

REGISTERED CHARITY NUMBER: 1073795

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR**

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

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for the Year Ended 31 December 2018**

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**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018**

TRUSTEES

Sr M Prema
Sr M Chantal
Sr M Piotra
Sr Pauline
Sr M Imelda

PRINCIPAL ADDRESS

177 Bravington Road
London
W9 3AR

REGISTERED CHARITY NUMBER

1073795

AUDITORS

Richard Place Dobson Services Limited
Richard Place Dobson Services Limited
Chartered Accountants
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

SOLICITORS

Pothecary Witham Weld
70 St George's Square
London
SW1V 3RD

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2018**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objects of the charity are:

1. The relief of poverty.
2. Where applicable, the advancement of religion.
3. The advancement of education.
4. The relief of the old and sick.
5. General charitable work wherever such work is needed throughout the world.

Significant activities

The Charity undertakes various activities to achieve its main objectives:

- The relief of poverty through soup kitchens, hostels for homeless men and women, night soup runs, groceries provided for families every week, distribution of clothing and toiletries.
- Where applicable, the advancement of religion through catechetical programmes for children and adults.
- The relief of the old and the sick through visits at home and to hospitals.
- General charitable work such as summer schemes for children and youth clubs and visits to families.

In addition, hostels in Southwark, Bravington, Armagh, Swansea and Liverpool are constantly full with waiting lists.

Public benefit

We have referred to the guidelines in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Sisters are increasingly working with refugees.

In addition, monies have been sent either via the European main office in Rome or via India to support overseas projects in Asia, Africa, South America and Eastern Europe. This money is used in:

- medical dispensaries, mobile clinics and leprosariums;
- homes for the dying, orphanages, homes and hostels for the homeless, feeding centres and soup kitchens;
- slum schools, typing and sewing classes.

The charity does not undertake any fundraising activities.

To better explain the activities of the Charity, herewith are the statistics of our activities for 2018:

- dry rations distributed to families and individuals in need (12 branch houses): 2,016 rations
- meals served daily over the course of the year in the soup kitchen (7 branch houses): 86,759 meals
- meals (or snacks) served in the streets (5 branch houses): 4,761 meals

5 branch houses provided hostels for homeless ladies and men:

- persons admitted during the year: 671 persons
- persons discharged during the year: 656 persons
- persons at present staying with us: 77 persons

The Sisters organised a number of outings for families, children, the elderly and the homeless, and also carried out many social visits during the year:

- families: 1,210 families
- shut-ins: 1,316 persons
- 40 nursing homes: 707 persons
- 27 hospitals: 857 patients
- 3 prisons: 790 prisoners
- street and park encounters: 1,041 persons
- outings: 942 people
- Christmas/Easter Parties: 439 persons

The Sisters ran a number of Catechism centres throughout the year. 31 of those were for the Catechises of the Good Shepherd attended by 519 children and 18 Sunday schools for children attended by 313 children. Also 4 were run through Public Schools, with 77 children attending and others Catechism activities were attended by 105 at 3 centres. Also a Catechism for teens was run at 1 centre with 14 youths attending. Alongside children 6 centres were run for adults and were attended by 62 persons.

The Sisters continue their work for children and adults by:

- 32 rosary groups for 1,400 members;
- 12 prayer groups for 343 members;
- 1 bible classes for 5 members;
- 12 adoration groups for 152 members;
- 21 groups for days of recollection groups for 543 persons;
- 4 retreat groups for 60 persons;
- 4 procession centre for 450 persons;
- 1 village for 60 persons;
- Consecration of families to the sacred heart for 19 families;
- Consecration of people of immaculate heart for 343 persons and
- 4 houses of Holy Mass for 113 persons;

In cooperation with the local parishes, the Sisters have prepared:

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- 19 persons for baptism;
- 123 persons for First Holy Communion;
- 4 persons for confirmation;
- 25 person for Anointing of the sick;
- 1 marriage settled;
- 158 persons for confessions;
- 121 persons for First Confessions;
- 139 persons regularly for Holy Communion to the sick and housebound;
- First Saturday devotion for 72 persons;
- Pilgrim Statue and Rosary in families for 339 families;
- Stations of the cross (in street) for 200 persons;
- 2 groups of Lay M.C. & 'I Thirst Group for 12 members;
- 10 houses for Summer program for children - for 554 children;
- 1 group for English Class for 14 persons
- 1 branch house for Mother and Child for 9 Mothers and 10 Children
- Monetary help given (housing, school fee, clothing, medical, travel, food & funeral charges) for 789 persons.

Beside that branches also organised May Processions, Living cribs, Carol services in public places, stations of the Cross on the streets, pilgrimages, street evangelisation in the Notting Hill Carnival and Night Fever.

We hereby provide some more detailed information on the activities of three of our houses: Bravington Road, Newcastle and Southwark for the year 2018.

Bravington Road:

Besides the convent the Sisters in Bravington Road have also a hostel for homeless women with no recourse to public funds. The accomodation allows a maximum stay of 3 months in which meals and assistance for their various needs are provided. This is available for 15 residents.

The Sisters are also running a Soup kitchen in St Charles Square where they prepare a hot meal for the homeless and lonely 5 days a week. The attendance during the week is 50-70 and on Sundays 70-90.

Whenever opportunity offers the Sisters visit families, the sick or elderly in their homes and sheltered accommodations.

On Sundays the Sisters bring Holy Communion to the housebound (about 20 people). In the summer the Sisters organise a Summer Programme for children ages 5-11 and there are between 30 and 40 children attending. Three years ago after discerning where there would be the greater need for this programme the Sisters started it in the Parish of Our Lady of Fatima, White City.

In the summer the Sisters also invite pensioners and the people from the Soup kitchen for their separate outing. During Christmas and Easter they collect the pensioners for Holy Mass and then serve lunch followed by some entertainment.

Seeing the need to offer something for the ladies who stayed in their homeless shelter when pregnant, the Sisters have started the "Mothers Prayer" once a month where they pray with them, socialise and at times take them out. The Sisters also go once a week to a Primary School to teach the Catechesis of the Good Shepherd to the children of the Nursery Class.

And finally the Sisters organise during the year days of prayer for the residents of the hostel and the people attending the Soup kitchen.

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Newcastle:

The Sisters still have the breakfast centre but only on Mondays with an attendance of 30-40 people. During the week the Sisters visit families, shut-ins and Nursing-Homes. They also bring Holy Communion to shut-ins (changing numbers, at the moment 1). On Tuesdays they give dry rations to 7-10 families.

The Sisters teach 2 levels of the "Good Shepherd Catechis" in the Parish (one level 8 children, the other 15 children). On Saturdays they teach regular Catechism in their house to 10-12 adults and 25-30 children. On Sundays the Sisters gather 40-50 people for Holy Mass.

The Sisters have 5 Pilgrim Statues of Our Lady which they bring to people during the year. On the arrival of the Statue they pray with them again and to bring it to somebody else. In the Summer holidays the Sisters have a summer programme for children with 40-50 children attending.

Southwark:

The Sisters are still running a hostel for homeless men. They can provide 40 beds and offer breakfast and dinner and help with other urgent needs. The sisters also have a Soup kitchen open 5 days a week where they serve a hot meal for the homeless and the lonely (70-80 on weekdays, 120-130 on Sundays). On Monday nights they reach out to the people on the streets.

Whenever possible the Sisters visit families, shut-ins, elderly and lonely. Twice a year the Sisters organise a day of Prayer for the residents and for the people of the soup kitchen (at times also in other places not in their house). The sisters also invite the elderly for a summer outing for Christmas and Easter for Holy Mass and "Party" where they are served a hot meal. In the summer they organise an outing for their residents and people from the soup kitchen. Another activity in the summer is the Summer Programme for children which is attended by around 80 children.

During the year the Sisters teach the Catechis of the "Good Shepherd" to different groups of children:
on Saturdays in the Parish with about 10 children
Tuesdays in the Parish Primary School 2 groups together about 20 children
Wednesdays in another Primary School 2 groups together about 16 children
on Saturdays the Sisters also teach the regular Catechism in their house where they have 4 groups with about 30 children.

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities on page 10 shows net expenditure of £524,582 (2017: net expenditure of £190,891). Also shown on page 10, the UK charity has been able to contribute £1,500,000 (2017 - £398,519) to the worldwide activities of the Missionaries of Charity.

Reserves policy

The Constitutions of the Order state 'we will depend on donations in cash or in kind' and 'we will not worry about tomorrow, but live the present moment intensely with complete trust in God'. Hence, free reserves in excess of immediate needs are forwarded to Rome on a six monthly basis.

FUTURE PLANS

The future plans for the charity involve carrying on the good work they are doing in the communities that they currently serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The trustees who served during the year are listed on page 1.

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The appointments are to be confirmed at the charity's Annual General Meeting. Changes in appointments may take place either at a meeting of which minutes are taken or by the Regional Superior signing a form of appointment.

Organisational structure

The charity's accounting and recording procedures are dictated by its Mother House in Calcutta. A Bursar within each House is nominated and she is responsible for the day to day running of the charity together with the House Superior.

On 1 May 2000 the charity took over the assets and liabilities of the charity 'Missionaries of Charity', registration number 262578 which has since been removed from the Charity Commission register.

This charity is now more commonly known as the 'Missionaries of Charity'.

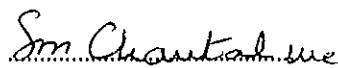
The charity has taken on the responsibility for all operations of another charity, 'Co-workers of Mother Teresa'. This charity was set up under a constitution dated 22 June 1999 but was removed from the Charity Commission register in 2000, when it came under the management of this charity. All funds collected by them are sent direct to the UK head office in Bravington Road and are accounted for by this charity and are subject to the same financial control.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces. A full risk register has been produced and is being reviewed annually to ensure systems are in place to mitigate the risks identified.

A major risk identified was the safety and security of the sisters in their work environment, this has been mitigated by means of carrying out full assessments of beneficiaries before being accepted into hostels. The charity also complies with Health and Safety Regulations and has local council checks carried out under its Houses in Multiple Occupation Licence.

Approved by order of the board of trustees on 4th Oct 2019 and signed on its behalf by:


Sr M Chantel - Trustee

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**STATEMENT OF TRUSTEES RESPONSIBILITIES
for the Year Ended 31 December 2018**

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Richard Place Dobson Services Ltd

Richard Place Dobson Services Limited
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Date: 10/10/19

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2018**

		Unrestricted fund	Designated Fund	Restricted Funds	31.12.18 Total funds	31.12.17 Total funds
	Notes	£	£	£	£	£
INCOME FROM						
Donations and legacies	2	1,671,049	-	34,500	1,705,549	1,148,466
Investment income	3	2,569	-	-	2,569	2,151
Other income	4	26,496	-	-	26,496	32,815
Total		1,700,114	-	34,500	1,734,614	1,183,432
EXPENDITURE ON						
Charitable activities	5					
Religious services		759,196	-	-	759,196	975,804
Overseas donations		1,465,500	-	34,500	1,500,000	398,519
Total		2,224,696	-	34,500	2,259,196	1,374,323
NET INCOME/(EXPENDITURE)		(524,582)	-	-	(524,582)	(190,891)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,803,847	4,301,943	-	6,105,790	6,296,681
TOTAL FUNDS CARRIED FORWARD		1,279,265	4,301,943	-	5,581,208	6,105,790

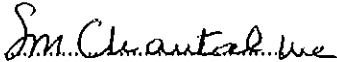
The notes form part of these financial statements

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**BALANCE SHEET
At 31 December 2018**

		Unrestricted fund	Designated Fund	Restricted Funds	31.12.18 Total funds	31.12.17 Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	9	135,214	4,236,943	-	4,372,157	4,385,945
CURRENT ASSETS						
Debtors	10	39,690	-	-	39,690	260,417
Cash at bank and in hand		<u>1,131,308</u>	<u>65,000</u>	-	<u>1,196,308</u>	<u>1,485,724</u>
		1,170,998	65,000	-	1,235,998	1,746,141
CREDITORS						
Amounts falling due within one year	11	(26,947)	-	-	(26,947)	(26,296)
NET CURRENT ASSETS		<u>1,144,051</u>	<u>65,000</u>	-	<u>1,209,051</u>	<u>1,719,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,279,265</u>	<u>4,301,943</u>	-	<u>5,581,208</u>	<u>6,105,790</u>
NET ASSETS		<u>1,279,265</u>	<u>4,301,943</u>	-	<u>5,581,208</u>	<u>6,105,790</u>
FUNDS	12					
Unrestricted funds:						
General fund					1,279,265	1,803,847
Designated Fund					<u>4,301,943</u>	<u>4,301,943</u>
					5,581,208	6,105,790
Restricted funds:					-	-
TOTAL FUNDS					<u>5,581,208</u>	<u>6,105,790</u>

The financial statements were approved by the Board of Trustees on 4th Oct 2019 and were signed on its behalf by:


Sr M Chantol - Trustee

The notes form part of these financial statements

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

CASH FLOW STATEMENT

for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(279,803)</u>	<u>(128,279)</u>
Net cash provided by (used in) operating activities		<u>(279,803)</u>	<u>(128,279)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(12,182)	(29,368)
Sale of tangible fixed assets		-	188,014
Interest received		<u>2,569</u>	<u>2,151</u>
Net cash provided by (used in) investing activities		<u>(9,613)</u>	<u>160,797</u>
 Change in cash and cash equivalents in the reporting period		(289,416)	32,518
Cash and cash equivalents at the beginning of the reporting period		<u>1,485,724</u>	<u>1,453,206</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,196,308</u></u>	<u><u>1,485,724</u></u>

The notes form part of these financial statements

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2018**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	31.12.18	31.12.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(524,582)	(190,891)
Adjustments for:		
Depreciation charges	25,970	29,164
Loss on disposal of fixed assets	-	452
Interest received	(2,569)	(2,151)
Decrease in debtors	220,727	36,665
Increase/(decrease) in creditors	651	(1,518)
Net cash provided by (used in) operating activities	<u>(279,803)</u>	<u>(128,279)</u>

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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 Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective 1 April 2005 which has since been withdrawn.

Income

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

Donations and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator / executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset being transferred to the charity.

Income from investments which comprises interest receivable is included in the Statement of Financial Activities.

Other incoming resources includes a government repayment relating to a rebate on an overpayment of a property's rates.

The charity is donated a large amount of food stuff and various other consumables during the year from well wishers who assist the charity in continuing its charitable works. It is not possible to value the amount of non cash donations received and accordingly these donations in kind are not included in the financial statements.

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Religious services expenditure relates to the cost of serving the community.

Overseas project expenditure relates to monies sent overseas to be spent on specific charitable projects.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include audit fees, bank charges and legal fees. These costs have been allocated between the different charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% straight line
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Assets for charity use are capitalised at cost where acquired or market value, as determined by the bursar, where donated.

Land and buildings are shown at cost and have not been revalued. Tangible fixed assets other than freehold land are stated at costs less depreciation. No depreciation is charged on freehold property as the estimated residual value exceeds the cost and any depreciation charge would be immaterial.

The trustees have set a capitalisation policy of £500.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Other debtors and prepayments are recognised at the settlement amount due after any trade discount is offered.

Cash

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

Creditors

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

Key accounting estimates and critical judgements

The preparation of the financial statements requires trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The main judgements and accounting estimates included in the accounts are:

The estimated residual value of freehold property is considered to be in excess of cost therefore depreciation is not charged on freehold property.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	31.12.18 Total funds	31.12.17 Total funds
	£	£	£	£
Donations	236,285	29,475	265,760	508,109
Gift aid	15,764	-	15,764	20,054
Legacies	<u>1,419,000</u>	<u>5,025</u>	<u>1,424,025</u>	<u>620,303</u>
	<u>1,671,049</u>	<u>34,500</u>	<u>1,705,549</u>	<u>1,148,466</u>

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.12.18 Total funds	31.12.17 Total funds
	£	£	£	£
Deposit account interest	<u>2,569</u>	<u>-</u>	<u>2,569</u>	<u>2,151</u>

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

4. OTHER INCOME

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Rebates	17,181	-	17,181	15,016
Royalties	<u>9,315</u>	<u>-</u>	<u>9,315</u>	<u>17,799</u>
	<u>26,496</u>	<u>-</u>	<u>26,496</u>	<u>32,815</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 6) £	Totals £
Religious services	743,433	15,763	759,196
Overseas donations	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
	<u>2,243,433</u>	<u>15,763</u>	<u>2,259,196</u>

6. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Religious services	<u>1,213</u>	<u>14,550</u>	<u>15,763</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

The Trustees are members of the community. Members of the community are maintained by the charity and premises, meals and other living expenses are paid by the charity.

8. 2017 STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated Fund £	Restricted Funds £	Total funds £
INCOME FROM				
Donations and legacies	1,005,791	-	142,675	1,148,466
Investment income	2,151	-	-	2,151
Other income	<u>32,815</u>	<u>-</u>	<u>-</u>	<u>32,815</u>
Total	1,040,757	-	142,675	1,183,432

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018**

8. 2017 STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Designated Fund £	Restricted Funds £	Total funds £
EXPENDITURE ON				
Charitable activities				
Religious services	787,840	187,964	-	975,804
Overseas donations	<u>245,834</u>	<u>-</u>	<u>152,685</u>	<u>398,519</u>
Total	<u>1,033,674</u>	<u>187,964</u>	<u>152,685</u>	<u>1,374,323</u>
NET INCOME/(EXPENDITURE)	7,083	(187,964)	(10,010)	(190,891)
Transfers between funds	<u>(10,010)</u>	<u>-</u>	<u>10,010</u>	<u>-</u>
Net movement in funds	(2,927)	(187,964)	-	(190,891)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,806,774</u>	<u>4,489,907</u>	<u>-</u>	<u>6,296,681</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,803,847</u>	<u>4,301,943</u>	<u>-</u>	<u>6,105,790</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2018	4,367,519	374,258	80,920	4,822,697
Additions	<u>-</u>	<u>12,182</u>	<u>-</u>	<u>12,182</u>
At 31 December 2018	<u>4,367,519</u>	<u>386,440</u>	<u>80,920</u>	<u>4,834,879</u>
DEPRECIATION				
At 1 January 2018	130,576	250,370	55,806	436,752
Charge for year	<u>-</u>	<u>20,410</u>	<u>5,560</u>	<u>25,970</u>
At 31 December 2018	<u>130,576</u>	<u>270,780</u>	<u>61,366</u>	<u>462,722</u>
NET BOOK VALUE				
At 31 December 2018	<u>4,236,943</u>	<u>115,660</u>	<u>19,554</u>	<u>4,372,157</u>
At 31 December 2017	<u>4,236,943</u>	<u>123,888</u>	<u>25,114</u>	<u>4,385,945</u>

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Other debtors	<u>39,690</u>	<u>260,417</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Other creditors	<u>26,947</u>	<u>26,296</u>

12. MOVEMENT IN FUNDS

Designated funds

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

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
Property fund	4,236,943	-	-	-	4,236,943
Renovation Fund	65,000	-	-	-	65,000
	<u>4,301,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,301,943</u>

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
Property fund	4,424,907	-	(187,964)	-	4,236,943
Renovation Fund	65,000	-	-	-	65,000
	<u>4,489,407</u>	<u>-</u>	<u>(187,964)</u>	<u>-</u>	<u>4,301,943</u>

The Property fund represents the funds necessarily set aside for the charity's occupation of the land and buildings.

The Renovation fund represents funds set aside to undertake renovation work at the various houses.

Restricted funds

The income funds of the charity include restricted funds comprising of the following unexpended balances of donations and grants held on trust for specific purposes:

**MISSIONARIES OF CHARITIES OF MOTHER
TERESA OF CALCUTTA TRUST**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

12. MOVEMENT IN FUNDS - continued

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfer £	Balance at 31 December 2018 £
Specified donations	-	34,500	(34,500)		-
	-	34,500	(34,500)		-

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfer £	Balance at 31 December 2017 £
Specified donations	-	142,675	(152,685)	10,010	-
	-	142,675	(152,685)	10,010	-

Specified donations are those where the donor has requested the proceeds be transferred to a chosen country or organisation. Such donations are transferred without delay to the chosen destination.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.