

Charity Registration number
1123034
Company Registration number
6453716

**The Society of the Little Flower
(Limited by Guarantee)
Report and Accounts**

31 December 2021

Borucki & Co
Chartered Accountants
42 Radnor Road
Harrow, Middlesex, HA1 1RZ

The Society of the Little Flower
Report and accounts
Contents

	Page
Reports	
Legal and administrative information	1
Trustees' report	2
Auditors' report	12
 Accounts	
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the accounts	16

The Society of the Little Flower

Legal and Administrative Information

Trustees	The Most Reverent Míceál O'Neill O. Carm. The Very Reverend Carl Markelz O. Carm., BBA, MA The Very Reverend Kevin Alban O. Carm., STB, MA, MTh, PhD (died 4 th May 2021) The Reverend Robert Colaresi O. Carm., MA, MRS The Reverend Francis Kemsley O. Carm. The Very Reverend Christian Körner O. Carm Ms. Pauline Stuart MA (resigned 12 th July 2021)
Principal Office	Barclays House 51 Bishopric Horsham West Sussex RH12 1QJ
Charity Reg. N.	1123034
Company Reg. N.	6453716
Auditors	Borucki & Co. (Chartered Accountants) 42 Radnor Road Harrow Middlesex HA1 1RZ
Bankers	NatWest, 47 Carfax, Horsham RH12 1FD.
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

The Society of the Little Flower

Trustees' Report 31 December 2021

The trustees (who for company law purposes are the Directors) present their report and accounts for the year ended 31 December 2021.

Trustees

The following act as Trustees of the Charity and Directors of the Limited Liability Company:

- The Most Reverent Míceál O'Neill O. Carm. – Prior General of the Carmelite Order
- The Very Reverend Carl Markelz O. Carm. – former Bursar General of the Carmelite Order
- The Very Reverend Kevin Alban O. Carm. – Prior Provincial of the British Province of Carmelites and Chair of Trustees; (died 4th May 2021)
- The Reverend Robert Colaresi O. Carm – former Director of the US and Canadian Society of the Little Flower;
- The Reverend Francis Kemsley O. Carm – Prior, The Friars, Aylesford
- The Very Reverend Christian Körner O. Carm. – Bursar General of the Carmelite Order
- Ms. Pauline Stuart – lay advisor (resigned 12th July 2021)

Organisation

In 1974 the Order of Carmelites, a religious order in the Roman Catholic Church, established a charitable trust, the “Carmelite Order General Fund”. This was changed in 2004 to the “Society of the Little Flower”. In 2007 the Trustees decided to create a company limited by guarantee with the same aims and objectives, also called “The Society of the Little Flower”. This company was incorporated on 14 December 2007, under a memorandum and articles of association, and registered as n. 6453716. The Charity Commission gave charitable status to it on 3 March 2008. The charitable company officially began its activities on 18 June 2008 when the previous charitable trust transferred its assets to it. The statutory power of appointing trustees lies with the existing Trustees.

In the light of the implementation of the GDPR in May 2018 across Europe, the Trustees concluded that they would not be able to make an agreement with either the Society of the Little Flower in the US nor with other foreign third-party suppliers that would satisfy the requirements of the new Data regime. It was decided therefore that over the course of 2018 the two organisations would break their ties.

This process was begun in 2018 and was not complete at year-end. In the first two months of 2019 the former data base, Prosper, was still used. As a result of great efforts by the staff, it was possible in March 2019 to transfer all donor data to a system called ThankQ. This is a Customer Relationship Manager (CRM) produced by Access Accounting, fully compliant with all data and privacy requirements and used by a number of leading charities in the UK, such as Missio, Children in Need, the Samaritans and the Stroke Association.

Principal Aims

The general objects of the Charity are the advancement of the Roman Catholic religion, by means of the establishment or furtherance of any charitable works carried on by, or under the control or supervision of members of the Order of Carmelites, and by means of the provision

The Society of the Little Flower

of scholarships and bursaries for the education and training of priests and/or members of the said Order.

In a particular way, but without prejudice to the foregoing overall aims, the Society of the Little Flower seeks to spread devotion to St. Thérèse of Lisieux, a Carmelite nun who died in 1896 and often referred to as “The Little Flower”, and in this way to help people grow in their Christian faith. The process of attracting potential donors, maintaining their giving, replying to their correspondence and keeping them informed of the Society’s work is complex, time consuming and inevitably expensive. Moreover, there are no voluntary workers to keep labour costs down. The Society wishes to attract supporters who will be active over a number of years, not just make a single donation and disappear. This requires a certain amount of investment in materials that will be informative, as well as attractive.

Fundraising Activities and Performance

The Society sends materials to donors who have already contributed in the past and therefore maintains their data as a legitimate interest. The Society is fully compliant with best practice as it stands and offers all donors the choice of asking their names to be removed from the list of those who receive mailings. The Society has implemented the provisions of the General Data Protection Regulation and all staff were fully trained in its provisions. Ongoing training will be provided as the implications of the GDPR evolve.

In 2021 160,166 pieces of mail were sent out only to existing donors. The mailings in 2021 were as follows together with the rate of return for each one:

Month	Appeal	Rate of Return in Replies received
January	Annual Membership	23.65%
February	Easter Cards	54.13%
March	Between Friends Spring Newsletter*	8.97%
April	Bookmark	17.06%
May	Notepad and pen	23.07%
June	Between Friends Summer Newsletter*	10.57%
July	Feast Day	25.98%
August	All Occasion Cards**	48.19%
September	All Souls Intentions	36.31%
October	Christmas Cards	45.70%
November	Angels	33.27%

* these are not considered fundraising mailings, but information offered to donors, some of whom make an unsolicited contribution.

The Society of the Little Flower

** these figures include repeat responses.

The fundraising method, “direct mail”, is carried out in accordance with the policies of the Fundraising Regulator, the Direct Marketing Association of the UK and with the standards of the Chartered Institute of Fundraising. The Society is a member of the two latter bodies and attends regular briefings and up-dating on legal issues and “best practice”.

The Trustees meet with the Director employed by the Society in the UK to discuss strategy and to supervise the content of the mailings. All written communications are reviewed by the Chair of Trustees before mailing. No third parties are used to devise mailings, send them or reply to them.

The employees of the UK Society carry out the tasks of receiving and processing donations. This involves sorting of mail into various categories, opening mail, recording donation amount on reply card, running cheques through scanner, preparing deposit slips, taking donations to the bank; data entry where details of the donation are uploaded to the database and other donor information recorded. Each donor receives an acknowledgement letter which is generated automatically, but which may be modified manually to deal with a particular question or request. In addition, details of returned mail (bad address, refused, gone away etc.) are also logged on the database. In 2021 some 56,640 (in 2020 63,989) pieces of mail were received as a result of direct mailing and processed using 4 employees.

The Society maintains the highest level of data protection and has registered its server operations with the UK Information Commissioner. In accordance with the GDPR Regulations following the UK leaving the European Union, the Society is also registered with Symmetry, a Data Protection organisation registered in Ireland to whom EU residents may refer regarding any Data Protection issues arising from the Society’s activities. No personal data is sold or exchanged with other organisations.

In addition, all those who are contacted by the Society can opt out of any further communications and their names will be removed immediately from the active list. Another check is run against the national Mail Preference Service of those who do not wish to receive mail from fundraising organisations.

Fulfilling donor requests and maintaining contact: when donors reply to an appeal, they often ask for religious items, for which they enclose a donation, or for a Mass to be offered for their special intention, or for prayers or even for help with religious difficulties. All staff have been alerted to the situation of vulnerable donors who may feel pressured and have been instructed to treat these donors with special sensitivity.

These personal requests are generally dealt with on an individual basis and represent a large part of the pastoral outreach of the Charity which is not strictly part of fundraising, but which has a cost. In addition, the Society produces a newsletter (*Between Friends*) twice a year to keep donors updated about the way in which their donations are used. Information and news items are regularly placed on the Society’s website offering more immediate details on where donations are going.

Campaigning and fundraising are integral parts of charitable activity, and that activity is educational and faith building even if no donation is given. By the same token, funds spent on

The Society of the Little Flower

education and faith building cannot be given a monetary value under the present reporting regime.

All the work of receiving, processing and replying was performed by a total permanent staff of 5 people for a wage bill of £165,000 (in 2020 £153,978 thanks to the furlough fund). Two staff were furloughed for a short period of time in the early part of the year.

It is worth noting that of the 15,000 donors who contribute every year, around 3,000 started giving in 2002, the first year of fundraising, and continue to do so today. In 2020 each donor on average contributed £17.83 (in 2020 £16.19) per gift, and the individual donor value was £76.01 (in 2020 £76.87). In effect part of the cost of fundraising is also an investment for future giving.

In 2021 donations were up on prior year at £1,112,822 (in 2020 £1,054,055). Included in this figure are £106,146 of restricted funds which have been allocated to projects in East Timor, Peru and Trinidad. Legacy income rose to £14,001 (2020 £12,400). Donors were incredibly generous during the year with the average donation increasing to £17.83 from £15.63.

The total cost of fundraising in 2021 dropped to £782,143 from £815,628 in 2020. The largest share of the cost was the amount spent on producing and sending materials to donors and by increased postal charges (with two increases on overseas mail during the year).

The Trustees have noted and acted on the following advice:

There is no set level for fundraising costs, either in law or in good practice. This is because there are many factors that affect the levels of costs that can be incurred, including the method of fundraising, the popularity of the cause and the size and profile of the charity. Charities should secure the best terms for fundraising activities they can for the charity and be open and transparent about these costs.

(Charity Commission of England and Wales, *Charities and Fundraising* (2011), p. 5)

Charitable expenditure comprises those costs incurred by the charity in furtherance of the charity's objectives and represents the cost of goods and services and other costs that have been incurred in charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirement of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Overall, the Society's performance in 2021 was as follows in comparison to previous years:

	2021	2020	2019	2018
Incoming resources	£1,173,622	£1,132,709	£1,031,525	£941,420
Total expended	£916,883	£957,054	£1,009,221	£837,650
Net	£+256,739	+£175,655	+£22,304	+£103,770

Summary of the Results of Fundraising Activities

We believe that the items and information sent out by the Society are part of the benefits the Charity offers and are distributed free of charge. We encourage people to participate in our worldwide missionary programme by means of their donations and prayers. In 2021 the

The Society of the Little Flower

Society continued its tradition of organising a pilgrimage and Mass for its supporters in Aylesford Priory, Kent. The event took place in late September with all pilgrims able to attend Mass outdoors on the Main Shrine with appropriate social distancing. The Trustees believe that there is a real benefit to its supporters who attend this event in terms of their education about the Carmelite Order and its missions and in terms of the strengthening of their faith and sense of solidarity with the poor and marginalised. The Prior General was able to attend the pilgrimage and celebrated Mass for the pilgrims which was a great joy for all present.

Programme Allocations

Although the reporting requirements under which the charity operates do not allow joint cost allocations, whereby some fundraising costs can be attributed to programmes with a pastoral benefit, it is revealing to look at the Society's costs in the light of a hypothetical allocation.

In the first place, the Society sends information of an educational nature to all its donors and potential donors. This not only helps them to make an informed decision about whether to support the Society or not but is of benefit in a more general sense since it contributes to their general knowledge of Carmelite missions around the world. This second sense of overall education is important, since even those who do not respond to an appeal, do read the material that is sent to them and are influenced by it. The proof of this is that in many cases legacies have been received by the Society from individuals who have made few or even no contributions during their life. Presumably such people felt unable to make a donation while they were alive, yet they make generous, often lavish provision for the Society in their wills.

Money spent on keeping people informed is a form of investment which may or may not pay off in financial terms, but certainly is part of the educational outreach of the Society. In the USA, it has been suggested by professional organisations that around 20% of the cost of fundraising could be allocated to this educational purpose.

Secondly, it has been accepted by the Charity Commission that there is a pastoral or spiritual benefit deriving from material sent by organisations such as the Society of the Little Flower. In general terms, the letters sent out help people to be aware and understand better the role faith plays in their lives. Specifically, the mailings speak of the value of prayer, good works, social solidarity and a sense of Christian identity. In the case of the Society, these values are embedded and embodied in the life of St Thérèse of Lisieux whose devotion it is the aim of the Society to promote.

The impact of both the direct mail and the pilgrimage is to create a sense of identity among the Society's supporters and to give a feeling of purpose to their participation in the Society's works, which goes beyond a purely monetary connection with them. The Society is open to all people irrespective of colour, race or creed and its benefits are freely available without making any contribution or donation.

While it is almost impossible to quantify, following studies by US organisations, in the UK the promotion of faith, prayer and social values might account for another 15% of the cost of production and mailings.

To summarise, around 30% of the cost of the operation might be attributed to direct fundraising, another 20% on educational programmes and finally around 15% on faith-related, inspirational programmes.

The Society of the Little Flower

Public benefit

The Trustees have consulted the guidance made available by the Charity Commission for England and Wales on the Public Benefit requirement of the Charities Act 2011. The Trustees are confident that they have complied with their duty under the Charities Act 2011 in that they have had due regard to public benefit guidance published by the Commission. In furtherance of the trust's charitable purposes for the public benefit the trustees give details of their activities in this report.

Monies Disbursed 2021

The principal source of the donation made by the Society of the Little Flower to the Curia each year continues to be money given by supporters of the Society in Great Britain and Ireland. The donation to the Curia - including restricted donations - in 2021 amounted to **€155,381**

The recipients of the Society's donation were agreed in advance by the Trustees and copies of reports from the various projects sent to both the General Bursar of the Order in Rome and to the offices of the Society in England.

Summary of Projects Supported in 2021

<i>Project</i>	<i>Amount in €</i>
1. Students	35,330
2. Venezuela & Burkina Faso	9,000
3. Kenya Formation	9,000
4. East Timor Formation	9,000
5. Mozambique Formation	9,000
6. Venezuela Formation	9,000
7. India Primary School Construction	8,000
8. Indian Noviciate House	8,000
9. Philippines Formation House repairs	3,000
10. Colombia	2,000
11. Mission in China	9,000
12. Irmas Missionarias / Chapel & School	5,000
TOTAL	115,530

1. Support for Carmelite Students from Developing Countries

During the past year, the Society of the Little Flower funded ten postgraduate students in Rome. The students come from several Carmelite provinces in the developing world: East Timor, Vietnam, the Philippines, Indonesia, and India.

The Society of the Little Flower

The postgraduate students are studying a wide range of subjects to license and doctorate level: Dogmatic Theology, Canon Law, Philosophy, Psychology, Spirituality, Human Formation and Church History.

The Curia supports this number of students because it believes very strongly that giving a good education to friars from these areas is the best investment for the future. Well-trained Carmelites can work within the Order on internal formation and educational programmes without having to draw on outside and often expensive expertise. Secondly, the men who obtain advanced degrees can work themselves in universities, colleges and seminaries providing a good source of external income for their communities.

2. Kenya Formation

The Society gave €9,000 in 2021 for formation expenses. The costs of formation are a major part of the budget for the Delegation and the Society has supported them for many years. The Carmelites in Kenya have made steady progress over the years and now number 18 friars.

3. East Timor

The Society had agreed many years ago to contribute directly to the mission of the Australian province in East Timor to the tune of €25,000 per annum. Recently, this has been reduced to €9,000 p.a. due to the shrinking overall grant from the Society to the Curia.

This mission is located in one of the poorest countries in the world and the one million inhabitants are almost all Catholic. The Australian province has a large complex for training priests and brothers near Dili the capital, as well as a parish in Zumalai.

There are currently 47 students completing their formation studies in Timor. These young men will go on to become teachers, school and hospital chaplains, pastoral workers, social workers and counsellors and Parish Priests. They will help countless men, women and children by empowering them to embrace a fulfilling life for themselves and their neighbours as well as their local communities.

4. Mozambique

In 2021 the Society donated €9,000 to the Carmelite project in Mozambique. There are 21 members of the Carmelite mission there under the guidance of the Brazilian province of Pernambuco. All are natives of Mozambique, with the exception of the Provincial Delegate (superior) who is from Brazil. Four members from Mozambique are priests, two of whom are studying abroad. There are five friars in simple vows who are studying theology in the Interdiocesan seminary in Maputo or philosophy in a Catholic Institute for laypeople in the same city. The three novices of the mission are in Kristi Mambo in Zimbabwe, hosted by the Carmelites of the Irish Province. Finally, there are eight men who are exploring their vocation and learning the fundamentals of the religious life. The costs of formation are heavy and represent one of the principal ways that the Society contributes to this mission. Although a great many have shown an interest in joining the order, it is only possible to take 5 a year due to the cost.

5. Venezuela Formation Programme (Provinces of Catalonia and Baetica)

During 2021, the Society continued to support these provinces with a total grant of €18,000. Both the Catalan and Baetic provinces of Spain have missions in Venezuela and there are

The Society of the Little Flower

slight differences in the training programmes. There are postulants in their first year of religious life, novices who are discerning whether to make an initial commitment to the Order and students who are engaged in philosophical and theological studies.

In summary:

	POSTULANTS	NOVICES	STUDENTS
BAETICA PROVINCE	8 in Venezuela	2 in Brazil	4 in Spain
CATALAN PROVINCE	4 in Venezuela	2 in Spain	4 in Spain or Venezuela
TOTAL	12	4	8

6. General Commissariat of Latin Rite Indian Carmelites

This unit came into existence in 2006 with the transfer of 20 Discalced Carmelite friars to the other branch of the Order, known as the Ancient Observance. In September 2019, the Delegation became a General Commissariat with a major superior. There are now six communities in the Delegation, five in India and one in Vreden, in the north west of Germany near the Dutch border. The principal house of the Delegation in Paravur is also the location of a Carmelite run High School. The other houses are spiritual centres for retreats and other spiritual exercises. In addition, members of the Delegation also staff a house and church of the Irish province in Kildare, about 50km west of Dublin. Inevitably, the cost of training weighs heavily and the Society supports some of these costs in India and elsewhere.

In 2021 a grant of €8,000 was made to assist with the construction of a Novitiate House at Kannur. Work started in 2021 on the ground floor. It is envisaged that the building will develop in stages as funding becomes available.

7. Mount Carmel Primary School, Sunkesweri, Andhra Pradesh

The Carmelites of St Thomas Province opened in Kosigi in 2003. This at present has around 1160 students from 28 villages in the surrounding area, some travelling as far as 50 km for their education. Families in Sunkesweri village have requested that a primary school be provided in their locality. This has the support of the local government officials and a plot of land has been identified. Some kindergarten classes are already being run in an old prayer hall but this is small and numbers are restricted. The proposed project would provide a complete primary education for these children. The Society of the Little Flower has contributed €8,000 towards the start of this project

8. Philippines Formation House Repairs

The Novitiate House in Quezon City is urgently in need of repair and a grant of €3,000 has been made to assist with this.

9. Other grants:

A grant of €3,000 was made towards the formation costs of the postulants in Colombia and the Society continued to support the mission in China with a grant of €9,000. The Irmas

The Society of the Little Flower

Missionary Sisters in Brazil received a grant of €5,000 towards repairs for their school and chapel.

Trustees' responsibilities with regard to the accounts

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and estimates that are reasonable and prudent;
- 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk Assessment

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operations, finances of the Trust, as well as those relating to the external economic environment and the regulatory framework in which the Trust operates. The Trustees review these risks on a regular basis and are satisfied that systems are in place to mitigate exposure to major risks from within the Society. On the other hand, the Trustees recognize that the external risks the Society faces are important, but difficult to manage. One set of risks relating to the ability of the Society to meet the needs of its beneficiaries is the changed public perception of fundraising in the UK and beyond. So far there has been no adverse reaction to the Society, but the Trustees are monitoring this carefully. Paradoxically,

The Society of the Little Flower

the greater risk to the Society is the possible changed regulatory environment which will both add considerable expenses and limit the scope of communication with potential donors.

Investment and Reserve Policy

Earnings from the Society's investments were up in 2021 at £44,918 (2020 £35,277).

In 2004 the Trustees of the former Trust established the Development Fund, with the intention that income would be used to provide the Society with long term funding. The overall aim is to have a fund of sufficient size, currently set at £2 million, that will contribute to the income stream of the charity in the form of interest and dividends and thereby reduce the charity's dependence on direct donations as the sole source of its incoming resources. The value of this fund increased from £1,302,277 in 2020 to £1,506,793 due to the performance of the UK stock market in 2021.

At the end of 2021 the Society had a cash reserve of £200,040 which represents 25% of the annual running costs of the charity.

Objectives accomplished in 2021

- Develop and expand social media platforms as a way of diversifying income streams.
- Optimize VAT burden on the Society.

Objectives set for 2022

- The Trustees are investigating alternative options relating to the operation in Horsham as a result of a diminishing donor base and rising mailing cexpenses due to increased costs in postal charges and paper.

Signed on behalf of the Trustees on 16th August 2022

Francis Kemsley, O. Carm.
Trustee

The Society of the Little Flower

Auditors' Report

Report of the Independent Auditors to the trustees of The Society of the Little Flower

We have audited the financial statements of The Society of the Little Flower for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of cash flows and the related notes. 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 charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than with the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 accounts 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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate;
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:-

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

The Society of the Little Flower

Auditors' Report

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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.

Borucki & Co

16 August 2022

Chartered Accountants and Statutory Auditors

42 Radnor Road

Harrow

Middlesex HA1 1RZ

Borucki & Co is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Society of the Little Flower
Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 December 2021

	Notes	General fund £	Development fund £	Restricted fund	Total 2021 £	Total 2020 £	General fund £	Development fund £	Restricted fund
Income									
Voluntary income									
Donations		1,006,676	-	106,146	1,112,822	1,054,045	1,054,045	-	0
Legacies		14,001	(4,899)	-	9,102	12,400	12,400	-	-
Investment income									
Dividends		-	44,957	-	44,957	35,901	-	35,901	-
Interest		3	-	-	3	2	2	-	-
Other income		4,796	-	-	4,796	8,605	8,605	-	-
Profit on exchange		-	-	-	-	21,756	21,756	-	-
Furlough grants		1,942	-	-	1,942	7,968	7,968	-	-
Total income		<u>1,027,418</u>	<u>40,058</u>	<u>106,146</u>	<u>1,173,622</u>	<u>1,140,677</u>	<u>1,104,776</u>	<u>35,901</u>	<u>-</u>
Expenditure									
Raising funds									
Fundraising expenditure	4	782,143	-		782,143	815,628	815,628	-	
Charitable activities									
Donations		120,968	-	4,396	125,364	129,918	123,772	5,000	1,146
Governance costs	6	9,376	-		9,376	11,508	11,508	-	
Total expenditure		<u>912,487</u>	<u>-</u>	<u>4,396</u>	<u>916,883</u>	<u>957,054</u>	<u>950,908</u>	<u>5,000</u>	<u>1,146</u>
Total income less expenditure		114,931	40,058	101,750	256,739	183,623	153,868	30,901	(1,146)
Net gains (losses) on investment	8	-	159,599	-	159,599	(91,018)	-	(91,018)	-
Net income (expenditure) before transfers		<u>114,931</u>	<u>199,657</u>	<u>101,750</u>	<u>416,338</u>	<u>92,605</u>	<u>153,868</u>	<u>(60,117)</u>	<u>(1,146)</u>
Transfers between funds									
		-	-	-	-	-	-	-	-
		<u>114,931</u>	<u>199,657</u>	<u>101,750</u>	<u>416,338</u>	<u>92,605</u>	<u>153,868</u>	<u>(60,117)</u>	<u>(1,146)</u>
Net movement in funds		<u>114,931</u>	<u>199,657</u>	<u>101,750</u>	<u>416,338</u>	<u>92,605</u>	<u>153,868</u>	<u>(60,117)</u>	<u>(1,146)</u>
Balances brought forward 1 January		<u>602,964</u>	<u>1,537,966</u>	<u>-</u>	<u>2,140,930</u>	<u>2,048,321</u>	<u>449,092</u>	<u>1,598,083</u>	<u>1,146</u>
Balances carried forward 31 December		<u>717,895</u>	<u>1,737,623</u>	<u>101,750</u>	<u>2,557,268</u>	<u>2,140,926</u>	<u>602,960</u>	<u>1,537,966</u>	<u>-</u>

Statement of total recognised gains and losses

The charity has no recognised gains or losses other than those shown above and therefore no separate statement of total gains and losses has been prepared.

The Society of the Little Flower
Balance Sheet as at 31 December 2021
Company Registration number 6453716

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	7		509		7,396
Investments	8		<u>1,706,833</u>		<u>1,502,277</u>
			1,707,342		1,509,673
Current assets					
Debtors	9	97,189		91,215	
Cash at bank and in hand		<u>796,555</u>		<u>603,985</u>	
		893,744		695,200	
Creditors: amounts falling due within one year	10	<u>(43,818)</u>		<u>(63,947)</u>	
Net current liabilities			849,926		631,253
Total assets less current liabilities			<u>2,557,268</u>		<u>2,140,926</u>
Total net assets			<u><u>2,557,268</u></u>		<u><u>2,140,926</u></u>
Represented by:					
Funds and reserves					
Unrestricted funds					
General funds			717,895		602,964
Designated funds	11		<u>1,737,623</u>		<u>1,537,966</u>
			2,455,518		2,140,930
Restricted funds	12		<u>101,750</u>		<u>-</u>
			<u>2,557,268</u>		<u>2,140,930</u>

Francis Kemsley, O. Carm.
Trustee

Approved by the trustees on 16 August 2022

The Society of the Little Flower
Statement of cash flows
for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash used in operating activities	A	<u>192,563</u>	<u>173,533</u>
Cash flows from investing activities			
Investment income		44,960	35,903
Purchase of fixed assets		-	(1,019)
Purchases of investments		<u>(44,918)</u>	<u>(35,277)</u>
Cash provided (used) in investing activities		<u>42</u>	<u>(393)</u>
Decrease in cash and cash equivalents in year		<u>192,605</u>	<u>173,140</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		192,570	173,761
(Decrease) increase in cash held in Building Society		<u>40</u>	<u>(621)</u>
		<u>192,610</u>	<u>173,140</u>

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	416,338	92,605
Deduct investment income	(44,960)	(35,903)
Add depreciation and amortization	6,887	12,483
Add/(deduct) net movement on investments.	(159,599)	91,018
Increase (decrease) in creditors	(20,129)	(7,263)
(Increase) decrease in debtors	<u>(5,974)</u>	<u>20,593</u>
	<u>192,563</u>	<u>173,533</u>

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2021

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Tangible fixed assets

Leasehold improvements are amortised in equal instalments over the term of the lease.

All other assets costing more than £1,000 and with an expected life of more than one year are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant, equipment, fixtures and fittings 20% on cost.

After five years plant, equipment, fixtures and fittings with a net book value of nil are written out of the accounts as in the opinion of the Trustees such assets have a negligible residual value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

The restricted funds are monies received for specific purposes.

Taxation

The charity is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

2 Net movement in funds

This is stated after charging

	General fund	Funds	2021	2020	General fund	Funds
	£	£	£	£	£	£
Staff costs (note 3)	165,000	-	165,000	153,978	132,366	-
Auditors remuneration	5,600	-	5,600	5,600	5,600	-
Accounting and other	3,776	-	3,776	5,892	5,892	-
Depreciation of owned assets	6,887	-	6,887	12,482	6,887	-

3 Staff costs

	General fund	Funds	2021	2020	General fund	Funds
	£	£	£	£	£	£
Wages and salaries	143,536	-	143,536	132,366	132,366	-
Social security costs	11,209	-	11,209	11,238	11,238	-
Pension cost	6,568	-	6,568	6,242	6,242	-
Staff health plan	3,687	-	3,687	3,266	3,266	-
Staff training and recruitment	-	-	-	866	866	-
	165,000	-	165,000	153,978	153,978	-

The average number of employees, analysed by function was:

Fundraising and administrative	4	4
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No employee received more than £60,000 in the year or in the previous year.

No trustee received any remuneration in the year or in the previous year.

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2021

	General Fund	Funds	2021 £	2020 £	General Fund	Funds
4 Cost of generating funds						
Fundraising						
Mailing production and distribution (note 5)	316,451	-	316,451	358,791	358,791	-
Donor lists and database	10,447	-	10,447	8,441	8,441	-
Fulfilment materials	5,700	-	5,700	33,646	33,646	-
Premises	71,806	-	71,806	68,784	68,784	-
Employees	165,000	-	165,000	153,978	153,978	-
Promotional events and advertising	15,402	-	15,402	17,050	17,050	-
Website costs	10,034	-	10,034	10,656	10,656	-
Office expenses	169,007	-	169,007	164,282	164,282	-
	<u>782,143</u>	<u>-</u>	<u>782,143</u>	<u>815,628</u>	<u>815,628</u>	<u>-</u>
5 Mailing production and distribution						
Acquisition			-	-		
House			316,451	358,791		
			<u>316,451</u>	<u>358,791</u>		

The trustees are unable to quantify the value of pastoral outreach contained within the above costs. However both the acquisition and house mailings are intended to offer their readers not only information about the Charity's activities but also moral guidance and spiritual support.

	General Fund	Funds	2021 £	2020 £	General Fund	Funds
6 Governance costs						
Auditors remuneration	5,600	-	5,600	5,600	5,600	-
Accountancy fees	3,776	-	3,776	5,892	5,892	-
Trustees travel and subsistence	-	-	-	16	16	-
	<u>9,376</u>	<u>-</u>	<u>9,376</u>	<u>11,508</u>	<u>11,508</u>	<u>-</u>

Trustees travel and subsistence comprises the travel, accommodation and subsistence costs of trustees who are members of the Carmelite Order. Expenses are incurred while attending trustees and management meetings and while on inspection visits to projects being funded.

	Leasehold improvement	Furniture and Equipment	Total
7 Tangible fixed assets			
Cost			
At 1 January 2021	137,473	7,631	145,104
Additions	-	-	-
Disposals	-	(3,012)	(3,012)
At 31 December 2021	<u>137,473</u>	<u>4,619</u>	<u>142,092</u>
Depreciation			
At 1 January 2021	(131,741)	(5,967)	(137,708)
Charge for the year	(5,732)	(1,155)	(6,887)
On disposals	-	3,012	3,012
At 31 December 2021	<u>(137,473)</u>	<u>(4,110)</u>	<u>(141,583)</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>509</u>	<u>509</u>
At 31 December 2020	<u>5,732</u>	<u>1,664</u>	<u>7,396</u>

	2021 £	2020 £
8 Investments		
Listed Investments		
Market value at 1 January 2021	1,302,277	1,358,018
Additions at cost	44,918	35,277
Gain (loss) in year	159,598	(91,018)
Market value at 31 December 2021	<u>1,506,793</u>	<u>1,302,277</u>
On deposit	<u>200,040</u>	<u>200,000</u>
	<u>1,706,833</u>	<u>1,502,277</u>
Cost of listed investments at 31 December 2021	<u>1,018,965</u>	<u>1,013,190</u>

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2021

9 Debtors

	2021	2020
	£	£
Prepayments	45,955	46,537
Sundry debtors	138	5,778
Prepaid materials	42,470	31,928
Income tax recoverable on donations	8,626	6,972
	<u>97,189</u>	<u>91,215</u>

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxes and social security	3,299	3,706
Expense creditors	39,117	56,342
Other creditors	1,402	3,899
	<u>43,818</u>	<u>63,947</u>

11 Designated funds

	At 1 January 2021	Incoming resources	Utilised/ realised	At 31 December 2021
Development fund	1,537,966	40,058	159,599	1,737,623

The development fund consists of funds set aside to allow for the long term funding of projects.

12 Restricted funds

	At 1 January 2021	Incoming resources	Utilised/ realised	At 31 December 2021
Diamond fund	-	100,000	-	100,000
Peru	-	1,500	-	1,500
Timor	-	4,646	(4,396)	250
	<u>-</u>	<u>106,146</u>	<u>(4,396)</u>	<u>101,750</u>

Diamond fund: Funds to be distributed after consultation and with the agreement of the donor.

Peru: Funds: At the donors wish to be used for Peru.

Timor: Funds collected as a result of an emergency appeal regarding the floods in East Timor.

13 Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	2021
	£			£
Tangible fixed assets	509	1,706,833	-	1,707,342
Current assets	761,204	30,790	101,750	893,744
Creditors: amounts falling due within one year	(43,818)	-	-	(43,818)
	<u>717,895</u>	<u>1,737,623</u>	<u>101,750</u>	<u>2,557,268</u>