

Little Company of Mary Congregation CIO

(formerly Little Company of Mary
Generalate CIO)

Annual Report and Accounts

31 December 2017

Charity Registration Number
1161450

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Reference and administrative details of the charity, its trustees and advisers

Trustees	Sister Bernadette Fitzgerald (appointed July 2017) Sister Susanna Mi Young Park (appointed July 2017) Sister Patricia Mary Bell (appointed July 2017) Sister Elizabeth Gilroy (appointed July 2017) Sister Carol Pacini (resigned July 2017) Sister Gertruda Youn (resigned July 2017) Sister Margaret Watson (resigned July 2017) Sister Mary Moran (resigned July 2017)
Congregational Leader	Sister Bernadette Fitzgerald (from July 2017) Sister Carol Pacini (to July 2017)
Administrative address	Little Company of Mary Congregation 28 Trinity Crescent Tooting Bec London SW17 7AE
Telephone	020 8682 0928
Charity registration number	1161450
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	The Royal Bank of Scotland plc 1st Floor, Houblon House 62-63 Threadneedle Street London EC2R 8HP
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

The trustees present their report together with the accounts of the Little Company of Mary Congregation CIO for the year to 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out on pages 22 to 25 of the attached accounts and comply with the charity's constitution, the Charities Act 2011 and 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 (FRS 102).

The name of the charity has been changed from Little Company of Mary Generalate CIO to Little Company of Mary Congregation CIO to better reflect the structure and language of governance used in the Constitutions of the Sisters of the Little Company of Mary. The name change was approved by the Charity Commission in March 2018.

Introduction and mission

Little Company of Mary Congregation CIO is the administrative centre of the worldwide Congregation of the Little Company of Mary (the "Congregation") (LCM), a Roman Catholic religious congregation which is divided into six Provinces/Regions and ministers in eleven countries. The principal mission of the Congregation is to pray and care for the sick, the suffering and the dying.

The ministries of the Congregation are expressed in the provision of health, aged care and welfare facilities/services, in the countries of Australia, Ireland, Italy, New Zealand, Philippines, South Korea, South Africa, Tonga, United Kingdom, the United States of America and Zimbabwe. Each Province/Region has a high degree of autonomy and is responsible for its own financial needs. Little Company of Mary Congregation CIO (the "charity") acts as co-ordinator of the Congregation's worldwide activities and provides assistance in an advisory capacity to the Provinces/Regions in their work of providing health care within the ethos of the Roman Catholic religion. The charity's expenditure is financed principally by an assessment or annual contribution from each of the Provinces/Regions.

Charitable objects

The object of the charity is the advancement of the Roman Catholic religion through the religious and other charitable work for the time being carried on anywhere in the world by or under the directions of the Congregation as the trustees with the approval of the Congregational Leader shall think fit.

Activities and achievements

The charity has continued to provide leadership and assistance to the Congregation in implementing the Vision and Acts of the Congregational Chapter 2017. The Provinces/Regions have been supported in their mission and overall responsibility for health care services, hospices, aged care facilities and extensive outreach programmes, as well as the diverse ministries of prison ministry, pastoral ministry in hospitals, hospices, homes and parishes, bereavement ministry, health education ministry, counselling, spiritual direction and refugee ministry.

Activities and achievements (continued)

The 18th Congregational Chapter was held in Ireland in March 2017, attended by the Congregational Leadership, Leaders and Delegates from each Province and Region and other invited sisters. Through a process of reflective discernment, the Chapter delegates formulated and approved a strategic plan, known as the Vision of the Acts of the 18th Congregational Chapter, to be implemented over the next six years:

We are impelled to be contemplative women of the Gospel who are one in the heart of Mary. We empower one another to be open to new initiatives to meet emerging needs and be a healing presence in our broken world.

Key elements to be addressed are: Interculturality, Mission, Spirituality, Promotion of the LCM spirit, through the vowed life, Promotion of the LCM spirit through global development of Affiliate and Associate programmes, Sustainability of the LCM Heritage Centre, Nottingham and effective models of governance at Congregational and Province/Region level through flexible design and ongoing evolution of models to support life and mission.

The Congregational Leader and her Council were elected at this Chapter to lead and implement the Vision and Acts of the Chapter and are the trustees of the charity.

The LCM Congregation Website and use of Social Media has been reviewed and redevelopment planned and budgeted.

Significant achievements towards achieving the above goals are summarised below:

Interculturality

Planning occurred for the charity to support four sisters from across the Congregation to attend a nine-day international Interculturality Workshop at the Centro Ad Gentes, Nemi in January 2018.

A formal twice-yearly newsletter has been developed to promote relationship and understanding across cultures.

Spirituality

A Congregational Special Focus Team has been developed to promote the Cause for Canonisation of Venerable Mary Potter and to increase knowledge of, and invite others to share, her spirituality.

Promotion of the LCM spirit, through the vowed life

In December 2017, the charity supported two sisters to attend the Conference of Vocation Ministry and Consecrated Life-Horizons and Hopes, held by the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life (CICL-SAL) in Rome.

A Vocation Ministry Special Focus Team has been initiated to build the relationship, support those in vocation ministry and to develop and share resources.

Activities and achievements (continued)

Promotion of the LCM spirit through global development of Affiliates and Associates programmes

Work has commenced to review the structure of, and to promote, the Affiliate and Associate programmes.

Sustainability of the LCM Heritage Centre, Nottingham

A Project Team has commenced and has surveyed the Congregation in respect to participation in the ministry of the Heritage Centre and is updating the information and audio-visual resources at the Heritage Centre where needed. It has also developed a plan for sustainable management and staffing of the Centre.

Effective models of governance at Congregational and Province/Region level through flexible design and ongoing evolution of models to support life and mission.

As Provinces take the decision to explore new ways of governance appropriate to reality and the future, the Congregational Leadership facilitates this through committees and roles to achieve the transition whilst being guided by the integral principles of inclusivity and relationship.

Over the last six months, the office processes of the Congregational Centre, Tooting Bec, have been reviewed and some simple but effective IT enhancements made for little cost. This enables any member of the Leadership Team who is away from Tooting Bec to work easily and be fully involved in all matters in real-time.

Mission

As noted above, the charity provides leadership and guidance to each of the Provinces/Regions in facilitating their work.

♦ *Province of the Southern Cross - Australia/Aotearoa - New Zealand/Tonga*

In keeping with Chapter Direction, as a Province recognises the need to transition into a simpler and more sustainable structure and form, it undertakes the work necessary to develop a Region model of governance. At its Assembly in 2017, the Province of the Southern Cross decided to transition to Region Leadership.

The Congregational Leadership has appointed a Region Development Advisory Committee to progress this transition. A trustee attended the assembly in the Province of the Southern Cross, Australia, Aotearoa-New Zealand and Tonga in October/November 2017.



Activities and achievements (continued)

♦ ***Province of the Southern Cross - Australia/Aotearoa - New Zealand/Tonga***
(continued)

Australia

- ♦ Calvary Ministries, a Pontifical Juridical Person, has the responsibility for the Little Company of Mary Health and Aged Care. The members of Calvary Ministries took up their appointment on 1 January 2011. On a regular basis, the Chairs of the Members Council and the Board of Members of Calvary Ministries meet in Rome with representatives of the Holy See.



- ♦ The sisters, across all age ranges, continue to carry out volunteer ministries, including assisting the frail aged, sick and the underprivileged in both residential/hospice and community care, wherever the sisters are present.

Tonga

- ♦ Sisters are involved in ministry in jails, schools, hospitals and disability services as well as parish support and catechetical work.

New Zealand

- ♦ In New Zealand, the sisters continue to focus their financial and personnel resources on subsidised housing for the aged and on community support through volunteering.



The Province of the Southern Cross funds

- ♦ A Palliative Care programme in partnership with the Sisters of St Paul de Chartres, Timor Leste.
- ♦ A Counsellor Training Certificate programme in Tonga to enhance prevention of, and intervention in, domestic violence and social problems.

Activities and achievements (continued)

♦ ***Province of the Maternal Heart - UK***

- ◇ The English Province continues to provide a safe, loving environment for our sisters who have spent their lives in ministry to the sick, the suffering and the dying. Many of these sisters are beyond the statutory retirement age but are contributing invaluable volunteer ministry.
- ◇ The Heritage Centre is the focal point of ministry for the Province.



- ◇ The Province continues to support the Clinic activities in Albania financially and with administrative/evaluative visits each year.
- ◇ Two trustees coordinated and delivered a module of the Heritage Pilgrimage from 4 to 18 August 2017 for LCM Sisters preparing for Final Profession of Vows.

♦ ***Province of the Sacred Heart – Ireland and Italy***

- ◇ The Little Company of Mary retains a significant involvement in the ongoing management of the Milford Care Centre, Limerick – Hospice and Aged Care Services, as well as Community Palliative Care.
- ◇ The sisters continue to minister to the ageing in group housing and community and day care services, care for the aged or frail and sick sisters and bereavement counselling.
- ◇ The Province continues to welcome home our Irish sisters who have spent their lives in South Africa and/or Zimbabwe.



Activities and achievements (continued)

♦ ***Province of the Assumption – South Korea and the Philippines***

- ◇ Hospice and aged care continue to be the main ministries of the sisters.
- ◇ In each aged care and hospice centre, sisters are actively involved in hospice education for health care professionals.
- ◇ Sisters are working as chaplains in three general hospitals to extend the Little Company of Mary charism and spirituality of healing ministry.
- ◇ Sisters, in conjunction with the local parish church of Brgy San Miguel Chapel, Diocese of Pasig in Manila have established a feeding, education programme and basic health clinic for the street children and those living in the nearby cemetery of San Miguel.



- ◇ A trustee attended the gathering in the Province of the Assumption, Korea in October 2017.



- ◇ Formation House Manila
The property, at 19 Betty Go Belmonte Street, Manila, funded by the charity, continues to be used for formation by our Korean Province.

Activities and achievements (continued)

♦ *Region of the Queen of Peace – South Africa and Zimbabwe*

- ◇ The Sisters manage Murambinda Mission Hospital – a generalist health care service in Buhera District, one of the poorest districts of Zimbabwe.
- ◇ The sisters continue to provide pastoral care and home visiting in a number of hospitals and local communities where they reside.
- ◇ Missionvale, founded by an LCM Sister, is effectively managed and used by the people in the township. Included in its activities are a feeding programme, clothing bank, rural health clinic, and a kindergarten to grade 8 with plans to take it up to grade 12. These are primarily staffed by South Africans.
- ◇ Inpatient facilities for HIV/AIDS ministry continues in Mashambanzou Waterfalls, Harare and Murambinda in Zimbabwe. These provide essential medical and social services for the local people in impoverished communities.



♦ *Province of the Immaculate Conception - United States of America*

- ◇ The large hospitals in Chicago Illinois and Jasper Indiana, have extensive satellite community health and welfare services.
- ◇ They also have community outreach services for the marginalised people of these areas, including medical clinics and urgent care centres.



Donations policy

When planning their budget at the beginning of the year, the trustees agree to set aside a certain amount for the organisations whose work is consistent with the objects of the charity. These organisations are usually known to the sisters and include the missions of the International Regions and Provinces of the Little Company of Mary. The donations are decided upon by the trustees and applications from other organisations are considered on an individual basis.

Financial review

Results for the period

A summary of the year's results can be found on page 19 of the attached accounts.

Total income for the year amounted to £237,489 (2016 - £252,189). This includes assessments from the individual Regions and Provinces of the Congregation totalling £195,140 (2016 - £195,140), and additional contributions from Regions and Provinces of £37,387 (2016 - £51,830). General donations totalled £441 (2016 - £nil).

Expenditure amounted to £415,036 (2016 - £218,615). Such expenditure includes the cost of co-ordinating and advising the Regions and Provinces of the Congregation as well as donations payable. Expenditure includes £174,069 (2016 - £36,814) in respect of the costs of the worldwide Chapter Meeting which took place in 2017 and occurs every six years. Details of donations payable are included in note 4 to the accounts.

Therefore, the net expenditure and the net decrease in funds for the year to 31 December 2017 was £177,547 (2016 – net income and net increase in funds of £33,574).

At 31 December 2017, the net assets of the charity amounted to £1,195,251 (2016 - £1,372,798).

Investment policy

The trustees have considered the cash requirements for the various projects they are involved in and have adopted a policy of keeping available funds in special interest bearing deposit accounts and a treasury deposit account. These provided an average return of less than 1% during the period but, given the level of risk the trustees are willing to undertake and the current economic environment, the returns are deemed satisfactory.

Reserves policy and financial position

Reserves policy

The trustees aim to maintain between two and three years of regular operating expenditure in free reserves (reserves not designated or invested in fixed assets). The trustees consider this level of free reserves to be appropriate given the charity's responsibility as co-ordinator of the Congregation's worldwide activities, where in the event of an urgent need in any Province/Region, immediate financial assistance can be provided. The trustees will continue to keep this policy under review.

Financial position

The balance sheet shows total reserves of £1,195,251 (2016 - £1,372,798).

The tangible fixed assets fund totals £217,411 (2016 - £219,896) and is represented by tangible fixed assets used to support the work of the charity.

Amounts totalling £344,121 (2016 - £521,365) have been designated by the trustees for purposes explained in note 13 to the accounts.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position (continued)

Funds available to co-ordinate and provide advice on the Congregation's worldwide activities in the future are shown as general funds on the balance sheet and amount to £633,719 (2016 - £631,537). The trustees are of the opinion that the free reserves are adequate but not excessive. The continuing worldwide economic uncertainties mean that the trustees must have the flexibility to react quickly should Provinces or Regions have urgent need of financial resources. As such, the trustees believe it prudent to retain these reserves at the current time.

Future plans

- ◆ The Vocation Ministry Special Focus Team is preparing a face to face meeting that is held from 22 to 28 May 2018 in Rome.
- ◆ The Formation Ministry Special Focus Team is preparing a face to face meeting that is held from 22 to 28 May 2018 in Rome.
- ◆ A Heritage Pilgrimage and a meeting of the Associate and Affiliate Coordinators from each Province/Region is planned from 1 to 15 September 2018 in London and Nottingham.
- ◆ Intercultural, Intergenerational Meetings for LCM Sisters are to be held in 2019. Trustees will continue to facilitate activities which assist the sisters to implement the Vision and Acts of the Chapter:
 - ◇ To empower one another to be open to new initiatives;
 - ◇ To meet emerging needs; and
 - ◇ To be a healing presence in our broken world.
- ◆ Trustees will attend appropriate educational meetings that will inform them of recent changes in the charity law that relates to the charity.
- ◆ Trustees will ensure that policies are in place to fulfil the requirements of the General Data Protection Regulation (GDPR).

Governance, structure and management

Governing document and background

Little Company of Mary Congregation CIO is an incorporated charitable organisation, currently governed by a constitution dated 5 March 2018. It is a registered charity, Charity Registration Number: 1161450. The original constitution dated 28 April 2015 was amended by a Resolution dated 5 March 2018.

The charity was registered with the Charity Commission on 28 April 2015. The charity's activities commenced on 1 July 2015 following the transfer of activities, assets and liabilities from a charitable trust called the Generalate Community of the Little Company of Mary. From the date of the transfer, the charitable trust became dormant and has since been removed from the Central Register of Charities.

Trustees

The charity has four trustees: - the Congregational Leader and three Congregational Councillors. The trustees are elected for a term of six years at the Congregational Chapter by the elected delegates of the Congregation's membership. The current trustees were elected in March 2017 at the Eighteenth Congregational Chapter held in Newry, Northern Ireland, and began their term of office on 2 July 2017 as trustees of the incorporated charitable organisation.

The names of the trustees who served during the period are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details of each of the trustees in office at the year end is given below.

♦ *Sister Bernadette Fitzgerald* – Congregational Leader

Sister Bernadette Fitzgerald has spent over forty years in health, aged and community care clinical at management and governance levels. She entered the Little Company of Mary in 1983. Her initial professional background was in General and Midwifery Nursing. To prepare for a position as a Director of Nursing, she completed a Bachelor of Health Science and a Graduate Diploma in Health Services Management. After completing this role and in order to transition to a different role within the Little Company of Mary health care services, Sister Bernadette completed a Master of Theology (Distinction), a Certificate IV in Training and Assessment and a Graduate Certificate in Applied Ethics. Each of these qualifications was undertaken to ensure that she was able to fulfil the roles of Director of Mission and National Director of Mission for LCM Health Care Services. Her background in governance included Director positions on the Boards of Governance of Calvary Health Care Bethlehem, Calvary Health Care Adelaide, as a trustee on the Board of Catholic Health Care Services New South Wales and Australian Capital Territory and a Member on the Members Council of Calvary Ministries Limited Australia (all Catholic Australian health and aged care organisations). She was a member of the Executive of Catholic Leaders of Religious Institutes (New South Wales). Sister Bernadette served as the Province Leader of the Province of the Holy Spirit (Australia) from 2011 to 2015 and of the newly formed Province of the Southern Cross (Australia, New Zealand and Tonga) from 2015 until her election in 2017, as the Congregational Leader, Little Company of Mary at the LCM Congregational Chapter in Northern Ireland for a period of 6 years and consequently is serving as a trustee of the charity.

Governance, structure and management (continued)

Trustees (continued)

- ◆ *Sister Susanna Mi Young Park* – Congregational Councillor
Sister Susanna Park entered the Congregation in 1986 in Korea. Before joining the Little Company of Mary, she qualified as a Pharmacist in 1982 in Korea and completed a masters degree of Pharmacology from Daegu Catholic University in 1984. She worked at Calvary Clinic in GangNeung from 1989 to 1993, at Morhyun Home Care Hospice in Seoul from 1994 to 1996 and at the Catholic University of Korea UijeongBu St Mary's Hospital from 1996 to 1998 as a pharmacist. She served as the Province Leader of the Assumption Province and as a trustee of the Little Company of Mary Sisters South Korea from 1999 to 2005 and again from 2011 to 2016. She obtained a postgraduate diploma of Mariology at Lampeter University in the UK in 2008. She was a member of a community of the Heritage Centre of the Little Company of Mary in Nottingham from 2009 to 2011. In March 2017, at the LCM Congregational Chapter in Northern Ireland, she was elected as the Congregational Councillor for a period of 6 years and consequently is serving as a trustee of the charity.

- ◆ *Sister Patricia Mary Bell* – Congregational Councillor
Sister Patricia Mary Bell has been a sister of the Little Company of Mary since 1976 and has a wide range of experience in health care in Australia. Having graduated from Nursing at Lewisham, Sydney, she later undertook her midwifery at St Margaret's Hospital, Darlinghurst, Sydney and oncology at the College of Nursing. She has had wide experience in nursing in medical, surgical, midwifery and especially in palliative care, her "great love". Previously, Sister Patricia Mary has held Charge Sister positions at Lewisham, Wagga Wagga, Hobart, Canberra and Coordinator of Hospice Home Care at Bethlehem, Melbourne and was Director of Mission in Hobart from 1996 until 2005. She has Grief Line and Life Line Counselling Certificates. She was elected as Province Councillor for Australia in 2004, a role she held until her election as Congregational Councillor/trustee in 2005. Returning to Australia in 2011 she ministered as a Volunteer in the Community Palliative Care Team at Kogarah, was involved with ACRATH (Australian Catholic Religious Against Human Trafficking), provided support to refugees and asylum seekers in detention and was the Province Coordinator for the Affiliates and Associates for the Little Company of Mary. In March 2017, at the LCM Congregational Chapter in Northern Ireland, she was elected as the Congregational Councillor for a period of 6 years and consequently is serving as a trustee of the charity and as Congregational Treasurer.

Governance, structure and management (continued)

Trustees (continued)

- ◆ ***Sister Elizabeth Gilroy*** – Congregational Councillor
Sister Elizabeth Gilroy has a professional background in General and Midwifery Nursing, with over 30 years' experience in specialist areas of Operating Theatre, Accident and Emergency and Labour Ward nursing. She also has had several years as Health and Safety Registered Nurse at Qantas Airways. She has had further experience at Governance Levels of the Province Leadership Team and a Director of the Corporation of the Little Company of Mary Holy Spirit Province, Australia. She has experience in Formation and ongoing Education with further studies in Theology, attained a Master of Arts with a Major in Pastoral Counselling and Pastoral Ministry, Boston USA and a Certificate in Effective Group Leadership Skill Training with a Diploma in Spiritual Direction and Counselling. Her professional experience also includes Spiritual Companion for Calvary Ministries, (Health Care), Australia; Consultant for National Office for LCM Health Care assisting in formulating LCM National Leadership Development Programmes; and Pastoral Counsellor at Franciscan Counselling Service, Boston USA. In March 2017, at the LCM Congregational Chapter in Northern Ireland, she was elected as the Congregational Councillor for a period of 6 years and consequently is serving as a trustee of the charity.

Trustee Formation

Representatives of the Congregational Leadership attended the following meetings and conferences during the period:

- ◇ 19 July 2017: Charity Trustee Training - Accounts: 'What you need to know'
- ◇ 6 September 2017: Charity Trustee Training - Employees, Workers, Volunteers and Safeguarding.
- ◇ 13 September 2017: Charity Trustee Training HR Seminar: Conducting Investigations.
- ◇ 2 to 5 October 2017: AGM and Conference of the Association of Provincial Bursars, High Leigh Conference Centre
- ◇ 30 October 2017: Charity Trustee Training Embracing Change 2 - an essential guide for Trustees and Management responsibilities in Religious Charities
- ◇ 10 November 2017: A trustee completed the Educare online education programme (six units) under the auspice of the Diocese of Westminster on Safeguarding of Children and Vulnerable Adults.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of 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 (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. As a result of the international scope of their work and travel, they meet at least once a quarter and more frequently if necessary to review developments with regard to the charity or its activities and make any important decisions. The trustees use electronic means to be informed and kept up to date with developments within the Congregation and the charity. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

Governance, structure and management (continued)

Key management

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All of the trustees are members of the Little Company of Mary ("the Congregation"). Whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified two key risks for the charity which are described below together with the principal ways in which they are mitigated:

- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS).
- ◆ From time to time, the charity donates significant sums in support of the wider Congregation and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report is obtained.

Signed on behalf of the trustees:

Patricia Mary Bell
Trustee

Approved by the trustees on: 29 June 2018

Independent auditor's report to the trustees of Little Company of Mary Congregation CIO

Opinion

We have audited the accounts of Little Company of Mary Congregation CIO (the 'charity') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 145 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its income and expenditure 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 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 annual 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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they 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.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

11 July 2018

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2017

	Notes	Unrestricted funds	
		2017 £	2016 £
Income from:			
Donations	1	232,968	246,970
Bank interest		4,521	5,219
Total income		237,489	252,189
Expenditure on:			
Charitable activities			
. Co-ordination and direction of, and the provision of advice to, the Regions and Provinces of the Congregation	2	390,536	198,637
. Donations	4	24,500	19,978
Total expenditure		415,036	218,615
Net (expenditure) income and net movement in funds	5	(177,547)	33,574
Balances brought forward at 1 January 2017		1,372,798	1,339,224
Balances carried forward at 31 December 2017		1,195,251	1,372,798

All recognised gains and losses are included in the statement of financial activities.

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All activities of the charity derived from continuing operations during the above two financial years.

Balance sheet 31 December 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	8		217,411		219,896
Current assets					
Debtors	9	20,951		32,657	
Investments: short term deposits		—		400,000	
Cash at bank and in hand		983,004		745,420	
		<u>1,003,955</u>		<u>1,178,077</u>	
Current liabilities					
Creditors: amounts falling due within one year	10	(26,115)		(25,175)	
Net current assets			977,840		1,152,902
Total net assets			<u>1,195,251</u>		<u>1,372,798</u>
Represented by:					
The funds of the charity					
Unrestricted income funds					
. General fund			633,719		631,537
. Tangible fixed assets fund	12		217,411		219,896
. Designated fund					
.. The Mary Potter fund	13		344,121		521,365
			<u>1,195,251</u>		<u>1,372,798</u>

Approved by the trustees and signed on their behalf by:

Patricia Mary Bell
Trustee

Approved by the trustees on: 29 June 2018

Statement of cash flows Year to 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities	A		
Net cash (used in) provided by operating activities		(159,965)	37,400
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,814)	—
Interest received		6,363	5,629
Cash received on maturity of short term deposits		400,000	500,000
Cash added to short term deposits		—	(400,000)
Net cash provided by investing activities	B	397,549	105,629
Change in cash and cash equivalents in the period		237,584	143,029
Cash and cash equivalents at 1 January 2017	B	745,420	602,391
Cash and cash equivalents at 31 December 2017	B	983,004	745,420

Notes to the statement of cash flows for the year ended 31 December 2017

A Reconciliation of net (expenditure) income and net movement in funds to net cash (used in) provided by operating activities

	2017 £	2016 £
Net (expenditure) income and net movement in funds (as per the statement of financial activities)	(177,547)	33,574
Adjustments:		
Depreciation charge	11,299	11,397
Interest receivable	(4,521)	(5,219)
Decrease (increase) in debtors	9,864	(8,242)
Increase in creditors	940	5,890
Net cash (used in) provided by operating activities	(159,965)	37,400

B Analysis of cash and cash equivalents

	2017 £	2016 £
Total cash and cash equivalents: Cash at bank and in hand	983,004	745,420

Principal accounting policies Year to 31 December 2017

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

The accounts have been prepared for the year to 31 December 2017 with comparative figures given for the year to 31 December 2016.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) 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 accounting policies below or the notes to these accounts.

The charity constitutes a public benefit entity as defined by Financial Reporting Standard 102 (FRS 102).

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

Critical accounting estimates and areas of judgement

The most significant area of adjustment and key assumption that affect items in these accounts is the estimation of the useful life of tangible fixed assets for the purpose of determining the depreciation charge.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2018, there are no significant issues that may affect the carrying value of the assets held by the charity.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and interest receivable.

Donations, including assessments and additional contributions receivable from individual Provinces and Regions, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Expenditure recognition and the basis of apportioning costs

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including governance costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ 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 costs specifically relating to the co-ordination and direction of advice to Provinces and Regions of the Congregation, donations payable and governance costs.
- ◆ The making of grants and donations is not a central part of the charity's activities. Donations are made only in cases where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

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

Principal accounting policies Year to 31 December 2017

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised and valued at historical cost.

a. Freehold land and buildings

Freehold land and buildings comprising functional properties used for the direct charitable work of the charity are included in these accounts at their historic cost at their date of acquisition together with the cost of additions and improvements to date.

Functional freehold properties are depreciated at a rate of 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity.

b. Other tangible fixed assets

Other tangible fixed assets are capitalised at cost and depreciated at the following annual rates in order to write them off over their estimated useful lives:

♦ Furniture, fittings and equipment	20% per annum based on cost
♦ Motor vehicles	25% per annum based on cost

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Short term deposits and cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits i.e. current asset investments. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Principal accounting policies Year to 31 December 2017

Fund structure

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

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, 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 general funds for specific future purposes or projects.

Services provided by members of the Congregation

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

Pension contributions

Contributions in respect to the charity's defined contribution 'stakeholder' pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 6. There were no outstanding contributions at the year end.

1 Income from: Donations

	2017 £	2016 £
Contributions from individual Regions and Provinces of the Congregation	232,527	246,970
Other grants and donations	441	—
	232,968	246,970

2 Expenditure on: Co-ordination and direction of, and provision of advice to, individual Regions and Provinces of the Congregation

	2017 £	2016 £
Premises costs	40,799	29,528
Sisters' living expenses	57,926	26,858
Other direct costs	284,111	134,391
Governance costs (note 3)	7,700	7,860
	390,536	198,637

3 Governance costs

	2017 £	2016 £
Auditor's remuneration	7,000	6,600
Other fees	700	1,260
	7,700	7,860

4 Expenditure on: Donations

The charity makes donations to both individuals and institutions in accordance with its donations policy set out in the trustees' report.

Donations and grants payable to institutions during the period were as follows:

	2017 £	2016 £
Donations payable	24,500	19,978

Donations payable to institutions during the period comprised the following:

	2017 £	2016 £
St John of God – Blessed Olallo Centre	10,000	—
Aid to the Church in Need	1,300	—
Bede House Association	—	1,000
CAFOD	1,000	1,000
Jesuit Refugee Service	—	—
Little Company of Mary Southern Africa (Region of the Queen of Peace)	—	4,000
Little Sisters of the Poor	2,000	2,000
Macmillan Cancer Support	—	1,000
Spires	1,000	1,000
St Alsem's Church	2,000	5,000
St Barnabus Cathedral	2,000	—
St Vincent de Paul Society	3,000	1,500
The Medaille Trust	1,000	1,000
The Salvation Army	1,000	1,000
Payments of less than £1,000 each	200	1,478
	24,500	19,978

During the year to 31 December 2017 no grants were paid to individuals (2016 – none).

5 Net (expenditure) income and net movement in funds

This is stated after charging:

	2017 £	2016 £
Staff costs (note 6)	32,004	44,921
Auditor's remuneration (including VAT)		
. Statutory audit fees	7,000	6,600
Depreciation	11,299	11,397
Operating lease rentals (note 11)	2,687	3,134

6 Staff costs and remuneration of key management personnel

	2017 £	2016 £
Gross salaries	27,804	26,205
Social security	—	235
Pension costs (see below)	4,200	18,481
	32,004	44,921

There was one employee during the period (2016 – one employee) who was involved in the co-ordination and direction of, and provision of advice to, individual Regions and Provinces of the Congregation.

During 2016 it was noted that the employer's contributions to the employee's pension scheme had not been in accordance with the original contractual agreement signed in 2004. As a consequence, back dated contributions amounting to £14,754 were made during 2016 and are included in the above figure for pension costs. Given that the charity had been operational for eighteen months only at 31 December 2015, and that the employee's contract of employment had been transferred to the charity under the provisions set out in the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), it was not deemed appropriate to account for these back dated contributions as a prior year adjustment in the 2016 accounts.

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All of the trustees are members of the Little Company of Mary ie the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees (2016 – none).

7 Taxation

The Little Company of Mary Congregation CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Tangible fixed assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2017	494,214	7,564	15,329	517,107
Additions	—	8,814	—	8,814
At 31 December 2017	<u>494,214</u>	<u>16,378</u>	<u>15,329</u>	<u>525,921</u>
Depreciation				
At 1 January 2017	276,757	5,126	15,328	297,211
Charge for the year	9,884	1,415	—	11,299
At 31 December 2017	<u>286,641</u>	<u>6,541</u>	<u>15,328</u>	<u>308,510</u>
Net book values				
At 31 December 2017	<u>207,573</u>	<u>9,837</u>	<u>1</u>	<u>217,411</u>
At 31 December 2016	<u>217,457</u>	<u>2,438</u>	<u>1</u>	<u>219,896</u>

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arose from the specialised nature of the property and the effects of inflation. The amount of such differences cannot be ascertained without incurring cost, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

At 31 December 2017 the charity had no capital commitments (2016 - none).

9 Debtors

	2017 £	2016 £
Donations pledged by individual Provinces of the Congregation	—	23,769
Prepayments	20,951	7,046
Other debtors and accrued income	—	1,842
	<u>20,951</u>	<u>32,657</u>

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Expense creditors	2,895	1,297
Donations payable	10,000	—
Accruals	13,220	23,878
	<u>26,115</u>	<u>25,175</u>

11 Financial commitments

At 31 December 2017 the charity had total commitments under non-cancellable operating leases which expire as follows:

	2017 £	2016 £
Payable:		
. Within one year	—	959
. Within one to five years	9,634	11,961
	9,634	12,920

12 Tangible fixed assets fund

	£
At 1 January 2017	219,896
Net movements in year	(2,485)
At 31 December 2017	217,411

The tangible fixed assets fund represents the net book value of the charity's freehold properties and other tangible fixed assets. A decision was made to separate this fund from the general 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 available in order to meet future contingencies.

13 Designated fund

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the trustees for a specific purpose:

	At 1 January 2017 £	Utilised/ released £	At 31 December 2017 £
The Mary Potter Fund	521,365	(177,244)	344,121

The Mary Potter Fund

The fund is to be used towards initial formation expenses, formation expenses for sisters with temporary profession, the cost of Congregational chapter meetings, and for meetings and travel sponsored by the Congregational Leader and Council.

14 Connected charity and related party transactions

There were no related party transactions during the period and no donations were received from the trustees (2016 - none).

15 Ultimate control

The charity, which is constituted as a Charitable Incorporated Organisation, was controlled throughout the period by the Little Company of Mary by virtue of the fact that the Congregational Chapter elects the trustees. The Congregation does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities.