Missionary Sisters**

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

#### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

#### **Use of my report**

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

Allen Mills Howard Limited  
Chartered Accountants  
& Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Lewis House  
56 Manchester Road  
Altrincham  
Cheshire  
WA14 4PJ

28<sup>th</sup> September 2018

**Pallottine Missionary Sisters**

**Statement of Financial Activities**

**For the year ended 31<sup>st</sup> March 2018**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income and endowments from</b>						
Donations and legacies	2	105,477	7,049	33,681	146,207	132,085
<b>Charitable activities</b>						
Operation of care home	3	1,295,178	-	-	1,295,178	1,253,560
Investments	4	50,160	-	-	50,160	12,966
<b>Other income</b>						
Surplus on sale of tangible fixed assets		1,861	-	-	1,861	5,348
<b>Total income</b>		<b>1,452,676</b>	<b>7,049</b>	<b>33,681</b>	<b>1,493,406</b>	<b>1,403,959</b>
<b>Expenditure on</b>						
<b>Cost of raising funds:</b>						
Investment management costs		19,520	-	-	19,520	10,157
<b>Expenditure on charitable activities:</b>						
Charitable donations	5	29,234	-	-	29,234	2,207
Support members of the congregation and operation of care home	6	1,539,682	83,894	-	1,623,576	1,328,540
Support of the congregation work overseas	6	424,351	-	33,681	458,032	9,000
<b>Total expenditure</b>		<b>2,012,787</b>	<b>83,894</b>	<b>33,681</b>	<b>2,130,362</b>	<b>1,349,904</b>
<b>Net income (expenditure)</b>						
<b>Before gain/(losses) on investments</b>	8	<b>(560,111)</b>	<b>(76,845)</b>	<b>-</b>	<b>(636,956)</b>	<b>54,055</b>
Net gains/(losses) on investments		(38,231)	-	-	(38,231)	47,877
Net income/(expenditure)	8	(598,342)	(76,845)	-	(675,187)	101,932
Transfer between funds	16	(637,349)	637,349	-	-	-
<b>Net movement in funds</b>		<b>(1,235,691)</b>	<b>560,504</b>	<b>-</b>	<b>(675,187)</b>	<b>101,932</b>
<b>Reconciliation of funds</b>						
Funds at beginning of year		2,194,253	2,094,919	-	4,289,172	4,187,240
Funds at the end of year		<b>958,562</b>	<b>2,655,423</b>	<b>-</b>	<b>3,613,985</b>	<b>4,289,172</b>

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

All income and expenditure derive from continuing activities.

**Pallottine Missionary Sisters**

**Balance Sheet**

**At 31<sup>st</sup> March 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	12	<b>1,718,903</b>	1,141,941
Investments	13	<b>1,634,743</b>	2,249,302
		<hr/>	<hr/>
<b>Total fixed assets</b>		<b>3,353,646</b>	3,391,243
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	14	<b>45,485</b>	54,446
Cash at bank and in hand		<b>265,539</b>	899,256
		<hr/>	<hr/>
<b>Total current assets</b>		<b>311,024</b>	953,702
		<hr/>	<hr/>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	<b>(50,685)</b>	(55,773)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>260,339</b>	897,929
		<hr/>	<hr/>
<b>Net assets</b>		<b>3,613,985</b>	4,289,172
		<hr/>	<hr/>
<b>The funds of the charity:</b>	16		
General funds		<b>1,054,175</b>	2,194,253
Designated funds		<b>2,559,810</b>	2,094,919
		<hr/>	<hr/>
<b>Total charity funds</b>		<b>3,613,985</b>	4,289,172
		<hr/>	<hr/>

The financial statements were approved by the Trustees on 27<sup>th</sup> September 2018 and signed on their behalf by:

**Sister Elizabeth Rowan**  
**Trustee**

**Reverend John Martin**  
**Trustee**



**Pallottine Missionary Sisters**

**Statement of Cash Flows**

**For the year ended 31<sup>st</sup> March 2018**

		<b>2018</b>	2017
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>	<b>21</b>		
Net cash used in operating activities		<b>(600,019)</b>	89,684
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Investment income		<b>50,160</b>	12,966
Proceeds from the disposal of fixed assets		<b>173,139</b>	10,440
Purchase of tangible fixed assets		<b>(838,524)</b>	(96,758)
Proceeds from the disposal of investments		<b>601,261</b>	2,741,824
Purchase of investments		<b>(480,827)</b>	(1,717,215)
		<hr/>	<hr/>
<b>Net cash provided by investing activities</b>		<b>(494,791)</b>	951,257
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,094,810)</b>	1,040,941
Cash and cash equivalents brought forward		<b>1,408,466</b>	367,525
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>	<b>22</b>	<b>313,656</b>	1,408,466
		<hr/>	<hr/>

**Pallottine Missionary Sisters**

**Notes to the Financial Statements**

**For the year ended 31<sup>st</sup> March 2018**

**1. Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with the Charities SORP (FRS102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102 effective 1<sup>st</sup> January 2015). The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit as defined by FRS102.

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

**Going Concern**

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of the financial position, reserves level and future plans give trustees confidence the charity remains a going concern for the foreseeable future.

**Funds Structure**

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

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

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

Restricted funds are held subject to specific conditions declared by the donors.

**Income recognition**

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

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

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

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**1. Accounting policies (continued)**

**Expenditure recognition**

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

Expenditure on raising funds comprises investment managers' fees.

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

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

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

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

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

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation. No depreciation is charged on assets in the course of construction. As permitted by FRS102, the value assigned to the properties that were revalued is now deemed their cost.

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

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

Vehicles and equipment used overseas are considered to have a useful economic life of one year or less. They are not capitalised but are charged in full to the charitable expenditure when purchased.

**Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

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

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**1. Accounting policies (continued)**

**Debtors**

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

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

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

**Services provided by members of the Congregation**

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

**Operating leases**

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

**Foreign currencies**

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

**Pension scheme**

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independent administered fund. The pension costs charged in the financial statements represent the contribution payable during the year.

**Critical accounting estimates and areas of judgement**

Preparation of the accounts require the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- (a) estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- (b) determining the size of the Sisters' retirement fund, in order to provide for the continuing care of the members.

**2. Donations and legacies**

	<b>2018</b>	2017
	<b>£</b>	£
Salaries and pensions	<b>99,646</b>	101,523
Donations	<b>46,561</b>	16,388
Legacy	-	14,174
	<hr/>	<hr/>
	<b>146,207</b>	132,085
	<hr/> <hr/>	<hr/> <hr/>



**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

3. **Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Resident fees	<b>1,295,178</b>	1,253,560
	<hr/>	<hr/>
	<b>1,295,178</b>	1,253,560
	<hr/> <hr/>	<hr/> <hr/>

4. **Investment income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest on cash deposits	<b>418</b>	6,253
Listed investments	<b>49,742</b>	6,713
	<hr/>	<hr/>
	<b>50,160</b>	12,966
	<hr/> <hr/>	<hr/> <hr/>

5. **Donations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Institutions and individuals	<b>29,234</b>	2,207
	<hr/>	<hr/>
	<b>29,234</b>	2,207
	<hr/> <hr/>	<hr/> <hr/>

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs	<b>835,595</b>	695,797
Staff recruitment	<b>1,894</b>	2,854
Temporary staff	<b>5,290</b>	7,301
Provisions	<b>79,238</b>	65,982
Light and heat	<b>39,235</b>	37,321
Telephone	<b>12,588</b>	7,147
Sisters' living and personal expenses	<b>37,402</b>	36,166
Education, training, spiritual and holidays	<b>25,264</b>	29,348
Rent and rates	<b>24,714</b>	27,591
Insurance	<b>26,050</b>	25,528
Motor and travel	<b>30,166</b>	32,284
Repairs and renewals	<b>214,423</b>	118,364
Depreciation	<b>90,284</b>	72,352
Printing, postage & stationery	<b>9,626</b>	10,722
Training	<b>12,641</b>	2,269
Legal and professional	<b>-</b>	(1,117)
Resident expenses	<b>20,381</b>	16,960
Staff uniforms	<b>3,025</b>	2,539
Support costs (note 7)	<b>121,807</b>	111,464
Governance costs (note 7)	<b>19,261</b>	19,970
Hire of equipment	<b>9,814</b>	5,450
Subscriptions	<b>4,878</b>	2,248
	<hr/>	<hr/>
	<b>1,623,576</b>	1,328,540
	<hr/>	<hr/>
Support of the congregation's work overseas	<b>458,032</b>	9,000
	<hr/>	<hr/>

**7. Governance and support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	<b>83,258</b>	<b>-</b>	<b>83,258</b>	77,978
Advertising and marketing	<b>4,672</b>	<b>-</b>	<b>4,672</b>	1,896
Computer costs	<b>22,840</b>	<b>-</b>	<b>22,840</b>	12,532
Finance costs	<b>3,294</b>	<b>-</b>	<b>3,294</b>	2,619
Auditor's remuneration	<b>-</b>	<b>7,200</b>	<b>7,200</b>	7,080
Auditor's remuneration – other services	<b>-</b>	<b>3,960</b>	<b>3,960</b>	<b>-</b>
Legal and professional	<b>7,743</b>	<b>8,101</b>	<b>15,844</b>	23,073
Sundries	<b>-</b>	<b>-</b>	<b>-</b>	6,256
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>121,807</b>	<b>19,261</b>	<b>141,068</b>	131,434
	<hr/>	<hr/>	<hr/>	<hr/>

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**8. Net (expenditure) before gains on investments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Operating leases: equipment	<b>9,812</b>	5,450
Depreciation	<b>90,284</b>	72,352
Auditor's remuneration		
– Audit fees	<b>7,200</b>	7,080
– Other services	<b>3,960</b>	-
	<b>=====</b>	<b>=====</b>

**9. Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	<b>849,257</b>	729,658
Social security costs	<b>56,559</b>	44,117
Pension costs	<b>13,037</b>	-
	<b>-----</b>	<b>-----</b>
	<b>918,853</b>	773,775
	<b>=====</b>	<b>=====</b>

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

	<b>2018</b>	<b>2017</b>
Provision of care	52	46
Administration	1	1
	<b>-----</b>	<b>-----</b>
	53	47
	<b>=====</b>	<b>=====</b>

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

	<b>2018</b>	<b>2017</b>
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-
	<b>=====</b>	<b>=====</b>

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

**Trustees Remuneration**

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity. They received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2017: Nil).

**Pallottine Missionary Sisters**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2018**

10. **Comparatives for the statement of financial activities**

	Unrestricted Funds £	Designated Funds £	Total 2017 £
<b>Income and endowments from</b>			
Donations and legacies	128,835	3,250	132,085
<b>Charitable activities</b>			
Operation of care home	1,253,560	-	1,253,560
Investments	12,966	-	12,966
<b>Other income</b>			
Surplus on sale of tangible fixed assets	5,348	-	5,348
<b>Total income</b>	<u>1,400,709</u>	<u>3,250</u>	<u>1,403,959</u>
<b>Expenditure on</b>			
<b>Cost of raising funds:</b>			
Investment management costs	10,157	-	10,157
<b>Expenditure on charitable activities:</b>			
Charitable donations	2,207	-	2,207
Support members of the congregation and operation of care home	1,265,133	63,407	1,328,540
Support of the congregation's work overseas	-	9,000	9,000
<b>Total expenditure</b>	<u>1,277,497</u>	<u>72,407</u>	<u>1,349,904</u>
<b>Net income (expenditure)</b>			
<b>Before gain/(losses) on investments</b>	123,212	(69,157)	54,055
Gross transfers between funds	(9,765)	9,765	-
Net gains/(losses) on investment assets	47,877	-	47,877
<b>Net movement in funds</b>	161,324	(59,392)	101,932
<b>Reconciliation of funds</b>			
Funds at beginning of year	2,032,929	2,154,311	4,187,240
Funds at the end of year	<u>2,194,253</u>	<u>2,094,919</u>	<u>4,289,172</u>

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**11. Transactions with trustees**

As members of the Congregation, none of the trustees have resources of their own as all earnings, pension and other income have been donated to the charity. During the year, the total amount donated by the trustees to the charity was £26,407 (2017:£29,282). Father J Martin was reimbursed travel expenses of £2,604 (2017: £3,562) during the year.

**12. Tangible fixed assets**

	Freehold land and buildings	Assets in course of construction £	Furniture and equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 <sup>st</sup> April 2017	1,909,216	-	910,355	54,196	2,873,767
Additions	-	557,919	280,605	-	838,524
Disposals	(184,418)	-	(16,280)	(8,224)	(208,922)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2018	<b>1,724,798</b>	<b>557,919</b>	<b>1,174,680</b>	<b>45,972</b>	<b>3,503,369</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> April 2017	876,876	-	834,133	20,817	1,731,826
Charge for the year	32,246	-	51,235	6,803	90,284
Disposals	(25,819)	-	(9,769)	(2,056)	(37,644)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2018	<b>883,303</b>	<b>-</b>	<b>875,599</b>	<b>25,564</b>	<b>1,784,466</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 <sup>st</sup> March 2018	<b>841,495</b>	<b>557,919</b>	<b>299,081</b>	<b>20,408</b>	<b>1,718,903</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2017	1,032,340	-	76,222	33,379	1,141,941
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

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

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

**Capital Commitments**

At 31<sup>st</sup> March 2018 the charity had contracted capital commitments of £125,843. (At 31<sup>st</sup> March 2017: £nil)



**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**13. Investments**

	Listed Investments £	Total £	2017 £
<b>Market value</b>			
At 1 <sup>st</sup> April 2017	1,740,092	1,740,092	2,716,824
Additions at cost	480,827	480,827	1,717,215
Disposals	(601,261)	(601,261)	-
Repayments	-	-	(2,741,824)
Net unrealised (losses)/gains	(33,032)	(33,032)	47,877
	<hr/>	<hr/>	<hr/>
Market value at 31 <sup>st</sup> March 2018	1,586,626	1,586,626	1,740,092
Cash held for reinvestment	48,117	48,117	509,210
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2018	1,634,743	1,634,743	2,249,302
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Listed investments at 31<sup>st</sup> March 2018 comprise the following:

	2018 £	2017 £
UK Equities	675,074	910,093
Fixed interest	362,264	433,703
Global Equity	182,984	178,766
Alternatives	99,321	106,964
European Equity	95,368	41,551
North American Equity	94,830	-
Japan Equity	45,083	39,824
Emerging Market Equity	31,702	29,191
	<hr/>	<hr/>
	1,586,626	1,740,092
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Blackrock Comm Income Investment Trust	87,600	91,350
IShares USD Treasury BDI-3yr-UCITS EFT	176,558	253,188
IShares Physical Metals	-	106,865
BNY Mellon US Equity Income Fund	94,830	-
	<hr/> <hr/>	<hr/> <hr/>

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

**14. Debtors**

	2018 £	2017 £
Trade debtors	41,922	50,022
Other debtors	3,563	4,424
	<hr/>	<hr/>
	45,485	54,446
	<hr/> <hr/>	<hr/> <hr/>

All debtor balances are due within one year.

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**15. Creditors: amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	14,089	14,736
Accruals and deferred income	17,234	29,031
Taxation and social security	17,649	12,006
Other creditors	1,713	-
	<hr/>	<hr/>
	50,685	55,773
	<hr/>	<hr/>
<b>Deferred Income</b>		
	£	£
Deferred income at 1 <sup>st</sup> April 2017	141	606
Utilised in the year	(141)	(606)
Received in the year	473	141
	<hr/>	<hr/>
Balance at 31 <sup>st</sup> March 2018	473	141
	<hr/>	<hr/>

Deferred income consists of care fees paid in advance.

**16. Funds**

**Retirement Fund**

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

**Tangible fixed assets fund**

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

**Tanzania funds**

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

**Restricted Funds**

Donations of £32,681 were received and spent during the year to support the activities in Tanzania. A further £1,000 was received for the benefit of the employees.

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**Analysis by movements**

	2017	Income	Transfers	Expenditure	Gains/ (losses)	2018
	£	£	£	£	£	£
Retirement fund	982,872	-	(34,616)	-	-	<b>948,256</b>
Fixed assets fund	1,108,562	-	673,414	(83,481)	-	<b>1,698,495</b>
Tanzania fund	3,485	7,049	(1,449)	(413)	-	<b>8,672</b>
Unrestricted fund	2,194,253	1,452,676	(637,349)	(2,012,787)	(38,231)	<b>958,562</b>
Restricted funds	-	33,681	-	(33,681)	-	-
	<u>4,289,172</u>	<u>1,493,406</u>	<u>-</u>	<u>(2,130,362)</u>	<u>(38,231)</u>	<u><b>3,613,985</b></u>

**17. Analysis of net assets between funds**

	General Fund	Designated Funds	Total
	£	£	£
Tangible fixed assets	20,408	1,698,495	1,718,903
Investments	686,487	948,256	1,634,743
Current assets	302,352	8,672	311,024
Current liabilities	(50,685)	-	(50,685)
	<u><b>958,562</b></u>	<u><b>2,655,423</b></u>	<u><b>3,613,985</b></u>

	General Fund	Designated Funds	Total
	£	£	£
Tangible fixed assets	33,379	1,108,562	1,141,941
Investments	1,266,430	982,872	2,249,302
Current assets	950,217	3,485	953,702
Current liabilities	(55,713)	-	(55,773)
	<u><b>2,194,253</b></u>	<u><b>2,094,919</b></u>	<u><b>4,289,172</b></u>

**18. Leasing agreements**

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one years.	<b>6,360</b>	4,366
Between one and five years.	<b>19,890</b>	6,299
	<u><b>26,250</b></u>	<u>10,665</u>

**Pallottine Missionary Sisters**

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

**For the year ended 31<sup>st</sup> March 2018**

**19. Financial commitments, guarantees and contingent liabilities**

The Charity is committed to the care of the Sisters in their old age and to provide for their future medical and nursing needs. The cost of this provision cannot be measured with any sufficient accuracy but is estimated to be in the region of £948,256 based on the present cost of nursing care at today's prices. The Trustees have set aside funds in a designated Retirement Fund to cater for this eventuality and these funds are represented by investments.

**20. Ultimate controlling party**

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

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>(675,187)</b>	101,932
Add back depreciation charges	<b>90,284</b>	72,352
Deduct investment income	<b>(50,160)</b>	(12,966)
(Losses)/gains on investment	<b>33,032</b>	(47,877)
Surplus on disposal of tangible fixed assets	<b>(1,861)</b>	(5,348)
(Increase)/decrease in debtors	<b>8,961</b>	(24,478)
(Decrease)/increase in creditors	<b>(5,088)</b>	6,069
	<hr/>	<hr/>
Net cash used in operating activities	<b>600,019</b>	89,684
	<hr/>	<hr/>

**22. Analysis of cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>265,539</b>	899,256
Cash held by investment manager	<b>48,117</b>	509,210
	<hr/>	<hr/>
Total cash and cash equivalents	<b>313,656</b>	1,408,466
	<hr/>	<hr/>