The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2018

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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

Trustees	Sister Angela Grant fsp *(Delegate Superior)* Sister Mary Connell fsp *(resigned December 2018)* Sister Rosetta (Gregoria) Mignolli fsp *(Bursar until May 2019)* Sister Elaine Penrice fsp *(appointed January 2019)* Sister Mary Ann Salvilla fsp *(Bursar, appointed January 2019)* Sister Germana Santos fsp *(resigned May 2018)*
Council	Sister Angela Grant fsp Sister Maria Healy fsp Sister Mary Ann Salvilla fsp Sister Elaine Penrice fsp
Principal office	Middle Green Slough SL3 6BS
Telephone	01753 577629
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Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough SL1 4SG

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

Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ J McSparran & McCormick 19 Waterloo Street Glasgow G2 6AY
Property consultants	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
and at	140 West George Street Glasgow G2 2HG
Insurance consultants	Jelf Insurance Brokers Limited 1st Floor Gail House 5 Lower Stone Street Maidstone Kent ME15 6NB

Pauline
BOOKS & MEDIA
an expression of the ministry of
The Daughters of St Paul

…communicating
the Gospel
in the spirit of
St Paul…

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The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2018. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 29 of this document and comply with the charity's trust deed, applicable laws 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).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

On 1 January 2018 the Daughters of St Paul numbered 2,180 sisters throughout 51 countries composed of 229 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 25 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Books & Media ensures that, at all times, it is acting in the public benefit and the trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Books & Media Centres are open to the public for masses. In view of public benefit and a culture of education, Pauline Books & Media also sends products to the congregation's communities in poorer countries for distribution in schools and parishes.

Objectives, activities and relevant policies

Outreach

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, email and developments in technology, they avail of these new means and appreciate the interest and feedback they receive from the public.

Throughout 2018 the sisters met with Diocesan Religious Education advisers and teachers at Education meetings.

General Government and British Delegation

During their meetings the trustees reflect on governance issues including the relationship with our Generalate in Rome. In view of expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

On 16 October 2018, Sister Mary Connell fsp addressed a letter of her resignation as Trustee to Sister Angela Grant fsp, Delegate Superior. On 21 December, Sister Mary received a reply to her letter which states "acceptance of resignation to take effect from 31 December 2018".

Sister Mary informed the Superior General of the Daughters of St Paul in Rome of her resignation and sent her a copy of her letter of resignation.

Visit of Sister Anna Caiazza, General Councillor, to our British Delegation

Sister Anna Caiazza, member of the General Government, Rome, was welcomed to our British Delegation on 15 November 2018. During her four days stay at our Head Office in Langley, she met with the members of the Delegation Council and with the trustees. We informed Sister Anna of the overall situation of the Daughters of St Paul in Great Britain and of our plans for the future. Sister Anna had an opportunity to visit our Kensington community and is aware of the refurbishment that has been carried out in the Centre.

The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul is made up of 22 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, the Philippines, Scotland and the USA.

The Trustees reside at the Convent of Our Lady, Langley. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Secretary keeps up to date with the Charity Commission in England and Wales and the Office of the Scottish Regulator (announcements and publications) to ensure that the Trustees comply with all legal and regulatory requirements. In planning our activities for 2018, the Trustees kept in mind at all times the Charity Commission's guidance on Public Benefit and GDPR.

Objectives, activities and relevant policies (continued)

Charity Law updates for 2018

On 23 January 2018, Sister Germana Santos (Chair), Sister Gregoria Mignolli (Bursar) and Mr Paul Dier (Accountant) attended the Seminar *Charities Update 2018: Making the Most of Change.* The Seminar was hosted by Kingston Smith and IBB Solicitors. One of the topics addressed was the new *General Data Protection Regulation* (GDPR) which came into effect on 25 May 2018. The trustees took note of the ICO (Information Commissioner's Office) solicitors' comments as they underlined the fact that Data Protection isn't just about digital information but all personal information, including that which is recorded or stored on paper.

Delegation Meeting 2018

It is at Langley that we hold our Delegation Meetings. From 27 – 30 December 2018 Sister Battistina Capalbo fsp from our community in Rome and an expert in communication facilitated the meeting. Sister Salvina Dellangera RSCJ spoke on "Evangelising Today with the New Media" and Abbot Christopher Jamieson OSB spoke on "Signs of Hope in Challenging Times in which we are called to Evangelise".

During the meeting the members of the British Delegation took quality time to review specific articles of our Constitutions. Sister Battistina presented our observations to the members of our General Government for their consideration.

Langley

"The Call to Holiness"

The trustees received a copy of Pope Francis' Apostolic Exhortation on "The Call to Holiness in Today's World". The new, important document which was released on 9 April 2018 is of much interest to the Daughters of St Paul. It was well displayed in our Centres for the benefit of our customers as was Pope Francis' *Letters to Young People* and the *Youth Synod* which took place, in Rome, in October 2018. The Synod focused on how the Church helps, guides and accompanies young people as they grow in faith and discern the part they can play in shaping the future of the Church. Special resources for young people are available at all Pauline Book & Media Centres.

New Delegate Superior

On 21 May 2018 Sister Germana Santos fsp, former Delegate Superior of the Daughters of St Paul in Great Britain, resigned from her position as Trustee and returned to her original province in the USA. She was replaced by Sister Angela Grant fsp who was appointed Delegate Superior by our General Government on 17 May 2018 and as such is chair of the Trustees.

Statement of Particulars of Employment

The *Statement of Particulars of Employment* was reviewed and the updated draft was studied and approved by the Trustees on 14 May 2018. A copy of the document was given to each employee for his/her information.

Objectives, activities and relevant policies (continued)

Safeguarding
The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Safeguarding Advisory Service (CSAS).

General Data Protection Regulation (GDPR)
The Trustees took note of the Data Protection Act 2018 which replaces the Data Protection Act 1998. They hold a copy of the summary guide to GDPR compliance in the UK. They also have a copy of "GDPR: 12 answers for Religious Orders" (Stone King Solicitors) and the Brochure on Retention of Accounting Records (Buzzacott).

Reserves Policy
Our Reserves Policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure. The retirement fund is reviewed annually with the Trustees taking advice on the minimum amount required per person, in accordance with changes to the average retirement period, the cost of living and changes to the demographic of the Congregation.

Review of the accounts
The Trustees reviewed the 2018 accounts. The Trustees are aware of the overall decline in income over the past five years and we note that many bookshops are also experiencing a decline in sales. According to the Booksellers Association of the United Kingdom and Ireland, more than 800 bookshops closed during that five year period. Competition (largely from Amazon through a cost leadership strategy) is a factor in the decline of sales. People are now more inclined to shop online.

Association of Provincial Bursars
From 1 – 4 October 2018, the 35th Annual General Meeting and Conference of the Association of Provincial Bursars took place at High Leigh Conference Centre. Sister Gregoria Mignolli fsp and Sister Mary Ann Salvilla fsp attended the conference. The keynote address was delivered by Sister Helen Costigane SHCJ.

Christian Unity
During the *Week of Prayer for Christian Unity*, 18 – 25 January 2018, pastors and members from nearby Anglican Churches were welcomed into our Chapel at Langley, where together with our sisters and members of the public, we prayed for Christian Unity. The theme for the Week of Prayer was "Victory over oppression, that all may be free" (*Exodus 15*). Resources on the theme were developed by Churches in the Caribbean.

Objectives, activities and relevant policies (continued)

Product Catalogue
In the month of March 2018, The Daughters of St Paul, produced *a special catalogue* designed by Sister Mary Lou Winters fsp from the Langley community. The catalogue was mailed to many of our customers in the UK and also made available at our Pauline Books & Media Centres.

Catholic Charity Conference
Sister Gregoria Mignolli fsp (Bursar) and Paul Dier (Accountant) at our Head Office in Langley, attended the Catholic Charity Conference held at Church House Conference Centre, Westminster, London, on 16 May 2018. The theme was *"Being Catholic in a Changing World".* The key issues were: "Embracing Regulation", "Turning Good Governance into a Benefit" and "The Rise of the Machine". Professor Francis Campbell, Vice Chancellor, St Mary's University, London, delivered the keynote address "*Involving the Laity as Trustees"*.

Christian Resources Together
At the annual gathering of *Christian Resources Together* in September 2018, which is aimed at supporting Christians in business and ministry, various Christian bookshop managers, publishers and distributors gathered at Swanwick to reflect on relevant topics connected with today's book world. Among the topics were: *Hope: Defining the Future* (Catherine Campbell) and *Connecting with Readership* (David Gatward).

At the Conference, the Daughters of St Paul (Pauline Books & Media) were presented with an award for the best retail group of the year. Sister Angela Grant fsp and Sister Lalaine Lilio fsp were pleased to accept the award from Mr Alan Mordue, Managing Director at SPCK, with whom Pauline Books & Media have collaborated for many years.

Romero
Throughout the month of October 2018, Pauline Books & Media in London, Liverpool, Glasgow and Slough invited members of staff, collaborators, customers and friends to join them on different dates at our various Centres to view *Romero,* an extraordinary film. People showed much interest in *Romero* and many purchased copies of the film for their own private use. On Sunday 14 October 2018, Archbishop Oscar Romero was canonised at a ceremony in the Vatican by Pope Francis**.**

Liverpool

Historic Event
On 7 March 2018, Sister Betty Twamley from our Liverpool community received a letter from the "Under Sheriff" of the County Palatine of Lancaster, David E. Cam DLBA Barrister, offering Sister Betty congratulations on her appointment as a Chaplain to the High Sheriff of Merseyside 2018/9. The installation of the High Sheriff, Mr Peter Woods DL, took place on 19 April 2018 and was hosted by Canon Anthony O'Brien, Dean of the Metropolitan Cathedral of Christ the King, Liverpool. Sister Betty Twamley and Sister Catherine Skelton were present at the historic event. Mr Peter Woods is a frequent visitor to Pauline Books & Media and is most appreciative of our mission and service to the Archdiocese of Liverpool.

Objectives, activities and relevant policies (continued)

Adoremus National Eucharistic Pilgrimage and Congress
When the Bishops' Conference of England & Wales announced that a National Eucharistic Pilgrimage & Congress would take place in September 2018 in the city of Liverpool, Pauline Books & Media was delighted, having a presence in the host city. The Archdiocese organised what became known as "The Adoremus Fringe" of which Pauline Books & Media was part. They offered four workshops based on *Scripture and the Eucharist.* Four speakers from different parts of the UK took part in the workshops. On the main day of the Congress, the Daughters of St Paul welcomed many visitors from various dioceses up and down the country from as far as Arundel and Brighton, Lancaster, Westminster and Middlesbrough to their Centre in Bold Street, Liverpool.

The initiative of the Catholic Bishops' Conference of England and Wales was to create a special opportunity to reflect on the centrality of the Eucharist in the life of the Church. Bishop Robert Barron gave two keynote addresses. He spoke of the mystery of the Mass: *"The Source and Summit of Christian Life".*

Cardinal Vincent Nichols presided at the Sunday morning Mass and Archbishop Malcolm McMahon delivered the homily. Cardinal Nichols led prayer in front of the Blessed Sacrament at a time of Benediction and Evening Prayer.

The weekend of 20 – 21 October was celebrated as Synod Sunday. Archbishop Malcolm McMahon's Pastoral Letter was read out in all parishes of the Archdiocese. In his letter, the Archbishop said that the only way to live out his calling to service was by listening: "I need to hear the hopes and fears of our people, the challenges facing our priests and deacons, our schools, and the reality our families have to deal with each day".

Newcastle
Pauline Books & Media, Newcastle, continues to collaborate with the various organisations throughout the diocese of Hexham and Newcastle with resource displays, book promotions and workshops at various events. The annual Head Teachers' Conference in November organised by the Education Department is a key moment to engage with the head teachers of the diocese and put on display the various resources offered by Pauline Books & Media.

Among the events to take place at the Centre are the monthly Book Club initiative and the annual children's story telling based on the Christmas story, which is enjoyed by children and their parents.

During the month of March, we received the contract for the renewal of the lease of Pauline Books & Media, Newcastle. Sister Germana Santos fsp instructed Hugh Pearce (Stone King solicitors) to contact Sursum Corda (Newcastle) with our instructions for the few modifications requested by the trustees. A copy of the approved new lease was made available to the Trustees of the Daughters of St Paul.

Objectives, activities and relevant policies (continued)

Newcastle *(continued)*
In the month of May a visual presentation of the Apostolic Exhortation *Gaudete et Exsultate* by Pope Francis on the call to holiness in today's world, was presented in the Centre by the Diocesan priest Doctor Sean Hall.

Glasgow
Pauline Books & Media, Glasgow, continues to play a very active part in proclaiming the Good News throughout various parishes in Scotland. Our sisters and employees welcome customers and visitors to browse among the wide selection of books, DVDs and religious objects on display in the Centre.

Collaboration with schools and Glasgow University
Throughout 2018 Pauline Books & Media, Glasgow, cultivated an active awareness of the liturgical year providing a series of workshops on how to celebrate the various feasts and seasons. They hosted events and workshops on Scripture themes for children which help children grow in faith. The Centre provides a wide range of resources for Religious Education and children's liturgy. Such resources are much appreciated by teachers and catechists. First and third year students who are preparing to teach in Catholic Primary schools are accompanied by their tutor twice a year in a visit to the Centre so as to become aware of the resources available for Religious Education. The students attend a workshop on a key theme linked with a Pauline production, all students are given a discount card which entitles them to a 10% discount when purchasing resources.

Pauline Books & Media launched the second volume of '*Reclaiming the Piazza Catholic Education and the New Evangelisation'* edited by Ronnie Convery, Leonardo Franchi and Raymond McCluskey, lecturers on Creativity Culture & Faith at Glasgow University.

Shortly after its publication in March 2018, a visual presentation and discussion on the Apostolic Exhortation *Gaudete et Exsultate* ("The Call to Holiness in Today's World") by Pope Francis was presented in our Pauline Books & Media Centre by Father Stephen O'Reilly, a diocesan Priest from the University of Glasgow.

Bishop John Keenan of Paisley addressed a letter to head teachers throughout the Diocese. He spoke of the arrangement made with Pauline Books & Media which "makes available to you some wonderful resources" for CLPL (Career-Long Professional Learning). He wrote. "I believe this arrangement between the Diocese and Pauline Books & Media is a very good initiative of New Evangelisation that takes forward our Paisley Synod in a special way".

An icon exhibition was hosted at Pauline Books & Media Centre from 14 – 16 September 2018. People from many parts of Scotland visited the Centre to view the hand written painted icons by Cristina Szidelo, a local artist of Romanian origin.

Pauline Books & Media, Glasgow, produced a special pamphlet for distribution among the customers and visitors to the Centre. The pamphlet underlined the various events scheduled to take place during the month of November and the Advent season.

Objectives, activities and relevant policies (continued)

Glasgow (continued)

Collaboration with schools and Glasgow University (continued)
On 3 November, a monthly Book Club was launched. The initiative was conducted by a lay employee who, through social media, invited people to join the club.

On 30 November the Daughters of St Paul celebrated, together with their customers, the feast of their patron St Andrew of Scotland. A special guest, the Italian singer Friar Alessandro, visited Pauline Books & Media where he sang songs from his album "Voice of Assisi." He was the first religious brother to land an exclusive record contract with a major record label. Sisters and members of staff attended the concert "Voice of Assisi, Friar Alessandro, Scottish Première Concert", held on 1 December at St Mary's R.C. Church, Glasgow.

Fundraising
The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2018, the charity received no complaints about its fundraising activities.

Financial review

Results for the year
Total income for the year amounted to £1,027,735 (2017 – £1,097,476). Of the total income, £963,431 (2017 – £1,013,421) was derived from the charity's primary purpose trading activities.

Total expenditure for the year amounted to £1,370,976 (2017 – £1,445,521). Of this total, £1,367,502 (2017 – £1,439,228) was directly related to the costs of the charity's primary purpose trading activities. Despite operating in an increasingly cost competitive market, the charity has managed to maintain gross profit margins at an average of 45% (2017 – 45%).

Therefore, net expenditure for the year was £343,241 (2017 – £348,045).

Reserves policy
Our reserves policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure.

Financial review (continued)

Financial position

The balance sheet shows total funds of £5,253,625. Of this, £4,202,395 (2017 – £4,371,571) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters. A further £1,000,000 (2017 – £1,000,000) represents designated monies set aside to support the sisters in the long term.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £51,230 at 31 December 2018 (2017 – £225,295). The charity has in recent years been suffering annual deficits and there remains a desire to increase the amounts designated for the future care of the sisters – both of these factors will continue to place pressure on free reserves over the longer term and the trustees are considering options to manage this.

Future plans

Over the coming year, it is the trustees' intention to:

- Ensure all members of the Delegation receive the high level of care and support they require to enable them to carry out their ministry;
- Produce resources to meet with specific needs of families, schools, parishes and the general public;
- Review the location of Pauline Books & Media, Liverpool;
- Ensure that Pauline Books & Media Centres are financially viable; and
- Ensure Pauline Books & Media adopts the best means of engaging with its stakeholders.

Principal risks and uncertainties

The trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

Principal risks and uncertainties (continued)

Competition from large scale retailers

In recent years, competition from larger retailers, particularly those with an online presence, such as Amazon, has led to a decline in revenues for Pauline Books & Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in four different locations across the UK. The trustees acknowledge the impact of the trends in the retail sector and, as a response, the charity invested in a new website which went live on 1 October 2015. The charity is now also trading through Amazon Marketplace. The trustees are hopeful that the new online platforms will help the charity to better compete online going forward.

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members at 31 December 2018 was 70 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Availability of financial resources

As noted in the financial review above, the charity's balance of free reserves remains a concern for the longer term due to the recurring deficits and the desire to increase the amounts designated for the longer term care of the sisters of the Congregation. The trustees continue to consider options to manage this issue longer term.

Governance, structure and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation following a consultation of the members of the British Delegation.

Governance, structure and management (continued)

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2018:

Trustee	Appointed/ resigned
Sister Angela Grant fsp (Delegate Superior)	
Sister Mary Connell fsp (Secretary until December 2018)	Resigned December 2018
Sister Gregoria Mignolli fsp (Bursar to May 2019)	
Sister Elaine Penrice fsp (Secretary from December 2018)	Appointed January 2019
Sister Mary Ann Salvilla fsp (Bursar from May 2019)	Appointed January 2019
Sister Germana Santos fsp	Resigned May 2018

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious in England & Wales, Conference of Religious in Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars. In planning activities, the Trustees keep in mind at all times the Charity Commission's guidance on Public Benefit.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the 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 and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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;

Governance, structure and management (continued)

Statement of Trustees' responsibilities *(continued)*

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and

- 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- Editorial/production: researching new products and arranging for their production and launch;

- Graphic design: an in-house origination and design service for new products, web pages and advertising;

- Wholesale sales at Slough: a warehouse operation, serving wholesale and retail outlets, Church and educational establishments;

- Retail sales: the retail operation of the Pauline Books & Media Centres in London, Langley, Liverpool, Newcastle upon Tyne and Glasgow;

- Marketing and publicity: market research, product publicity and trade exhibitions;

- Central administration: secretarial, accounting, finance and computer services;

- Website; and

- Communities: administration of the religious and private lives of the sisters.

Governance, structure and management (continued)

Structure and management reporting *(continued)*
The Trustees hold regular meetings throughout the year and examine the trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. All Trustee meetings are held at the Convent of Our Lady, Middle Green, Slough, SL3 6BS. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel
The Trustees (including the Delegate Superior and Bursar) 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.

The Trustees are all members of the Delegation 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 to the charity.

Members of the Delegation
At the end of 2018 there were 22 sisters in the British Delegation who live as part of four communities in Slough, London, Liverpool, and Glasgow. The active sisters in the Delegation are employed as follows:

- Delegate Superior: 1 sister;
- The retail centres: 13 sisters;
- Accounts department: 2 sisters;
- Secretarial work: 1 sister;
- Graphic designer 1 sister; and
- Home care: 4 sisters.

The average age of the sisters in 2018 was 70 years. The sisters do not receive a wage for their services. They continue to serve the Lord joyfully and in a spirit of prayer and in view of the common good. They use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments.

Care for the elderly sisters and sick members of the Delegation is a priority for the trustees.

Governance, structure and management (continued)

Employees

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Pauline Books & Media is required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment. The scheme, for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Books & Media remains committed to adhering to the ongoing requirements governing automatic enrolment.

Signed on behalf of the Trustees:

ANGELA GRANT

Trustee

Approved on: 5 July 2019

Independent auditor's report to the members of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2018, 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).

In our opinion, the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 and proper 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 Trustees' responsibilities statement, 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.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

26/07/2019

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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 2018

	Notes	Unrestricted funds 2018 £	2017 £
Income from:			
Donations and legacies	1	**56,498**	72,497
Bank interest	2	**5,178**	4,637
Charitable activities			
. Communications media income	3	**963,431**	1,013,421
Other sources			
. Gain on disposal of tangible fixed assets		—	100
. Foreign exchange gains		**2,628**	6,821
Total income		**1,027,735**	1,097,476
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	**1,367,502**	1,439,228
Other items			
. Foreign exchange losses		**3,474**	6,293
Total expenditure		**1,370,976**	1,445,521
Net expenditure and net movement in funds	7	**(343,241)**	(348,045)
Reconciliation of funds			
Total funds brought forward at 1 January 2018		**5,596,866**	5,944,911
Total funds carried forward at 31 December 2018		**5,253,625**	5,596,866

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

Balance sheet 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	10		**4,202,395**		4,371,571
Current assets					
Stocks	11	**292,148**		302,218	
Debtors	12	**71,690**		92,324	
Short term deposits		**700,000**		800,000	
Cash at bank and in hand		**182,981**		173,272	
		1,246,819		1,367,814	
Liabilities:					
Creditors: amounts falling due within one year	13	**(195,589)**		(142,519)	
Net current assets			**1,051,230**		1,225,295
Total net assets			**5,253,625**		5,596,866
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	14		**4,202,395**		4,371,571
. Designated funds	15		**1,000,000**		1,000,000
. General fund			**51,230**		225,295
			5,253,625		5,596,866

Approved by the Trustees
and signed on their behalf by:

ANGELA GRANT

Trustee

Approved on: 5 July 2019

Statement of cash flows Year to 31 December 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash used in operating activities	A	**(87,654)**	(236,828)
Cash flows from investing activities:			
Bank interest received		**5,178**	4,637
Purchase of tangible fixed assets		**(7,815)**	(103,032)
Disposal of tangible fixed assets		—	100
Net cash used in investing activities		**(2,637)**	(98,295)
Change in cash and cash equivalents in the year		**(90,291)**	(335,123)
Cash and cash equivalents at 1 January 2018	B	**973,272**	1,308,395
Cash and cash equivalents at 31 December 2018	B	**882,981**	973,272

Notes to the statement of cash flows for the year to 31 December 2018.

A Reconciliation of net expenditure to net cash used in operating activities

	2018 £	2017 £
Net expenditure (as per the statement of financial activities)	**(343,241)**	(348,045)
Adjustments for:		
Depreciation charge	**176,991**	172,173
Interest receivable	**(5,178)**	(4,637)
Surplus on disposal of tangible fixed assets	—	(100)
Decrease in stocks	**10,070**	8,140
Decrease in debtors	**20,634**	13,540
Increase (decrease) in creditors	**53,070**	(77,899)
Net cash used in operating activities	**(87,654)**	(236,828)

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**182,981**	173,272
Short term deposits	**700,000**	800,000
Total cash and cash equivalents	**882,981**	973,272

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

These accounts have been prepared for the year to 31 December 2018 with comparative information provided in respect to the year to 31 December 2017.

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 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- the assumptions adopted in estimating the ideal level of the sisters' retirement reserve.

Assessment of going concern

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

Assessment of going concern (continued)
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.

Income recognition
Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from charitable activities, donations, bank interest and other income.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, 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.

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

Expenditure recognition

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. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

  Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- Other expenditure which includes sundry costs such as losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

♦ Freehold buildings	2% per annum
♦ Fixtures and fittings	10% per annum
♦ Computer software and equipment	20% per annum
♦ Motor vehicles	20% per annum

Tangible fixed assets (continued)

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

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.

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. 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.

Fund accounting

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.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

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

1 Donations and legacies

	2018 £	2017 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	**35,545**	40,354
Donations	**20,953**	27,143
Legacies	**—**	5,000
	56,498	72,497

2 Bank interest

	2018 £	2017 £
Interest receivable	**5,178**	4,637

3 Communications media income

	2018 £	2017 £
Turnover from trading activities	**963,076**	1,012,921
Royalties and copyright income	**355**	500
	963,431	1,013,421

4 Spreading the Gospel through communications media

	2018 £	2017 £
Costs of goods sold	**556,161**	593,770
Community living and personal expenses	**141,146**	134,139
Support costs (note 5)	**670,195**	711,319
	1,367,502	1,439,228

5 Support costs

	2018 £	2017 £
Staff costs (note 8)	**215,817**	216,901
Depreciation	**176,991**	172,173
Book centre and office expenses	**262,337**	307,130
Governance costs (note 6)	**15,050**	15,115
	670,195	711,319

6 Governance costs

	2018 £	2017 £
Auditor's remuneration	**15,050**	15,115

7 Net expenditure and net movement in funds

This is stated after charging:

	2018 £	2017 £
Staff costs (note 8)	**215,817**	216,901
Auditor's remuneration		
. Statutory audit services	**15,050**	15,115
Rentals under operating leases	**4,774**	4,947
Depreciation	**176,991**	172,173

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	**203,978**	205,113
Social security costs	**7,448**	7,537
Other pension costs	**4,391**	4,251
	215,817	216,901

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2018 FTE	2017 FTE	**2018 Average number**	2017 Average number
Charitable activities				
. Spreading the Gospel through communications media	**12**	12	**20**	21

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2017 – none).

The trustees (including the Delegate Superior and Bursar) 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.

The trustees are all members of the Delegation 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 to the charity (2017 – £nil).

9 Taxation

The Pious Society of the Daughters of St Paul 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.

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	**Total £**
Cost					
At 1 January 2018	5,694,125	741,141	459,798	62,615	**6,957,679**
Additions	—	—	—	7,815	**7,815**
Disposals	—	—	—	(13,115)	**(13,115)**
At 31 December 2018	5,694,125	741,141	459,798	57,315	**6,952,379**
At historic cost	5,291,028	741,141	459,798	57,315	**6,549,282**
At deemed cost (1997 valuation)	403,097	—	—	—	**403,097**
	5,694,125	741,141	459,798	57,315	**6,952,379**
Depreciation					
At 1 January 2018	1,586,107	550,214	402,394	47,393	**2,586,108**
Charge for the year	116,415	34,881	20,478	5,217	**176,991**
Disposals	—	—	—	(13,115)	**(13,115)**
At 31 December 2018	1,702,522	585,095	422,872	39,495	**2,749,984**
Net book values					
At 31 December 2018	3,991,603	156,046	36,926	17,820	**4,202,395**
At 31 December 2017	4,108,018	190,927	57,404	15,222	**4,371,571**

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

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 arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to users of the accounts.

11 Stocks

	2018 £	2017 £
Finished goods and goods for resale	**292,148**	302,218

12 Debtors

	2018 £	2017 £
Trade debtors	**16,681**	21,221
Other debtors	**928**	647
Prepayments and accrued income	**54,081**	49,035
Amount due from the Congregation's Generalate	—	21,421
	71,690	92,324

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Amount due to the Congregation's Generalate	**16,845**	—
Expense creditors	**97,362**	73,628
Payments due in respect to tangible fixed assets	—	5,340
Other creditors and accruals	**62,852**	46,466
Deferred income	**18,530**	17,085
	195,589	142,519

14 Tangible fixed assets fund

	Total 2018 £	Total 2017 £
At 1 January 2018	4,371,571	4,440,712
Net movement in year	(169,176)	(69,141)
At 31 December 2018	4,202,395	4,371,571

15 Designated fund

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

	At 1 January 2018 £	**New designations £**	**Transferred to general fund £**	**At 31 December 2018 £**
Retirement fund	1,000,000	—	—	**1,000,000**

	At 1 January 2017 £	New designations £	Transferred to general fund £	At 31 December 2017 £
Retirement fund	1,000,000	—	—	1,000,000

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the longer term.

16 Analysis of net assets between funds

	General fund £	**Designated fund £**	**Tangible fixed asset fund £**	**Total 2018 £**
Fund balances at 31 December 2018 are represented by:				
Tangible fixed assets	—	—	4,202,395	**4,202,395**
Current assets	246,819	1,000,000	—	**1,246,819**
Creditors: amounts falling due within one year	(195,589)	—	—	**(195,589)**
Total net assets	51,230	1,000,000	4,202,395	**5,253,625**

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2017 £
Fund balances at 31 December 2017 are represented by:				
Tangible fixed assets	—	—	4,371,571	4,371,571
Current assets	367,814	1,000,000	—	1,367,814
Creditors: amounts falling due within one year	(142,519)	—	—	(142,519)
Total net assets	225,295	1,000,000	4,371,571	5,596,866

17 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 3% of their gross salary to the plan, which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £4,391 (2017 – £4,251).

18 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

19 Related party transactions

Income from donations and legacies includes the salaries and pensions of certain trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2018, the total value of these receipts amounted to £15,488 (2017 – £9,404). Other transactions with trustees are disclosed in note 8.