

Charity registration number: 250451

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

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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

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

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

### **Reference and Administrative Details**

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

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

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2018.

### **Objectives and activities**

#### ***Objects and aims***

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

#### ***Public benefit***

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

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

### **Financial review**

#### ***Policy on reserves***

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

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

#### ***Investment policy and objectives***

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

### **Structure, governance and management**

#### ***Nature of governing document***

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

#### ***Recruitment and appointment of trustees***

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

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

## Trustees' Report

### *Induction and training of trustees*

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

### *Organisational structure*

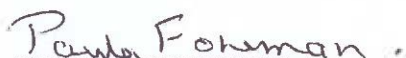
The charity is organised so that the trustees meet regularly to manage its affairs.

### *Major risks and management of those risks*

#### *Risk Management*

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

The annual report was approved by the trustees of the charity on 21 October 2019 and signed on its behalf by:



P Foreman  
Trustee



P Robertson  
Trustee

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

### Statement of Trustees' Responsibilities

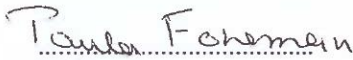
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.


The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 21 October 2019 and signed on its behalf by:

  
P Foreman  
Trustee

  
P Robertson  
Trustee



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

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

I report on the accounts of the charity for the year ended 31 December 2018 which are set out on pages 6 to 17.

#### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Independent Examiner.

It is my responsibility to:

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

#### **Basis of independent examiner's report**

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

#### **Independent examiner's statement**

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

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

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

have not been met; or

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



Matthew Hodson FCA  
Independent Examiner

Wiston House  
1 Wiston House  
Worthing  
West Sussex  
BN14 7QL

21 October 2019

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

### Statement of Financial Activities for the Year Ended 31 December 2018

	Note	Unrestricted funds £	Total 2018 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	95,899	95,899
Investment income	4	27,343	27,343
Other income	5	183,181	183,181
Total Income		<u>306,423</u>	<u>306,423</u>
<b>Expenditure on:</b>			
Raising funds		(8,792)	(8,792)
Charitable activities		<u>(149,089)</u>	<u>(149,089)</u>
Total Expenditure		<u>(157,881)</u>	<u>(157,881)</u>
Gains/losses on investment assets		<u>(65,602)</u>	<u>(65,602)</u>
Net movement in funds		82,940	82,940
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,215,853</u>	<u>2,215,853</u>
Total funds carried forward	17	<u>2,298,793</u>	<u>2,298,793</u>
	Note	Unrestricted funds £	Total 2017 £
<b>Income and Endowments from:</b>			
Donations and legacies		40,084	40,084
Other trading activities		38,485	38,485
Investment income	4	26,882	26,882
Other income		<u>528</u>	<u>528</u>
Total Income		<u>105,979</u>	<u>105,979</u>
<b>Expenditure on:</b>			
Charitable activities		<u>(133,645)</u>	<u>(133,645)</u>
Total Expenditure		<u>(133,645)</u>	<u>(133,645)</u>
Gains/losses on investment assets		<u>34,893</u>	<u>34,893</u>
Net movement in funds		7,227	7,227
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,208,626</u>	<u>2,208,626</u>
Total funds carried forward	17	<u>2,215,853</u>	<u>2,215,853</u>

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

The funds breakdown for 2017 is shown in note 17.



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

(Registration number: 250451)  
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	1,193,715	1,080,265
Investments	14	<u>825,916</u>	<u>891,518</u>
		<u>2,019,631</u>	<u>1,971,783</u>
<b>Current assets</b>			
Debtors	15	4,256	1,641
Cash at bank and in hand		<u>277,379</u>	<u>244,844</u>
		281,635	246,485
<b>Creditors: Amounts falling due within one year</b>	16	<u>(2,473)</u>	<u>(2,415)</u>
<b>Net current assets</b>		<u>279,162</u>	<u>244,070</u>
<b>Net assets</b>		<u>2,298,793</u>	<u>2,215,853</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,298,793</u>	<u>2,215,853</u>
<b>Total funds</b>	17	<u>2,298,793</u>	<u>2,215,853</u>

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 21 October 2019 and signed on their behalf by:

*Paula Foreman*

P Foreman  
Trustee

*P Robertson*

P Robertson  
Trustee

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

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

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

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

##### **Exemption from preparing a cash flow statement**

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

##### **Going concern**

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

##### **Judgements**

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

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

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

##### **Income and endowments**

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

##### **Donations and legacies**

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

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

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Expenditure**

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

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

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

#### **Support costs**

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

#### **Governance costs**

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

#### **Tangible fixed assets**

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

#### **Depreciation and amortisation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	over 50 years
Fixtures and fittings	15% reducing balance
Motor vehicles	over 4 years
Equipment	over 5 years

#### **Impairment of fixed assets**

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

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



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

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Fixed asset investments

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

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

#### Fund structure

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

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

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

#### Financial instruments

##### Classification

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

## 2 Income from donations and legacies

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Donations and legacies;			
Donations	8,337	8,337	13,000
Pensions	87,562	87,562	27,084
	95,899	95,899	40,084

## 3 Income from other trading activities

	Total 2018	Total 2017
	£	£
Honorarium	-	38,485
	-	38,485



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

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 4 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	27,343	27,343	26,882

### 5 Other income

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Other income	199	199	528
Gains on sale of tangible fixed assets for charity's own use	182,982	182,982	-
	183,181	183,181	528

### 6 Expenditure on charitable activities

		Unrestricted funds		
		General	Total	Total
	Note	£	2018	2017
			£	£
Community account		40,442	40,442	61,001
Allocated support costs	7	105,875	105,875	70,544
Governance costs	7	2,772	2,772	2,100
		149,089	149,089	133,645

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

## Notes to the Financial Statements for the Year Ended 31 December 2018

£149,089 (2017 - £133,645) of the above expenditure was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

### 7 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	Finance costs £	Information technology £	Administration costs £	Premises and household £	Other support costs £	Total 2018 £
Community account	<u>27,280</u>	<u>1,503</u>	<u>1,340</u>	<u>71,658</u>	<u>4,094</u>	<u>105,875</u>

#### Governance costs

	Unrestricted funds General £	Total 2018 £	Total 2017 £
Independent examiner fees			
Examination of the financial statements	<u>2,772</u>	<u>2,772</u>	<u>2,100</u>
	<u>2,772</u>	<u>2,772</u>	<u>2,100</u>

### 8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2018 £	2017 £
Depreciation of fixed assets	10,108	37,284
Gains/(Losses) on listed investments	<u>(65,602)</u>	<u>34,893</u>

### 9 Trustees remuneration and expenses

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

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

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

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

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **10 Staff costs**

The aggregate payroll costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The average head count of employees during the year was Nil (2017: Nil).	<u>-</u>	<u>-</u>

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

#### **11 Independent examiner's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Examination of the financial statements	<u>2,772</u>	<u>2,100</u>
Independent Examiner's remuneration	<u>2,772</u>	<u>2,100</u>

#### **12 Taxation**

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

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

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2018	1,265,823	70,762	55,459	1,392,044
Additions	919,367	1,209	-	920,576
Disposals	(957,346)	(19,768)	-	(977,114)
At 31 December 2018	<u>1,227,844</u>	<u>52,203</u>	<u>55,459</u>	<u>1,335,506</u>
<b>Depreciation</b>				
At 1 January 2018	199,476	57,805	54,498	311,779
Charge for the year	7,631	1,522	955	10,108
Eliminated on disposals	(166,289)	(13,807)	-	(180,096)
At 31 December 2018	<u>40,818</u>	<u>45,520</u>	<u>55,453</u>	<u>141,791</u>
<b>Net book value</b>				
At 31 December 2018	<u>1,187,026</u>	<u>6,683</u>	<u>6</u>	<u>1,193,715</u>
At 31 December 2017	<u>1,066,347</u>	<u>12,957</u>	<u>961</u>	<u>1,080,265</u>

#### 14 Fixed asset investments

	2018 £	2017 £
Other investments	<u>825,916</u>	<u>891,518</u>



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

## Notes to the Financial Statements for the Year Ended 31 December 2018

### Other investments

	Listed investments £	Total £
<b>Cost or Valuation</b>		
At 1 January 2018	891,518	891,518
Revaluation	(65,602)	(65,602)
At 31 December 2018	<u>825,916</u>	<u>825,916</u>
<b>Net book value</b>		
At 31 December 2018	<u>825,916</u>	<u>825,916</u>
At 31 December 2017	<u>891,518</u>	<u>891,518</u>

The above investments are all in investment assets held in the UK. All are unrestricted funds. At 31 December 2018 the investments were £825,916 in a Collective Investment Account with Skandia MultiFUNDS Limited. These investments are held to provide an investment return for the charity.

### 15 Debtors

	2018 £	2017 £
Prepayments	1,833	1,641
Other debtors	<u>2,423</u>	<u>-</u>
	<u>4,256</u>	<u>1,641</u>

### 16 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	1	315
Accruals	<u>2,472</u>	<u>2,100</u>
	<u>2,473</u>	<u>2,415</u>

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

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 17 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	<u>2,215,853</u>	<u>306,423</u>	<u>(157,881)</u>	<u>(65,602)</u>	<u>2,298,793</u>
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	<u>2,208,626</u>	<u>105,979</u>	<u>(133,645)</u>	<u>34,893</u>	<u>2,215,853</u>

### 18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	1,193,715	1,193,715
Fixed asset investments	825,916	825,916
Current assets	281,635	281,635
Current liabilities	<u>(2,473)</u>	<u>(2,473)</u>
Total net assets	<u>2,298,793</u>	<u>2,298,793</u>

### 19 Analysis of net funds

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	244,844	32,535	277,379
Net debt	<u>244,844</u>	<u>32,535</u>	<u>277,379</u>

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

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **20 Related party transactions**

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

##### **The Religious Community**

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

At the balance sheet date the amount due to/from The Religious Community was £Nil (2017 - £Nil).