

**Charity Registration Number: 1135474**

**Company Registration Number: 07010772 (England and Wales)**

**The Franciscan Missionaries of St. Joseph**

**Accounts**

**For the Year Ended 31 December 2018**

**Index**

1	Charity Information
2	Report of the Trustees
39	Auditor's Report
42	Statement of Financial Activities
45	Balance Sheet
46	Consolidated Statement of Cash Flows
48	Notes to the Accounts

## **The Franciscan Missionaries of St. Joseph**

### **Charity Information**

**For the Year Ended 31 December 2018**

Trustees	Sister Maureen Murphy Sister Anne Moore Sister Margaret Nyabongoye Sister Brenda Makokha Sister Joan Kerley
Congregation Leader	Sister Maureen Murphy
Congregational Bursar	Sister Anne Moore
Secretary General	Sister Brenda Makokha
Registered Office	St Joseph's Convent 150 Greenleach Lane Worsley, Manchester M28 2TS
Registered Charity Number	1135474
Registered Company Number	07010772
Accountants	John A. Porter & Co. 74 Dickenson Road Manchester M14 5HF
Auditors	Booth Ainsworth Audit Services Alpha House, 4 Greek Street Stockport SK3 8AB
Bankers	Royal Bank of Scotland plc St Ann's Street, St Ann's Square Manchester M60 2SS
Investment Brokers	Earnshaw Consultants Ltd Stanway Building, 1 Ashfield Road Sale M33 7DY
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

# **The Franciscan Missionaries of St. Joseph**

## **Report of the Trustees**

**For the Year Ended 31 December 2018**

### **Report of the Trustees**

The Trustees present the report and audited accounts for the Congregation of the Franciscan Missionaries of St Joseph for the year ended 31 December 2018.

### **Introduction**

The Congregation of the Franciscan Missionaries of St Joseph of the Third Order Regular of St Francis of Assisi (the Order) was founded in 1883 and is regulated by a Trust Deed dated 27<sup>th</sup> December 1963.

The Order was incorporated by order of the Charity Commissioners sealed on the 2nd day of June 1983 in the matter of a Charity for Roman Catholic purposes administered in connection with the Congregation of the Franciscan Missionary Sisters of St. Joseph of the Third Order Regular of St Francis of Assisi (hereinafter called "the Congregation") which Charity is regulated by a Trust Deed dated the 27<sup>th</sup> day of December 1963 as varied or affected by Schemes of the Charity Commissioners of the 14<sup>th</sup> day of December 1982 and the 29<sup>th</sup> day of August 1996.

The Order is registered with the Charity Commission under Charity Registration Number 1135474 and with Companies House as a Charitable Company Limited by Guarantee with no Share Capital (Registered Company Number 07010772 (England and Wales)). The Company was incorporated on 7 September 2009 and the functions and assets of The Order were transferred to the Company on 1 January 2011 by a Transfer Deed dated 18 February 2011.

The Congregation is an international Roman Catholic religious congregation supporting 110 Sisters worldwide and it is divided into five distinct regions or administrative areas across the world.

### **Mission**

The Congregation of the Franciscan Missionaries of St Joseph aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation.

The charitable work of the Congregation is authorised in England and Wales or elsewhere under the direction of the Congregation as the Trustees and this is currently undertaken in England, Ireland, United States of America, Kenya, Uganda, Ecuador, The Netherlands and Germany.

The ministries of the Sisters of the Congregation are built on and supported by a ministry of prayer and benefit large numbers of the general public. Our ministries fall into the following main areas:

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

- Social and Pastoral Work

Many Sisters of the Congregation are involved in various forms of social or pastoral work, including care of the elderly, the sick and under privileged and chaplaincy in hospitals and universities.

- Operation of Residential Care Establishments

During the year the Sisters provided care and assistance to the elderly at two establishments operated by the Charity; Franciscan Convent, Blackburn which provides care for Sisters of the Congregation and some members of the general public and Franciscan Convent, Burnley which provides care for Sisters of the Congregation in need of care.

- Overseas Missionary Work

The Sisters are engaged in missionary activity in and beyond our own country or culture. The Charity helps to support Sisters working in healthcare, education, social and pastoral ministries in Kenya, Uganda and Ecuador.

### **Governance, Structure and Management**

In terms of Canon Law, the Congregation is governed at an international level by the Congregational Leader and her General Councillors in Manchester, UK. They are elected every six years at a meeting of representatives of all the regions of the Congregation. The Congregational Leader and her Council govern the whole Congregation and historically have particular responsibility for the UK, The Netherlands and Germany. Ireland, Ecuador and Kenya are governed by a Regional Leader and her Council but are responsible to the Congregational Leadership Team who are the Trustees of the Charity. Uganda is governed by the Regional Leader and Council in Kenya. The Trustees are elected for their personal qualities, their understanding and experience of the ministries of the Sisters and to secure a good skills mix among them.

Each community is governed by a local Leader appointed by the Regional or Congregational Leader. Four communities without a resident local leader are now responsible to one appointed local leader. There is a system of accountability operational throughout the Congregation to ensure that the Congregational Leader and her Councillors are aware of the progress and development of the ministries carried out by the Sisters of the Congregation. The Congregational Leader visits every community at least once every three years and visits are also made by the Sisters in the Leadership Team at regular intervals.

In terms of Civil Law the Charity is governed by a Trust Deed dated 27 December 1963 and is a Registered Charity. The Trustees of the Charity are the Congregational Leader, her four Councillors and the Congregational Bursar. At the present time the Congregational Bursar is also a Councillor and this means there are five instead of the normal six Trustees. As all the Trustees are members of the Congregation they have a detailed knowledge of the work of the Charity and its structure. On being appointed there is a handover period of up to six months during which time the old and new teams work together to ensure continuity and a

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

full understanding of responsibilities. Trustees are required to take part in on-going training to ensure they are kept up to date with changes in legal, accountancy and investment regulations.

The names of the Trustees who served during the year are set out as part of the reference and administrative details which follow, together with brief biographical details on each of the Trustees.

From 18 June 2017 to 31 December 2018

Congregation Leader	Sister Maureen Murphy
Congregational Councillors	Sister Anne Moore (Assistant Congregational Leader) Sister Margaret Nyabongoye Sister Brenda Makokha Sister Joan Kerley
Congregational Bursar	Sister Anne Moore

The next General Chapter will take place in June 2023.

The Secretary General's appointment expired at the 2017 General Chapter and Sister Brenda Makokha was appointed for a period of three years.

The Congregational Bursar's appointment expired at the 2017 General Chapter and Sister Anne Moore was reappointed for a three year period.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Sister Maureen Murphy – Congregational Leader**

Having had a career in hospital administration, Sister Maureen entered the Congregation at the age of 31. After initial training she completed a Certificate in Pastoral Studies at the Missionary Institute in London and was then appointed to Ecuador where she worked in catechetics, parish ministry and the initiation of Base Ecclesial Communities. After four years, sickness necessitated Sister Maureen's return to the UK where she was asked to work in congregational finance. In 1993 Sister Maureen was appointed Congregational Bursar, a position she held until the 2011 General Chapter. In 1999 she was elected a General Councillor and she was re-elected for a second term in 2005. Sister Maureen served for six years as Chair of the Association of Provincial Bursars. She is also Treasurer to the Christian Council on Ageing.

Sister Maureen's interest in theology led her to study by distance learning for a Bachelor of Theology Degree and she later obtained an MA in Theology, writing her dissertation on the subject of Spirituality and Ageing. Using her research she has been able to help members of our own Congregation who are ageing and has been invited to speak to other Congregations needing help in this area. She has also been able to train lay staff both in our own homes and those of other congregations.

Sister Maureen's experience in Ecuador means that she is a fluent Spanish speaker and therefore able to communicate with our young Sisters in Ecuador who are not yet fluent in English.

We live in a time of great change in every area of life and Sister Maureen has completed study at the Craighead Institute in Glasgow following a diploma course in Organisational consultancy and facilitation to help enable our Congregation to move forward, change and develop with the needs of our time. She has also trained as a spiritual director.

Sister Maureen was re-elected as Congregational Leader at the 2017 General Chapter for a six year term.

#### **Sister Anne Moore – Assistant Congregational Leader and Congregational Bursar**

Sister Anne entered the Congregation at the age of 17. After initial formation she trained as a teacher in Sedgley Park College of Education and then taught for one year in St Hilda's Comprehensive Secondary School in Burnley. She then did a diploma in Missiology at the Missionary Institute in London before going to Kenya in October 1976.

Sister Anne taught in a Secondary School in Kisii, Kenya, for eight years. From January 1985 till 2011 Sister Anne was the Religious Education Adviser for Kisumu diocese. This involved working with primary school teachers and catechists in the diocese. From 1993 to 2011 she was on the staff of the Mill Hill Missionaries Basic Formation Centre in western Kenya on a part time basis teaching some classes and helping with spiritual direction.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

In 1987 she was appointed Regional Superior for Kenya for six years and at the end of this term was reappointed for another six years until 1999. In 1999 she went to the Jesuit Milltown Institute in Dublin for 2 years where she did an MA in Spirituality. She went back to Kenya in 2001 and was appointed Regional Bursar, a position she held until the General Chapter of 2011. Sister Anne was also the Juniorate Directress and Chairperson of the Formation Team. She was elected onto the Regional Council as the Assistant Regional Leader.

At the 2011 General Chapter Sister Anne was elected as a member of the General Council and also as the Assistant Congregational Leader for a period of 6 years. After being elected to the General Council Sister Anne returned to the UK. Following the General Chapter she was appointed as the Congregational Bursar for a 3 year term and was reappointed to this position for a further 3 year term in June 2014.

Sister Anne was re-elected as Assistant Congregational Leader at the 2017 General Chapter for a six year term. Following the General Chapter she was reappointed as the Congregational Bursar for a 3 year term.

### **Sister Margaret Nyabongoye**

Sister Margaret joined the Congregation after working for over a year as a qualified Nurse and Midwife. She finished her initial formation at the age of 27 years and was then appointed to the Holy Family Convent, Kisumu, Kenya, where she did a one year certificate course in Public Health, and later worked in Community Based Health Care and Child Survival programmes in the Archdiocese of Kisumu. After some years she was appointed to Marigat Mobile Clinic, a clinic run by the Franciscan Missionaries of St Joseph in a semi-arid area of the Rift Valley, Kenya.

In 1998/1999, Sister Margaret did a one year certificate course in Franciscan Formation and Spiritual Direction at the Franciscan Study Centre, Canterbury, UK. After completion, in 2000, Sister Margaret was appointed to the Nairobi Novitiate as the Assistant Novice Mistress. While in the novitiate, she also did some more selected studies on Formation in Tangaza College in Nairobi and after two years of assisting in the Novitiate, she was appointed Novice Mistress, a position she held for six years and at the end of 2008 went for a 3 months sabbatical course.

Sister Margaret was part of the African Regional Leadership Team for three terms (9 years) and as Formator to the Temporary Professed Sisters in the African Region for 6 years. Sister Margaret was also involved (between 2009 and 2011) in Pastoral Work in the Parish of Luanda in western Kenya and at the same time assisted in the Mill Hill Missionaries/FMSJ Joint Formation Programme, mainly in the area of Pastoral Outreach and Spiritual direction.

In 2011, Sister Margaret was part of a team of four sisters commissioned in the foundation of a new FMSJ community in Panyangara, Kotido Diocese, Karamoja, which is a marginalized region in the northern part of Uganda. In Panyangara, Sister Margaret engaged in Pastoral work with the local community. During this time Sister also attended a course



## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

organised by the Association of Religious of Uganda on basic Financial Management. At the end of 2016, after 5 years in Uganda, Sister Margaret was appointed back to Kenya to assist in the finance office at a Diocesan Secondary School in Mpeketoni, Malindi Diocese.

At the 2017 General Chapter, Sister Margaret was elected as a member of the General Council for a six year term and was subsequently appointed as Novice Mistress in the UK for a period of three years.

### **Sister Brenda Makokha – Secretary General**

Sister Brenda entered the Congregation in 1997 at the age of 24. After her initial formation in Kenya, Sister Brenda was appointed to St. Theresa's community in Marigat, in the Kenyan Rift Valley and here she was involved in parish work from December 1999 to 2002, working with internally displaced people at St. Francis Centre.

From 2002 to 2005, Sister Brenda trained as a social worker at Kobujoi Development Training Institute, obtaining a Diploma in Social Development work. Upon completion of her studies, Sister Brenda was appointed to Witu Parish in Malindi diocese to open a new FMSJ community. In Witu Sister Brenda was involved in working with other denominations in interreligious dialogue on issues of security. She was also involved in working with people living with HIV/AIDS and women's groups. Due to the social dynamic of the ministry, Sister Brenda did a certificate course in Pastoral Counseling from December 2005 to August 2006 at Amani Counseling Centre in Nairobi.

From August 2007 to June 2008 the Congregation asked Sister Brenda to do a course in Formation and Administration at Loreto House/IMU in Dublin. She was then appointed pre-Novitiate director for the Congregation for a three year term. During this time Sister Brenda was part of the staff of the FMSJ and Mill Hill Missionaries Joint Basic Formation programme in Luanda.

In 2011, Sister Brenda was appointed Regional Superior for Africa covering Kenya and Uganda, for a six year period. During her term as Regional Superior, Sister Brenda also served as a member of the Executive Committee of the Sisterhoods of Kenya (AOSK) for six years, being responsible for formation. From 2013 to 2018 Sister Brenda was on the staff of the Mill Hill Missionaries formation programme in Nairobi accompanying students on their formation journey. In 2013 Sister Brenda also did an online certificate course in Child Protection in Development Practice through the Kimmage Development Studies Centre in Ireland. From 2016- 2018, Sister Brenda served on the Board of Trustees of Tangaza University College in Nairobi.

At the 2017 General Chapter, Sister Brenda was elected as a member of the General Council for a six year term. Following the General Chapter she was appointed as the Secretary General for a term of three years.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Sister Joan Kerley**

Sister Joan Kerley entered the Congregation in Albany, N.Y. in 1973 at the age of 26, having already completed a Bachelor of Science cum laude degree from the College of St. Rose and a Master of Science degree from the State University of New York at Albany. When she entered, she was a primary school teacher in Rensselaer, N.Y. and received tenure there shortly before resigning to enter the novitiate in June 1974. Sister Joan has worked in the United States in several parishes as a director of religious education and as a missionary in Kenya from 1980 to 1984 where she taught in a secondary girls' school in Nyabururu and then was the Director of Religious Education for the Diocese of Kisumu.

On her return to the U.S. Sister Joan attended the Institute of Religious Formation program in St. Louis, Mo., a post graduate program to prepare people for formation work. After 6 years as the Vocation Director in the U.S. and doing parish work in Middletown, Ct., Sister Joan attended Fordham University and completed a Master of Arts degree in Religious Education, specialising in spiritual direction and pastoral counselling. She has also completed a 3 year residency program in family systems therapy at Onondaga Pastoral Counseling Center to qualify as a fellow in the American Association of Pastoral Counseling. For the past 17 years, Sister Joan worked at Le Moyne College in Syracuse, N.Y. first in Campus Ministry and then as the first Director of the award winning Office of Service-learning. She also worked as a spiritual director for over 15 years at the Spiritual Renewal Center in Syracuse, where she did individual spiritual direction as well as being part of a team which directed the Spiritual Exercises of St. Ignatius in daily life.

After being elected to the General Council in June 2011, Sister Joan moved to Manchester in December 2011. Currently she is formation coordinator for the Congregation and ongoing formation coordinator for the FMSJ Associate programme.

At the 2017 General Chapter Sister Joan was re-elected as a General Councillor for a six year term.

# **The Franciscan Missionaries of St. Joseph**

## **Report of the Trustees**

**For the Year Ended 31 December 2018**

### **Trustees Responsibilities**

The Trustees, who are also the Directors of The Franciscan Missionaries of St. Joseph for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 income and expenditure, of the Charitable Company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them on a consistent basis, making judgements that are prudent and reasonable.
- observe the methods and principles in the Charities SORP.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in Operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Structure and Management Reporting**

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet regularly to review developments with regard to the Charity and to make any important decisions in conjunction with advice from our Professional Advisers.

Sisters live in the UK in 12 communities. The majority of houses are in Salford Diocese where the Congregation was founded, one house is in Leyland and one in Freshfield, Liverpool. From these various locations the Sisters minister to the poor and marginalised in society. Local leaders, in charge of these communities, liaise regularly with the Trustees.

The day to day responsibility for Franciscan Convent, Blackburn, a registered residential care home, rests with the Manager, Mrs Cheryl Weall. Similarly, day to day responsibility for Franciscan Convent, Burnley, rests with the Manager, Mrs Janet Crawford. Both Managers meet regularly with the Congregational Bursar who reports back to the Trustees.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Overseas Houses**

There are overseas houses located in Ireland, the United States of America, Kenya, Uganda and Ecuador. In addition there are three Sisters located in The Netherlands and one Sister located in Munich, Germany. The Dutch Sisters reside in a state run retirement home and their Dutch Pensions are used to pay the retirement home fees. Any surplus personal allowance is periodically remitted to the UK Central Fund. No bank account is maintained in The Netherlands.

Internal transactions of overseas houses are not incorporated in the financial statements set out on pages 42 to 67.

Unaudited accounts for each overseas region and notes thereon, are set out on pages 68A to 108A.

There is now only one Sister in the United States and an accountant is employed part-time to prepare the accounts. There is no longer a US Region, the remaining Sister living in America is now part of the UK area.

A program to strengthen financial management overseas is ongoing. This program includes regular visits to each Region by the Bursar General and a re-affirmation of the financial guidelines under which each Region operates with particular regard to the requirement to communicate financial changes and planned financial changes to the Bursar General.

Where appropriate, the appointment of external Regional accountants will be considered and this has already been actioned in the United States of America Area and Africa Region.

#### **Working with Other Organisations**

The Charity works closely with a number of other charities in the field of providing care to the vulnerable and elderly. In some instances Sisters are employed by these organisations, whilst in other circumstances the relationships are more informal. In all cases, working together with other charities enhances communication and understanding, thus enabling services to the elderly to be provided more effectively and avoiding duplication of effort. Examples of the organisations for which members have worked and with which the charity has co-operated during the year are as follows:

- Roman Catholic Archdiocese of Liverpool
- Roman Catholic Diocese of Salford
- Caritas, Diocese of Salford
- Rainbow Family Trust, Salford
- Mill Hill Missionaries
- The Medaille Trust
- L'Arche, Manchester
- The DePaul Charity "Nightstop"

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

### • **Risk Management**

In line with the requirement for Trustees to undertake a risk assessment, the Trustees have identified and reviewed the major risks to which the Charity is exposed and systems have been established to mitigate those risks. The Trustees have identified the following areas where risks may occur.

Risk Register - Governance Risks				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Organisation lacks direction & forward planning	<ul style="list-style-type: none"><li>• The organisation has no clear objectives, priorities or plans</li><li>• Issues are addressed piecemeal with no strategic reference</li><li>• Needs of beneficiaries not fully addressed</li><li>• Financial management difficulties</li><li>• Loss of reputation</li></ul>	<ul style="list-style-type: none"><li>✓ The strategic plan for the organisation was reviewed in 2017</li><li>✓ Plan established for the next 6 years</li><li>✓ Re-structuring of the congregation is to be progressed with external assistance from July 2019</li><li>✓ Ethos of organisation is to provide a service for the poor and vulnerable</li><li>✓ Trustees meet regularly with minutes circulated</li><li>✓ Leadership team meetings held monthly to review operations across the organisation</li><li>✓ Financial and operational performance is reviewed at both Trustee &amp; Leadership team meetings.</li></ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Governance Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Trustee body lacks relevant skills or commitment	<ul style="list-style-type: none"> <li>• Organisation fails to achieve its purpose</li> <li>• Trustees are bypassed in the decision making process</li> <li>• Resentment or apathy amongst staff &amp; volunteers</li> <li>• Poor decision making reflected in poor service delivery</li> </ul>	<ul style="list-style-type: none"> <li>✓ 2 new Trustees elected to Trustee body from 2017</li> <li>✓ New Trustees receive on-going training in relation to their role</li> <li>✓ Long standing Trustees in position and awareness of need for communication with all sectors of the organisation in terms of purpose and operation</li> <li>✓ A Trustee report is produced on an annual basis</li> <li>✓ Trustees serve a 6-year term and personnel on Trustee body covers a wide range of skills and expertise related to operations.</li> </ul>	Low	Monitor & Maintain existing controls
Trustees dominated by one or two individuals (or connected individuals)	<ul style="list-style-type: none"> <li>• Trustees body cannot operate effectively as a strategic body</li> <li>• Decisions made outside the Trustee body</li> <li>• Conflicts of interest</li> <li>• Pursuit of personal agenda</li> <li>• Culture of secrecy</li> <li>• Arbitrary overriding of control mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>✓ Each Trustee has 20% voting rights so no one individual with veto</li> <li>✓ All Trustees are elected members of the organisation</li> <li>✓ Trustees are aware of the need to follow the constitution of the organisation</li> <li>✓ The organisation culture is one of openness and communication with all relevant parties kept informed of developments</li> <li>✓ Trustees participate in operational activities and all operational activities are reviewed at the monthly leadership team meetings.</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Governance Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Trustees are benefiting from the organisation	<ul style="list-style-type: none"> <li>• Poor reputation, morale &amp; ethos</li> <li>• Adverse impact on overall environment</li> <li>• Conflicts of interest</li> <li>• Possible regulatory action</li> </ul>	<ul style="list-style-type: none"> <li>✓ Monthly communication via a newsletter providing updates for all personnel</li> <li>✓ Leadership team meets on a monthly basis to review all operations</li> <li>✓ Feedback mechanisms established from all personnel to ensure ethos, morale and reputation is maintained from Trustee level and throughout the organisation</li> <li>✓ A number of personnel on Trustee body have been in position for a considerable period and are aware of the need for transparency.</li> <li>✓ Advice &amp; guidance sought from external specialists in relation to any potential adverse issue including regulatory concerns</li> </ul>	Low	Monitor & Maintain existing controls
Conflicts of interest	<ul style="list-style-type: none"> <li>• Organisation unable to pursue its own interests &amp; agenda</li> <li>• Decisions may not be based on relevant considerations</li> <li>• Impact on reputation</li> <li>• Private benefit</li> </ul>	<ul style="list-style-type: none"> <li>✓ A protocol is in place relating to the disclosure of potential conflicts of interest – example provided of trustee declaring involvement with another charity</li> <li>✓ All decisions taken relate to the operation of the organisation as all Trustees and members of the Leadership Team are 100% committed</li> <li>✓ Any potential impact on reputation – advice sought from associates/external specialists – e.g. Diocesan Safeguarding Spokesperson</li> <li>✓ Organisation activities subject to scrutiny via external specialists – e.g. firm of accountants etc to prevent any private benefit</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Governance Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Ineffective organisational structure	<ul style="list-style-type: none"> <li>• Remoteness from operational activities</li> <li>• Uncertainty as to roles &amp; duties</li> <li>• Decisions made at inappropriate level to excessive bureaucracy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Re-structure of congregation to commence in July 2019</li> <li>✓ Review of effectiveness of organisational structure</li> <li>✓ Regular communication &amp; involvement of personnel in relation to direction of organisation</li> <li>✓ Development of organisation to address medium to long-term aspects</li> </ul>	Medium	<p>Pro-active review of organisational structure</p> <p>External specialist involved to provide objective review in respect of effectiveness of organisational structure</p> <p>Findings to be communicated to relevant personnel</p>
Loss of key staff	<ul style="list-style-type: none"> <li>• Experience / skills are lost</li> <li>• Operational impacts on key projects &amp; priorities</li> <li>• Loss of contact base &amp; corporate knowledge</li> </ul>	<ul style="list-style-type: none"> <li>✓ On-going review of requirements and awareness maintained of requirements in respect of the various operations of the Order</li> <li>✓ Regular reports and updates received from operations in all areas to enable forward planning addressing of any issues</li> <li>✓ Visits undertaken on a regular basis to all locations by Congregational Leader to maintain awareness</li> <li>✓ Local management responsible for operational activities and ensuring key personnel in position</li> </ul>	Low	Monitor & Maintain existing controls



# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Governance Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Reporting to Trustees	<ul style="list-style-type: none"> <li>• Inadequate information resulting in poor quality decision making</li> <li>• Failure of trustees to fulfil their control functions</li> <li>• Trustee body becomes remote &amp; ill informed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular reports obtained from all operating areas of the organisation</li> <li>✓ Range of information reviewed to determine the direction and decision making process within the organisation</li> <li>✓ Control of operational activities is achieved via liaison with personnel in the projects and via conduct of visits</li> <li>✓ Trustees and Senior Leadership team are same personnel – Senior Leadership team meeting receives an update monthly on each operational activity – minutes of meetings circulated</li> </ul>	Low	Monitor & Maintain existing controls

Risk Register - Operational Risks				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Contract Risk	<ul style="list-style-type: none"> <li>• Contract has onerous terms and conditions</li> <li>• Contract has penalties for non performance</li> <li>• Contract does not comply with the organisations objectives</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leadership team are involved in the review &amp; contents of any contracts – example of new boilers required in Blackburn Care home</li> <li>✓ External specialists are consulted in relation to activities which may have a level of risk associated and measures established accordingly</li> <li>✓ Retention Contracts reviewed – e.g. accountants – to ensure providing service organisation requires</li> <li>✓ Financial limit established for contracts which if exceeded would require Trustee review - Tender process in position</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Operational Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Customer / client dissatisfaction	<ul style="list-style-type: none"> <li>Complaints are made by beneficiaries</li> <li>Income is lost</li> <li>Loss of significant contracts</li> <li>Claims for negligence</li> <li>Damage to reputation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Internal procedures in respect of any customer/internal complaints</li> <li>✓ External auditing via Care Quality Commission and other external authorities would identify issues in respect of dissatisfaction &amp; lead to remedial action by the organisation</li> <li>✓ Monthly investment meetings plus monthly meetings with accountants to review income &amp; financial strategies</li> </ul>	Low	Monitor & Maintain existing controls
Lack of project or service development	<ul style="list-style-type: none"> <li>Lack of compatibility with objectives and strategies</li> <li>Loss of financial support</li> <li>Loss of relevant skills required for the project or service</li> </ul>	<ul style="list-style-type: none"> <li>✓ Monthly meetings review all activities</li> <li>✓ Succession planning has commenced with 2 new Trustees from Africa elected onto the Trustee body and Senior Leadership team</li> <li>✓ Financial support for projects is via a budget process which is regularly reviewed</li> <li>✓ Projects developed at local level and an awareness maintained by Senior Leadership team.</li> </ul>	Medium	Organisational restructure to consider effectiveness & whether there is a requirement for further service development
Dependency on key supplier	<ul style="list-style-type: none"> <li>Loss of objectives if key supplier is not there</li> <li>Lack of buying power by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Organisation is not dependent upon any supplier</li> <li>✓ Budgeting process is undertaken with controls in position and regular review</li> <li>✓ Local level awareness maintained for purchases to an agreed level</li> <li>✓ Tender process adopted for large contract amounts</li> <li>✓ Organisation has a number of sources of income and the investment strategy of the organisation is reviewed on a monthly basis with investment specialists</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Operational Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Building & resource capacity unused	<ul style="list-style-type: none"> <li>• Underutilised or lack of building space</li> <li>• Mismatch of staff allocations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Building portfolio is maintained and organisational requirements considered in respect of space allocation</li> <li>✓ Staff allocation is related to operational requirements and relevant level of personnel established to address identified needs – e.g. care facilities</li> <li>✓ Organisation only owns two buildings – other properties are leased from the diocese or rented from private owners</li> </ul>	Low	Monitor & Maintain existing controls
Security of assets / information	<ul style="list-style-type: none"> <li>• Assets are lost or damaged</li> <li>• Assets are stolen</li> </ul>	<ul style="list-style-type: none"> <li>✓ Locations occupied on a 24/7 basis</li> <li>✓ An Asset register is maintained via insurance contracts</li> <li>✓ GDPR requirements communicated within organisation</li> <li>✓ Cloud system used for 'backing-up' of data</li> <li>✓ Records management system in position &amp; reviews undertaken</li> </ul>	Medium	Review storage of data on Information Technology systems/ mechanisms to ensure organisation protected against Cyber Risk/Loss of confidential information (Care Homes) & restoration of data capability

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Operational Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Employment Issues	<ul style="list-style-type: none"> <li>• Disputes amongst staff</li> <li>• Non-compliance with employment law / health &amp; safety law</li> <li>• Claims for unfair dismissal etc.</li> <li>• Perceived lack of equal opportunities</li> <li>• Lack of staff awareness &amp; training</li> <li>• Low morale</li> </ul>	<ul style="list-style-type: none"> <li>✓ Professional advice and guidance obtained on both employment and health &amp; safety issues</li> <li>✓ Further source of advice recently identified via insurance company</li> <li>✓ DBS checks and references are obtained prior to personnel being employed</li> <li>✓ Staff training reviewed on a regular basis with establishment of a training matrix</li> <li>✓ Conduct of 1-1 and appraisals for all members of personnel to identify any issues in relation to morale etc.</li> <li>✓ Safeguarding Lead in position for the organisation</li> <li>✓ Equal opportunities policy in position for the organisation &amp; subject to review</li> </ul>	Low	Monitor & Maintain existing controls
High turnover of staff	<ul style="list-style-type: none"> <li>• Loss of specialist skills &amp; experience</li> <li>• Increase in recruitment costs</li> <li>• Increase in training costs</li> <li>• Decrease in morale</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular review &amp; monitoring of staffing requirements</li> <li>✓ Exit interviews undertaken</li> <li>✓ Probationary period established for all new personnel</li> <li>✓ Appraisals &amp; supervisions conducted with relevant personnel</li> <li>✓ Relatively stable level of personnel for a consistent period</li> </ul>	Medium	One area of operations – kitchen personnel within care homes to be further analysed to determine level of turnover and rationale to try and reduce turnover of personnel in future

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Operational Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Health and safety compliance	<ul style="list-style-type: none"> <li>• Injuries to staff, volunteers &amp; members of the public</li> <li>• Damage to reputation</li> <li>• Increased insurance premiums</li> <li>• Loss of services through lack of personnel</li> <li>• Loss of services through enforcement action</li> </ul>	<ul style="list-style-type: none"> <li>✓ Professional advice and guidance is sought from specialists</li> <li>✓ Safeguarding reporting procedures in position</li> <li>✓ Accident reporting procedures in position</li> <li>✓ General &amp; specific risk assessments are conducted &amp; reviewed</li> <li>✓ Staffing levels reviewed to maintain requirements</li> <li>✓ Insurance premiums reviewed annually</li> <li>✓ External authorities – e.g. CQC conduct visits to the care homes operated by the organisation with published reports</li> </ul>	Low	Monitor & Maintain existing controls
Business continuity	<ul style="list-style-type: none"> <li>• Lack of access to the premises</li> <li>• Loss of information &amp; communication systems</li> <li>• Loss of personnel in a key job role</li> </ul>	<ul style="list-style-type: none"> <li>✓ Information 'backed up' in the cloud</li> <li>✓ Continuity plans established for the care homes</li> <li>✓ Key staff have deputies/succession planning in position</li> </ul>	Medium	Business Continuity Plan to be established for Head Office. Restoration of data to be undertaken to confirm it can be achieved in an optimum timescale. Care homes to review and develop their business continuity plans & check on security of personal and confidential data held.

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Operational Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Procedures & systems	<ul style="list-style-type: none"> <li>• Lack of awareness of procedures and systems</li> <li>• Authority not sought for major decisions</li> <li>• Poor information technology systems</li> </ul>	<ul style="list-style-type: none"> <li>✓ Procedures &amp; systems are established &amp; personnel are aware of the requirements – example provided of tender process related to contract for installation of new boilers</li> <li>✓ On-going review of the systems and procedures and upgrading where necessary</li> <li>✓ Information technology systems are reviewed in relation to organisational needs</li> <li>✓ GDPR &amp; Data Protection requirements developed and communicated</li> <li>✓ Feedback related to systems and procedures and linked to decision making of the Leadership team as required</li> </ul>	Medium	Information Technology systems to be reviewed in terms of data security – e.g. laptops encrypted etc. Re-structure of organisation to incorporate review of systems and procedures and determine if effective or if action is required

Risk Register – Financial Risks				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Control of budgets	<ul style="list-style-type: none"> <li>• Budget does not match organisational objectives</li> <li>• Poor credit control</li> </ul>	<ul style="list-style-type: none"> <li>✓ Budget established and subject to ongoing review</li> <li>✓ Investment performance is monitored via regular monthly meetings</li> <li>✓ Procedures are in place to monitor the budget against income/expenditure</li> <li>✓ Senior Leadership team conduct a quarterly review</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register – Financial Risks				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Cash flow	<ul style="list-style-type: none"> <li>• Inability to meet commitments</li> <li>• Impact on operational activities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Cash flow projections obtained in conjunction with external specialists</li> <li>✓ Reserves maintained at an agreed level to address relevant issues</li> <li>✓ Commitments maintained as far as reasonably practicable &amp; determined within the overall budget plan for the organisation</li> <li>✓ Monthly meeting of the Investment Committee to review performance of investments and to inform budgeting</li> </ul>	Low	Monitor & Maintain existing controls
Dependencies on income sources	<ul style="list-style-type: none"> <li>• Loss of income</li> </ul>	<ul style="list-style-type: none"> <li>✓ No Major dependency on one source of income</li> <li>✓ Diversification of investment plans has been made in conjunction with organisation accountants</li> <li>✓ Income levels are monitored, and budgets adjusted accordingly</li> </ul>	Low	Monitor & Maintain existing controls
Investment	<ul style="list-style-type: none"> <li>• Financial loss through inappropriate investment</li> <li>• Unforeseen investment conditions</li> <li>• Cash flow difficulties</li> </ul>	<ul style="list-style-type: none"> <li>✓ Investment strategy is regularly reviewed</li> <li>✓ Professional, impartial investment advice is sought</li> <li>✓ Regular meetings and appraisals take place with Investment Manager / Advisors</li> <li>✓ Accountants / Fund Managers provide monthly information and provide regular briefings</li> <li>✓ Political agenda is considered in relation to investment decisions &amp; based on advice of investment specialists</li> </ul>	Low	Monitor & Maintain existing controls

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

For the Year Ended 31 December 2018

Risk Register - Financial Risks - Continued				
This is the risk area / topic	These are the potential impacts on the organisation	This is how we are currently reducing the risk	Priority	This is what we need to do to further reduce the risk
Financial guidelines	<ul style="list-style-type: none"> <li>• Enforcement action</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Qualified professionals are regularly consulted to review financial information and ensure it is in line with current legislation and best practice</li> <li>✓ Regular appraisal meetings take place to keep Trustees up to date</li> <li>✓ Payroll operated via accountants with any changes to financial requirements and legislation identified</li> </ul>	Low	Monitor & Maintain existing controls
Fraud or error	<ul style="list-style-type: none"> <li>• Enforcement action</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Financial control procedures are regularly reviewed</li> <li>✓ 'Financial norms' booklet issued to all personnel in the Order</li> <li>✓ Spending guidelines and controls established with relevant personnel required to authorise spending of any funds</li> <li>✓ Documented whistle blowing policy is in place</li> <li>✓ Authorisation limits in position in relation to financial aspects</li> </ul>	Low	Monitor & Maintain existing controls



## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Conflict of Interest**

In order to follow best practice, the Charity requires a register of interests to be compiled and maintained by the Trustees on an ongoing basis. The table below records the potential conflicts of interest where one of the Trustees of The Franciscan Missionaries of St. Joseph is also a Trustee of other Charities.

#### **Sister Maureen Murphy**

<b>Date of Entry on Register</b>	<b>Description of Potential Conflict of Interest</b>
January 2014	Trustee of Christian Council on Ageing

#### **Public Benefit**

The Charity Commission now requires charities to make a statement in their Trustees Report about the benefit they provide to the public. We welcome this opportunity to highlight our work because all our ministries are people centred and this applies both at home and overseas.

A detailed list of our ministries is given under the section heading Social and Pastoral Work on page 25. In addition to these various works our Sisters strive in their daily living and contact with people to provide a listening ear, kindness and practical help in the form of food and clothing to the many people who come knocking on our doors, a situation which is becoming more frequent as government help decreases and more people need support.

We welcome into our homes those who wish to join our communities for prayer and who seek spiritual help and guidance. Many such people are unable to afford to pay for professional help and they welcome the opportunity to share problems and seek solutions through counselling or spiritual direction given by our Sisters.

Whilst much of our charitable work is highly visible there are also immeasurable benefits to the public which derive from our ministry of prayer. We receive prayer requests from all over the world through our website and people greatly value this service.

Our elderly and infirm Sisters remain fully engaged in this ministry long after they become frail and physically disabled and they therefore continue to contribute to the well being of those around them.

# The Franciscan Missionaries of St. Joseph

## Report of the Trustees

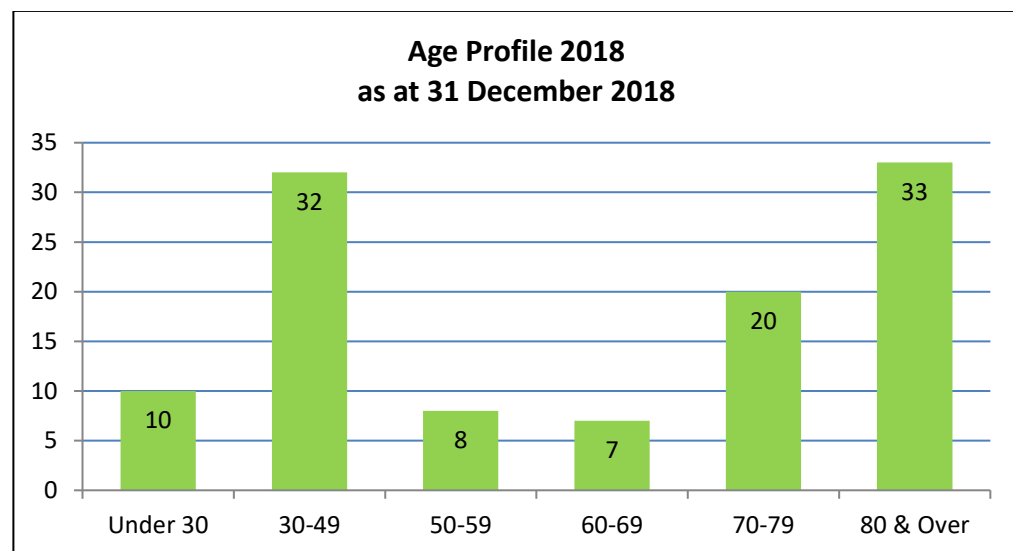
For the Year Ended 31 December 2018

### Activities and specific objectives

As stated above under 'Mission' the activities of the Charity can be divided into four principal areas:-

#### **1. Caring for Members of the Congregation**

In common with many other religious congregations, the age profile of the Sisters in the Congregation is increasing as existing members grow older and there are fewer religious vocations except in our Kenya Region. The age profile is shown below.



The Congregation has an obligation, both legal and moral, to care for its members, none of whom have resources of their own and all of whom have devoted many years of their lives to the care of the elderly, poor and marginalized of our society. As the age profile of the Congregation increases so too does the need to provide increasing and increasingly expensive care to the Sisters. At present 15 Sisters are being cared for in our two Care Homes. It remains the aim of the Trustees to:

- ensure all members of the Congregation are well cared for
- maintain our existing Care Homes and ensure that the properties continue to provide suitable accommodation
- enable all members of the Congregation to continue with their individual ministries for as long as possible
- ensure that funds are available for the training of the young Sisters, particularly in Africa, and that sufficient properties are available for accommodation. Training must include the transition of key roles from older European Sisters to younger local Sisters

# **The Franciscan Missionaries of St. Joseph**

## **Report of the Trustees**

**For the Year Ended 31 December 2018**

### **2. Social and Pastoral Work**

The following are examples of social and pastoral work undertaken by individual Sisters who play an important role in local communities.

- nursing and hospice care
- parish Sisters visiting, running catechetical programmes, prayer groups and parish based organisations
- teaching and lecturing in paid and/or volunteer roles
- administrative duties within the Congregation
- chaplaincy work in hospitals, hospices, care homes, and universities
- work with the homeless
- spiritual direction and retreat work
- marriage tribunal work
- preventative healthcare work especially with AIDS sufferers
- teaching English to asylum seekers and pastoral care of asylum seekers and refugees
- bereavement counselling
- missionary awareness through public speaking and Mission Appeals
- chaplaincy work Philippino community

The aims of Trustees in this area include:

- enabling the Sisters of the Congregation to continue to carry out meaningful social and pastoral care in the local area, responding to local need. The Sisters who work in these apostolates strive to enhance the dignity and personal self esteem of each person, irrespective of creed, race, age, sex or religion, believing each human person to be equal in the eyes of God and with the same right to benefit from the services we offer
- expanding our ministries in response to local needs wherever we are able
- wherever possible ensuring that the Sisters are remunerated for such work by way of salary or stipend. Their income is donated to the Charity and helps to ensure that the work is continued

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

### **3. Care Homes**

The Charity operates two registered Care Homes for the elderly. The philosophy of care in both homes aims to provide the residents with a secure, relaxed and homely environment in which their care, well being and comfort are of prime importance.

The mission of the Franciscan Missionaries of St Joseph flows from our belief in the sanctity of life and the dignity of the human person. We believe every person is created in the image of God and has an equal right to our respect, care and love.

Our Franciscan ethos is the value base of our holistic care expressed in meeting the physical, spiritual, social and psychological needs of our older, sick and infirm Sisters. We provide this care in collaboration with our co-workers, sharing in the mission of Christ. "I have come that you may have life and have it abundantly" (John 10:10)

#### **Franciscan Convent, Blackburn**

There are thirteen registered rooms, several of which have en-suite facilities. There is also another floor which is not registered and which is used for the Sisters living in the convent but not requiring care. The Home provides care for both our own Sisters and for female members of the general public. The Home has its own chapel, which is open to visitors, and large grounds. The last Care Quality Commission Inspection which took place in July 2017 stated that the residents "told us they felt very safe and well cared for in the home and the staff were always kind, caring and respectful of their dignity and privacy". The family of Sister Germaine Henry who died in Blackburn wrote "On behalf of the Henry family I would like to pass on our sincere thanks for not only your long-time care of Sister Germaine but also for extending such wonderful hospitality on the day of the funeral. It was always a joy to visit in Blackburn, knowing we were met with friendship, and fellowship on our arrival (not to mention the very welcome tray of tea, coffee and biscuits!)".

#### **Franciscan Convent, Burnley**

The Home has twenty five registered beds including three which are registered specifically for those suffering from dementia. Care is provided only for Sisters of the Congregation at the present time but can also be extended to Sisters of other Congregations. The Home has its own chapel, spacious lounges, a library and conservatory. Its town centre location means that it is easily accessible and ensures that the Residents can avail themselves of local facilities and amenities.

In running these two Homes the Trustees aim to:

- provide excellent residential care, ensuring that Residents needs are fully met and that they enjoy as high a quality of life as possible. Sister Maureen Maguire who goes regularly to Burnley to rest and regain her strength wrote to the staff saying, "Many thanks to all the staff who do such a great job of caring for us in a cheerful, accepting manner".

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

- employ high quality trained staff to care for the residents and maintain standards which meet the requirements of the commission for social care and inspection.
- Act upon any recommendations made by the Care Quality Commission.
- During 2010 all care facilities had to re-register their service with the Care Quality Commission and we were successful in obtaining the registration of both our Homes. Both homes are regularly inspected and any indication of failure to comply with Care Quality Commission standards is immediately addressed and corrected.

#### **4. Overseas Missionary Work**

The Congregation has Sisters working overseas in Kenya, Uganda, Ecuador and Ireland. The one Sister in the USA is now retired though engages in voluntary work. There are three Sisters living in retirement in The Netherlands and one Sister located in Munich, Germany. A tremendous need continues for ministry overseas and the Sisters are engaged in many medical, pastoral, education, social work and catechetical apostolates particularly among the poor.

We closed Santa Clara house in Quito, Ecuador at the end of December 2018.

The increased number of Sisters in Kenya has enabled our work there to expand and to respond to further unmet local needs. In promoting Christian values in their mission of evangelisation the Sisters endeavour to encourage confidence in the local people in order to help them to become self sufficient and to undertake leadership roles. We aim to continue to expand our work as needs arise.

In 2011 our Kenyan Sisters fulfilled their wish to become missionaries outside of Kenya when four sisters founded our new mission in Panyangara, Uganda.

At the beginning of May 2013 we closed our house in Nyabururu, in Kisii diocese, and opened a new house in Nyamira which is in a more remote and needy area of Kisii diocese.

A second house in Nairobi, Rochdale House, was opened in 2015 to support our Sisters' ongoing work in Kenya. We now have two houses in Nairobi, namely Ingham House and Rochdale House.

In late 2016 our Kenyan Sisters were pleased to open a new house in Mpeketoni, Lamu County which makes it our third house in Malindi Diocese.

The novitiate in Nairobi continues to thrive and £14,000 per year is transferred each year from the UK to fund Kenya formation programmes. It is the aim of the Trustees to continue this funding for as long as possible.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Protection of Children and Vulnerable Adults**

The Trustees recognise the need to ensure the protection and safety of all those the Charity serves. This means that all Sisters who are in any kind of ministry in Great Britain have to obtain clearance from the Disclosure and Barring Service (DBS). The same applies to all staff and volunteers. The Trustees are committed to the implementation of all policies and procedures of the Catholic Safeguarding Advisory Service.

#### **Investment Policy**

The Trust Deed dated 27<sup>th</sup> December 1963 does not specify investment powers and the 1961 Trustee Investment Act therefore applied.

Under a scheme of the Charity Commissioners dated 29<sup>th</sup> August 1996 the Trustees were granted wider powers of investment with an 85%:15% split between wider and narrower range investments.

The Trustee Act 2000 superseded this scheme and investments are now regulated by the Trustee Act 2000.

The Charity's Investments are managed by Earnshaw Consultants Ltd of Sale, Cheshire. The investment strategy is set by the Trustees and takes into account income requirements in the short, medium and long term. An investment committee comprising of two Trustees, two Sisters of the Congregation and professional advisers meets monthly to review our investments. The aim is to provide income and capital growth to fund existing and future apostolates of the Congregation, both in the UK and overseas. Funds are also required for initial and on-going training programmes and for the costs of caring for our sick, elderly and incapacitated Sisters.

The policy is to maximise total return through a diversified portfolio and a level of income determined by the Trustees. We also endeavour to invest in socially responsible funds consistent with a Roman Catholic ethos in order to avoid investing in organisations or areas which have policies inconsistent with social justice.

Our ethical considerations will always take into account the requirement for security and the need to provide an acceptable investment performance but we are mindful of Christian teaching and endeavour to avoid investment in activities contrary to our beliefs.

## **Achievements and Performance – Review of activities**

We now describe the main achievements during the year in each of our principal activities.

### **1. Care of the Members of the Congregation**

Throughout the year the Charity continued to assist the Sisters of the Congregation in their charitable and religious work. Fifteen Sisters were cared for in the Charity's own care homes and the Charity enabled other Sisters to work and volunteer in their chosen ministries.

The 2017 General Chapter enabled a total review and evaluation of the Congregations work at home and overseas and formulated plans for future development. A formal process of evaluation and planning will take place across the congregation in 2020 and a further review will take place in 2023 when the next General Chapter is held.

### **2. Social and Pastoral Work**

Throughout the year Sisters continued to carry out various social and pastoral ministries and to play an invaluable role in local communities through their work. We continue to expand our ministries in response to local need and large numbers of people benefit from our work both in the UK and in all overseas missions. We describe the work of two of our sisters to illustrate some of our charitable activities,

#### **a) Sister Maureen Murphy**

Sister Maureen Murphy is the Congregational Leader but like many of our Sisters she gives up her time to do voluntary work in the local community. This is part of the charitable work of the Congregation and is therefore part of the public benefit of the Charity.



Foto ©Vatican Media

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### Christians on Ageing

Sister Maureen is a member of Christians On Ageing, an ecumenical charity which aims to be a resource to the Churches in the field of providing information to elderly Christians. This covers information on health and wellbeing, housing, care homes, faith and the Christian life. Sister Maureen is a Trustee of this charity and for the last 15 years has served as the Treasurer. She attends regular meetings of the Executive Committee and has written publications on gratitude and issues related to death and dying for sale by the charity.

#### The St. Vincent de Paul Society

“...I was a stranger and you made me welcome, lacking clothes and you clothed me, sick and you visited me, in prison and you came to see me.” (Matthew 25:35-36).

Sister Maureen is also a member of the St. Vincent de Paul Society in St. Charles Borromeo Parish in Swinton. The Society is a national organisation which focuses on the needs of the poor and vulnerable in local parishes. The group meets each month to examine local needs, and members visit people in their own homes to combat loneliness for the housebound or to provide a sitting service for a carer to enable them to have some time off. They also take parishioners by car to attend Mass and will also take them to clinic and hospital appointments when requested.

Sister Maureen is now registered as an official prison visitor and will undertake visits to a local prison on two afternoons a month to visit those who would otherwise have no visitors.

#### Refugees

Sister Maureen was a missionary in Ecuador for several years and as a result she is fluent in speaking Spanish. This is a skill she is currently putting to good use in visiting a refugee family in Oldham every week and teaching both the parents and their five children to speak English. The family are originally refugees from Honduras and learning English is a lifeline for them while they wait for a visa to be allowed to stay in the UK and while the children await permission to attend the local school.

#### b) Sister Joan Kerley

Sister Joan Kerley lives at Our Lady and Lancashire Martyrs Presbytery, attached to the Church of the same name, in Little Hulton, which is part of the parish of Holy Trinity, Worsley. The Church is located in a housing estate in one of the most deprived areas in the City of Salford.

#### Parish and Community Involvement

Sister Joan takes care of the Church and the Church Hall including coordinating activities and functions held in the hall. Apart from assisting in the spiritual activities of the parish, Sister Joan works with a team of parishioners to sponsor a monthly food



## The Franciscan Missionaries of St. Joseph

### Report of the Trustees

For the Year Ended 31 December 2018

collection. The food, which is collected from both Our Lady and Lancashire Martyrs Church and St. Edmund's Church, is sorted and checked that it is within date. Then it is divided between two Community Food Banks, one at the local Methodist Church and one at the Mustard Tree Centre where it is distributed to the poor. Sister also assists with the parish's commitment to taking care of the earth and the environment. She promotes a recycling scheme at all the events which are held in the parish hall and is a member of the parish Environmental Committee which seeks to promote the ideals of Pope Francis' encyclical on the environment and the impact environmental issues have on the poorest people in our world.

#### Hospital and Hospice Visiting

As a Eucharistic Minister in the parish, Sister Joan visits patients in Woodlands Hospital, a small hospital specializing in mental health issues, and takes Communion on a weekly basis to those who ask for it. She works closely in conjunction with the Anglican chaplain there and, because of her role, Our Lady and Lancashire Martyrs Church has become a place where Roman Catholic patients can participate in a week-end Mass when they are able and join the parishioners for a social event in the hall after Mass. A member of the Occupational Therapy staff at the hospital accompanied one of the patients when she came for the first time and the warm welcome and friendly greetings she received from the parish community enabled this patient to feel at home and to continue coming each week on her own. This was instrumental in helping her to heal and return home. The staff has also been made aware of the Dementia Friendly Garden sponsored by the parish at Christ the King which is the third Church in the parish cluster, and through the information given to them by Sister Joan have contacted the person in charge to arrange for a visit with some of the patients. Sister Joan also volunteers as a chaplain at St. Ann's Hospice in Little Hulton, ministering to the spiritual needs of the Catholic patients there and providing a listening ear to all who participate in the hospice programme.

#### FMSJ Associates

Sister Joan is the on-going Formation Coordinator for the Congregation and also provides on-going formation for our Associates. The FMSJ Associate programme enables us to provide lay people with an opportunity to explore their own vocation, Franciscan spirituality, and work alongside our Sisters in various ministries, e.g. Cornerstone which is a day centre for the homeless, parish groups, assisting at our annual Blackburn Fayre or teaming up with Sister Joan to present courses on



Sister Joan, first right back row, with some Associates

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

spirituality which are open to all in the Diocese. Sister Joan offers ongoing formation to our associates throughout the year as well as conducting a week-end annual retreat for them. The theme of these presentations focuses on Christian spirituality but always includes discussion on how this can be applied to daily life and outreach to the poor. Some of the Associates were able to act as facilitators for a parish Lenten retreat and assisted with serving the simple soup and bread dinner which preceded it. These dinners were a reminder of the dire poverty that so many people of the world live in and, through donations from the forty participants in the retreat, nearly £500 was raised for CAFOD.

#### **Nightstop**

Nightstop is a DePaul Charity which prevents homelessness through community hosting of young people between the ages of 16 to 25. Sister Joan (and Sister Anne whom she lives with in Little Hulton), became volunteer hosts for the Charity and have had a number of young people staying with them overnight who may otherwise have been on the street for the night. The young people are given their own bedroom, a hot meal, breakfast the next morning, basic toiletries, and a packed lunch to take with them when they leave. We provide a listening ear if the young person wants to talk and this varies from person to person. The Nightstop staff work with the young person to look for suitable long-term accommodation and a more permanent solution to their problems.

### **3. Care Homes**

#### **Franciscan Convent, Blackburn**

The quality of care provided in the Home is constantly monitored by the Trustees and the Home receives good reports from the Care Quality Commission. The care was recognised by Blackburn with Darwen Social Services and the Home was invited to be part of its Quality Assurance Scheme. All staff have recognised NVQ qualifications and many are now working to attain higher grades. Mrs Cheryl Weall, who was deputy manager, was appointed as Home Manager in April 2017 and successfully motivates her staff to provide a high standard of care.

#### **Franciscan Convent, Burnley**

This home is also constantly monitored by the Trustees and inspected by the Care Quality Commission. It is well staffed by dedicated and qualified workers and an internal quality assurance scheme monitors the standard of care achieved. Starting in late October 2018 the windows were replaced at the home. The works were finished in late March 2019 when the scaffolding was taken down. The Congregation are extremely grateful to Salford Diocese for the generous contribution made for these works.

The home is used by the Congregation for UK gatherings of the Sisters so that the more frail Sisters who live there, and would otherwise be unable to travel, can still attend.

### **4. Overseas Missionary Work**

A tremendous need continues for ministry overseas and the Sisters are engaged in many medical, pastoral, educational, social work and catechetical apostolates particularly among the poor. The number of Sisters in Kenya is increasing and we have therefore been able to expand our ministries particularly working with Street Children, widows and orphans of AIDS victims as well as AIDS patients in our clinics and home-based care programmes. The Sisters manage a home for physically disabled children who are stigmatised and ostracised in the society and culture

In 2011 four of our Sisters opened a new mission in northern Uganda, among the Karamojong people. This is a very remote and neglected area of the country where access to maternal and child health care as well as to education is very limited. Our Sisters are making a difference to the quality of lives of the people. One of our Sisters is teaching in the local primary school where the dropout rate is high and where school attendance often depends on the availability of food provided by the World Food Programme.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

Another Sister, who is a nurse, works in the local health centre and is also the district public health nurse. One of the Sisters, who is a qualified nursery school teacher, has started a nursery school for the local children. The other Sister is engaged in social and pastoral work especially with women, children and the sick and elderly.

The mission in Witu located in Malindi Diocese has established a school for children who would otherwise not be educated. At the beginning of May 2013 we closed our house in Nyabururu, in Kisii diocese, and opened a new house in Nyamira which is in a more remote and needy area of Kisii diocese. A second house in Nairobi, Rochdale House, was opened in 2015 to support our Sisters' ongoing work in Kenya. We now have two houses in Nairobi, namely Ingham House and Rochdale House. In late 2016 our Kenyan Sisters were pleased to open a new house in Mpeketoni, Lamu County which makes it our third house in Malindi Diocese.

In Quito, Ecuador, one of our Sisters who started a counselling service for priests and religious in the city in 2008 is now working full time and providing a much needed service which also includes an increasing number of lay people among the clients. She also responds to requests from Religious Communities for workshops with a psycho-spiritual focus and also helps to run courses on Safeguarding. Santa Clara house in Quito closed in late December 2018. Santa Clara was one of our two houses in Quito. Apart from the one remaining house in Quito we also have a house in Puerto Quito in the coastal region of Ecuador where the Sisters are engaged in parish work, catechetics and healthcare for the disabled.

# **The Franciscan Missionaries of St. Joseph**

## **Report of the Trustees**

**For the Year Ended 31 December 2018**

### **Investment Performance**

Our investments performed badly in 2018 with this performance being in line with depressed stock markets worldwide. Our investments in the first half of 2019 have performed well and we have recovered some of the losses sustained. Investments were made in accordance with the Trustees Investment Policy referred to earlier in this report and in compliance with ethical guidelines. At the end of the year the Charity's main investment portfolio of listed investments comprised 3.2% (2017 35.8%) UK Equities, 33.4% (2017 27.1%) Fixed Interest Stock, 0.0% (2017 5.3%) Overseas Unit Trusts and 63.4% (2017 31.9%) cash.

### **Financial Review**

#### **Results for the Year**

During 2018 total incoming resources amounted to £1,013,435 (2017 £1,081,161). Of the incoming resources, a total of £59,142 (2017 £70,754) related to fees receivable and other income of the Charity's two care homes. £864,452 (2017 £923,966) was received by way of donations and legacies. This figure includes salaries and pensions of the Sisters amounting to £532,546 (2017 £554,629) covenanted to the Charity. Investment income and interest receivable totalled £58,411 (2017 £59,592) of which £40,802 (2017 £47,725) relates to designated funds.

Resources expended totalled £1,479,756 (2017 £1,435,776). The total expenditure on the Charity's two care homes amounted to £981,568 (2017 £962,197). Total staff costs represent a very significant proportion of expenditure and amounted to £658,138 (2017 £671,187).

Expenditure incurred on maintaining the members of the Congregation and supporting them in their pastoral work and ministry amounted to £215,128 (2017 £200,033). Expenditure on governance, the fees paid to the Charity's investment managers and fees paid to investment platforms during the year amounted to £71,762 (2017 £62,252).

Net outgoing resources for the year, were then £466,321 (2017 £354,615). Investment losses of £513,820 (2017 gains of £706,243) resulted in a net outflow of funds for the year of £980,141 (2017 net inflow of £351,628).

#### **Reserves Policy and Financial Position**

##### **Reserves Policy**

The reader will discern from the foregoing that the Charity carries out a diverse range of activities and is responsible for care and support of Sisters whose average age is increasing and whose needs are changing. The Trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed and endeavour to balance the need for such free reserves with the desire to more fully fund the reserves needed to support Sisters in their retirement.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

#### **For the Year Ended 31 December 2018**

Such free reserves are needed to support the work of the Sisters in the future, in particular the support of the Congregation's missionary and healthcare work overseas. There has been a release from the Maintenance of Retired Sisters Reserve in the year of £100,000 (2017 £350,000) to maintain the level of such free reserves.

#### **Financial Position**

The balance sheet shows total reserves of £6,481,323 (2017 £7,461,464). Of this, £1,503,308 (2017 £1,535,704) is represented by properties and other tangible fixed assets essential for the support and work of the Sisters.

The funds set aside to provide for the Sisters in their retirement, none of whom have resources of their own, have been reassessed during the year. The calculation, based on actuarial methods, indicated that £6.43M (2017 £6.76M) is needed to be set aside in order to provide a minimum pension. A minimum pension was set at £5,000 in 2003 and is rebased for inflation thereafter. In these accounts £2.10M (2017 £2.20M) has been set aside for this purpose. These funds embrace and are supplemented by the Mill Hill Pension Fund, a designated fund for the maintenance of retired Sisters created from donations by the Mill Hill Society primarily for that purpose and amounting to £4,348,177 (2017 £5,226,210) at the year end date. In addition, there are investments and monies in bank deposit accounts held within the United States of America and Ireland Regions totalling £912,291 (2017 £987,940) and £561,193 (2017 £584,168) respectively which are held for the future maintenance of retired Sisters.

Monies held in the United States of America included monies held in a bank deposit account for the retirement of Sisters located in Ecuador. The account was closed towards the end of the year due to poor investment performance and the monies were transferred to the Albany House Investments Portfolio managed by Wells Fargo. The investments constituting the Ecuadorean Retirement Fund are therefore no longer held in a dedicated account. The Fund will be evaluated at the end of each financial year, having regard to the Albany House investment portfolio performance and additional deposits and withdrawals relating to the Fund. The monies representing the Ecuadorean Retirement Fund amounted to £73,018 (2017 £76,001).

The Trustees hope that, in the medium to long term, investment markets will improve and that they will be able to designate more funds to the Sisters' retirement fund. The calculations show clearly that this is a prudent and sensible policy.

## **The Franciscan Missionaries of St. Joseph**

### **Report of the Trustees**

**For the Year Ended 31 December 2018**

#### **Future Plans**

The Trustees do not anticipate any significant change to the Charity or its activities in the coming year. It is our intention to continue to meet the following objectives:-

- To continue to care for the Sisters and enable them to continue their various ministries among the poor and marginalized of society.
- To continue to run two Care Homes for the elderly and those suffering from dementia.
- To meet the requirements of the Care Standards Act 2000 and inspections conducted by the Care Quality Commission.
- To continue to provide training to all our staff.
- To continue to expand our work in Kenya and Uganda and to continue the transition of responsibilities to our Kenyan Sisters.
- To continue to fund the formation training of our Sisters in Kenya.
- New Charity legislation came into force in Ireland in 2014, and the Congregational Bursar is working with the Regional Team to ensure a smooth transition.
- On the advice of our Solicitors to facilitate having Sisters living overseas as Trustees we have registered as a Company and a new Charity (a Charitable Company Limited by Guarantee with no Share Capital (Registered Company Number 07010772 (England and Wales)) (Registered Charity Number 1135474)). The transition of the functions and assets of The Order to the new Company and Charity was implemented on 1 January 2011 by a Transfer Deed dated 18 February 2011. The transfer of the Irish properties (see Note 3 on Page 72A) to the new Charity required a separate legal process and the Trustees are pleased to report that the transfer was successfully completed in April 2019.

The Trustees are of the opinion that the financial position is such that we will be able to continue to meet our future planned objectives with no significant change in our operations or activities for the next two years and indeed for the foreseeable future.

**The Franciscan Missionaries of St. Joseph**

**Report of the Trustees**

**For the Year Ended 31 December 2018**

**Employees, Advisors and Members of the Congregation**

The Trustees wish to record their recognition and gratitude to all their staff, professional advisors and individual Sisters of the Congregation for their dedication and commitment to the works of the Congregation throughout the year.

Approved by the Trustees on 26<sup>th</sup> September 2019 and signed on their behalf by:

.....

**Sister Maureen Murphy**

Trustee and Congregational Leader

.....

**Sister Anne Moore**

Trustee and Congregational Bursar

Registered Charity Number 1135474



## **Independent Auditor's Report to the Members of**

### **The Franciscan Missionaries of St. Joseph**

**For the Year Ended 31 December 2018**

#### **Opinion**

We have audited the financial statements of The Franciscan Missionaries of St. Joseph (the 'Charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, 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 financial statements:

- give a true and fair view of the state of the charitable company'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 Companies Act 2006.

#### **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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report to the Members of**

### **The Franciscan Missionaries of St. Joseph**

#### **For the Year Ended 31 December 2018 - Continued**

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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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

## **Independent Auditor's Report to the Members of**

### **The Franciscan Missionaries of St. Joseph**

#### **For the Year Ended 31 December 2018 - Continued**

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matter**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Don Bancroft (Senior Statutory Auditor)

**For and on behalf of Booth Ainsworth Audit Services**  
Statutory Auditors

Alpha House  
4 Greek Street  
Stockport  
SK3 8AB

Booth Ainsworth Audit Services is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

# The Franciscan Missionaries of St. Joseph

## Statement of Financial Activities

For the Year Ended 31 December 2018

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
<b>Incoming Resources</b>		£	£	£	£	£
Voluntary Income	2	827849	-	36603	864452	923966
Activities for Generating Funds	3	784	-	-	784	1193
Investment Income	4	17609	40802	-	58411	59592
Incoming Resources from Charitable Activities	5	59193	-	-	59193	70454
Other Incoming Resources	6	30595	-	-	30595	25956
<b>Total Incoming Resources</b>		936030	40802	36603	1013435	1081161

**The Franciscan Missionaries of St. Joseph**

**Statement of Financial Activities - Continued**

**For the Year Ended 31 December 2018**

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
<b>Resources Expended</b>		£	£	£	£	£
Costs of Generating Funds						
Fundraising trading: cost of goods sold and other costs	7	1119	-	-	1119	810
Investment Management Costs	8	10774	12472	-	23246	22563
Charitable Activities						
Charitable Activities	9	1380595	-	26280	1406875	1372714
Governance Costs	10	48516	-	-	48516	39689
<b>Total Resources Expended</b>		1441004	12472	26280	1479756	1435776
<b>Net Outgoing Resources before Gains/(Losses) on investments</b>		(504974)	28330	10323	(466321)	(354615)

**The Franciscan Missionaries of St. Joseph**

**Statement of Financial Activities - Continued**

**For the Year Ended 31 December 2018**

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	2018 Total Funds	2017 Total Funds
<b>Gains/(Losses) on Investments</b>		£	£	£	£	£
Profit/(Loss) on Sale of Investment Assets		218498	263849	-	482347	50277
Movement in Value of Investment Assets		(245319)	(750848)	-	(996167)	655966
Movement in Value of MHP Fund		-	(419364)	-	(419364)	-
Movement in Designated Fund		419364	-	-	419364	-
<b>Net Movement in Funds</b>		(112431)	(878033)	10323	(980141)	351628
<b>Reconciliation of Funds</b>						
Total Funds Brought Forward		2235254	5226210	-	7461464	7109836
<b>Total Funds Carried Forward</b>		<u>2122823</u>	<u>4348177</u>	<u>10323</u>	<u>6481323</u>	<u>7461464</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# The Franciscan Missionaries of St. Joseph

## Balance Sheet as at 31 December 2018

	Note	£	2018 £	£	2017 £
<b>Fixed Assets</b>					
Freehold & Leasehold Property		1485707		1514625	
Other Tangible Assets		<u>17601</u>		<u>21079</u>	
<b>Total Tangible Fixed Assets</b>	14		1503308		1535704
<b>Designated Funds Investments</b>	15		4348177		5226210
<b>Investments</b>					
Quoted Investments		222181		693016	
Unquoted Investments at Cost		<u>280</u>		<u>280</u>	
	16		<u>222461</u>		<u>693296</u>
<b>Total Fixed Assets</b>			6073946		7455210
<b>Current Assets</b>					
Sundry Debtors	20	77238		47154	
Cash at Bank - Deposit Accounts		396857		237827	
Cash at Bank - Current Accounts		27792		28543	
Cash in Hand		<u>4421</u>		<u>4037</u>	
		506308		317561	
<b>Liabilities</b>					
Creditors: due within one year	21	<u>98931</u>		<u>311307</u>	
<b>Net Current Assets</b>			407377		6254
<b>Total Net Assets</b>			<u>6481323</u>		<u>7461464</u>
<b>The Funds of the Charity:</b>					
<b>Restricted Funds</b>			10323		-
<b>Designated Funds</b>	15		4348177		5226210
<b>Unrestricted Funds</b>					
Maintenance Reserve	17	2100000		2200000	
General Fund		<u>22823</u>		<u>35254</u>	
			2122823		2235254
<b>Total Charity Funds</b>	24		<u>6481323</u>		<u>7461464</u>

Sister Maureen Murphy

Directors

Sister Anne Moore

Approved by the Directors on 26th September 2019

Registered Charity Number 1135474

**The Franciscan Missionaries of St. Joseph**

**Consolidated Statement of Cash Flows**

**For the Year Ended 31 December 2018**

		<b>2018</b> £	<b>2017</b> £
<b>Cash flows from operating activities</b>			
Net cash (outflow) in respect of operating activities	<b>A</b>	(487524)	(52252)
<b>Cash flows from investing activities</b>			
Investment income and interest received		58411	59592
Proceeds from the disposal of tangible fixed assets		2800	-
Purchase of tangible fixed assets		(9752)	(8410)
Proceeds from the disposal of investments		894133	76089
Purchase of investments		(206048)	(102020)
<b>Net cash provided by investing activities</b>		<u>739544</u>	<u>25251</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		252020	(27001)
<b>Cash and cash equivalents as at 1 January 2018</b>	<b>B</b>	360912	387913
<b>Cash and cash equivalents as at 31 December 2018</b>	<b>B</b>	<u><u>612932</u></u>	<u><u>360912</u></u>



**The Franciscan Missionaries of St. Joseph**

**Consolidated Statement of Cash Flows - Continued**

**For the Year Ended 31 December 2018**

**A Reconciliation of net movement in funds to net cash used in operating activities**

	<b>2018</b>	<b>2017</b>
	£	£
<b>Net movement in funds (as per the Statement of Financial Activities)</b>	(980141)	351628
Adjustments for:		
Depreciation charge	41967	40717
(Gain) on sale of investment assets	(482347)	(50277)
(Gain)/Loss on movement in value of investment assets	996167	(655966)
Movement in Value of MHP Fund	419364	-
Investment income and interest receivable	(58411)	(59592)
Decrease in balance due to MHP *	240320	891
(Surplus) on disposal of tangible fixed assets	(2619)	-
Decrease/(increase) in debtors	(30084)	321814
(Decrease)/increase in creditors	(212376)	(1467)
Movement in Designated Fund	(419364)	-
<b>Net cash (outflow) in respect of operating activities</b>	<b>(487524)</b>	<b>(52252)</b>

\* see note 15b

**B Analysis of cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	£	£
MHP Bank Account *	128524	74802
MHP Monies held on Investment Platforms *	55338	15703
Cash at Bank - Deposit Accounts	396857	237827
Cash at Bank - Current Accounts	27792	28543
Cash in Hand	4421	4037
	<b>612932</b>	<b>360912</b>

\* see note 15b

## **1 Accounting Policies**

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

### **a) Company Information:**

The Franciscan Missionaries of St. Joseph is a Private Company Limited by Guarantee incorporated in England and Wales. The registered office is St. Joseph's Convent, 150 Greenleach Lane, Worsley, Manchester, M28 2TS.

### **b) Basis of Preparation:**

The accounts have been prepared in accordance with the Charity's governing document, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102. The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn. The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £. The accounts have been prepared under the historical cost convention except as disclosed in the accounting policies certain items are shown at fair value. The principal accounting policies adopted are set out below.

### **c) 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:

- estimating the useful economic life of tangible fixed assets

## **1 Accounting Policies - Continued**

### **d) Assessment of going concern:**

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ended 31 December 2019, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management section of the Trustees' Report for more information).

### **e) Income Recognition:**

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Donations are recognised on a remittance basis. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared as becoming payable and notification received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

## **1 Accounting Policies - Continued**

### **f) Expenditure Recognition:**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Charity. This includes investment management fees.
- Expenditure on charitable activities includes the costs of running the Charity's convents as well as all other costs associated with furthering the charitable purposes of the Charity through the provisions of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is a real need following a review of the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but not paid over at the year end date.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### **g) Support and Governance Costs:**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity, it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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

h) Tangible Fixed Assets:

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided in equal amounts each year in order to write off the cost of fixed assets over their useful lives i.e.

Buildings and Alterations	2 %
Fixtures, Fittings and Furniture	15 %
Office Equipment	15 %
Motor Vehicles	25 %

Buildings are in constant use in furtherance of the Order's charitable objectives and are properly maintained to standards that ensure that their residual value is not less than their book value. Notwithstanding this, the Trustees have decided to depreciate buildings and alterations at the rate of 2% per annum.

- i) Quoted investments are stated at mid-market value at the balance sheet date. Unrealised investment gains and losses are calculated as the difference between the valuation at the balance sheet date and their valuation at the last balance sheet date or purchase price, if acquired during the year and are reflected in the statement of financial activities.

j) Debtors:

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

k) Cash at Bank and in Hand:

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

l) Creditors and Provisions:

Creditors and provisions are recognised where the Charity has an obligation at the balance sheet date as a result of 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 and provisions are normally recognised at their settlement amount after allowing for any discounts that may be due.

## **1 Accounting Policies - Continued**

**m) Services provided by Members of the Congregation:**

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

**n) Pension Contributions:**

Contributions in respect of the Charity's defined contribution pension scheme are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. The Charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

**o) United Kingdom Sister Houses:**

Transactions of United Kingdom Sister Houses are incorporated in the financial statements.

**p) Overseas Houses:**

The unaudited overseas accounts are set out on pages 68A - 109A and are not incorporated in the main accounts.

There are overseas houses located in Ireland, the United States of America, Kenya, Uganda and Ecuador.

There are three Sisters located in The Netherlands and one Sister located in Munich, Germany. The Dutch Sisters reside in a state run retirement home and their Dutch Pensions are used to pay the retirement home fees. Any surplus personal allowance is periodically remitted to the UK Central Fund. No bank account is maintained in The Netherlands.

The program to strengthen financial management, reporting and communication of all overseas regions is continuing.

As part of this program the Bursar General makes regular visits to each Region to re-affirm the financial guidelines under which each Region operates with particular regard to the requirement to communicate financial changes and planned financial changes to the Bursar General.

Where appropriate, the appointment of external Regional accountants will be considered and this has already been actioned in the United States and Africa Regions.

## 2 Voluntary Income

	2018 £	2017 £
Donations and Other Voluntary Contributions *	60347	37316
Other Donations:		
Salaries and Remuneration	197642	200338
State Benefits	33850	33374
Pensions (Great Britain) **	214389	236345
Pensions (Missions and Houses overseas) **	86665	84572
Legacies	176207	244374
Voluntary Contributions for Missions ***	73810	73008
Mission Appeals ***	21542	14639
	<u>864452</u>	<u>923966</u>
Voluntary Contributions for Designated Funds	-	-
	<u>864452</u>	<u>923966</u>
	£	£
Restricted Funds	36603	-
Designated Funds	-	-
Unrestricted Funds	827849	923966
	<u>864452</u>	<u>923966</u>

In late October 2018 the Company embarked upon a project for the replacement of windows at the Burnley residential care home, the works were completed in late March 2019. A contribution towards the project costs of £36,603 was received in the year from Salford Diocese. The congregation are very grateful for the generous contribution from the Diocese.

\* includes a motor car valued at £9,000.

\*\* includes overseas pensions relating to Sisters now located in Great Britain.

\*\*\* see note 13

**3 Activities for Generating Funds**

	<b>2018</b> £	<b>2017</b> £
Book Receipts	784	1193
Other Fund Raising Activities	-	-
	<u>784</u>	<u>1193</u>

**4 Investment Income**

	<b>2018</b> £	<b>2017</b> £
Dividends and Interest Received on Quoted Investments	58091	59241
Interest Received on Unquoted Investments	-	-
Bank Interest Received	320	351
	<u>58411</u>	<u>59592</u>

Dividends and Interest Received on Quoted Investments and Bank Interest Received include income from designated funds of £40,802 (2017 £47,725) - see note 15.

**5 Incoming Resources from Charitable Activities**

	<b>2018</b> £	<b>2017</b> £
Fees and Remuneration - Residential Care Homes	59142	70754
Other Miscellaneous Income	51	(300)
	<u>59193</u>	<u>70454</u>



**6 Other Incoming Resources**

	<b>2018</b> £	<b>2017</b> £
Surplus on Sale of Motor Cars & Property	2619	-
Transfers from Regions - see note 13	27976	25956
	<u>30595</u>	<u>25956</u>

**7 Fundraising Trading: cost of goods sold and other costs**

	<b>2018</b> £	<b>2017</b> £
Cost of Book Expenses	1119	810
Other Fund Raising Costs	-	-
	<u>1119</u>	<u>810</u>

**8 Investment Management Costs**

	<b>2018</b> £	<b>2017</b> £
Investment Management Fees	10774	10016
Investment Platform Fees - see note 15	12472	12548
	<u>23246</u>	<u>22564</u>
	£	£
Restricted Funds	-	-
Designated Funds	12472	12548
Unrestricted Funds	10774	10016
	<u>23246</u>	<u>22564</u>

**9 Charitable Activities**

	<b>2018</b>	<b>2017</b>
	£	£
Education and Tuition	4563	8570
Sister House Expenses	215128	200033
Cont. to Missions External Programmes - see note 13	88192	82162
Residential Care Home Expenses	981568	962197
Formation	14000	14000
Support Costs - see note 11	103424	105752
	<u>1406875</u>	<u>1372714</u>
	£	£
Restricted Funds	26280	-
Designated Funds	-	-
Unrestricted Funds	1380595	1372714
	<u>1406875</u>	<u>1372714</u>

In late October 2018 the Company embarked upon a project for the replacement of windows at the Burnley residential care home, the works were completed in late March 2019. Unbilled project costs totalling £26,280 have been provided for in these accounts.

**10 Governance Costs**

	<b>2018</b>	<b>2017</b>
	£	£
Audit Fee	7790	9106
Legal and Other Professional Charges	40726	30583
	<u>48516</u>	<u>39689</u>

## 11 Support Costs

	2018 £	2017 £
Office Expenses	11410	2837
Administration Salaries	13993	13814
Insurance	112	5884
Travel	30321	27735
Bank Charges	1340	1025
Upkeep of Buildings	-	-
Depreciation - Vehicles and Fixtures & Fittings	9346	8096
Depreciation - Buildings & Alterations	28918	28918
General Chapter Expenses	-	16344
Other Expenses	7984	1099
	<u>103424</u>	<u>105752</u>

## 12 Wages & National Insurance

	2018 £	2017 £
a) Gross Wages	624231	638363
Employers National Insurance	28605	29847
Employers Pension Contributions - NEST	5302	2977
	<u>658138</u>	<u>671187</u>
	£	£
b) Residential Care Home Employees	627149	641953
Sister House Employees	15754	15420
Central Fund Employees	15235	13814
	<u>658138</u>	<u>671187</u>
c) Average number of full time equivalent employees:		
Residential Care Home Employees	35	36
Sister House Employees	1	1
Central Fund Employees	1	1
	<u>37</u>	<u>38</u>
d) No employees had emoluments in excess of £60,000 in either year.		

### 13 MISSIONS

This note brings together the UK income and expenditure for sisters based overseas. The overseas accounts are not audited.

#### a) Income for Missions and Other Houses Overseas

<u>Region</u>	Ireland £	USA £	Africa £	Ecuador £	Total £	<b>2017</b> £
Srs. Pensions *	72382	-	8650	5633	86665	84572
Vol. Contbs. *			27389	46421	73810	73008
	72382	-	36039	52054	160475	157580
Transfers from Regions to Central Fund **	-	27976	-	-	27976	25956
	72382	27976	36039	52054	188451	183536
Mission Appeals *					21542	14639
					209993	198175

\* see note 2 \*\* see note 6

#### b) Pensions remitted from The Netherlands amounted to £9,012 (2017 £26,684).

#### c) Expenditure relating to Mission and Other Houses Overseas

	Ireland £	USA £	Africa £	Ecuador £	Total £	<b>2017</b> £
N.I. Contributions	-	-		374	374	738
Other Srs. Exps.	-	-	3155	67	3222	2980
	-	-	3155	441	3596	3718
Transfer from Central Fund for External Pgrms.	-	-	53986	34206	88192	82162
	-	-	57141	34647	91788	85880

#### d) In addition to the above there are transfers from the Central Fund to the Africa Region totalling £14,000 (2017 £14,000). These monies are to be used for formation.

**13 MISSIONS - Continued**

- e) Income and Expenditure for the African Region comprise 10 Houses located in Kenya and Panyangara House which is located in Uganda.

**14 Tangible Fixed Assets**

	Freehold Land and Buildings £	Motor Cars £	Office Equipment £	Fixtures & Fittings £	Total £
a) Cost or Valuation:					
As at 1 January 2018	1659215	116492	31034	1029588	2836329
Additions at Cost	-	9000	407	345	9752
Disposals	-	(4350)	-	-	(4350)
At 31 December 2018	<u>1659215</u>	<u>121142</u>	<u>31441</u>	<u>1029933</u>	<u>2841731</u>
b) Depreciation:					
As at 1 January 2018	144590	103624	30504	1021907	1300625
Charge for the Year	28918	9081	265	3703	41967
Disposals	-	(4169)	-	-	(4169)
At 31 December 2018	<u>173508</u>	<u>108536</u>	<u>30769</u>	<u>1025610</u>	<u>1338423</u>
c) Net Book Value:					
As at 31 December 2018	<u>1485707</u>	<u>12606</u>	<u>672</u>	<u>4323</u>	<u>1503308</u>
As at 31 December 2017	<u>1514625</u>	<u>12868</u>	<u>530</u>	<u>7681</u>	<u>1535704</u>

**14 Tangible Fixed Assets - Continued**

d)	Freehold Land and Buildings include alterations and are stated:	£
	At 1 January 2018	
	At 1987 Valuation	310000
	At Cost	1349215
	Cost or Valuation at 1 January 2018	<u>1659215</u>
	At 31 December 2018	
	At 1987 Valuation	310000
	At Cost	1349215
	Cost or Valuation at 31 December 2018	<u>1659215</u>
e)	Fixtures and Fittings are stated:	
	At 1 January 2018	
	At 1998 Valuation	908750
	At Cost	120838
	Cost or Valuation at 1 January 2018	<u>1029588</u>
	At 31 December 2018	
	At 1998 Valuation	908750
	At Cost	121183
	Cost or Valuation at 31 December 2018	<u>1029933</u>
f)	Motor Cars and Office Equipment are stated at cost.	
g)	Other capital expenditure authorised or contracted for before the year end date for which no provision has been made in the accounts is £Nil.	

**15 Designated Fund: MHP**

In 1994 The Congregation created a pension fund for the maintenance of retired Sisters from donations made by the Mill Hill Society primarily for that purpose.

a) The Mill Hill Pension Fund account for the year is as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Balance as at 1 January 2018	5226210	4529536
Prior period adjustment- note 15 f		10811
Add Transfers from Central Fund	-	-
Movement on Value of Investments Held	(750848)	600409
Bank Interest Received	164	47
Investment Income	40638	47678
Profit on Sale of Investments	263849	50277
Less Withdrawals to Central Fund	(419364)	-
Investment Platform Fees	(12472)	(12548)
Bank Charges	-	-
	<u>4348177</u>	<u>5226210</u>
Balance as at 31 December 2018		

b) Funds are invested as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Quoted Investments	4164315	4895385
Cash at Bank - Deposit Account	128524	74802
Monies Held on Investment Platforms	55338	15703
Net Sundry Debtors	-	240320
	<u>4348177</u>	<u>5226210</u>

c) Quoted Investments are incorporated at Market Value i.e.

	<b>2018</b>	<b>2017</b>
	£	£
Cost	2239803	2220025
Surplus on Valuation	1924512	2675360
Market Value	<u>4164315</u>	<u>4895385</u>

**15 Designated Fund: MHP - Continued**

d)	The movement in quoted investments during the year is as follows:	<b>2018</b> £	<b>2017</b> £
	Cost as at 1 January 2018	2220025	2143817
	Disposals	(186270)	(25812)
	Additions	206048	102020
	Cost as at 31 December 2018	<u>2239803</u>	<u>2220025</u>

- e) The Mill Hill pension fund includes the following investments which represent more than 5% of the value of the portfolio at the start of the year or/and at the end of the year.

	<b>2018</b> £	<b>2017</b> £
Fidelity European Opportunities	231363	269054
Invesco Perpetual UK Smaller Companies Fund	223200	297849
Kames Capital Ethical Equity Bond	199964	241995
Old Mutual UK Select Smaller Companies Fund	224426	298396
Schroder UK Smaller Companies Fund	229933	294234
Scottish Widows European Select Growth	223258	234814
Standard Life UK Ethical	298904	351663
	<u>1631048</u>	<u>1988005</u>

- f) The adjustment for prior years comprises previously unincorporated receipts and payments arising on the unit trust investment platform instigated in 2013. The transactions are summarised as follows:

	£
Year Ending 31 December 2017	
Investment Income	17433
Bank Interest Received	7
Investment Platform Fees	(12548)
	<u>4892</u>
Period Ending 31 December 2016	
Investment Income	31829
Bank Interest Received	77
Investment Platform Fees	(21095)
	<u>10811</u>



**16 Investments**

- a) The movement in quoted investments during the year is as follows:

	<b>2018</b> £	<b>2017</b> £
Cost as at 1 January 2018	409922	409922
Disposals	(225516)	-
Additions	-	-
Cost as at 31 December 2018	<u>184406</u>	<u>409922</u>

- b) Quoted Investments are incorporated at Market Value i.e.

	<b>2018</b> £	<b>2017</b> £
Cost	184406	409922
Surplus on Valuation	37775	283094
Market Value	<u>222181</u>	<u>693016</u>

- c) The movement in unquoted investments during the year is as follows:

	<b>2018</b> £	<b>2017</b> £
Cost as at 1 January 2018	280	280
Cost as at 31 December 2018	<u>280</u>	<u>280</u>

**16 Investments - Continued**

- d) Investments include the following which represent more than 5% of the value of the portfolio at the start of the year or/and at the end of the year.

	<b>2018</b>	<b>2017</b>
	£	£
BMO Responsible Sterling Fund	16158	16908
Edentree Amity UK A Income Fund	19274	92539
Kames Ethical Corporate Bond Fund	74673	109065
Kames Ethical Equity	-	93604
Liontrust SF Corporate Bond	62680	98564
Liontrust UK Ethical A Acc	-	47059
Rathbone Ethical Bond	21172	21973
Royal London Ethical Bond	28224	28806
Schroder US Smaller Companies Acc	-	39653
Standard Life UK Ethical Fund	-	93624
	<u>222181</u>	<u>641795</u>

**17 Maintenance Of Retired Sisters**

There is a substantial liability for the future costs of maintenance of Sisters in their retirement.

To provide for this Reserves have in the past been created by transfers from the Capital Fund of the Order. It is now necessary to supplement the operating funds by transfers from these reserves i.e.

	<b>2018</b>	<b>2017</b>
	£	£
Maintenance Reserve		
Balance as at 1 January 2018	2200000	2550000
Less Transfer to Capital Account this Year	100000	350000
Balance as at 31 December 2018	<u>2100000</u>	<u>2200000</u>

The quoted and unquoted investments of the Order totalling £222,461 (2017 £693,296) are considered to be the Retired Sisters Maintenance Fund.

These reserves are in addition to the Mill Hill Pension Funds which total £4,348,177 (2017 £5,226,210).

A full report on the Mill Hill Pension Fund is provided in Note 15.

## **17 Maintenance Of Retired Sisters - Continued**

The maintenance of retired Sisters has, as in previous years, been charged as an expense when the cost was incurred.

It has been possible in previous years to meet these costs from current income without recourse to the Pension Funds. This practice has not been sustainable since 2011 and the release of reserves to supplement current income will continue for the foreseeable future.

A pension of £7,782 (2017 £7,578) per Sister is regarded as the minimum target but is significantly less than the current need.

The effects of inflation are recognised and the annual pension target is now being indexed accordingly from a base figure of £5,000 in 2003.

The Trustees estimate that the funds needed to provide an annual inflation indexed pension of £7,782 (2017 £7,578) per sister from the date of retirement exceeds £6.43 million (2017 £6.76 million) of which £3.55 million (2017 £4.04 million) relates to Sisters over the age of 65.

The calculations continue the policy adopted in 2010 which incorporates different Regional life expectancy rates.

It is intended that further additions, whenever possible, will be made to the Pension Funds towards ensuring that future costs can be met.

## **18 United Kingdom Sister Houses**

Transactions of United Kingdom Sister Houses are fully incorporated in the financial statements.

## **19 Taxation**

A residential home for the elderly is operated at Blackburn.

It is envisaged that there will be no tax liability due to the adjusted taxable loss sustained during the year and available losses brought forward.

## **20 Debtors**

	<b>2018</b>	<b>2017</b>
	£	£
Salaries Receivable	6974	6974
Legacies Receivable	19509	-
Income Tax Repayable	41755	40180
Prepayments	-	-
Other Debtors	-	-
Settlement of Investments Sold	9000	-
	<u>77238</u>	<u>47154</u>

## **21 Creditors : Amounts Due Within One Year**

	<b>2018</b>	<b>2017</b>
	£	£
Pension Contributions, Social Security and Other Taxes	10107	9466
Accruals	59328	32058
Dowries Reserve	561	561
Designated Fund - Mill Hill Pension Fund	-	240320
Settlement of Investments Purchased	-	-
Other Creditors	14638	14498
Africa Regional Fund	14297	14404
	<u>98931</u>	<u>311307</u>

In late October 2018 the Company embarked upon a project for the replacement of windows at the Burnley residential care home, the works were completed in late March 2019. Unbilled project costs totalling £26,280 have been provided for in these accounts and are included in accruals.

## 22 Lease Commitments

At the year end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows

	2018 £	2017 £
Rental Property	<u>10000</u>	<u>20000</u>

## 23 Contingent Liability

A liability exists for the repayment of legacies inherited by individual Sisters and is contingent on their departure

	2018 £	2017 £
The total of such legacies were	<u>57479</u>	<u>57479</u>

## 24 Funds Analysis

	As at 1 Jan 2018 £	Received £	Expended £	Transfer £	As at 31 Dec 2018 £
<b>Restricted Fund</b>	-	36603	(26280)	-	10323
<b>Designated Fund</b>	5226210	40802	(918835)	-	4348177
<b>Unrestricted Funds</b>					
Maintenance Reserve	2200000	-	-	(100000)	2100000
General Fund	35254	936030	(1048461)	100000	22823
	<u>7461464</u>	<u>1013435</u>	<u>(1993576)</u>	<u>-</u>	<u>6481323</u>

### Restricted Fund

In late October 2018 the Company embarked upon a project for the replacement of windows at the Burnley residential care home, the works were completed in late March 2019. A contribution towards the project costs of £36,603 was received in the year from Salford Diocese. Unbilled project costs totalling £26,280 have been provided for in these accounts.

### Designated Fund

A pension fund for the maintenance of retired Sisters has been created from donations made by the Mill Hill Society. See notes 15 and 17 for a full report.

**Index**

68A	Accounts for the Ireland Region
77A	Accounts for the United States of America Area
87A	Accounts for the Kenya Region
105A	Accounts for the Ecuador Region

# The Franciscan Missionaries of St. Joseph

## Income for the Year Ended 31 December 2018

### Ireland Region

2017 £		£	£
	<b>Salaries and Pensions</b>		
32465	Salaries	33594	
142101	Pensions	138235	
-	Benefits	-	
<u>174566</u>			171829
4045	<b>Voluntary Contributions</b>		5083
	<b>Financial Receipts</b>		
279	Bank and Building Society Interest	61	
984	Received and Other Similar Income	2654	
67625	Investment Income	6849	
<u>68888</u>	Surplus on Maturing Investments		9564
392642	<b>Mission Income</b>		461341
	<b>Other Income</b>		
-	Profit on Sale of Motor Car	-	
-	Herald Magazine	-	
-	Sister House Income	133	
<u>-</u>			133
<u>640141</u>	<b>Total Income for the Year</b>		<u>647950</u>

**The Franciscan Missionaries of St. Joseph**

**Expenditure for the Year Ended 31 December 2018**

**Ireland Region**

<b>2017</b>			
£		£	£
981	<b>Education and Tuition</b>		-
	<b>Sister House Expenses</b>		
148878	Upkeep of Buildings	5879	
160156	Other Sister House Expenses	194905	
<u>309034</u>			200784
	<b>Establishment Expenses</b>		
1073	Office Expenses	1165	
1318	Travel	1359	
157	Donations	-	
<u>2548</u>			2524
	<b>Financial Expenses</b>		
195	Bank Charges	99	
(29029)	Exchange Adjustments	(6795)	
4160	Investment Management Fees	4464	
18685	Professional Fees	14127	
2348	Depreciation	212	
<u>(3641)</u>			12107
410630	<b>Mission and Other Houses Overseas</b>		461828
-	<b>Formation</b>		-
<u>719552</u>	<b>Total Expenditure For The Year</b>		<u>677243</u>
(79411)	<b>(Deficit) for the Year</b>		(29293)
<u>640141</u>			<u>647950</u>



**The Franciscan Missionaries of St. Joseph**

**Balance Sheet as at 31 December 2018**

**Ireland Region**

**2017**

£

£

**Capital Account**

755750	Capital as at 1st January 2018	676339
(79411)	(Deficit) for the Year	(29293)

676339

**Capital Fund**

647046

**Current Liabilities**

1661	Sundry Creditors	1903
<u>678000</u>		<u>648949</u>

# The Franciscan Missionaries of St. Joseph

## Balance Sheet as at 31 December 2018

### Ireland Region

2017			
£		£	£
	<b>Fixed Assets</b>		
14009	Freehold Property		13941
889	Fixtures and Fittings		898
3	Motor Cars		2
<hr/> 14901	<b>Total Tangible Fixed Assets</b>		<hr/> 14841
505163	<b>Investments</b>		499807
<hr/> 520064	<b>Total Fixed Assets</b>		<hr/> 514648
	<b>Current Assets</b>		
-	Sundry Debtors	-	
79005	Cash at Bank - Deposit Accounts	61386	
76707	Cash at Bank - Current Accounts	70186	
263	Cash at Bank - Mísean Cara Current Account	119	
1961	Cash in Hand	2610	
<hr/> 157936		<hr/>	134301
<hr/> <hr/> 678000	<b>Total Assets</b>		<hr/> <hr/> 648949

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****Ireland Region****1 Transactions with other Regions**

Income and expenses of the Region which have been transacted through the United Kingdom Central Fund and which are not therefore included in the Regional account were as follows:-

	<b>2018</b>	<b>2017</b>
	£	£
Pensions Received	72382	70447
Expenses	-	-

**2 Foreign Currencies**

Transactions conducted in Euros are converted into Sterling at the average rate of exchange during the year. Assets and liabilities are converted at rates of exchange ruling at the balance sheet date.

**3 Tangible Fixed Assets**

	Freehold land and building	Motor Cars	Fixtures and Fittings	Total
	£	£	£	£
a) Cost or Valuation				
At 1 January 2018	15063	29412	155706	200181
Additions at cost	-	-	-	-
Disposals	-	-	-	-
Exchange Adjustments	156	303	1608	2067
At 31 December 2018	<u>15219</u>	<u>29715</u>	<u>157314</u>	<u>202248</u>
b) Depreciation				
At 1 January 2018	1054	29409	154817	185280
Charge for the Year	212	-	-	212
On Disposals	-	-	-	-
Exchange Adjustments	12	304	1599	1915
At 31 December 2018	<u>1278</u>	<u>29713</u>	<u>156416</u>	<u>187407</u>

## The Franciscan Missionaries of St. Joseph

### Notes to the Accounts for the Year Ended 31 December 2018

#### Ireland Region

	Freehold land and building £	Motor Cars £	Fixtures and Fittings £	Total £
c) Net Book Value				
At 31 December 2018	13941	2	898	14841
At 31 December 2017	14009	3	889	14901

d) Basis of Valuation

Freehold land and building and motor cars are stated at cost.

e) Property located in Dublin and Cork totalling £416,116 was paid for by the United Kingdom Central Fund and is accordingly excluded from the Ireland Region Accounts.

f) A grant of £7,295 towards the cost of the extension located at the Blackrock, Cork and received in 1997, has been treated as income of the United Kingdom Central Fund.

g) The status of property included in these accounts and property reported in note (e) is reported in Note 14 of the main accounts.

h) Depreciation

Depreciation is provided in equal amounts each year in order to write off the cost of fixed assets over their useful lives i.e.:

Buildings and Alterations	2%
Fixtures and Fittings	15%
Motor Vehicles	25%

Buildings are in constant use in furtherance of the Order's charitable objectives and are properly maintained to standards that ensure that their residual value is not less than their book value. Notwithstanding this, the Trustees have decided to depreciate buildings and alterations from 1 January 2013 at the rate of 2% per annum and as such this was a change of accounting policy in 2013.

**4 Investments**

Investments comprise fixed interest bonds and equity funds and structured investments linked to various global indices all denominated in Euros.

Investments at cost

	<b>2018</b> £	<b>2017</b> £
<b>Managed Equity and Bond Funds</b>	499807	478506
<b>Structured Investments linked to global indices :</b>		
Irish Life Signature Bond	-	26657
	<u>499807</u>	<u>505163</u>

Davy Group stockbrokers manage a portfolio of equity and bond funds following an initial investment on 22 September 2016. Market value of investments held at the end of the year totalled £458,713 (2017 £499,645). Investments include the following which represent more than 5% of the market value of the portfolio at the end of the year were as follows:

	<b>2018</b> £	<b>2017</b> £
Aberdeen Standard UK Ethical Platform 1 RETL Acc	92676	104998
Liontrust Investments Ltd UK Ethical 2 Net Acc Nav	58113	60811
Edentree Inv Management Amity UK Fund B Inst Inc	92340	103800
Kames Capital plc Ethical Corp Bond Retl Acc Nav	122211	120746
Kames Capital plc Ethical Equity B Instl Acc Nav	93373	109290
	<u>458713</u>	<u>499645</u>

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****Ireland Region****4 Investments - continued****Davy Group Managed Portfolio - Movement in Value**

	<b>2018</b> £	<b>2017</b> £
Surplus/(Deficit) on Valuation brought forward	21139	1548
Surplus/(Deficit) on Valuation carried forward	(45775)	21139
Exchange Adjustment	4788	(460)
Increase/(Decrease) in Value in the Year	<u>(62126)</u>	<u>19129</u>

Investments held within the portfolio are incorporated in the balance sheet at cost and the movement in value of investments is therefore not incorporated in the accounts.

It is intended that this practice will change from 2019 onwards whereupon investments will be incorporated in the balance sheet at market value.

**Market value of structured investments**

	Note	<b>2018</b> £	<b>2017</b> £
Irish Life Signature Bond	1	-	33252
		<u>-</u>	<u>33252</u>

1. Based on valuation as at 31 December 2017

## The Franciscan Missionaries of St. Joseph

### Notes to the Accounts for the Year Ended 31 December 2018

#### Ireland Region

##### 5 Missions

Expenditure relates to transfers for missions in Kenya and Ecuador and to donations to missions of other congregations and contributions to external mission programmes.

##### 6 Mísean Cara

Funds totalling €516,574 (2017 €451,027) were received from Mísean Cara Ireland. The transactions in sterling are summarised as follows:-

	2018 £	2017 £
Balance brought forward	258	17875
Amounts Received	461350	392641
	<u>461608</u>	<u>410516</u>
Remitted to Ecuador	-	-
Remitted to Kenya	461487	410630
Exchange Adjustments	3	(372)
Total Expended	<u>461490</u>	<u>410258</u>
Balance Carried Forward	118	258
Total	<u>461608</u>	<u>410516</u>

The Congregation is grateful to Mísean Cara for these funds which enabled the Sisters to carry out a number of mission projects and to help many people.

**The Franciscan Missionaries of St. Joseph**

**Income for the Year Ended 31 December 2018**

**United States of America Area**

<b>2017</b>			
£		£	£
	<b>Salaries and Pensions</b>		
-	Salaries	-	
5301	Pensions	4661	
<u>5301</u>			4661
-	<b>Voluntary Contributions</b>		-
	<b>Financial Receipts</b>		
5361	Bank Interest Received	-	
52347	Investment Income	(46638)	
<u>57708</u>			(46638)
-	<b>Mission Appeals</b>		-
197	<b>Sister House Income</b>		-
	<b>Other Income</b>		
50317	Contribution from Mill Hill Sisters of New York Charitable Trust		55941
<u>113523</u>	<b>Total Income for the Year</b>		<u>13964</u>



**The Franciscan Missionaries of St. Joseph**

**Expenditure for the Year Ended 31 December 2018**

**United States of America Area**

<b>2017</b>			
£		£	£
-	<b>Education and Tuition</b>		-
32552	<b>Sister House Expenses</b>		30874
	<b>Establishment Expenses</b>		
-	Office Expenses	-	
-	Travel	-	
-	Donations	-	
-			-
	<b>Financial Expenses</b>		
14	Bank Charges	-	
64038	Exchange Adjustments	(48463)	
966	Professional Fees	1095	
1355	Depreciation	2667	
66373			(44701)
-	<b>Missions</b>		-
-	<b>Contribution to Ecuadorian Retirement Fund</b>		-
-	<b>Formation</b>		-
98925	<b>Total Expenditure for the Year</b>		(13827)
14598	<b>Surplus For The Year</b>		27791
113523			13964

# The Franciscan Missionaries of St. Joseph

## Balance Sheet as at 31 December 2018

### United States of America Area

**2017**

£

£

#### Capital Account

708834	Capital as at 1 January 2018	678897
14598	Surplus For The Year	27791
(18579)	Transfers to Ecuador Region	(18277)
<hr/> 704853		<hr/> 688411

(25956)	Remitted to UK Central Fund	(27976)
---------	-----------------------------	---------

<hr/> 678897	<b>Capital Fund</b>	<hr/> 660435
--------------	---------------------	--------------

#### Designated Fund

243578	Mill Hill Sisters of New York Charitable Trust	188480
--------	--	--------

#### Current Liabilities

76001	Ecuadorian Retirement Fund	73018
-------	----------------------------	-------

<hr/> 998476		<hr/> 921933
--------------	--	--------------

# The Franciscan Missionaries of St. Joseph

## Balance Sheet as at 31 December 2018

### United States of America Area

2017

£

£

#### Fixed Assets

-	Freehold Property	-
-	Fixtures and Fittings	-
9079	Motor Cars	6863

9079

#### Total Tangible Fixed Assets

6863

#### Designated Funds Investments

243578	Mill Hill Sisters of New York Charitable Trust	188480
--------	--	--------

#### Investments

438883	Investments	723811
--------	-------------	--------

#### Current Assets

-	Sundry Debtors	-
76001	Ecuadorian Retirement Fund Deposit Account	-
230935	Other Cash and Bank Balances	2779
306936		2779

998476

#### Total Assets

921933

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****United States of America Area****1 Transactions with other Regions**

Income and expenses of the Area which have been transacted through the United Kingdom Central Fund and which are not therefore included in the Area account were as follows:

	<b>2018</b>	<b>2017</b>
	£	£
Pensions Received	-	-
Expenses	-	-

**2 Foreign Currencies**

Transactions conducted in US Dollars are converted into Sterling at the average rate of exchange during the year. Assets and liabilities are converted at rates of exchange ruling at the balance sheet date.

**3 Tangible Fixed Assets**

	Motor Cars £	Fixtures & Fittings £	Total £
a) Cost or Valuation			
At 1 January 2018	10375	1856	12231
Additions at cost	-	-	-
Disposals	-	-	-
Exchange Adjustments	605	108	713
At 31 December 2018	<u>10980</u>	<u>1964</u>	<u>12944</u>
b) Depreciation			
At 1 January 2018	1296	1856	3152
Charge for the Year	2667	-	2667
On Disposals	-	-	-
Exchange Adjustments	154	108	262
At 31 December 2018	<u>4117</u>	<u>1964</u>	<u>6081</u>

# **The Franciscan Missionaries of St. Joseph**

## **Notes to the Accounts for the Year Ended 31 December 2018**

### **United States of America Area**

	Motor Cars £	Fixtures Fittings £	Total £
c) Net Book Value			
At 31 December 2018	6863	-	6863
At 31 December 2017	9079	-	9079

#### d) Basis of Valuation

Motor cars are stated at cost.

The Trustees revalued the fixtures and fittings on 30 November 1998.

#### e) Capital Expenditure

Capital Expenditure authorised or contracted for before 31 December 2018 for which no provision has been made in the accounts is £Nil.

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****United States of America Area****5. Quoted Investments**

Quoted investments are stated at market value and comprise:

	<b>2018</b> £	<b>2017</b> £
Christian Brothers CUIT Balanced Fund	312293	306708
Albany House Investments managed by Wells Fargo	411518	132175
	<u>723811</u>	<u>438883</u>

The Albany House investments, managed by Wells Fargo, are substantially invested in fixed interest quoted securities and other cash equivalents.

The movement in quoted investments during the year is summarised as follows:

	<b>2018</b> £	<b>2017</b> £
Investments as at 1 January 2018	438883	444546
Additions	290299	-
Withdrawal	(18277)	(18579)
Management Expenses	(1095)	(966)
Investment Surplus/(Deficit)	(18893)	53924
Exchange Adjustments	32894	(40042)
Investments as at 31 December 2018	<u>723811</u>	<u>438883</u>

Investment income is reinvested.

Investment income comprises dividends and interest received, the surpluses on the sale of investments and the movement arising on the value of unrealised investments.

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****United States of America Area****5. Quoted Investments - continued**

Additions relate to investments previously held in accounts managed by Institutional Investors which were closed in the year.

	<b>2018</b> £	<b>2017</b> £
Institutional Investors Mary Fund	218075	-
Institutional Investors Mary Fund Ecuadorean Retirement Fund account	72224	-
Total Additions	<u>290299</u>	<u>-</u>

**6. Designated Fund**

The Mill Hill Sisters of New York Charitable Trust was established in 1999. Its purpose is the care of the elderly sisters of the community, those who regardless of age become disabled or those who for whatever reason become unemployed.

The Trust Agreement provides for the return of all residual monies to the Albany Diocese once all the Sisters have been cared for.

	<b>2018</b> £	<b>2017</b> £
Fund value as at 1 January 2018	243578	286710
Withdrawal	(55391)	(50318)
Expenses	(1676)	(1923)
Movement in value of funds Surplus/(Deficit)	(9703)	33146
Exchange Adjustment	11672	(24037)
Fund value as at 31 December 2018	<u>188480</u>	<u>243578</u>

Income is reinvested. There have been no other additions to the fund in the year. Withdrawals contribute to the maintenance of retired sisters including sisters from the United States who now reside in the UK.

The funds are managed by Wells Fargo and are substantially invested in fixed interest quoted securities and other cash equivalents.

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****United States of America Area****7. Ecuador Region**

Monies relating to the Ecuador Region have been lodged in a deposit account located in the USA where a better rate of interest is available compared to those available on deposit accounts in Ecuador. This account is now regarded as constituting the Ecuadorian Sisters Retirement Fund. The account was closed towards the end of the year due to poor investment performance and the monies were transferred to the Albany House Investments Portfolio managed by Wells Fargo.

	<b>2018</b>	<b>2017</b>
	£	£
Balance as at 1 January 2018	76001	79514
Net Income	230	1791
Fair Market Value Adjustment	(6156)	(578)
Transferred from Ecuador Region	-	2322
Monies Donated by USA Area	-	-
Transferred to Ecuador Region	-	-
Exchange Adjustment	2149	(7048)
Balance transferred to Albany House Investment Portfolio	(72224)	-
Closed 6 December 2018	<u>-</u>	<u>76001</u>

The investments constituting the Ecuadorean Retirement Fund are therefore no longer held in a dedicated account. The Fund will be evaluated at the end of each financial year, having regard to the Albany House investment portfolio performance and additional deposits and withdrawals relating to the Fund.

	<b>2018</b>	<b>2017</b>
	£	£
Funds transferred to Albany House Investment Portfolio	72224	-
Net Income and Fair Value Adjustment	(1272)	1791
Transferred from Ecuador Region	-	2322
Monies Donated by USA Area	-	-
Transferred to Ecuador Region	-	-
Exchange Adjustment	2066	(7048)
Fund Value as at 31 December 2018	<u>73018</u>	<u>(2935)</u>



**The Franciscan Missionaries of St. Joseph**

**Notes to the Accounts for the Year Ended 31 December 2018**

**United States of America Area**

**8. Charitable Status**

The Region was incorporated on the 21 January 1975 as the Mill Hill Sisters of New York pursuant to section 402 of the Not-For-Profit Corporation Law of the United States of America. In October 2007 the Region was reclassified as an Area. Accounts for the United States of America Area will continue to be reported separately in view of the amount of assets still managed in the United States.

**The Franciscan Missionaries of St. Joseph**

**Notes to the Accounts for the Year Ended 31 December 2018**

**Kenya Region**

The accounts for the Kenya Region for the year ended 31 December 2018 have been prepared and audited by the Kenyan accountants, Muchungi & Associates and are reproduced on pages 88A - 104A.

**FRANCISCAN MISSIONARIES OF ST. JOSEPH**  
**AFRICA REGION**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2018**

**Muchungi & Associates**  
**Certified Public Accountants (CPA.K)**  
Ufungamano House-5<sup>th</sup> Floor, Suite 501  
State House/Mamlaka Road  
P.O. Box 19849-00202  
Phone: 2725363-0722378451  
Nairobi, Kenya.  
email: [muchungiandassociates@gmail.com](mailto:muchungiandassociates@gmail.com)

# FRANCISCAN MISSIONARIES OF ST. JOSEPH AFRICA REGION

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

---

CONTENTS	Page
Entity's information	1
Report of the Team	2
Statement of Team's Responsibility	3
Report of the Auditors	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Notes to the Financial Statements	7-15

# **FRANCISCAN MISSIONARIES OF ST. JOSEPH AFRICA REGION**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

---

### **ENTITY'S INFORMATION**

#### **REGIONAL TEAM**

Sr. Tecla Chepngeo : Regional Leader  
Sr. Margaret Obwoye : Assistant Regional Leader  
Sr. Benter Atieno : Member, Regional Leadership Team  
Sr. Margaret Tambasi : Member, Regional Leadership Team  
Sr. Bernadette Nealon : Member, Regional Leadership Team  
Sr. Margaret Bradbury : Regional Bursar

#### **AUDITORS**

: Muchungi and Associates,  
: P.O. Box 19849-00202,  
: NAIROBI.

#### **BANKERS**

: Kenya Commercial Bank (KCB)  
: NIC Bank

# **FRANCISCAN MISSIONARIES OF ST. JOSEPH AFRICA REGION**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

---

### **REGIONAL LEADERSHIP TEAM'S REPORT**

The Regional Leadership Team submits its report together with the audited financial statements for the year ended 31<sup>st</sup> December 2018.

#### **VISION**

A Community where people know their rights; their health and education needs are met; and there is respect for human dignity.

#### **MISSION**

Our FMSJ mission in East Africa is to provide complementary health, education and children's services for vulnerable groups of people to ensure their quality of life is nurtured.

#### **VALUES**

- Commitment
- Compassion
- Respect
- Justice
- Integrity

The Regional Leadership Team who served during the year are shown on Page 1.

#### **AUDITORS**

Muchungi & Associates, Certified Public Accountants, have expressed their willingness to continue in office.

#### **BY ORDER OF THE TEAM**

Sr. Tecla Chepngeno.....  
REGIONAL LEADER

Sr. Margaret Bradbury.....  
REGIONAL BURSAR

Nairobi.....20 June 2019

# **FRANCISCAN MISSIONARIES OF ST. JOSEPH**

## **AFRICA REGION**

### **STATEMENT OF REGIONAL LEADERSHIP TEAM'S RESPONSIBILITY**

---

The Trustees' Act requires the Regional Leadership Team to prepare financial statements for each financial year that gives a true and fair view of the state of the Regional affairs as at the end of the financial year and of its operating results for that year. It also requires the Regional Leadership Team to ensure that the Region keeps proper accounting records which disclose, with reasonable accuracy at any time the financial position of the Region. They are also responsible for safeguarding the assets of the Congregation at the Regional Level.

The Regional Leadership Team accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the Trustees' Act. The Team is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Region and of its operating results. The Regional Leadership Team further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the accounts, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Regional Leadership Team to indicate that the Region will not remain a going concern for at least the next twelve months from the date of this statement.

**Sr. Tecla Chepngeno**  
Regional Leader.....

Date .....20 June 2019

**Sr. Margaret Bradbury**  
Regional Bursar.....

Date .....20 June 2019

---

---

**REPORT OF THE INDEPENDENT AUDITORS TO THE REGIONAL LEADERSHIP TEAM – FRANCISCAN MISSIONARIES OF ST. JOSEPH: AFRICA REGION**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of Franciscan Missionaries of St. Joseph – Africa Region set out on pages 5 to 13 which comprise the statement of financial position as at 31<sup>ST</sup> December 2018, the statement of comprehensive income and a summary of significant accounting policies and other explanatory notes.

***Regional Leadership Team's Responsibility for the Financial Statements***

The Regional Leadership Team is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Trustees' Act. The responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

***Auditor's Responsibility***

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Region's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Regional Leadership Team, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the Region as at 31<sup>ST</sup> December 2018 and of its surplus/(deficit) and cashflows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

**Report on Other Legal Requirements**

As required by the Trustees' Act we report to you, based on our audit, that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account have been kept by the Region, so far as appears from our examination of those books; and
- iii. The Regional statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Christine Muchungi – P/No 2537

Muchungi & Associates  
Certified Public Accountants of Kenya  
Nairobi, Kenya  
Date.....20 June 2019



**FRANCISCAN MISSIONARIES OF ST. JOSEPH**  
**AFRICA REGION**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	2018 Kshs	2017 Kshs	2018 Pounds	2017 Pounds
<b>Assets</b>					
<b>Non Current Assets</b>	2	<u>172,950</u>	<u>172,950</u>	<u>1,246</u>	<u>1,246</u>
<b>Current Assets</b>					
Cash & Bank	3	43,721,048	32,657,281	315,100	235,363
Staff/Personell Debtors	4	361,058	-	2,602	-
		<u>44,082,106</u>	<u>32,657,281</u>	<u>317,702</u>	<u>235,363</u>
<b>Liabilites</b>					
<b>Current Liabilities</b>					
Creditors	5	283,040	250,781	2,040	1,807
Transfer Projects/Indviduals/Communitis	6	44,561,756	31,943,060	321,159	230,215
		<u>44,844,796</u>	<u>32,193,841</u>	<u>323,199</u>	<u>232,022</u>
<b>Net Current Assets/(Liabilities)</b>		<u>(762,690)</u>	<u>463,440</u>	<u>(5,497)</u>	<u>3,340</u>
<b>Net Asset</b>		<u>(589,740)</u>	<u>636,390</u>	<u>(4,250)</u>	<u>4,586</u>
<b>Fund Balance</b>	7	<u>(589,740)</u>	<u>636,390</u>	<u>(4,250)</u>	<u>4,586</u>

**Regional Superior**

Name: Sr. Tecla Chepngeno\_\_\_\_\_

Signature: \_\_\_\_\_

Date: 20 June 2019\_\_\_\_

**Regional Bursar**

Name: Sr. Margaret Bradbury\_\_\_\_\_

Signature: \_\_\_\_\_

Date: 20 June 2019\_\_\_\_

**FRANCISCAN MISSIONARIES OF ST. JOSEPH**  
**AFRICA REGION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Pounds</b>	<b>Pounds</b>
	<b>Notes</b>				
Donations & Grants	8	3,481,236	7,263,275	25,089	52,347
Sisters Salaries	9	12,437,089	10,108,230	89,635	72,850
Contribution from FMSJ Projects	10	36,300	789,886	262	5,693
Bank Interest Income	11	435,298	435,303	3,137	3,471
Garden / Farm Income	13	199,913	81,599	1,441	588
Sustainability Income	15	847,205	-	6,106	-
Other Income	14	1,327,166	2,373,761	9,565	17,108
<b>Total Income</b>		<b>18,764,208</b>	<b>21,052,054</b>	<b>135,235</b>	<b>152,057</b>
Physical Well Being	16	8,545,676	8,626,316	61,589	62,170
Mental Wellbeing	17	3,030,280	2,759,736	21,839	19,890
Spiritual Wellbeing	18	1,585,358	1,373,212	11,426	9,897
Sustainability Expense	19	100,504	199,137	724	1,435
Administration	20	3,121,643	3,690,389	22,498	26,597
Personell	21	1,961,873	1,240,375	14,139	8,939
Governance	22	720,810	1,233,727	5,195	8,892
Cheshire/Lilian Fonds Expenses	23	215,790	225,400	1,555	1,624
<b>Total Expense</b>		<b>19,281,934</b>	<b>19,348,292</b>	<b>138,966</b>	<b>139,444</b>
<b>Surplus</b>		<b>(517,726)</b>	<b>1,703,762</b>	<b>(3,731)</b>	<b>12,613</b>

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31ST DECEMBER 2018

Our Lady of Divine Providence													St. Joseph's Convent Luanda		St. Francis Convent Salawa		St. Therese's Convent Marigat		St. Clare's Convent Malindi		Amani Convent Witu		St. Michael Convent Mpeketoni		Maria Toto Ngina Ke'ekisii Uganda		
Regional Office Nairobi			Ingham House Nairobi		Rochdale House Nairobi		Novitiate Program Ingham House Nairobi		Holy Family Convent Kisumu		Providence Convent Nyamira		St. Joseph's Convent Luanda		St. Francis Convent Salawa		St. Therese's Convent Marigat		St. Clare's Convent Malindi		Amani Convent Witu		St. Michael Convent Mpeketoni		TOTAL		
Notes	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
2	172,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	172,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	43,303,799	30,626	14,137	34,807	5,893	20,736	170,521	2,864	28,785	37,539	10,506	11,898	43,721,048	361,058	-	-	-	-	-	-	-	-	-	-	-	-	-
4	43,864,857	30,626	14,137	34,807	5,893	20,736	170,521	2,864	28,785	37,539	10,506	11,898	44,082,106	361,058	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	32,186,741	65,604	27,538	99,899	8,002	134,401	12,150	4,680	16,845	17,961	4,560	10,239	32,657,281	361,058	-	-	-	-	-	-	-	-	-	-	-	-	-
5	283,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	44,551,607	-	-	-	-	-	10,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	44,834,647	-	-	-	-	-	10,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	32,183,491	-	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,169,791)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(762,691)	3,250	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	3,250	65,604	27,538	99,899	8,002	134,051	12,150	3,680	16,845	17,961	4,560	10,239	463,440														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,051	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)	176,200	65,604	27,538	99,899	59,661	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898
2017	176,200	65,604	27,538	99,899	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390														
	(996,841)	30,626	14,137	34,807	5,893	10,586	170,521	2,864	28,785	37,539																	

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kisumu	Our Lady of Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Therese's Convent Marigat	St. Clare's Convent Malindi	Amani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Keekisii Uganda	TOTAL	TOTAL
	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2018 Kshs	2017 Kshs
<b>Income</b>															
Donations & Grants	2,818,122	62,000	-	300,000	148,114	3,000	130,000	-	10,000	2,000	8,000	-	-	3,481,236	7,263,275
Sisters Salaries	3,565,598	1,953,776	607,050	-	706,793	630,815	919,050	760,016	949,839	665,969	803,110	566,632	308,441	12,437,089	10,108,230
Contribution from FMSJ Projects	36,300	-	-	-	-	-	-	-	-	-	-	-	-	36,300	789,886
Bank Interest Income	435,293	-	-	-	-	-	-	-	-	-	-	5	-	435,298	435,303
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garden / Farm Income	-	17,050	-	-	-	-	45,000	117,665	8,100	-	-	8,435	3,663	199,913	81,599
<b>Sustainability Income</b>	847,205	-	-	-	-	-	-	-	-	-	-	-	-	847,205	-
Other Income	1,248,363	26,000	-	7,525	-	-	19,500	12,500	2,500	10,778	-	-	-	1,321,166	2,373,761
<b>2017 Total Income</b>	<b>8,950,881</b>	<b>2,058,826</b>	<b>607,050</b>	<b>307,525</b>	<b>854,907</b>	<b>633,815</b>	<b>1,113,550</b>	<b>890,181</b>	<b>970,439</b>	<b>678,747</b>	<b>811,110</b>	<b>575,072</b>	<b>312,104</b>	<b>18,764,208</b>	<b>21,062,054</b>
2017	9,180,047	2,021,888	641,600	500,000	892,830	553,799	807,355	602,393	1,012,044	803,645	692,792	529,500	389,144	20,616,751	
<b>Expenditure</b>															
Physical Well Being	2,644,698	1,633,350	381,414	18,220	324,686	394,560	547,973	479,915	658,584	389,153	502,716	302,123	270,285	8,545,676	8,626,316
Mental Wellbeing	2,216,640	96,515	173,950	89,107	110,044	79,719	54,985	14,968	28,820	4,615	88,944	48,604	23,359	3,030,280	2,759,736
Spiritual Wellbeing	1,029,597	34,688	15,715	100,680	106,791	28,017	4,998	52,310	56,816	87,850	37,562	26,440	3,894	1,585,358	1,373,212
Sustainability Expense	95,504	-	-	-	-	-	-	-	5,000	-	-	-	-	100,504	199,137
Administration	2,108,260	35,512	48,872	164,611	169,527	60,850	83,294	51,180	131,947	78,979	66,579	109,127	12,907	3,121,643	3,690,389
Personell	707,783	293,740	500	-	150,281	63,508	281,054	120,937	93,088	106,649	61,501	82,832	-	1,961,873	1,240,375
Governance	665,590	-	-	-	4,300	8,770	7,550	-	-	-	34,600	-	-	720,810	1,233,727
Cheshire/Lilian Fonds Expenses	-	-	-	-	-	-	215,790	-	-	-	-	-	-	215,790	225,400
<b>2017 Total Expense</b>	<b>9,465,071</b>	<b>2,093,805</b>	<b>620,451</b>	<b>372,618</b>	<b>885,629</b>	<b>635,424</b>	<b>1,195,654</b>	<b>719,310</b>	<b>972,255</b>	<b>667,246</b>	<b>791,902</b>	<b>569,126</b>	<b>310,445</b>	<b>19,281,934</b>	<b>19,348,292</b>
2017	7,805,322	1,971,171	623,514	419,186	863,868	553,374	1,043,719	607,219	1,012,402	794,687	676,276	526,058	392,078	19,348,292	
<b>2017 Surplus/(Deficit)</b>	<b>(517,190)</b>	<b>(34,979)</b>	<b>(13,401)</b>	<b>(65,093)</b>	<b>(10,722)</b>	<b>(1,609)</b>	<b>(82,104)</b>	<b>170,872</b>	<b>(1,816)</b>	<b>11,501</b>	<b>19,208</b>	<b>5,946</b>	<b>1,659</b>	<b>(517,726)</b>	<b>1,703,762</b>
2017	(592,897)	(18,805)	18,086	80,814	28,962	425	(242,364)	(4,826)	(358)	8,958	16,516	3,442	(2,934)	(112,084)	

---

**NOTES TO THE FINANCIAL STATEMENT**

**1 Significant Accounting Policies**

**a) Accounting Period**

The Entity prepares its financial statement for the year ended December 2018

**b) Accounting Convention**

The Financial Statements have been prepared under the historical cost convention and cash accounting basis

**d) Fixed Asset Depreciation**

Fixed Assets are not stated less of accumulated depreciation. Fixed Assets have not been fully disclosed as the entity is developing a fixed asset register with accurate valuations to be reflected in 2018 financials

**c) Currency**

The accounts are expressed in Kenya Shillings (Kshs) and translated into Pounds rate is 1 British Pound (Pound) = Kshs 138.7531 (2015:125.42)

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Our Lady of													Kshs	
	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kisumu	Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Therese's Convent Marigat	St. Clare's Convent Malindi	Anani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Ke'ekisii Uganda	TOTAL	TOTAL
															Kshs 2017
2 Cash & Bank															
Bank-Regional Office-KCB-Kshs	5,291,778	-	-	-	-	-	-	-	-	-	-	-	-	5,291,778	5,095,580
Bank - Regional Office -KCB- Card	53,617	-	-	-	-	-	-	-	-	-	-	-	-	53,617	-
Bank-Regional-Centenary-Ugx	211,250	-	-	-	-	-	-	-	-	-	-	-	-	211,250	260,926
Bank-Regional-NIC-Kshs	32,297,728	-	-	-	-	-	-	-	-	-	-	-	-	32,297,728	25,276,585
Bank-Regional-NIC-Euro	5,368,121	-	-	-	-	-	-	-	-	-	-	-	-	5,368,121	630,828
Cash- Projects	15,500	-	-	-	-	-	-	-	-	-	-	-	-	15,500	-
Cash-Regional Office-Kshs	33,295	-	-	-	-	-	-	-	-	-	-	-	-	33,295	19,580
Cash-Regional-Ugx	9,224	-	-	-	-	-	-	-	-	-	-	-	-	9,224	11,629
Cash- Regional - Kshs	8,860	-	-	-	-	-	-	-	-	-	-	-	-	8,860	-
Mpesa-Regional Office-Kshs	4,425	-	-	-	-	-	-	-	-	-	-	-	-	4,425	9,732
Mpesa-Savings-Mshwari-Kshs	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Bank-Ingham-KCB-Kshs	-	24,239	-	-	-	-	-	-	-	-	-	-	-	24,239	24,987
Bank-Ingham-Kshs	-	6,387	-	-	-	-	-	-	-	-	-	-	-	6,387	40,618
Bank -Rochdale -Kshs	-	-	1,064	-	-	-	-	-	-	-	-	-	-	1,064	-
Cash-Rochdale-Kshs	-	-	13,073	-	-	-	-	-	-	-	-	-	-	13,073	27,538
Cash-Novitiate-Kshs	-	-	-	8,001	-	-	-	-	-	-	-	-	-	8,001	197
Bank-Novitiate-KCB-Kshs	-	-	-	26,806	-	-	-	-	-	-	-	-	-	26,806	99,702
Bank-Holy Family KCB-Kshs	-	-	-	-	26,642	-	-	-	-	-	-	-	-	26,642	56,291
Cash-Holy Family-Kshs	-	-	-	-	22,297	-	-	-	-	-	-	-	-	22,297	12,370
Bank-KCB-Our Lady Div Provi-Kshs	-	-	-	-	-	2,958	-	-	-	-	-	-	-	2,958	325
Cash-Our Lady Div Provi-Kshs	-	-	-	-	-	2,935	-	-	-	-	-	-	-	2,935	7,677
Bank-KCB-St Joseph-Kshs	-	-	-	-	-	-	11,051	-	-	-	-	-	-	11,051	91,378
Cash-St Joseph-Kshs	-	-	-	-	-	-	9,685	-	-	-	-	-	-	9,685	43,023
Bank-St Francis-KCB-Kshs	-	-	-	-	-	-	-	93,044	-	-	-	-	-	93,044	5,960
Cash-St Francis-Kshs	-	-	-	-	-	-	-	1,083	-	-	-	-	-	1,083	6,190
Cash -St. Francis Farm	-	-	-	-	-	-	-	29,515	-	-	-	-	-	29,515	-
Cash Lilliane Fonds	-	-	-	-	-	-	-	46,880	-	-	-	-	-	46,880	-
Bank-St Therese-KCB-Kshs	-	-	-	-	-	-	-	-	2,853	-	-	-	-	2,853	(561)
Cash-St Therese-Kshs	-	-	-	-	-	-	-	-	11	-	-	-	-	11	5,241
Bank-St Claire-KCB-Kshs	-	-	-	-	-	-	-	-	-	25,889	-	-	-	25,889	5,917
Cash-St Claire-Kshs	-	-	-	-	-	-	-	-	-	2,896	-	-	-	2,896	10,928
Bank-Amani-KCB-Kshs	-	-	-	-	-	-	-	-	-	-	26,954	-	-	26,954	861
Cash-Amani-Kshs	-	-	-	-	-	-	-	-	-	-	5,657	-	-	5,657	17,100
Mpesa Amani	-	-	-	-	-	-	-	-	-	-	4,928	-	-	4,928	-
Cash-St Micheal-Kshs	-	-	-	-	-	-	-	-	-	-	-	1,662	-	1,662	4,560
Bank St. Michael KCB, Kshs	-	-	-	-	-	-	-	-	-	-	-	8,844	-	8,844	-
Cash-Maria Toto-Ugx	-	-	-	-	-	-	-	-	-	-	-	-	5,348	5,348	26
Cash-Maria Toto-Kitchen Garden-Ugx	-	-	-	-	-	-	-	-	-	-	-	-	6,550	6,550	10,213
	43,303,799	30,626	14,137	34,807	48,939	5,893	20,736	170,521	2,864	28,785	37,539	10,506	11,898	43,721,048	31,785,399
2017	31,314,860	65,604	27,538	99,899	68,661	8,002	134,401	12,150	4,680	16,845	17,961	4,560	10,239	31,785,399	

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kisumu	Our Lady of Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Therese's Convent Marigat	St. Clare's Convent Malindi	Amani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Ke ekisii Uganda	TOTAL
Fixed Assets	172,950	-	-	-	-	-	-	-	-	-	-	-	-	172,950
2017	172,950	-	-	-	-	-	-	-	-	-	-	-	-	172,950
Staff/Personell Debtors	322,900	-	-	-	-	-	-	-	-	-	-	-	-	322,894
2017	871,882	-	-	-	-	-	-	-	-	-	-	-	-	871,876
Creditors	283,040	-	-	-	-	-	-	-	-	-	-	-	-	283,040
2017	240,781	-	-	-	9,000	-	-	-	1,000	-	-	-	-	250,781
Transfer Projects/Individuals/Communitis	44,551,607	-	-	-	-	-	10,150	-	-	-	-	-	-	44,561,757
2017	31,942,710	-	-	-	-	-	350	-	-	-	-	-	-	31,943,060
Common/Community/Formation Fund	1,221,389	112,588	6,333	30,499	905	125	563,854	104,876	11,683	24,418	1,111	-	56,113	2,133,893
Opening Balance	(1,701,040)	(46,984)	21,205	69,400	58,756	7,377	(429,802)	(92,726)	(7,003)	(7,133)	17,220	4,560	(45,874)	(2,152,045)
Retained Earnings	(517,190)	(34,979)	(13,401)	(65,093)	(10,722)	(1,609)	(123,466)	158,372	(1,816)	11,501	19,208	5,946	1,659	(571,589)
Net Income	(996,841)	30,626	14,137	34,806	48,939	5,893	10,586	170,521	2,864	28,785	37,539	10,506	11,898	(589,740)
Fund Balance	176,200	65,604	27,538	99,899	59,661	8,002	134,052	12,150	3,680	16,845	17,961	4,560	10,239	636,390
2017														

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018 Kshs	2017 Kshs
<b>6 Staff/Personell Debtors</b>		
Regional Office - Development office	202,900	446,813
Sr. Tecla- IMS	120,000	425,063
	<u>322,900</u>	<u>871,876</u>
<b>7 Creditors</b>		
Audit Fee	283,040	240,781
St. Therese Convent Bank KCB	-	1,000
Holy Family - Mill Hill Health	-	9,000
	<u>283,040</u>	<u>250,781</u>
<b>8 Transfer Projects/Individuals/Communitis</b>		
<b>Convent</b>		
Amani	-	4,032
Maria Toto Ngina Ke'ekisii	-	112,104
Holy Family	7,555	8,063
	<u>7,555</u>	<u>124,199</u>
<b>FMSJ Projects</b>		
Cardinal Vaughan Hope Centre	1,029,735	274,520
Marigat Mission Dispensary	407,188	407,210
Salawa Mission Dispensary	4,112,276	1,415,082
St Francis Rehab Project	3,355,123	1,607,360
St Joseph's Rehab Centre	3,768,842	3,413,834
St Vincent de Paul Charity Prog	5,271,209	5,292,636
Tuvumiliane HIV & Aids Support	3,618,846	2,758,418
Development Office	4,645,210	-
Designated for the Poor	3,448,024	-
	<u>29,656,453</u>	<u>15,169,059</u>
<b>Individuals</b>		
Fr. Jim O'Connell	380,719	444,714
John Mary (Marigat)	196,918	196,918
Rodgers Oyolla	-	-
	<u>577,637</u>	<u>641,632</u>
<b>Non FMSJ Project</b>		
Cheshire Disabilities	172,820	213,459
Ebukuya	190,088	1,561
EMP Feeding Program	493,782	237,212
EMP Kotido Nursery	593,011	182,744
EMP Luanda Widows	491,308	413,475
EMP MC Kisumu/KUAP Services	8,293,380	12,388,719
EMP Nyamira School	7,555	23,912
St. Stephen Manera	-	132,815
	<u>10,241,943</u>	<u>13,593,896</u>
<b>Regional Office</b>	<u>-</u>	<u>6,085</u>
<b>Region Misesan Cara Indirect Fund</b>	<b>1,331,878</b>	<b>-</b>
<b>Sisters</b>		
Sr. Anne Moore	719,600	454,073
Sr. Bernadette Nealon	1,769,968	1,631,383
Sr. Margaret Bradbury	174,973	248,706
Sr. Noel Barron	-	26,876
Sr. Phaustine Wangwa	46,800	46,800
Sr. Margaret K. Obwogi	24,800	-
	<u>2,736,141</u>	<u>2,407,838</u>
<b>Total</b>	<u><b>44,551,607</b></u>	<u><b>31,942,710</b></u>



FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kiumu	Our Lady of Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Theresa's Convent Marigat	St. Clare's Convent Malindi	Anani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Ke'ekisi Uganda	TOTAL
<b>8 Donations &amp; Grants</b>														<b>Kshs</b>
FMSJ UK (Mother House)	1,816,070	-	-	300,000	-	-	-	-	-	-	-	-	-	2,116,070
FMSJ Kenya / Uganda Region	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apostolic Nuncio Grant	69,020	-	-	-	-	-	-	-	-	-	-	-	-	69,020
Catholic Scholarship	379,000	-	-	-	-	-	-	-	-	-	-	-	-	379,000
Liliane Fonds/Cheeslie Grant	-	-	-	-	-	-	130,000	-	-	-	-	-	-	130,000
Donations in Kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Persons of Goodwill	554,032	62,000	-	-	148,114	3,000	-	-	10,000	2,000	8,000	-	-	787,146
<b>2018 Donations &amp; Grants Total</b>	<b>2,818,122</b>	<b>62,000</b>	<b>-</b>	<b>300,000</b>	<b>148,114</b>	<b>3,000</b>	<b>130,000</b>	<b>-</b>	<b>10,000</b>	<b>2,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>3,481,236</b>
<b>2017</b>	<b>4,590,423</b>	<b>2,056,826</b>	<b>-</b>	<b>500,000</b>	<b>84,760</b>	<b>5,900</b>	<b>4,060</b>	<b>-</b>	<b>-</b>	<b>19,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,263,275</b>
<b>9 Sisters Salaries</b>	<b>3,565,998</b>	<b>1,953,776</b>	<b>607,030</b>	<b>-</b>	<b>706,793</b>	<b>630,815</b>	<b>919,050</b>	<b>760,016</b>	<b>949,339</b>	<b>865,969</b>	<b>803,110</b>	<b>566,632</b>	<b>308,441</b>	<b>12,437,089</b>
<b>2017</b>	<b>1,460,441</b>	<b>1,953,776</b>	<b>641,600</b>	<b>-</b>	<b>808,070</b>	<b>547,899</b>	<b>797,295</b>	<b>593,688</b>	<b>931,344</b>	<b>769,345</b>	<b>692,792</b>	<b>525,400</b>	<b>386,560</b>	<b>10,108,230</b>
<b>10 Contribution from FMSJ Projects</b>	<b>36,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,300</b>
<b>2017</b>	<b>789,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>789,866</b>
<b>11 Bank Interest Income</b>	<b>435,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>435,298</b>
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Investment Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 Garden / Farm Income</b>	<b>-</b>	<b>17,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,000</b>	<b>117,665</b>	<b>8,100</b>	<b>-</b>	<b>-</b>	<b>8,435</b>	<b>3,663</b>	<b>199,513</b>
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>899</b>	<b>81,599</b>
<b>14 Other Income</b>	<b>1,248,363</b>	<b>26,000</b>	<b>-</b>	<b>7,325</b>	<b>-</b>	<b>-</b>	<b>19,500</b>	<b>12,500</b>	<b>2,500</b>	<b>10,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,327,168</b>
<b>2017</b>	<b>2,339,291</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,705</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>4,100</b>	<b>1,665</b>	<b>2,373,761</b>
<b>15 Sustainability Income</b>	<b>847,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>847,205</b>
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16 Physical Well Being</b>	<b>3,315</b>	<b>812,576</b>	<b>248,163</b>	<b>-</b>	<b>143,409</b>	<b>188,356</b>	<b>228,512</b>	<b>226,527</b>	<b>188,819</b>	<b>201,026</b>	<b>281,644</b>	<b>131,649</b>	<b>165,077</b>	<b>2,820,073</b>
Food	-	18,150	350	-	6,760	-	-	48,740	25,520	-	4,800	2,050	-	106,370
Garden/Farm Expense	6,215	106,863	31,231	2,930	18,354	55,989	55,218	89,513	89,513	38,802	59,359	44,237	30,483	600,097
Household	32,510	261,832	14,700	-	56,329	53,525	88,380	33,237	108,655	53,789	53,093	12,250	14,719	783,019
Fuel	-	190,900	-	-	-	-	-	-	101,024	-	-	-	-	281,924
Security	240,656	65,109	650	1,500	13,500	4,860	52,745	670	11,200	16,555	7,680	7,770	11,988	435,083
Maintenance	85,655	-	-	-	-	-	-	-	-	-	-	-	-	85,655
Insurance	53,401	19,060	14,153	2,600	10,484	220	40,385	40,338	48,730	19,261	5,800	40,572	3,063	298,067
Sisters Expense	2,201,545	4,860	1,667	11,190	32,350	17,110	15,933	-	6,623	7,520	14,340	8,595	-	2,321,733
Medical	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physical Well Being Other	21,000	164,000	70,500	-	43,500	73,500	62,800	73,500	76,500	52,200	73,000	55,000	44,955	810,455
Personal Allowance	<b>2,644,698</b>	<b>1,633,350</b>	<b>381,414</b>	<b>18,220</b>	<b>324,666</b>	<b>394,560</b>	<b>547,973</b>	<b>479,915</b>	<b>656,584</b>	<b>389,153</b>	<b>502,716</b>	<b>302,123</b>	<b>270,285</b>	<b>8,545,676</b>
<b>Physical Well Being Total</b>	<b>2,655,349</b>	<b>1,722,283</b>	<b>413,504</b>	<b>137,556</b>	<b>471,900</b>	<b>378,237</b>	<b>447,349</b>	<b>406,052</b>	<b>526,817</b>	<b>471,326</b>	<b>402,325</b>	<b>313,582</b>	<b>340,036</b>	<b>8,626,316</b>
<b>2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kisumu	Our Lady of Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Therese's Convent Marigat	St. Clare's Convent Malindi	Anani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Ke'ekisii Uganda	TOTAL
														KShs
<b>17 Mental Wellbeing</b>														
Recreation Expense	-	-	3,980	12,550	-	-	19,285	-	-	-	-	1,928	-	37,743
Books/Periodicals/Subscriptions	25,650	21,780	4,400	-	6,160	32,659	4,820	3,888	14,300	2,320	10,264	4,850	15,034	146,125
Holiday	75,570	14,000	12,200	14,500	4,000	2,000	11,500	8,500	12,000	-	27,000	9,556	6,993	197,819
Education														
Education: Pre Novitiate	1,160	-	-	-	-	-	2,500	-	-	-	-	-	-	3,660
Education: Novitiate	300,000	-	-	39,147	-	-	-	-	-	-	-	-	-	339,147
Education: Juniorate	887,253	-	56,000	-	81,184	32,000	3,200	-	-	-	5,500	-	-	1,065,137
Education - Other	-	-	80,050	-	-	-	-	-	2,520	-	-	-	-	82,570
On going Formation	556,627	-	7,500	-	-	11,560	3,000	-	-	-	13,000	-	-	591,687
Total	1,745,040	-	143,550	39,147	81,184	43,560	8,700	-	2,520	-	18,500	-	-	2,082,201
Celebration/Events														
Celebration/Events: Professions	-	-	3,500	-	-	-	-	-	-	650	-	-	-	4,150
Celebration/Events: Jubilees	292,254	-	-	22,910	-	-	6,020	-	-	-	3,180	15,000	-	339,364
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Celebration/Events: Sisters Celebrations	78,126	60,735	6,320	-	18,700	1,500	4,670	2,580	-	1,645	30,000	17,270	1,332	222,878
Total	370,380	60,735	9,820	22,910	18,700	1,500	10,690	2,580	-	2,295	33,180	32,270	1,332	566,392
<b>Mental Wellbeing Total</b>	<b>2,216,640</b>	<b>96,515</b>	<b>173,950</b>	<b>89,107</b>	<b>110,044</b>	<b>79,719</b>	<b>54,995</b>	<b>14,968</b>	<b>28,820</b>	<b>4,615</b>	<b>88,944</b>	<b>48,604</b>	<b>23,359</b>	<b>3,030,280</b>
2017	1,955,338	109,994	130,558	91,498	73,765	64,765	34,952	24,073	31,699	25,080	123,576	70,263	24,176	2,759,736
<b>18 Spiritual Wellbeing</b>														
Chapel	5,100	7,280	2,680	-	4,940	1,618	200	14,690	2,222	500	1,200	3,345	1,413	45,188
Pastoral Expense	18,000	18,600	4,540	-	39,580	-	-	7,520	-	42,800	4,382	-	-	135,422
Donation	121,706	8,808	1,000	13,655	59,771	7,788	4,798	1,200	27,494	41,920	18,580	4,000	2,481	313,201
Retreat & Recollections	872,700	-	535	69,025	2,500	18,611	-	21,200	26,100	-	13,400	18,095	-	1,042,166
Spiritual Direction	8,591	-	6,960	18,000	-	-	-	-	-	-	-	-	-	33,551
Sisters Welfare	3,500	-	-	-	-	-	-	7,700	1,000	2,630	-	1,000	-	15,830
<b>Spiritual Wellbeing Total</b>	<b>1,029,597</b>	<b>34,688</b>	<b>15,715</b>	<b>100,680</b>	<b>106,791</b>	<b>28,017</b>	<b>4,998</b>	<b>52,310</b>	<b>56,816</b>	<b>87,850</b>	<b>37,562</b>	<b>26,440</b>	<b>3,894</b>	<b>1,585,358</b>
2017	698,216	32,059	35,615	97,416	122,297	8,065	47,172	46,754	158,962	83,157	23,224	17,035	3,240	1,373,212
<b>19 Sustainability Expense</b>														
Vocation Promotion	95,504	-	-	-	-	-	-	-	5,000	-	-	-	-	100,504
<b>Sustainability Total</b>	<b>95,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,504</b>
2017	194,137	-	-	-	-	-	-	-	5,000	-	-	-	-	199,137

FRANCISCAN MISSIONARIES OF ST. JOSEPH  
AFRICA REGION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Regional Office Nairobi	Ingham House Nairobi	Rochdale House Nairobi	Novitiate Program Ingham House Nairobi	Holy Family Convent Kisumu	Our Lady of Divine Providence Convent Nyamira	St. Joseph's Convent Luanda	St. Francis Convent Salawa	St. Therese's Convent Marigat	St. Clare's Convent Malindi	Amani Convent Witu	St. Michael Convent Mpeketoni	Maria Toto Ngina Ke'ekisii Uganda	TOTAL
														Kshs
<b>20 Administration</b>														
Transport	894,608	6,825	3,630	58,358	34,253	17,760	23,870	23,450	57,546	70,123	40,770	71,030	167	1,302,389
Car	491,871	18,850	31,950	73,477	119,919	30,350	48,464	13,570	60,493	800	-	21,630	11,655	923,029
Stationary/Postage/Printing	89,324	2,904	5,166	14,353	12,170	3,435	300	6,264	7,718	440	3,760	600	619	147,053
Telephone & Internet	70,152	96	950	15,800	1,500	-	300	100	1,550	3,200	3,683	3,380	466	101,178
Professional/Consultancies	377,606	-	-	-	-	-	-	-	-	-	-	-	-	377,606
Legal Papers	25,399	300	990	-	-	-	-	-	-	-	2,800	-	-	29,489
Bank Charges	126,320	6,537	6,186	2,623	1,685	9,305	9,938	5,853	4,520	2,416	12,366	5,313	-	193,060
Dues & Subscriptions	29,432	-	-	-	-	-	422	1,943	-	2,000	3,200	7,174	-	44,171
Other Expenses	400	-	-	-	-	-	-	-	120	-	-	-	-	520
Foreign Exchange loss	3,147	-	-	-	-	-	-	-	-	-	-	-	-	3,147
<b>Administration Total</b>	<b>2,108,260</b>	<b>35,512</b>	<b>48,872</b>	<b>164,611</b>	<b>169,527</b>	<b>60,850</b>	<b>83,294</b>	<b>51,180</b>	<b>131,947</b>	<b>78,979</b>	<b>66,579</b>	<b>109,127</b>	<b>12,907</b>	<b>3,121,643</b>
2017	2,880,757	55,029	43,837	92,716	119,802	46,212	100,110	34,352	116,472	88,812	56,091	36,703	19,497	3,690,389
<b>21 Personnel</b>														
Staff Welfare	-	5,450	-	-	-	-	-	-	-	-	-	-	-	5,450
Salaries & Wages	707,783	288,290	500	-	150,281	63,508	281,054	120,937	93,088	106,649	61,501	82,832	-	1,956,423
<b>Personnel Total</b>	<b>707,783</b>	<b>293,740</b>	<b>500</b>	<b>-</b>	<b>150,281</b>	<b>63,508</b>	<b>281,054</b>	<b>120,937</b>	<b>93,088</b>	<b>106,649</b>	<b>61,501</b>	<b>82,832</b>	<b>-</b>	<b>1,961,873</b>
2017	182,235	143,604	-	-	136,104	49,515	188,736	95,288	173,452	126,312	67,800	72,200	5,128	1,240,375
<b>22 Governance</b>														
Audit	283,040	-	-	-	-	-	-	-	-	-	-	-	-	283,040
Meetings	2,000	-	-	-	-	-	4,350	-	-	-	2,100	-	-	104,580
Meetings/Stakeholder Hospitality	98,130	-	-	-	-	-	-	-	-	-	-	-	-	307,990
Meetings/Planning & Evaluation	267,420	-	-	-	4,300	8,770	-	-	-	-	27,500	-	-	15,000
Meetings Other	15,000	-	-	-	-	-	-	-	-	-	5,000	-	-	8,200
Meetings/Monitoring & Evaluation	-	-	-	-	-	-	3,200	-	-	-	-	-	-	8,200
Total	382,550	-	-	-	4,300	8,770	7,550	-	-	-	34,600	-	-	435,770
<b>Governance Total</b>	<b>665,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,300</b>	<b>8,770</b>	<b>7,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,600</b>	<b>-</b>	<b>-</b>	<b>718,810</b>
2017	1,206,912	-	-	-	-	6,580	-	700	-	-	3,260	16,275	-	1,233,727
<b>23 Cheshire/Lilian Fonds Expenses</b>														
School Fees	-	-	-	-	-	-	215,790	-	-	-	-	-	-	215,790
<b>Cheshire/Lilian Fonds Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,790</b>
2017	-	-	-	-	-	-	225,400	-	-	-	-	-	-	225,400

**The Franciscan Missionaries of St. Joseph**  
**Income for the Year Ended 31 December 2018**  
**Ecuador Region**

**2017**  
£

£

**Salaries and Pensions**

3303	Salaries	2924
------	----------	------

50406	<b>Voluntary Contributions</b>	36698
-------	--------------------------------	-------

**Financial Receipts**

1882	Bank Interest Received	352
------	------------------------	-----

662	<b>Sister House Income</b>	1496
-----	----------------------------	------

	<b>Sale Proceeds from Santa Clara House</b>	60391
--	---	-------

<u>56253</u>	<b>Total Income for the Year</b>	<u>101861</u>
--------------	----------------------------------	---------------

**The Franciscan Missionaries of St. Joseph**

**Expenditure for the Year Ended 31 December 2018**

**Ecuador Region**

<b>2017</b>			
£		£	£
65	<b>Education and Tuition</b>		8
60200	<b>Sister House Expenses</b>		57320
	<b>Establishment Expenses</b>		
-	Office Expenses	44	
8699	Travel	2787	
2731	Donations	3064	
<u>11430</u>		<u></u>	5895
	<b>Financial Expenses</b>		
117	Bank Charges	918	
1771	Professional Fees	1866	
5484	Exchange Adjustments	(4901)	
<u>7372</u>		<u></u>	(2117)
24	<b>Formation</b>		217
-	<b>Contribution to External Programs</b>		-
<u>79091</u>	<b>Total Expenditure for the Year</b>		<u>61323</u>
(22838)	<b>(Deficit) for the Year</b>		40538
<u><u>56253</u></u>			<u><u>101861</u></u>

**The Franciscan Missionaries of St. Joseph****Balance Sheet as at 31 December 2018****Ecuador Region****2017**

£

£

**Capital Account**

63770	Capital as at 1 January 2018	57189
-------	------------------------------	-------

18579	Add Transfers from U.S.A.	18277
-------	---------------------------	-------

<u>82349</u>		<u>75466</u>
--------------	--	--------------

2322	Less Transfer to Maintenance Reserve	-
------	--------------------------------------	---

<u>80027</u>		<u>75466</u>
--------------	--	--------------

(22838)	Surplus/(Deficit) for the Year	40538
---------	--------------------------------	-------

<u>57189</u>	General Funds	<u>116004</u>
--------------	---------------	---------------

76001	Maintenance Reserve	73018
-------	---------------------	-------

<u><u>133190</u></u>	<b>Total Funds</b>	<u><u>189022</u></u>
----------------------	--------------------	----------------------

**Represented By**

57189	Cash and Bank Balances	116004
-------	------------------------	--------

76001	Monies Held in U.S.A.	73018
-------	-----------------------	-------

<u><u>133190</u></u>		<u><u>189022</u></u>
----------------------	--	----------------------

**1 Transactions with other Regions**

Income and expenses of the Region which have been transacted through the United Kingdom Central Fund and which are not therefore included in the Regional account were as follows: -

	<b>2018</b>	<b>2017</b>
	£	£
Pensions Received	5633	5633
Voluntary Contributions	46012	46012
Expenses	1951	1951

Voluntary Contributions include monies raised for external programmes.

**2 Foreign Currencies**

Transactions conducted in American Dollars are converted into Sterling at the average rate of exchange during the year. Assets and liabilities are converted at rates of exchange ruling at the balance sheet date.

**3 Tangible Fixed Assets**

The cost of property and other tangible fixed assets purchased by the Region is written off to expenditure in the year in which it is incurred .

This policy is considered appropriate given the political instability of the region.

**The Franciscan Missionaries of St. Joseph****Notes to the Accounts for the Year Ended 31 December 2018****Ecuador Region****4 Maintenance Reserve**

Monies relating to the Ecuador Region have been lodged in a deposit account located in the USA where a better rate of interest is available compared to those available on deposit accounts in Ecuador. This account is now regarded as constituting the Ecuadorian Sisters Retirement Fund. The account was closed towards the end of the year due to poor investment performance and the monies were transferred to the Albany House Investments Portfolio managed by Wells Fargo.

	<b>2018</b> £	<b>2017</b> £
Balance as at 1 January 2018	76001	79514
Net Income	230	1791
Fair Market Value Adjustment	(6156)	(578)
Transferred from Ecuador Region	-	2322
Monies Donated by USA Area	-	-
Transferred to Ecuador Region	-	-
Exchange Adjustment	2149	(7048)
Balance transferred to Albany House Investment Portfolio	(72224)	-
Closed 6 December 2018	<u>-</u>	<u>76001</u>

The investments constituting the Ecuadorean Retirement Fund are therefore no longer held in a dedicated account. The Fund will be evaluated at the end of each financial year, having regard to the Albany House investment portfolio performance and additional deposits and withdrawals relating to the Fund.

	<b>2018</b> £	<b>2017</b> £
Funds transferred to Albany House Investment Portfolio	72224	-
Net Income and Fair Value Adjustment	(1272)	1791
Transferred from Ecuador Region	-	2322
Monies Donated by USA Area	-	-
Transferred to Ecuador Region	-	-
Exchange Adjustment	2066	(7048)
Fund Value as at 31 December 2018	<u>73018</u>	<u>(2935)</u>