

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2019**

**Haysmacintyre LLP  
Chartered Accountants  
Registered Auditors  
London**

The Trustees present their report and Accounts for the year ended 31 March 2019.

### **INTRODUCTION AND HISTORY OF THE CHARITY (CONGREGATION)**

The Congregation of the Franciscan Sisters of Mill Hill is an Institute of apostolic women within the Roman Catholic Church, founded in 1868.

The story of the Congregation began 150 years ago in Hackney, London. The five pioneering women, under the leadership of Mary Basil who founded the Congregation, were honed by their previous experiences (as Anglican Sisters) among the destitute people of Soho and Hackney where cholera, small pox, and appalling living conditions were rife. Received into the Roman Catholic Church in 1868, they continued and developed their work among the poorest in society through various forms of social work, health care, skills training and education. Attracted by their love, joyful service of the poor and Franciscan way of life, other women soon joined them and their numbers steadily grew.

**MOTHER MARY FRANCIS BASIL (1833-1886)**

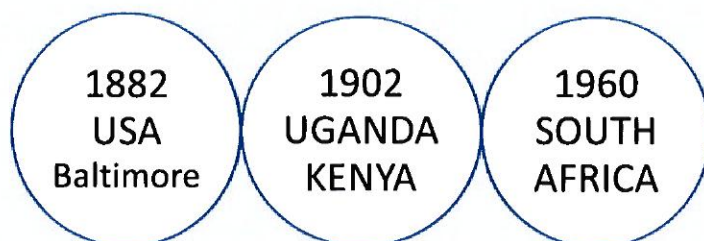


**FOUNDRESS**

**GROUP OF EARLY SISTERS (circa 1874)**



Over the next one hundred years, the Sisters responded to calls for help within the UK and Ireland, and further afield:



From that one small group of five pioneering women in England in 1868, there have sprung four independent Congregations of Religious Sisters in USA, East Africa, Ireland and UK.



Representatives of the four Congregations:  
Franciscan Sisters of Mill Hill  
Franciscan Sisters of Baltimore (now Milwaukee)  
Franciscan Missionaries for Africa  
Little Sisters of St Francis (East Africa)

From the 1970's onwards a sea change occurred in active religious orders: most Congregations in Europe and USA saw a marked decrease in the number of women joining. (The opposite has occurred in Africa!)

With no new applicants and an ageing membership, we welcome new challenges to the way we live our Franciscan calling. Our desire to be a meaningful presence among the communities in which we live and serve is as strong as ever.



## ACHIEVEMENTS AND PERFORMANCE.

The care, welfare and support of our frail elderly Sisters remains a primary aspect of our ministry.

Three of our frail, elderly members aged between 84 and 90 years reside at St Vincent's Home, Pinner.

Here, our Sisters appreciate the wholistic approach of the Home, where they are cared for with love and respect. Despite their advanced age, they take an active part in the daily life of the Home.

St Vincent's has an excellent reputation in making every effort to meet the physical, spiritual, emotional and social needs of all the residents.



Visitors to St Vincent's are always warmly welcomed by our elderly Sisters, residents, and staff.

Our active Sisters make regular visits as do friends who live locally. This year also saw visits from relations and friends from Ireland and Canada.

Activities, outings and celebrations are frequent in St Vincent's, with birthdays having pride of place. Here Margaret Mary helps Margaret Teresa cut her 90<sup>th</sup> birthday cake. Margaret Teresa spent the whole of her working life teaching in the UK and South Africa. The signs of her creative skills can still be seen in many of the places where she lived and worked.







**BESIDES HAVING** spent more than 25 years in parish ministry, Sophia has extensive experience in the field of nursing, both general and psychiatric. She spent many years involved in the development and running of an innovative and successful residential farm-based community for young people living with severe autism.



#### KILBRYDE HOSPICE

In her 80<sup>th</sup> year, Sophia has now joined a team of Spiritual Care volunteers at Kilbryde Hospice where her gifts and experience are greatly appreciated.

Her manager has written of the vital role Sophie plays in her area of work and the support she gives to patients and staff alike, making her a true asset to Kilbryde Hospice.



**AMONG MANY** other activities, Catherine is often to be found visiting the sick, housebound and elderly folk on the Estate where she lives in Mill Hill London, and at St Vincent's Nursing Home in Pinner.

She is a member of the Estate Committee which acts on behalf of the residents with the Estate management. The Committee also organizes social events throughout the year for the residents.



**THE PRESENT TRUSTEES**

**Sister Sophia McGinness**



**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



## **FRANCISCAN SISTERS OF MILL HILL**

### **TRUSTEES' ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **PLANS FOR FUTURE PERIODS**

The Trustees agree that although we are smaller in number, we are still able to fulfil the needs of the Charity.

OBJECTIVES for the forthcoming year:

- To continue to care for our elderly Sisters
- To continue to provide the individual ministries supported by the Congregation and endorsed by the Trustees.
- To continue the simpler form of administration of our Charity which began on 1st April 2011.
- To continue the conversation with our solicitors and financial advisors regarding the future of our Charity.
- To continue to give at least 1% of the income to extended charitable purposes.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Congregation's headquarters are based at the Generalate in 118 Chalet Estate, Mill Hill, London. There, the Bursar administers certain funds on behalf of the Congregation as a whole, under the direction of the Team Leader advised by the Congregational Leadership Team. Each year, the Bursar submits to them a formal account of her administration of those funds in accordance with the Congregation's Rule and Constitutions. The Congregational Leadership Team, elected every 4 years by the members of the Congregation, meets regularly to advise the Team Leader on matters concerning the Congregation and formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, several of whom serve on the Congregational leadership Team. In addition to the General administration, the Congregation's work is carried through St. Mary's Convent, 118 Chalet Estate, Mill Hill, which continues to minister to the Parish and community groups within the area as well as various groups in the wider community. The Congregation also supports Sisters in various ministries in East Kilbride (Scotland); and Widnes (Cheshire); Monaghan (Ireland).

#### **LEGAL STATUS**

The Franciscan Sisters of Mill Hill is an unincorporated charitable association governed by Trust Deed dated 8 March 2012. This Trust Deed, replacing the 1960 "Campbell" Deed, was adopted following the dissolution of the former No.1 Trust (a Settlement made in 1949 and governing the properties then owned by the Congregation) The Team Leader has significant powers in regard administration of the Trust and approval of the Trustees' actions. However, these powers are only exercisable in accordance with the Congregation's Rules and Constitutions (which still refer to a 'Superior General' and a 'General Council')

#### **APPOINTMENT OF TRUSTEES**

The Team Leader has the power of appointment of the new Trustees of the Charity and is ex-officio a Trustee. Given the nature of the Congregation, Trustees are not required from outside its members and no policy has been adopted in that regard. No specific training has been given to the Trustees but they are satisfied they have sufficient access to professional and practical advice to understand the responsibilities as Charity Trustees.



## INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF THE FRANCISCAN SISTERS OF MILL HILL

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I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill for the year ended 31 March 2019 which are set out on pages 14 to 23.

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

The trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the 2011 Act and have chosen instead to have an independent examination.

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Halsey FCA  
Haysmacintyre LLP  
Chartered Accountants  
10 Queen Street Place  
London  
EC4R 1AG

Date: 20 August 2019



**FRANCISCAN SISTERS OF MILL HILL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR TO 31 MARCH 2019**

		<b>General Fund</b>	<b>Designated Funds</b>		
	<b>Notes</b>	<b>£</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>2019 Total £</b>
					<b>2018 Total £</b>
<b>Income from:</b>					
<i>Donations and legacies:</i>					
Donations, gifts and legacies		1,871	-	-	1,871
Sisters' salaries and pensions		94,313	-	-	94,313
<i>Investments</i>	3	97,511	-	-	97,511
<i>Other</i>		2,586	-	-	2,586
- Sale of fixed assets		1,727	-	-	1,727
<b>Total income</b>		<u>198,008</u>	<u>-</u>	<u>-</u>	<u>198,008</u>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Investment management costs		19,773	-	-	19,773
<b>Charitable activities</b>					
Sisters' maintenance and welfare		240,006	230,447	34,421	504,874
<b>Total expenditure</b>	7	<u>259,779</u>	<u>230,447</u>	<u>34,421</u>	<u>524,647</u>
<b>Net expenditure and net movements in funds before gains and losses on investments</b>		(61,771)	(230,447)	(34,421)	(326,639)
<b>Gains/(losses) on investments:</b>					
Realised		-	45,789	-	45,789
Unrealised		-	127,296	-	127,296
<b>Net Movement in Funds</b>		<u>(61,771)</u>	<u>(57,362)</u>	<u>(34,421)</u>	<u>(153,554)</u>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April 2018		131,506	3,361,913	1,311,735	4,805,154
<b>Fund balances carried forward at 31 March 2019</b>		<u>£69,735</u>	<u>£3,304,551</u>	<u>£1,277,314</u>	<u>£4,651,600</u>
		<u>£4,805,154</u>			

All funds in 2018 were unrestricted.

**1. ACCOUNTING POLICIES (continued)**

**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.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. 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 and notification has been 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.

**f) Expenditure recognition and irrecoverable VAT**

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:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- 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 provision 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 real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

**g) Allocation of 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.

**h) Tangible Fixed Assets**

Prior to 1 April 1996 all capital expenditure was written off as incurred. As at that date the Trustees estimated the current value of fixed assets required to be shown in the balance sheet. Subsequent acquisitions or improvements are capitalised at cost.

Individual assets costing £2,000 or more are capitalised at cost.

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

2. TANGIBLE FIXED ASSETS

	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2018	16,686	1,606,700	14,672	34,795	1,672,853
Additions	2,000	-	-	15,420	17,420
Disposals	-	-	-	(15,155)	(15,155)
	<u>18,686</u>	<u>1,606,700</u>	<u>14,672</u>	<u>35,060</u>	<u>1,675,118</u>
At 31 March 2019	18,686	1,606,700	14,672	35,060	1,675,118
<b>DEPRECIATION</b>					
At 1 April 2018	12,845	289,207	6,318	18,353	326,723
Disposals	-	-	-	(11,682)	(11,682)
Charge for the year	2,287	32,134	2,089	8,193	44,703
	<u>15,132</u>	<u>321,341</u>	<u>8,407</u>	<u>14,864</u>	<u>359,744</u>
At 31 March 2019	15,132	321,341	8,407	14,864	359,744
<b>NET BOOK VALUE</b>					
At 31 March 2019	<u>£3,554</u>	<u>£1,285,359</u>	<u>£6,265</u>	<u>£20,196</u>	<u>£1,315,374</u>
At 31 March 2018	<u>£3,841</u>	<u>£1,317,493</u>	<u>£8,354</u>	<u>£16,442</u>	<u>£1,346,130</u>

All fixed assets are held for charitable use.

3. INVESTMENTS

	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2018	17,987	10,078	2,846,516	2,874,581
Additions during the year	-	1,210,449	733,809	1,944,258
Disposals (at opening market value)	-	(1,190,100)	(1,116,172)	(2,306,272)
Net investment gains	-	-	173,085	173,085
	<u>£17,987</u>	<u>£30,427</u>	<u>£2,637,238</u>	<u>£2,685,652</u>
Market Value at 31 March 2019	£17,987	£30,427	£2,637,238	£2,685,652
<b>Cost at 31 March 2019</b>	<u>£17,987</u>	<u>£30,427</u>	<u>£2,199,569</u>	<u>£2,473,246</u>



**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>7. EXPENDITURE</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cost of Raising Funds</b>		
Investment management fees	£19,773	£14,739
	<b>Sisters' Maintenance and Welfare</b>	
	<b>2019 £</b>	<b>2018 £</b>
<b>Direct Costs</b>		
Establishment expenses	83,156	97,276
Depreciation	44,703	35,471
Maintenance and living costs	289,606	349,349
Staff costs	38,340	37,250
Donations, courses and church expenses	21,511	19,952
Support and other expenses	19,846	52,933
Governance costs (see below)	7,712	7,680
	<u>£504,874</u>	<u>£599,911</u>
The costs have all been directly allocated.		
	<b>2019 £</b>	<b>2018 £</b>
<b>Governance</b>		
Subscriptions	272	-
Auditors remuneration - Audit	-	4,800
- Accountancy	6,990	2,430
- Other advice	450	450
	<u>£7,712</u>	<u>£7,680</u>
<b>8. STAFF COSTS</b>	<b>2019 £</b>	<b>2018 £</b>
Wages and salaries	35,684	34,578
Social security costs	2,656	2,672
	<u>£38,340</u>	<u>£37,250</u>

No employee received emoluments of more than £60,000.

The average number of employees in the year was 2 (2018: 2).

The charity's key management personnel are its trustees who are not remunerated.

**9. TRANSACTIONS WITH TRUSTEES**

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of the five trustees are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees.

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

11. STATEMENT OF FINANCIAL ACTIVITIES 2018

	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2018 Total £
<b>Income from:</b>				
<i>Donations and legacies:</i>				
Donations, gifts and legacies	3,942	-	-	3,942
Sisters' salaries and pensions	115,713	-	-	115,713
<i>Investments</i>	92,467	-	-	92,467
<i>Other income</i>	2,214	-	-	2,214
- Sale of fixed assets	390	-	-	390
<b>Total income</b>	<u>214,726</u>	<u>-</u>	<u>-</u>	<u>214,726</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	23,442	-	-	23,442
<b>Charitable activities</b>				
Sisters' maintenance and welfare	291,709	272,731	35,471	599,911
<b>Total expenditure</b>	<u>315,151</u>	<u>272,731</u>	<u>35,471</u>	<u>623,353</u>
<b>Net expenditure and net movements in funds before gains and losses on investments</b>	(100,425)	(272,731)	(35,471)	(408,627)
<b>(Losses)/gains on investments:</b>				
Realised	-	(1,992)	-	(1,992)
Unrealised	-	265	-	265
<b>Net expenditure/net movement in funds</b>	<u>(100,425)</u>	<u>(274,458)</u>	<u>(35,471)</u>	<u>(410,354)</u>
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April 2017	231,931	3,636,371	1,347,206	5,215,508
<b>Fund balances carried forward at 31 March 2018</b>	<u>£131,506</u>	<u>£3,361,913</u>	<u>£1,311,735</u>	<u>£4,805,154</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2019**

	Central Funds £	Houses & Personal Budgets £	Total 2019 £	Total 2018 £
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	2,396	-	2,396	2,250
Repairs and maintenance	7,897	-	7,897	1,745
Light and heat	6,264	-	6,264	3,519
Depreciation	34,421	-	34,421	35,471
Bungalows - Expenses	11,822	-	11,822	6,295
Bungalows - Ground rent	2,071	-	2,071	1,534
Other establishment costs	52,705	-	52,705	81,933
	<u>117,576</u>	<u>-</u>	<u>117,576</u>	<u>132,747</u>
<b>Maintenance and Welfare</b>				
Provisions	640	-	640	1,202
Household and furnishings	1,846	-	1,846	1,990
Wages	38,340	-	38,340	37,250
Sisters' expenses	35,878	-	35,878	42,523
Allowances	2,470	-	2,470	277
Medical	14,519	-	14,519	24,236
Hospitality and entertainment	2,335	-	2,335	1,297
Books, stationery and subscriptions	1,471	-	1,471	1,849
Sisters' Residential Care (St. Vincent's)	230,447	-	230,447	275,975
	<u>327,946</u>	<u>-</u>	<u>327,946</u>	<u>386,599</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	812	-	812	(10)
Retreats and sabbaticals	8,532	-	8,532	2,060
Educational courses	2,201	-	2,201	1,457
Donations - general and missions	9,966	-	9,966	16,445
	<u>21,511</u>	<u>-</u>	<u>21,511</u>	<u>19,952</u>
<b>Administration and other expenses</b>				
Telephone	3,721	-	3,721	1,275
Postage	391	-	391	589
Travel	884	-	884	1,435
Computer/ Broadband	269	-	269	-
Motor expenses	4,137	-	4,137	2,819
Council/AGM/Chapter	1,800	-	1,800	2,734
Bank charges	606	-	606	381
Sundry expenses	9,247	-	9,247	31,181
Depreciation	10,282	-	10,282	10,668
Exchange (gains)/losses	(1,209)	-	(1,209)	1,851
	<u>30,128</u>	<u>-</u>	<u>30,128</u>	<u>52,933</u>
<b>Investment management fees</b>	<u>19,773</u>	<u>-</u>	<u>19,773</u>	<u>23,442</u>
<b>Governance of the Charity</b>				
Subscriptions	272	-	272	450
Audit and accountancy	7,440	-	7,440	7,230
	<u>7,712</u>	<u>-</u>	<u>7,712</u>	<u>7,680</u>