

SISTERS OF MERCY

**TRUSTEES REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

HEDLEY DUNK LIMITED

Chartered Accountants & Statutory Auditor

Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

SISTERS OF MERCY

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report	6 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 20

SISTERS OF MERCY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Trustees

Sister Anne O'Connell, (Sister in Charge)
Sister Magdelene Reilly
Sister Elizabeth O'Hara
Sister Dolores Nichol
Sister Ursula Hyland

Charity registered number

200376

Principal office

St Joseph's Convent of Mercy
Hillside Drive
Gravesend
DA12 1NY

Independent auditors

Hedley Dunk Limited
Chartered Accountants
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

Bankers

Barclay Bank Plc
PO Box No 449
Dartford
DA1 1FE

Solicitors

Martin Tolhurst Partnership
7 Wrotham Road
Gravesend
Kent
DA11 0PD

SISTERS OF MERCY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their annual report together with the audited financial statements of the charity for the 1 April 2017 to 31 March 2018.

Objectives and Activities

It is the policy of the Charity to undertake a broad range of charitable activities. The principal areas in which the Charity is involved are set out below:

1. Social and Pastoral Care

The Sisters of Mercy, Gravesend continue to support the work of the House of Mercy at 1 Edwin Street, Gravesend, Kent including making the charity's properties available for their use. McAuley House at 17 Albion Road, Gravesend is fully occupied. Mary Anne Doyle House, Seymour Road, Gravesend opened on 29th September 2014. 56 Pelham Road Gravesend has been acquired and conversion work has been undertaken in the year in preparation for use by House of Mercy.

Members of the Congregation also undertake work in community based programmes and local parish work, providing childcare and family support, helping the homeless and giving religious and material assistance.

2. Education

From 1 September 2006 the school was transferred to a separate charitable company. The Congregation continues to be involved with the St Joseph Convent Preparatory School by sitting on the board of Governors and providing pastoral support.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

Achievements and performance

● REVIEW OF ACTIVITIES

During the year the Congregation was active in all the principal areas listed above. A summary of developments is set out below.

Social and Pastoral

Sisters of Mercy, Gravesend work alongside the sick, poor and needy and at the interface of mercy and culture.

The Gravesend community has, since its foundation in 1860, been deeply committed to education and is dedicated to the visitation of the needy and housebound; both concerns of our venerable Foundress. No longer directly involved in schools, because of our age profile, the Sisters give religious instruction after school hours or at the weekends.

Also being employed in a voluntary capacity in several parishes, gives the sisters the opportunity of working with the clergy in the material and spiritual welfare of the people of the parish, especially with the poor, sick and needy. This, at present, includes some prison work and work at the very large Refuge Centre, the Passage in London. Most of our sisters, retired from school, are involved in helping with Parish liturgies, especially with children, children's and adults' choirs and catechesis, hospital chaplaincy and general visiting of the sick in their homes, in Care Homes and in the hospitals, justice and peace work, mission support and prayer ministry.

Throughout the year, the sisters opened the convent grounds and chapel for community and charitable events such as parish retreat days for Mercy associate.

All of our sisters play an active part in caring, both physically and spiritually, for our less able sisters. As all our sisters are cared for at the Convent, lay staff too play a significant part in this work.

SISTERS OF MERCY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Our 'Mercy House', hostel for the homeless in Gravesend, run in collaboration with the Presentation Brothers, is in direct response to a growing need in our area. Among its residents, we cater for some asylum seekers, for whom our manager and trustees work to seek temporary and eventually permanent Residency in the U.K.

South East Kent, especially Gravesend, has a high percentage of Pakistanis, Indians, Malaysians and, more recently Poles, East Europeans and Western Africans all of whom contribute to the vibrancy and well-being of the town. In their different ways, the Sisters play an important role in the integration of these people and in the building up of good relationships.

Education Activities

From 1 September 2006 the school activities were transferred into a new charity governed by a separate board of trustees. The Sisters of Mercy Gravesend, continue to be involved with three of the members of the Congregation being members of the school's governing body. In addition they are members of various sub-committees including the Religious Education Committee which ensures the continued religious focus within the academic programme and a sister assists in the school one day a week.

Outside of the school five of the Sisters are involved in a voluntary capacity in religious education within the parishes.

Financial review

● GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The Province has some 14 members, the majority of whom have given most of their working lives to the charitable activities of the Congregation. When this work is outside the Charity, any earnings are covenanted to the Charity.

The number of new vocations is declining and therefore the average age of membership is tending to increase. Younger members, although taking up important charitable work, tend either to work within the charity or, if working outside, in lowly paid jobs. These factors mean that there is a general reduction in the income generated by members. The Charity has a continuing commitment to support members of the Congregation, most of whom continue to carry out charitable work long past the normal retirement age.

Incoming resources in the year was £564,843 (2017: £578,503), a £13,660 decrease due mainly to the decrease in the Sister's pension income. Resources expended were £372,233, (2017: £385,468), a £13,235 decrease due mainly to the decrease in the direct costs of the charity.

The capital performance of the investments was generally in line with the trend of the stock market. Investment income was higher this year due to the charity investing in fixed term deposits, with higher interest payments received during the year..

At the end of the year to 31 March 2018 the total funds of the Charity were £11,158,279. Of this £2,716,421 represents fixed assets needed for the work of the Charity and it is represented by a designated fund. £6,000,000 is designated to provide for the support of older members of the Congregation. The balance of £2,441,858 in General Funds represents approximately six and a half years operating expenditure. The Trustees consider that given the activities of the charity, a fund representing approximately two to three years expenditure should be held in reserve. The Trustees review the reserves to ascertain the ongoing levels required and consider specific charitable causes that can be supported.

SISTERS OF MERCY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

The Sisters of Mercy, Gravesend is an unincorporated charitable association established by a Trust Deed made on 22nd May 1933 by 29 members of the congregation and subsequent deeds dated 25 April 1950, 11 November 1950, 11 October 1960, 3 March 1961, 21 June 1962, 3 July 1962, 6 July 1964 and 14 January 1965.

These Trust Deeds declared trusts "as a Congregation or Community of Roman Catholic Women founded in or about the year 1831 as a charity for the purpose of visiting and nursing the sick poor in their homes, of nursing the sick in hospitals or infirmaries and of feeding the poor and of teaching the children of the poor, and of conducting and serving orphanages and institutions for the care of the poor."

The Deeds set out the uses of assets which the Sister in Charge for the time being of the Congregation shall from time to time direct as either:-

- 1) Residences for members of the Congregation;
- 2) Training schools for members of the Congregation;
- 3) Schools for general education both religious and secular;
- 4) Hospitals or refuges or homes for the sick and poor;
- 5) Rest or retreat houses for members of the Roman Catholic Church desiring instruction in the doctrines of religion;
- 6) Generally as places for the exercise of any such charitable purpose or purposes as in the opinion of the Sister in Charge may be conducive to the advancement or maintenance of the Roman Catholic Religion in Great Britain.

● METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Charity has 5 Trustees, the Sister in Charge and 4 other members of the Congregation. The power of appointing new Trustees rests with the community who can also remove any Trustee.

The Trustees are aware of the need for training in respect of charity law and responsibilities of Trustees. They obtain guidance from their legal and financial advisors and Trustees attend courses on an ad hoc basis as required.

● RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees will continue to revise their investment portfolio mix with a view to further increasing the amount of investments held in quoted investments and reducing the amounts held in cash deposits.

The trustees are reviewing their strategies to utilise charitable monies in the local and international areas and are considering things such as:

- Contribution to the homeless in the area;
- Contribution to the hospices in the area;
- Investigation into ways to help in the developing world to eradicate disease and poverty.

SISTERS OF MERCY

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report 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 & Wales 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements 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 that are sufficient to show and explain the charity's transactions and 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 Charity (Accounts and Reports) Regulations 2008 and the provisions 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 and other irregularities.

This report was approved by the Trustees, on 17 December 2018 and signed on their behalf by:

Sister Anne O'Connell
Trustee (Sister in Charge)

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF MERCY

OPINION

We have audited the financial statements of Sisters Of Mercy (the 'charity') for the year ended 31 March 2018 set out on pages 9 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 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 United Kingdom, including the Financial Reporting Council'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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF MERCY

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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 financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of 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.

AUDITORS' 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 an Auditors' 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 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. This description forms part of our Auditors' report.

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF MERCY

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Hedley Dunk Limited

Chartered Accountants
Statutory Auditor

Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB
19 December 2018

Hedley Dunk Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SISTERS OF MERCY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:				
Donations and legacies	2	15,805	15,805	1,865
Charitable activities	3	266,105	266,105	301,366
Investments	4	282,933	282,933	275,272
TOTAL INCOME		564,843	564,843	578,503
EXPENDITURE ON:				
Raising funds		21,885	21,885	34,139
Charitable activities	7	350,348	350,348	351,329
TOTAL EXPENDITURE	8	372,233	372,233	385,468
NET BEFORE INVESTMENT GAINS/(LOSSES)				
Net gains/(losses) on investments	13	192,610	192,610	193,035
		(44,660)	(44,660)	1,034,392
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		147,950	147,950	1,227,427
NET MOVEMENT IN FUNDS		147,950	147,950	1,227,427
RECONCILIATION OF FUNDS:				
Total funds brought forward		11,010,329	11,010,329	9,782,902
TOTAL FUNDS CARRIED FORWARD		11,158,279	11,158,279	11,010,329

The notes on pages 11 to 20 form part of these financial statements.

SISTERS OF MERCY

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		2,716,421		2,034,626
Investments	13		8,114,197		8,383,570
			<u>10,830,618</u>		<u>10,418,196</u>
CURRENT ASSETS					
Debtors	14	53,681		60,076	
Cash at bank and in hand		315,903		562,025	
		<u>369,584</u>		<u>622,101</u>	
CREDITORS: amounts falling due within one year	15	(41,923)		(29,968)	
			<u>327,661</u>		<u>592,133</u>
NET CURRENT ASSETS			<u>327,661</u>		<u>592,133</u>
NET ASSETS			<u>11,158,279</u>		<u>11,010,329</u>
CHARITY FUNDS					
Unrestricted funds	16		11,158,279		11,010,329
TOTAL FUNDS			<u>11,158,279</u>		<u>11,010,329</u>

The financial statements were approved by the Trustees on 17 December 2018 and signed on their behalf, by:

Sister Anne O'Connell

The notes on pages 11 to 20 form part of these financial statements.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Sisters Of Mercy constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Motor vehicles	-	5 years
Fixtures and fittings	-	4 years

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Interest receivable

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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	15,805	15,805	1,865
	<u>15,805</u>	<u>15,805</u>	<u>1,865</u>
Total 2017	<u>1,865</u>	<u>1,865</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Members' salaries and pensions	266,105	266,105	301,366
	<u>266,105</u>	<u>266,105</u>	<u>301,366</u>
Total 2017	<u>301,366</u>	<u>301,366</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	54,540	54,540	54,540
Dividends	168,110	168,110	169,906
Interest	60,283	60,283	50,826
	<u>282,933</u>	<u>282,933</u>	<u>275,272</u>
Total 2017	<u>275,272</u>	<u>275,272</u>	

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. DIRECT COSTS

	Social and Pastoral Care £	Total 2018 £	Total 2017 £
Telephone	7,100	7,100	8,557
Rates and water	5,742	5,742	7,846
PPS	2,925	2,925	1,557
Light and heat	27,663	27,663	24,950
Motor expenses	14,380	14,380	20,153
Insurance	11,456	11,456	10,370
Household	32,285	32,285	34,965
Repairs & maintenance	20,637	20,637	18,729
General office	2,659	2,659	1,517
Chapel	1,002	1,002	966
NPV discounted interest charge	460	460	4,243
Bank charges	62	62	72
Missions and charitable grants	47,407	47,407	51,537
Sisters welfare	64,025	64,025	57,727
Wages and salaries	39,695	39,695	36,883
Pension cost	86	86	13
Depreciation	59,618	59,618	58,009
	<u>337,202</u>	<u>337,202</u>	<u>338,094</u>
Total 2017	<u>338,094</u>	<u>338,094</u>	

6. SUPPORT COSTS

	Social and Pastoral Care £	Total 2018 £	Total 2017 £
Professional fees	7,591	7,591	7,861
Depreciation	2,365	2,365	2,434
	<u>9,956</u>	<u>9,956</u>	<u>10,295</u>
Total 2017	<u>10,295</u>	<u>10,295</u>	

7. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Governance Auditors' remuneration	3,190	3,190	2,940
	<u>3,190</u>	<u>3,190</u>	<u>2,940</u>

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on investment management	-	-	21,885	21,885	34,139
Costs of raising funds	-	-	21,885	21,885	34,139
Social and Pastoral Care	39,781	61,983	245,394	347,158	348,389
Expenditure on governance	-	-	3,190	3,190	2,940
	<u>39,781</u>	<u>61,983</u>	<u>270,469</u>	<u>372,233</u>	<u>385,468</u>
Total 2017	<u><u>36,896</u></u>	<u><u>60,443</u></u>	<u><u>288,129</u></u>	<u><u>385,468</u></u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	61,983	60,443
Pension costs	86	13
	<u><u>62,069</u></u>	<u><u>60,456</u></u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

10. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	3,190	2,940
Fees payable to the charity's auditor and its associates in respect of:		
All other non-audit services	682	682
	<u><u>3,872</u></u>	<u><u>3,622</u></u>

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	39,695	36,883
Other pension costs	86	13
	39,781	36,896

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Average staff numbers	6	6

No employee received remuneration amounting to more than £60,000 in either year.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2017	2,799,159	74,470	89,984	2,963,613
Additions	737,308	6,470	-	743,778
At 31 March 2018	3,536,467	80,940	89,984	3,707,391
Depreciation				
At 1 April 2017	773,289	70,418	85,280	928,987
Charge for the year	55,983	3,635	2,365	61,983
At 31 March 2018	829,272	74,053	87,645	990,970
Net book value				
At 31 March 2018	2,707,195	6,887	2,339	2,716,421
At 31 March 2017	2,025,870	4,052	4,704	2,034,626

From 1 September 2006 the buildings and equipment relating to St Joseph's Convent Preparatory School Gravesend have been leased to a charitable company. The buildings and equipment have continued to be depreciated as part of the charitable activities of the charity.

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. FIXED ASSET INVESTMENTS

	Listed securities £	Other investments £	Total £
Market value			
At 1 April 2017	6,237,582	2,145,988	8,383,570
Additions	-	3,250	3,250
Disposals	(227,737)	-	(227,737)
Revaluations	(44,886)	-	(44,886)
At 31 March 2018	<u>5,964,959</u>	<u>2,149,238</u>	<u>8,114,197</u>

Investments at market value comprise:

	2018 £	2017 £
Listed investments	5,964,959	6,237,582
Other fixed asset investments	2,149,238	2,145,988
Total market value	<u>8,114,197</u>	<u>8,383,570</u>

All the fixed asset investments are held in the UK

Material investments

	31 March 2018 £	31 March 2017 £
Barclays charity distribution	5,186,345	5,250,056
Purissima global	776,477	766,860

14. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors	45,298	45,757
Due within one year		
Other debtors	2,540	2,540
Prepayments and accrued income	5,843	11,779
	<u>53,681</u>	<u>60,076</u>

The debtors due after more than one year relates to the £50,000 loan made to St Joseph's Convent Preparatory School Gravesend. The amount receivable represents the present value of the loan, discounted at the pre-tax discount rate. The unwinding of the discount is recognised within interest payable. This is inline with FRS 102 guidelines.

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	19	-
Other creditors	2,855	-
Accruals and deferred income	39,049	29,968
	41,923	29,968

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds						
Fixed asset fund	2,034,626	-	(61,983)	743,778	-	2,716,421
Support of older members fund	6,000,000	-	-	-	-	6,000,000
	8,034,626	-	(61,983)	743,778	-	8,716,421
General funds						
General Funds - all funds	2,975,703	564,843	(310,250)	(743,778)	(44,660)	2,441,858
Total Unrestricted funds	11,010,329	564,843	(372,233)	-	(44,660)	11,158,279
Total of funds	11,010,329	564,843	(372,233)	-	(44,660)	11,158,279

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds						
Fixed asset fund	2,081,722	-	(60,443)	13,347	-	2,034,626
Support of older members fund	6,000,000	-	-	-	-	6,000,000
	8,081,722	-	(60,443)	13,347	-	8,034,626
General Funds - all funds	1,701,180	578,503	(325,025)	(13,347)	1,034,392	2,975,703

SISTERS OF MERCY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	8,034,626	-	(61,983)	743,778	-	8,716,421
General funds	2,975,703	564,843	(310,250)	(743,778)	(44,660)	2,441,858
	<u>11,010,329</u>	<u>564,843</u>	<u>(372,233)</u>	<u>-</u>	<u>(44,660)</u>	<u>11,158,279</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	8,081,722	-	(60,443)	13,347	-	8,034,626
General funds	1,701,180	578,503	(325,025)	(13,347)	1,034,392	2,975,703
	<u>9,782,902</u>	<u>578,503</u>	<u>(385,468)</u>	<u>-</u>	<u>1,034,392</u>	<u>11,010,329</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,716,421	2,716,421
Fixed asset investments	8,114,197	8,114,197
Debtors due after more than 1 year	45,298	45,298
Current assets	324,286	324,286
Creditors due within one year	(41,923)	(41,923)
	<u>11,158,279</u>	<u>11,158,279</u>

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	2,034,626	2,034,626
Fixed asset investments	8,383,572	8,383,572
Debtors due after more than 1 year	45,757	45,757
Current assets	576,343	576,343
Creditors due within one year	(29,969)	(29,969)
	<u>11,010,329</u>	<u>11,010,329</u>

18. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £85 (2017 - £13). Contributions totalling £8 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in creditors."

19. CONNECTED CHARITIES

St Joseph's Convent Preparatory School Gravesend

During the year lease rental payments of £54,540 (2017: £54,540) were received.

House of Mercy

This charity has some trustees the same as the Sisters of Mercy. House of Mercy provides care and a place to stay to the homeless of Gravesend. This charity provides rent free, 3 premises from which the House of Mercy operates.