

Charity Registration number
1123034
Company Registration number
6453716

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

31 December 2022

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	9
 Accounts	
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the accounts	14

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, MDiv. The Reverend Robert Colaresi O.Carm. MA, MRS The Reverend Francis Kemsley O. Carm. The Very Reverend Christian Körner O. Carm Bro.Paul de Groot O.Carm
Principal office	Barclays House 51 Bishopric Horsham West Sussex RH12 1QJ
Charity registration number	1123034
Company Registration number	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 2022

The trustees (who for company law purposes are the Directors) present their report and accounts for the year ended 31 December 2022.

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 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
- Bro Paul de Groot O. Carm

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

The Society of the Little Flower

Trustees' Report 31 December 2022

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 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.

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.

The Society of the Little Flower

Trustees' Report 31 December 2022

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*) 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 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 4 people for a wage bill of £170,120 (in 2021 £165,000).

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 2022 donations received were considerably down on the prior year at £657,469 (in 2021 £1,112,822). Included in this figure are £36,847 of restricted funds. Legacy income rose to £26,085 (2021 £14,001).

The total cost of fundraising in 2022 dropped to £731,088 from £ 782,143 in 2021. This was because the Trustees decided to cease fundraising at Easter so the mailings that were usual in previous years were not sent out.

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 2022 was as follows in comparison to previous years:

	2022	2021	2020	2019
Incoming resources	£744,777	£1,173,622	£1,132,709	£1,031,525
Total expended	£1,020,104	£916,883	£957,054	£1,009,221
Net	£-275,327	£+256,739	+£175655	+£22,304

The Society of the Little Flower

Trustees' Report 31 December 2022

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 2022 the 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. 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.

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

Trustees' Report 31 December 2022

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 2006. The Trustees are confident that they have complied with their duty under section 4 of the Charities Act 2006 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 2022

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 - in 2022 amounted to **£121,603** with a further £18,922 of direct donations.

Restricted funds of £130,537 were paid out in accordance with the donors wishes.

The recipients of the Society's donation via the Curia 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 Typical Projects Supported from Rome in 2022

<i>Project</i>	<i>Amount in £</i>
1. Students in Rome	27,000
2. Burkina Faso Mission	7,000
3. Venezuela Formation	7,000
4. Congo Formation	3,500
5. East Timor Formation	8,000
6. Indian Primary School	7,000
7. Philippines Formation	4,250
8. Sisters Cajazeiras Brazil	4.250
9. Kenya Formation	8,750
10. Mozambique Formation	8,000
11. Indonesian Mission.	7,000
12 Carmelite College Philippines	5,000

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, India and Brazil.

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. Support For Developing Countries

In Africa, (Burkina Faso, Kenya, Mozambique and the Democratic Republic of the Congo), Asia (Indonesia, Philippines, India and East Timor) and South America (Brazil and Venezuela), the Society has continued to support the formation of students to the Carmelites and the work of the Carmelites in ministering to the poor and marginalised.

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

The Society of the Little Flower

Trustees' Report 31 December 2022

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 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 2022 at £51,000 (2021 £44,957).

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 in 2023 was £1,764,479.

Objectives accomplished in 2022

The Trustees met monthly in 2022 to consider what was in the best interests of the Charity as it faced the retirement of its director and the increased costs of fundraising in a difficult environment, post Covid. Around Easter they took the difficult decision to cease fundraising and close the office in Horsham by the end of the year. This had the consequence of making redundant, loyal and committed staff. Donors too have found the decision of the Trustees hard as they miss the support of the Society and its outreach to the poor and marginalised. The process has been difficult and is ongoing.

Objectives set for 2023

The Trustees are exploring how best to maintain the Spirit of the Little Flower. They are considering if it can be taken over by another charity or if it needs to close. The major assets of the society are its investments and the hope of future legacies and these need to be used according to the wishes of the donors. The liabilities of the Society need to be met. The office in Horsham has to be leased until September 2024. Advice is being sort on how best to maintain records for the statutory period.

Signed on behalf of the Trustees on 3rd July 2023

Paul de Groot, 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 2022 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 2022 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

In auditing the financial statements, we have concluded that the director's 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 [entity]'s ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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, including the trustees' 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, except to the extent otherwise explicitly stated in our report, 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 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.

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

The Society of the Little Flower

Auditors' Report

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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

Chartered Accountants and Statutory Auditors
42 Radnor Road
Harrow
Middlesex HA1 1RZ

3 July 2023

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 2022

		General	Development	Restricted	Total	Total	General	Development	Restricted
	Notes	fund	fund	fund	2022	2021	fund	fund	fund
		£	£	£	£	£	£	£	£
Income									
Voluntary income									
Donations		620,622	-	36,847	657,469	1,112,822	1,006,676	-	106,146
Legacies		26,085	-	-	26,085	9,102	14,001	(4,899)	-
Investment income									
Dividends		-	51,000	-	51,000	44,957	-	44,957	-
Interest		-	-	-	-	3	3	-	-
Other income									
Profit on exchange		9,752	-	-	9,752	-	-	-	-
Miscellaneous income		471	-	-	471	4,796	4,796	-	-
Furlough grants		-	-	-	-	1,942	1,942	-	-
Total income		<u>656,930</u>	<u>51,000</u>	<u>36,847</u>	<u>744,777</u>	<u>1,173,622</u>	<u>1,027,418</u>	<u>40,058</u>	<u>106,146</u>
Expenditure									
Raising funds									
Fundraising expenditure	4	731,088	-	-	731,088	782,143	782,143	-	-
Charitable activities									
Donations		140,525	5,006	130,527	276,058	125,364	120,968	-	4,396
Governance costs	6	12,958	-	-	12,958	9,376	9,376	-	-
Total expenditure		<u>884,571</u>	<u>5,006</u>	<u>130,527</u>	<u>1,020,104</u>	<u>916,883</u>	<u>912,487</u>	<u>-</u>	<u>4,396</u>
Total income less expenditure		(227,641)	45,994	(93,680)	(275,327)	256,739	114,931	40,058	101,750
Net gains (losses) on investment	8	-	(93,352)	-	(93,352)	159,599	-	159,599	-
Net income (expenditure) before transfers		<u>(227,641)</u>	<u>(47,358)</u>	<u>(93,680)</u>	<u>(368,679)</u>	<u>416,338</u>	<u>114,931</u>	<u>199,657</u>	<u>101,750</u>
Transfers between funds									
		-	-	-	-	-	-	-	-
		(227,641)	(47,358)	(93,680)	(368,679)	416,338	114,931	199,657	101,750
Net movement in funds		<u>(227,641)</u>	<u>(47,358)</u>	<u>(93,680)</u>	<u>(368,679)</u>	<u>416,338</u>	<u>114,931</u>	<u>199,657</u>	<u>101,750</u>
Balances brought forward 1 January		<u>717,895</u>	<u>1,737,623</u>	<u>101,750</u>	<u>2,557,268</u>	<u>2,140,930</u>	<u>602,964</u>	<u>1,537,966</u>	<u>-</u>
Balances carried forward 31 December		<u>490,254</u>	<u>1,690,265</u>	<u>8,070</u>	<u>2,188,589</u>	<u>2,557,268</u>	<u>717,895</u>	<u>1,737,623</u>	<u>101,750</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 2020
Company Registration number 6453716

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	7		255		509
Investments	8		<u>1,764,479</u>		<u>1,706,833</u>
			1,764,734		1,707,342
Current assets					
Debtors	9	41,812		97,189	
Cash at bank and in hand		<u>471,486</u>		<u>796,555</u>	
	(325,069)	513,298		893,744	
Creditors: amounts falling due within one year	10	<u>(89,443)</u>		<u>(43,818)</u>	
Net current liabilities liabilities			423,855		849,926
Total assets less current liabilities			<u>2,188,589</u>		<u>2,557,268</u>
Total net assets			<u><u>2,188,589</u></u>		<u><u>2,557,268</u></u>
Represented by:					
Funds and reserves					
Unrestricted funds					
General funds			490,254		717,895
Designated funds	11		<u>1,690,265</u>		<u>1,737,623</u>
			2,180,519		2,455,518
Restricted funds	12		<u>8,070</u>		<u>101,750</u>
			<u>2,188,589</u>		<u>2,557,268</u>

Paul de Groot O.Carm
Trustee

Approved by the trustees on 3rd July 2023

The Society of the Little Flower
Statement of cash flows
for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash used in operating activities	A	<u>(225,071)</u>	<u>192,563</u>
Cash flows from investing activities			
Investment income		51,000	44,960
Purchase of fixed assets		-	-
Purchases of investments		<u>(48,042)</u>	<u>(44,918)</u>
Cash provided (used) in investing activities		<u>2,958</u>	<u>42</u>
Decrease in cash and cash equivalents in year		<u>(222,113)</u>	<u>192,605</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		(325,069)	192,565
(Decrease) increase in cash held in Building Society		<u>102,956</u>	<u>40</u>
		<u>(222,113)</u>	<u>192,605</u>

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

	2022 £	2021 £
Net movement in funds	(368,679)	416,338
Deduct investment income	(51,000)	(44,960)
Add depreciation and amortization	255	6,887
Add/(deduct) net movement on investments.	93,352	(159,599)
Increase (decrease) in creditors	45,624	(20,129)
(Increase) decrease in debtors	<u>55,377</u>	<u>(5,974)</u>
	<u>(225,071)</u>	<u>192,563</u>

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2022

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 amortized 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	2022	2021	General fund	Funds
	£	£	£	£	£	£
Staff costs (note 3)	229,340	-	229,340	165,000	143,536	-
Auditors remuneration	5,600	-	5,600	5,600	5,600	-
Accounting and other	2,664	-	2,664	3,776	3,776	-
Depreciation of owned assets	255	-	255	6,887	255	-

3 Staff costs

	General fund	Funds	2022	2021	General fund	Funds
	£	£	£	£	£	£
Wages and salaries	145,144	-	145,144	143,536	143,536	-
Redundancy pay	59,220	-	59,220	-	-	-
Social security costs	14,492	-	14,492	11,209	11,209	-
Pension cost	6,551	-	6,551	6,568	6,568	-
Staff health plan	3,933	-	3,933	3,687	3,687	-
	229,340	-	229,340	165,000	165,000	-

The average number of employees, analysed by function was:

Fundraising and administrative	4	4
--------------------------------	---	---

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.

4 Cost of generating funds

	General Fund	Funds	2022	2021	General Fund	Funds
	£	£	£	£	£	£
Fundraising						
Mailing production and distribution (note 5)	241,029	-	241,029	316,451	316,451	-
Donor lists and database	11,179	-	11,179	10,447	10,447	-
Fulfilment materials	9,582	-	9,582	5,700	5,700	-
Premises	68,877	-	68,877	71,806	71,806	-
Employees	229,340	-	229,340	165,000	165,000	-
Promotional events and advertising	17,813	-	17,813	15,402	15,402	-
Website costs	11,827	-	11,827	10,034	10,034	-
Office expenses	137,462	-	137,462	169,007	169,007	-
	731,088	-	731,088	782,143	782,143	-

5 Mailing production and distribution

Acquisition	-	-
House	241,029	316,451
	241,029	316,451

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	2022	2021	General Fund	Funds
	£	£	£	£	£	£
6 Governance costs						

The Society of the Little Flower
Notes to the accounts
for the year ended 31 December 2022

Auditors remuneration	5,600	-	5,600	5,600	5,600	-
Accountancy fees	2,664	-	2,664	3,776	3,776	-
Trustees travel and subsistence	-	-	-	-	-	-
	<u>12,958</u>	<u>-</u>	<u>12,958</u>	<u>9,376</u>	<u>9,376</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.

7 Tangible fixed assets

	Leasehold improvement	Furniture and Equipment	Total
Cost			
At 1 January 2022	137,473	4,619	142,092
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	<u>137,473</u>	<u>4,619</u>	<u>142,092</u>
Depreciation			
At 1 January 2022	(137,473)	(4,109)	(141,582)
Charge for the year	-	(255)	(255)
On disposals	-	-	-
At 31 December 2022	<u>(137,473)</u>	<u>(4,364)</u>	<u>(141,837)</u>
Net book value			
At 31 December 2022	-	255	255
At 31 December 2021	-	510	510

8 Investments

	2022 £	2021 £
Listed Investments		
Market value at 1 January 2022	1,506,793	1,302,277
Additions at cost	48,042	44,918
Gain (loss) in year	(93,352)	159,598
Market value at 31 December 2022	<u>1,461,483</u>	<u>1,506,793</u>
On deposit	<u>302,996</u>	<u>200,040</u>
	<u>1,764,479</u>	<u>1,706,833</u>
Cost of listed investments at 31 December 2022	<u>1,051,037</u>	<u>1,013,190</u>

9 Debtors

	2022 £	2021 £
Prepayments	39,086	45,955
Sundry debtors	100	138
Prepaid materials	-	42,470
Income tax recoverable on donations	<u>2,626</u>	<u>8,626</u>
	<u>41,812</u>	<u>97,189</u>

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxes and social security	8,041	3,299
Expense creditors	80,190	39,117
Other creditors	<u>1,212</u>	<u>1,402</u>
	<u>89,443</u>	<u>43,818</u>

11 Designated funds

	At 1 January 2022	Incoming resources	Utilised/ realised	At 31 December 2022
Development fund	1,737,623	51,000	(98,358)	1,690,265

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

12 Restricted funds

	At 1 January 2022	Incoming resources	Utilised/ realised	At 31 December 2022
Diamond fund	100,000	-	(100,000)	-
Peru	1,500	-	(1,500)	-
Ukrainian appeal	-	36,626	(28,663)	7,963
Timor	250	221	(364)	107
	<u>101,750</u>	<u>36,847</u>	<u>(130,527)</u>	<u>8,070</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.

Ukrainian appeal funds collected to assist the Carmelites in Ukraine.

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	2022 £
Tangible fixed assets	255	1,764,479	-	1,764,734
Current assets	579,442	(74,214)	8,070	513,298
Creditors: amounts falling due within one year	<u>(89,443)</u>	<u>-</u>	<u>-</u>	<u>(89,443)</u>
	<u>490,254</u>	<u>1,690,265</u>	<u>8,070</u>	<u>2,188,589</u>