

Charity Registration No. 1073795

**MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA
TRUST**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sr M Prema Sr M Chantal Sr M Piotra Sr M Pauline Sr M Imelda Sr A Mandujano	(Appointed 5 July 2021)
-----------------	--	-------------------------

Charity number	1073795
-----------------------	---------

Principal address	177 Bravington Road London W9 3AR
--------------------------	---

Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT
----------------	---

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 9
Statement of financial activities	10 - 11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 23

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their annual report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Charities Act 2011 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)" (effective 1 January 2019).

Objectives and activities

The main objects of the charity are:

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

The Charity undertakes various activities to achieve its main objectives:

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

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

Public benefit

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

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The Sisters are increasingly working with refugees.

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

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

The charity does not undertake any fundraising activities.

To better explain the activities of the Charity, herewith are the statistics of our activities for 2020:

- dry rations distributed to families and individuals in need (12 branch houses): 2,289 rations
- meals served daily over the course of the year in the soup kitchen (8 branch houses): 75,792 meals
- meals (or snacks) served in the streets (6 branch houses)

1 branch houses provided hostels for homeless ladies and men:

- persons admitted during the year: 31 persons
- persons discharged during the year: 62 persons
- persons at present staying with us: 4 persons

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

- families: 607 families
- shut-ins: 757 persons
- 8 nursing homes: 133 persons
- 8 hospitals: 37 patients
- 1 centre: 60 persons
- street and park encounters: 1,039 persons
- outings: 54 people

Preparation for the reception of the sacraments

- Baptism: 5 persons
- First Confession: 49 persons
- First Holy Communion: 88 persons
- Confession: 71 persons
- Confirmation: 3 persons
- Anointing of the sick: 1 person

The Sisters ran a number of Catechism centres throughout the year. 3 of those were for the Catechises of the Good Shepherd attended by 16 children and 6 Sunday schools for children attended by 115 children. Also 2 Catechisms for adults were attended by 14 persons.

The Sisters continue their work for children and adults by:

- 2 rosary groups for 31 members;
- 1 Bible Study for 8 persons;
- 1 adoration groups for 24 members;
- 5 retreat groups for 53 persons;
- Consecration of families to the Sacred Heart for 15 families;
- Families consecrated to the Immaculate Heart of Mary for 43 persons and
- 3 houses of Holy Mass for 67 persons;

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In cooperation with the local parishes, the Sisters have prepared

- 18 persons for First Holy Communion;
- Pilgrim Statue and Rosary in families for 250 families;
- Monetary help given (housing, school fee, clothing, medical, travel, food & funeral charges) for 218 persons.

Financial review

The Statement of Financial Activities on page 10 shows net expenditure of £580,192 (2019: net income of £608,572). Also shown on page 10, the UK charity has been able to contribute £803,160 (2019 - £931,968) to the worldwide activities of the Missionaries of Charity.

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

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

In February 2020 COVID 19 was classified as a global pandemic and in March 2020 the UK was entered into lock down, In line with government guidelines the missionaries activities have been curtailed as we are unable to carry out visits, We have attempted to carry out our charitable objectives as much as we can, whilst making sure that each Sister is protected as much as possible

Structure, governance and management

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

The trustees who served during the year and up to the date of signature of the financial statements were:

Sr M Prema

Sr M Chantal

Sr M Piotra

Sr M Pauline

Sr M Imelda

Sr A Mandujano

(Appointed 5 July 2021)

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

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risk management

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

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

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

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

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

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

The trustees' report was approved by the Board of Trustees.



Sr M Chantal

Trustee

Dated: 14.12.21

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees 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).

The law applicable to charities in England and Wales 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 year.

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 operation.

The trustees are responsible for keeping sufficient 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

Opinion

We have audited the financial statements of Missionaries of Charity of Mother Teresa of Calcutta Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities Act 2011 and the Charities Statement of Recommended Practice. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the rationale in relation to any significant, unusual transactions and transactions entered into outside of the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

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 current Generally Accepted Accounting Practice.

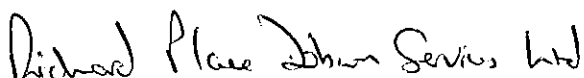
MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Place Dobson Services Limited
Chartered Accountants
Statutory Auditor

14/12/2021

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson Services Limited are eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes					
<u>Income from:</u>						
Donations and legacies	3	809,507	-	18,063	827,570	2,242,011
Investments	4	3,121	-	-	3,121	4,380
Other income	5	16,270	-	-	16,270	53,576
Total income		828,898	-	18,063	846,961	2,299,967
<u>Expenditure on:</u>						
<u>Charitable activities</u>						
Religious services	6	623,993	-	-	623,993	759,427
Overseas donations	6	785,097	-	18,063	803,160	931,968
Total charitable expenditure		1,409,090	-	18,063	1,427,153	1,691,395
Net (expenditure)/income for the year/ Net movement in funds		(580,192)	-	-	(580,192)	608,572
Fund balances at 1 January 2020		1,887,837	4,301,943	-	6,189,780	5,581,208
Fund balances at 31 December 2020		1,307,645	4,301,943	-	5,609,588	6,189,780

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes				
<u>Income from</u>					
Donations and legacies	3	1,411,459	-	830,552	2,242,011
Investments	4	4,380	-	-	4,380
Other income	5	53,576	-	-	53,576
Total income		1,469,415	-	830,552	2,299,967
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Religious services	6	759,427	-	-	759,427
Overseas donations	6	101,416	-	830,552	931,968
Total charitable expenditure		860,843	-	830,552	1,691,395
Net (expenditure)/income for the year/ Net movement in funds		608,572	-	-	608,572
Fund balances at 1 January 2019		1,279,265	4,301,943	-	5,581,208
Fund balances at 31 December 2019		1,887,837	4,301,943	-	6,189,780

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		4,462,638		4,409,651
Current assets					
Debtors	11	254,076		55,797	
Cash at bank and in hand		917,601		1,749,109	
		<u>1,171,677</u>		<u>1,804,906</u>	
Creditors: amounts falling due within one year	12	<u>(24,727)</u>		<u>(24,777)</u>	
Net current assets			1,146,950		1,780,129
Total assets less current liabilities			<u>5,609,588</u>		<u>6,189,780</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	14	4,301,943		4,301,943	
General unrestricted funds		<u>1,307,645</u>		<u>1,887,837</u>	
			5,609,588		6,189,780
			<u>5,609,588</u>		<u>6,189,780</u>

The financial statements were approved by the Trustees on14/12/2021

Sr M Chantal we

Sr M Chantal
Trustee

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(737,501)		618,694
Investing activities					
Purchase of tangible fixed assets		(97,128)		(70,273)	
Investment income received		3,121		4,380	
Net cash used in investing activities			(94,007)		(65,893)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(831,508)		552,801
Cash and cash equivalents at beginning of year			1,749,109		1,196,308
Cash and cash equivalents at end of year			917,601		1,749,109

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Missionaries of Charity of Mother Teresa of Calcutta Trust is a charity set up under a trust deed and registered with the Charities Commission in England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

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

1.4 Income

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

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

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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

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

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

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

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

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

The trustees have set a capitalisation policy of £500.

Freehold property	1% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Basic financial assets

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

Basic financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from tax on its charitable activities.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

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

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

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

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gift aid	312,532	7,800	320,332	298,459	7,735	306,194
Legacies receivable	496,975	10,263	507,238	1,113,000	822,817	1,935,817
	<u>809,507</u>	<u>18,063</u>	<u>827,570</u>	<u>1,411,459</u>	<u>830,552</u>	<u>2,242,011</u>

4 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Interest receivable	<u>3,121</u>	<u>4,380</u>

5 Other income

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Royalties	6,211	41,364
Rebates	10,059	12,212
	<u>16,270</u>	<u>53,576</u>

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Religious services 2020 £	Overseas donations 2020 £	Total 2020 £	Religious services 2019 £	Overseas donations 2019 £	Total 2019 £
Depreciation and impairment	42,976	-	42,976	32,778	-	32,778
Rates and water	41,651	-	41,651	40,908	-	40,908
Insurance	24,008	-	24,008	25,324	-	25,324
Light and heat	17,755	-	17,755	16,502	-	16,502
Telephone	9,381	-	9,381	9,882	-	9,882
Postage and stationery	10,024	-	10,024	11,376	-	11,376
Medical	10,661	-	10,661	11,617	-	11,617
Food and household	214,081	-	214,081	242,748	-	242,748
Clothing	11,755	-	11,755	18,203	-	18,203
Charity relief payments	25,028	-	25,028	58,252	-	58,252
Funeral charges	5,057	-	5,057	8,819	-	8,819
General expenses	88,455	-	88,455	82,396	-	82,396
Fr/retreat/seminar	12,320	-	12,320	16,057	-	16,057
Repairs and Maintenance	23,659	-	23,659	25,237	-	25,237
Fuel and Travel expenses	73,101	-	73,101	146,646	-	146,646
Overseas donations	-	803,160	803,160	-	931,968	931,968
	609,912	803,160	1,413,072	746,745	931,968	1,678,713
Share of support costs (see note 7)	2,336	-	2,336	937	-	937
Share of governance costs (see note 7)	11,745	-	11,745	11,745	-	11,745
	623,993	803,160	1,427,153	759,427	931,968	1,691,395
Analysis by fund						
Unrestricted funds - general	623,993	785,097	1,409,090	759,427	101,416	860,843
Restricted funds	-	18,063	18,063	-	830,552	830,552
	623,993	803,160	1,427,153	759,427	931,968	1,691,395

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	1,165	-	1,165	-	-	-
Bank charges	1,171	-	1,171	937	-	937
Audit fees	-	11,745	11,745	-	11,745	11,745
	<u>2,336</u>	<u>11,745</u>	<u>14,081</u>	<u>937</u>	<u>11,745</u>	<u>12,682</u>
Analysed between Charitable activities	<u>2,336</u>	<u>11,745</u>	<u>14,081</u>	<u>937</u>	<u>11,745</u>	<u>12,682</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or were reimbursed any expenses during the year.

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

9 Employees

The charity does not employ any staff

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Freehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020	4,367,519	456,713	80,920	4,905,152
Additions	-	83,878	13,250	97,128
Disposals	-	-	(27,646)	(27,646)
At 31 December 2020	4,367,519	540,591	66,524	4,974,634
Depreciation and impairment				
At 1 January 2020	130,576	298,670	66,255	495,501
Depreciation charged in the year	-	36,288	6,688	42,976
Eliminated in respect of disposals	-	-	(26,481)	(26,481)
At 31 December 2020	130,576	334,958	46,462	511,996
Carrying amount				
At 31 December 2020	4,236,943	205,633	20,062	4,462,638
At 31 December 2019	4,236,943	158,043	14,665	4,409,651

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	229,247	29,295
Prepayments and accrued income	24,829	26,502
	254,076	55,797

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	24,727	24,777

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Specified donations	-	830,552	(830,552)	-	18,063	(18,063)	-
	-	830,552	(830,552)	-	18,063	(18,063)	-

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

14 Designated funds

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

	Movement in funds		Movement in funds		
	Balance at 1 January 2019	Incoming resources	Balance at 1 January 2020	Incoming resources	Balance at 31 December 2020
	£	£	£	£	£
Property fund	4,236,943	-	4,236,943	-	4,236,943
Renovation fund	65,000	-	65,000	-	65,000
	4,301,943	-	4,301,943	-	4,301,943

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

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

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	225,695	4,236,943	-	4,462,638
Current assets/(liabilities)	1,081,950	65,000	-	1,146,950
	<u>1,307,645</u>	<u>4,301,943</u>	<u>-</u>	<u>5,609,588</u>
	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible assets	172,708	4,236,943	-	4,409,651
Current assets/(liabilities)	1,715,129	65,000	-	1,780,129
	<u>1,887,837</u>	<u>4,301,943</u>	<u>-</u>	<u>6,189,780</u>

16 COVID 19

In February 2020 COVID 19 was designated as a global pandemic and in line with Government advice it has not been possible to carry out all the charitable activities, due to lock down measures and travel restrictions,

At the time of preparing these accounts it is not possible to ascertain the impact this pandemic will have on the future finances of the charity and as such these accounts have not been adjusted to reflect any such issues which may arise.

17 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

MISSIONARIES OF CHARITY OF MOTHER TERESA OF CALCUTTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Cash generated from operations	2020 £	2019 £
(Deficit)/surplus for the year	(580,192)	608,572
Adjustments for:		
Investment income recognised in statement of financial activities	(3,121)	(4,380)
Loss on disposal of tangible fixed assets	1,165	-
Depreciation and impairment of tangible fixed assets	42,976	32,779
Movements in working capital:		
(Increase) in debtors	(198,279)	(16,107)
(Decrease) in creditors	(50)	(2,170)
Cash (absorbed by)/generated from operations	(737,501)	618,694
19 Analysis of changes in net funds		
The charity had no debt during the year.		