

Charity registration number: 250451

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Hodson & Co
Wiston House
1 Wiston House
Worthing
West Sussex
BN14 7QL

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

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Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Reference and Administrative Details

Trustees	P Foreman H Thompson P Robertson M Short
Principal Office	27 Cavendish Road Herne Bay Kent CT6 5BE
Charity Registration Number	250451
Independent Examiner	Hodson & Co Wiston House 1 Wiston House Worthing West Sussex BN14 7QL

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2017.

Objectives and activities

Objects and aims

The principal objective of the Charity is the advancement of the Roman Catholic religion.

Public benefit

The charity's main activities focus on counselling and undertaking charitable works to further the charitable purpose of the charity and for the public benefit.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The Charity continues to provide counselling and undertake charitable works. Pastoral ministry, counselling and supervision have continued in the South East and work with religious orders over a wider area. In London the Charity is engaged in pastoral ministry within the Hospice movement.

Financial review

Direct charitable expenditure consists of all expenditure directly relating to the objects of the charity, this includes the running costs of each property. The community account expends general overheads and includes depreciation on all properties.

The charity's income is reliant on the pensions of its members together with the honorarium produced by counselling and charitable works.

Policy on reserves

The trustees continue to review the financial affairs of the charity with the aim to increase income, and to improve control over costs and its operations. It is the policy of the charity to hold in reserve a sum that would cover total annual running expenses. Unrestricted funds were maintained at least this level throughout the year.

The trustees consider that the present level of funding will be adequate to support the continuation of the charity and for it to fulfil its obligations.

Investment policy and objectives

The objects of the charity authorises it to invest and deal with monies not immediately required for its purposes in and upon such investments, securities and property as may be thought fit. The trustees have an ethical investment policy that the fund managers are obliged to comply with. The trustees have considered the most appropriate policy for investing funds and have found that the investments shown in note 13 of the accounts meets their requirements to generate both income and capital growth in accordance with the ethical investment policy. The trustees are satisfied with the performance of the investments during the year.

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

The charity will continue to provide counselling and to undertake charitable works.

Structure, governance and management

Nature of governing document

The Daughters of Our Lady of Good Counsel and St Paul of the Cross (Vocation Sisters) is a charity established by a Trust Deed dated 15 June 1967 and is registered with the Charity Commission of England and Wales (no. 250451).

Recruitment and appointment of trustees

Appointment of trustees is governed by the Trust Deed of the charity. The Trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee according to the Trust Deed.

Induction and training of trustees

All trustees are already familiar with the practical work of the charity. If new trustees were to be appointed, short training sessions would be undertaken to familiarise new trustees with the charity and the context within which it operates.

Organisational structure

The charity is organised so that the trustees meet regularly to manage its affairs.

Major risks and management of those risks

Risk Management

The trustees actively review the major risks that the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with the annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

The annual report was approved by the trustees of the charity on 15 October 2018 and signed on its behalf by:

.....
P Foreman
Trustee

.....
P Robertson
Trustee

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Statement of Trustees' Responsibilities

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

The law applicable to charities requires 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 15 October 2018 and signed on its behalf by:

.....
P Foreman
Trustee

.....
P Robertson
Trustee

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Independent Examiner's Report to the trustees of Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 6 to 16.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Matthew Hodson FCA
Independent Examiner

Wiston House
1 Wiston House
Worthing
West Sussex
BN14 7QL

15 October 2018

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Statement of Financial Activities for the Year Ended 31 December 2017

	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Donations and legacies	2	40,084	40,084
Other trading activities	3	38,485	38,485
Investment income	4	26,882	26,882
Other income	5	528	528
Total Income		105,979	105,979
Expenditure on:			
Charitable activities		(133,645)	(133,645)
Total Expenditure		(133,645)	(133,645)
Gains/losses on investment assets		34,893	34,893
Net movement in funds		7,227	7,227
Reconciliation of funds			
Total funds brought forward		2,208,626	2,208,626
Total funds carried forward	17	2,215,853	2,215,853
	Note	Unrestricted funds £	Total 2016 £
Income and Endowments from:			
Donations and legacies		27,845	27,845
Other trading activities		44,472	44,472
Investment income	4	26,081	26,081
Other income		501	501
Total Income		98,899	98,899
Expenditure on:			
Charitable activities		(131,826)	(131,826)
Total Expenditure		(131,826)	(131,826)
Gains/losses on investment assets		24,514	24,514
Net movement in funds		(8,413)	(8,413)
Reconciliation of funds			
Total funds brought forward		2,217,039	2,217,039
Total funds carried forward	17	2,208,626	2,208,626

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2016 is shown in note 17.

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

(Registration number: 250451) Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	1,080,265	1,115,707
Investments	14	<u>891,518</u>	<u>856,625</u>
		<u>1,971,783</u>	<u>1,972,332</u>
Current assets			
Debtors	15	1,641	1,519
Cash at bank and in hand		<u>244,844</u>	<u>236,875</u>
		246,485	238,394
Creditors: Amounts falling due within one year	16	<u>(2,415)</u>	<u>(2,100)</u>
Net current assets		<u>244,070</u>	<u>236,294</u>
Net assets		<u>2,215,853</u>	<u>2,208,626</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>2,215,853</u>	<u>2,208,626</u>
Total funds	17	<u>2,215,853</u>	<u>2,208,626</u>

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 15 October 2018 and signed on their behalf by:

.....
P Foreman
Trustee

.....
P Robertson
Trustee

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

Statement of compliance

The financial statements 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

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

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions: - depreciation and useful life of properties - this requires an estimation of the useful economic life of property and an estimate of land apportionment.

Where the charity makes estimates and assumptions concerning the future, the resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Notes to the Financial Statements for the Year Ended 31 December 2017

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including independent examination and strategic management.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold Property	over 50 years
Fixtures and fittings	15% reducing balance
Motor vehicles	over 4 years
Equipment	over 5 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

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Notes to the Financial Statements for the Year Ended 31 December 2017

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Financial instruments

Classification

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Donations and legacies;			
Donations	13,000	13,000	2,076
Pensions	27,084	27,084	25,769
	<u>40,084</u>	<u>40,084</u>	<u>27,845</u>

3 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Honorarium	38,485	38,485	44,472
	<u>38,485</u>	<u>38,485</u>	<u>44,472</u>

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross
Notes to the Financial Statements for the Year Ended 31 December 2017

4 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	26,882	26,882	26,081

5 Other income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Other income	528	528	501

6 Expenditure on charitable activities

		Unrestricted funds	Total 2017	Total 2016
	Note	General £	£	£
Community account		61,001	61,001	60,277
Allocated support costs	7	70,544	70,544	69,449
Governance costs	7	2,100	2,100	2,100
		<u>133,645</u>	<u>133,645</u>	<u>131,826</u>

£133,645 (2016 - £131,826) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Finance costs £	Information technology £	Administration costs £	Premises and household £	Other support costs £	Total 2017 £
Community account	<u>240</u>	<u>1,839</u>	<u>1,062</u>	<u>66,768</u>	<u>635</u>	<u>70,544</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

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Notes to the Financial Statements for the Year Ended 31 December 2017

	2017	2016
	£	£
Depreciation of fixed assets	37,284	37,966
Gains/(Losses) on listed investments	<u>34,893</u>	<u>24,514</u>

9 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year, however see note 20.

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross
Notes to the Financial Statements for the Year Ended 31 December 2017

10 Staff costs

The aggregate payroll costs were as follows:

	2017	2016
	£	£
The average head count of employees during the year was Nil (2016: Nil).	-	-

No employee received emoluments of more than £60,000 during the year

11 Independent examiner's remuneration

	2017	2016
	£	£
Independent Examiner's remuneration	2,100	2,100

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross

Notes to the Financial Statements for the Year Ended 31 December 2017

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2017	1,265,823	68,920	55,459	1,390,202
Additions	-	1,842	-	1,842
At 31 December 2017	<u>1,265,823</u>	<u>70,762</u>	<u>55,459</u>	<u>1,392,044</u>
Depreciation				
At 1 January 2017	174,159	54,826	45,510	274,495
Charge for the year	25,317	2,979	8,988	37,284
At 31 December 2017	<u>199,476</u>	<u>57,805</u>	<u>54,498</u>	<u>311,779</u>
Net book value				
At 31 December 2017	<u>1,066,347</u>	<u>12,957</u>	<u>961</u>	<u>1,080,265</u>
At 31 December 2016	<u>1,091,664</u>	<u>14,094</u>	<u>9,949</u>	<u>1,115,707</u>

14 Fixed asset investments

	2017 £	2016 £
Other investments	<u>891,518</u>	<u>856,625</u>

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross
Notes to the Financial Statements for the Year Ended 31 December 2017

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2017	856,625	856,625
Revaluation	<u>34,893</u>	<u>34,893</u>
At 31 December 2017	<u>891,518</u>	<u>891,518</u>
Net book value		
At 31 December 2017	<u>891,518</u>	<u>891,518</u>
At 31 December 2016	<u>856,625</u>	<u>856,625</u>

The above investments are all in investment assets held in the UK. All are unrestricted funds. At 31 December 2017 the investments were £891,518 in a Collective Investment Account with Skandia MultiFUNDS Limited. These investments are held to provide an investment return for the charity.

15 Debtors

	2017 £	2016 £
Prepayments	<u>1,641</u>	<u>1,519</u>

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Other creditors	315	1
Accruals	<u>2,100</u>	<u>2,099</u>
	<u>2,415</u>	<u>2,100</u>

17 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
Unrestricted funds					
General	<u>(2,208,626)</u>	<u>(105,979)</u>	<u>133,645</u>	<u>(34,893)</u>	<u>(2,215,853)</u>

Daughters Of Our Lady Of Good Counsel And St Paul Of The Cross
Notes to the Financial Statements for the Year Ended 31 December 2017

18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	1,080,265	1,080,265
Fixed asset investments	891,518	891,518
Current assets	246,485	246,485
Current liabilities	(2,415)	(2,415)
Total net assets	<u>2,215,853</u>	<u>2,215,853</u>

19 Analysis of net funds

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	236,875	7,969	244,844
Net debt	<u>236,875</u>	<u>7,969</u>	<u>244,844</u>

20 Related party transactions

During the year the charity made the following related party transactions:

The Religious Community

As a religious community any income received by members of the Vocation Sisters is received into the charity, including salaries and pensions. The charity provides housing and subsistence to its members including trustees. During the year there were seven members of the congregation. Each member receives an income for their office together with living accommodation, living expenses and reimbursement of costs. This expenditure is shown under 'support costs'.

At the balance sheet date the amount due to/from The Religious Community was £Nil (2016 - £Nil).