

# THE FRANCISCAN SISTERS OF MILL HILL

England & Wales · Charity number 232494

## Details

---

Other names	FRANCISCAN SISTERS OF MILL HILL, THE FRANCISCAN SISTERS OF MILL HILL NO 1 TRUST, TRUST PROPERTY IN CONNECTION WITH THE REGULAR THIRD ORDER OF ST FRANCIS OF ASSISI FRANCISCAN SISTERS OF THIRD ORDER REGULAR
Status	Registered
Legal form	Trust
Registered	1964-03-09
Register	<a href="#">View on the Charity Commission register</a>

## Contact

---

Address  
The Generaelate  
118 Chalet Estate  
Hammers Lane  
London  
NW7 4DN

Phone 02089591364

## Activities

---

**Objects:** SUCH CHARITABLE PURPOSES WHICH ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK FOR THE TIME BEING CARRIED ON BY OR UNDER THE DIRECTION OF THE COMMUNITY ANYWHERE IN THE WORLD AS THE TRUSTEES WITH THE APPROVAL OF THE TEAM LEADER SHALL FROM TIME TO TIME THINK FIT.

**Activities:** The charity's work is carried out principally through the Convent in Mill Hill which includes a Registered Care Home and supports the work of the Congregation's members in the community. The work is also performed in various ministries throughout the Country where work includes care, counselling, spiritual direction, visitations and therapy.

## Classification

---

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Religious Activities
- **Who:** Elderly/old People, The General Public/mankind

## Geography

---

- **Area of benefit:** NATIONAL
- Throughout England And Wales

## Finances

---

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£155,702	£380,593	-	-
2024-03-31	£158,646	£330,190	-	-
2023-03-31	£142,855	£295,598	-	-
2022-03-31	£380,019	£304,947	-	-
2021-03-31	£148,932	£339,434	-	-

## Trustees

---

Name	Role	Appointed
Austin Richard Gillow King		2023-05-18
Rev Terry McGrath		2025-09-10
SISTER EILEEN PLUNKETT		
SISTER JOAN EDNA ROWLANDS		
SISTER MARGARET ALICE MCELROY OSF		

## Linked charities

---

- THE FRANCISCAN SISTERS OF MILL HILL NO 1 TRUST (232494-1)

**THE FRANCISCAN SISTERS OF MILL HILL**

England & Wales - Charity number 232494

---

# Accounts

---

---

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2025**

**Reference and Administrative Details**

**PRINCIPAL OFFICE**

The Generalate  
118 Chalet Estate  
Hammers Lane  
London NW7 4DN

**TRUSTEES**

Catherine McGovern OSF (RIP 21 Aug 25)  
Joan Edna Rowlands OSF  
Eileen Plunkett OSF  
Margaret Alice McElroy OSF  
Richard King

**CONGREGATIONAL LEADERSHIP TEAM**

Sr Margaret Alice McElroy OSF  
Sr Eileen Plunkett OSF  
Sr Catherine McGovern OSF (RIP 21 Aug 25)  
Fr Terry McGrath MSFS (from 24 Jan 25)

**TEAM LEADER**

Sr Margaret Alice McElroy OSF (until 24 Jan 25)  
Fr Terry McGrath MSFS (from 24 Jan 25)

**ASSISTANT TEAM LEADER**

Sister Eileen Plunkett OSF

**SOLICITORS**

Tozers LLP  
Broadwalk House  
Southernhay West  
Exeter EX1 1UA

**PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
24 Grosvenor Place  
London SW1X 7HP

**INDEPENDENT EXAMINER**

Adam Halsey FCA  
HaysMac LLP  
10 Queen Street Place  
London  
EC4R 1AG

**INSURANCE BROKERS**

Marsh Commercial  
1<sup>st</sup> Floor, Gail House  
5 Lower Stone Street  
Maidstone, ME15 6NB

**INVESTMENT ADVISORS**

Barclays Wealth Management Limited  
1 Churchill Place  
London  
E14 5HP

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2025**

---

The Trustees present their report and Accounts for the year ended 31 March 2025.

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

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

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

MOTHER MARY FRANCIS BASIL (1833-1886)



FOUNDRESS

GROUP OF EARLY SISTERS (circa 1874)



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

1882  
USA  
Baltimore

1902  
UGANDA  
KENYA

1960  
SOUTH  
AFRICA

Across three Continents Sisters engaged in a variety of challenging ministries, pioneering many projects and maintaining others, the emphasis on helping and empowering the poorest and voiceless in society. Some of these areas included:

### **EDUCATION**



**Nursery to  
University,  
Special needs:  
physical/mental,  
Skills Training,**



### **HEALTH CARE**

**Nurses  
Doctors  
Midwives  
Clinics  
Home Health**



**Hospitals  
Mobile Clinics  
HIV/AIDS  
Health Visitors**

**Community based projects for the deaf and visually impaired.**

**Added to these ministries are many  
AREAS of SOCIAL, PARISH, and PASTORAL WORK**

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



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

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

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

## **FRANCISCAN SISTERS OF MILL HILL**

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

#### **FOR THE YEAR ENDED 31 MARCH 2025**

---

The Congregation is an Institute of Pontifical Right. Previously, a Superior General (later 'Team Leader') had overall responsibility for its governance, assisted by a General Council (later 'Congregational Leadership Team') which broadly mirrors the Trustee body. By a Decree of the Dicastery for Institutes of Consecrated Life and Societies of Apostolic Life in Rome, dated 24 January 2025, Fr Terry McGrath MSFS was appointed Pontifical Commissary of the Congregation and so is its Supreme Legislative Authority in accordance with its Constitutions. As such, he has overall responsibility for the welfare of the remaining Sisters, in close dialogue with the Team Leader.

#### **OBJECTIVES AND ACTIVITIES**

The Franciscan Sisters of Mill Hill are a group of women whose main aim is still to fulfil the charism of their Foundress, Mother Mary Francis Basil: 'To meet the needs of the world of her day.'

We continually assess the needs of our world today and evaluate how best we can address them with our diminishing numbers of Sisters.

#### **Public benefit**

The Trustees in this report describe how those activities undertaken by the charity further its charitable purposes for the public benefit. The Trustees confirm that they comply with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission. In particular they have considered its supplementary public guidance on the advancement of religion for the public benefit.

#### **ACTIVITIES OF THE CHARITY**

The activities of the Charity have changed over time, just as societal needs have changed; our numbers have decreased, and members are ageing. What has now emerged, is a variety of pastoral needs and opportunities that all of us are engaging with, according to health and training.

- Visiting the elderly in St. Vincent's Nursing Home, where our Sisters first went for care in October 2007 and within the wider community.
- Parish team work to enable parishioners and people in the areas to participate in community activities.
- One Sister on Hospice Pastoral Care Team on a voluntary basis.
- Where possible, all are engaged in: Visiting of the housebound/lonely/terminally ill and offering pastoral assistance where we can.
- Two Sisters are engaged in 'Accompaniment': Spiritual Direction, Retreats/Psychotherapy/Supervision,
- In our Franciscan spirit, we offer "Open Door Hospitality" to all creeds and races.

#### **We support the disadvantaged societies by:**

- Contribution to Art/Craft Days
- Networking with Cafod, Missio, Traidcraft and Age Concern, Justice/Peace Groups
- Working with NCSC – safeguarding within the Catholic Church of England/Wales
- Working with CARITAS – building a new culture of responsibility

#### **Our Constitutions remind us:**

'The mission is possible at all times, in health and in sickness, in joy and in sorrow, in youth and in advancing years and in old age, in success and in failure. In fact, in every circumstance of age and health we can proclaim that our life is founded on Jesus Christ and expect to find its fulfilment in Him.' (Constitutions, ch.5 para. 47).

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2025**

---

**INVESTMENT POWER**

The Trustees may invest in any manner in which the law allows trust money to be invested, or as directed by donors of any donated trust funds, so the Trustee Act 2000 applies.

**INVESTMENT POLICY**

The Trustees have appointed Barclays Wealth Investment Management Limited to manage the portfolio subject to a medium degree of risk. The Trustees intend that the real value of the assets be maintained and enhanced over the long-term investment in a portfolio of equities, fixed stocks and cash. The Trustees have instructed Barclays Wealth to adopt an ethical policy and use their best endeavours to avoid investment in companies that are predominately involved in activities contrary to the ethos of the Charity, including gambling, tobacco or armaments.

Between 1 April 2024 and 31 March 2025, the capital value of the investment portfolio increased by £41,257 after adjusting for new money and disposals. During the period, the investment portfolio produced a return of 2.54% which was higher than the composite benchmark return of 1.95% over the same period. The trustees appreciate that the investments are held for the medium to long term and as such there are likely to be times of volatility where performance may not always track the benchmark.

**FRANCISCAN SISTERS OF MILL HILL  
TRUSTEES' ANNUAL REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2025**

---

**THE PRESENT TRUSTEES**

**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Richard King**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



Sister Catherine McGovern, who had served as Congregational Leader, Bursar and/or a Trustee for many years, died suddenly on 21 August 2025.

## FRANCISCAN SISTERS OF MILL HILL

### TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

---

#### FINANCIAL REVIEW

The Statement of Financial Activities shows net movement in funds after investment gains of £183,634 (2024: (£4,121) (decrease)). Income increased to £155,702 from £140,659 in 2024. Expenditure in the year amounted to £380,593, up from £330,190 in 2024. Investments increased in value during the year (before additions and disposals). The Congregation continues to review its finances and needs in order to match future income with expenditure. Investments will assist in retirement provision for those no longer engaged in pastoral or other salaried work or who have left the Congregation but require continuing support according to the Congregation's obligations and resources. No commitments or guarantees have been given in this or any other respect, but the Congregation is committed to supporting its members who have spent most of their working lives in the furtherance of its aims either voluntarily or by covenanting earned income from outside employment.

#### Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

#### Reserves policy

The commitment to provide for care of the members of the Congregation in sickness and old age has profound implications for the finances of the Charity. Members of the Congregation have all taken a vow of poverty which means that all rights to assets and income have been given up, in favour of the Charity. Where members earn a salary, stipend or pension this is paid into the charitable trust under a deed of covenant. In most cases members have devoted the whole of their working lives to the Congregation and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age if they are healthy enough to do so, the work is often not remunerative, and the Congregation must provide for their upkeep and in some cases nursing care. The Designated Reserves of the charity stand at a little over £3.5m with a little under £1.3m designated in respect of the charity's property assets, which are required for its ongoing work. In addition, £2.25m is designated to a Retirement Fund. This represents assets held for the purposes of providing long term support for members. An appraisal of this fund is considered annually. At present the amount held is thought to be adequate, but the charity's situation could change in future years, with additional sums possibly being required to provide fully for the charity's commitment. If additional funds are required, the charity could potentially dispose part of its freehold property.

At the end of the year to 31 March 2025 the undesignated reserves of the charity were £615,552. This represents just under 1.6 years of expenditure, which is considered to be adequate. It is the intention of the Trustees to maintain the reserve at between three- and six-months' expenditure (£94,607 – £189,215).

#### Risk review

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, they have concluded that the greatest risk to the Charity currently is the lack of novices or postulants under training for the religious life and the consequent fall in the number of Sisters able either to carry out the Charity's pastoral work or to provide nursing or other care for those Sisters who have retired. Concerns were also raised about the requirement for religious and other charities to show public benefit from their activities. But the remaining Sisters, though now fewer in number, can easily show that they do bring tangible benefit to the local community.

As with all organisations serving in the community, the Trustees recognise the need for protection and safety of all those the Charity serves. We do have our own Safeguarding Policy for children/vulnerable adults. Where it applies Sisters, employees and volunteers have had a clearance with POVA and DBS.

## **FRANCISCAN SISTERS OF MILL HILL**

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

#### **FOR THE YEAR ENDED 31 MARCH 2024**

---

#### **SUMMARY**

The Congregation continues to review its spending plans and needs and makes every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims, including provision for Sisters in retirement. The Trustees are satisfied that the overall financial position is sound but are conscious that their resources are limited in the face of future needs.

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

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

#### **OBJECTIVES for the forthcoming year:**

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

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

The Congregation's headquarters are based at the Generalate in 118 Chalet Estate, Mill Hill, London. The Leadership Team, elected every 4 years by the members of the Congregation, has met regularly to advise the Team Leader on matters concerning the Congregation. Formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, several of whom serve on the Leadership Team. St. Mary's Convent, Mill Hill continues to minister to the Parish and the wider community. The Congregation also supports Sisters in various ministries in other parts of the country.

As mentioned above, with effect from 24 January 2025, Fr Terry McGrath MSFS was appointed Pontifical Commissary of the Congregation and so has overall responsibility for its management.

Just after the year-end, the Congregation entered into a Memorandum of Understanding with another Franciscan Institute, the Franciscan Sisters of the Divine Motherhood (FMDM), whereby the FMDM would provide administrative services to the Congregation in return for an agreed fee. This has enabled the Assistant Bursar, Veronica Lumb, to retire after some 40 years' devoted service to the Sisters. However the Congregation retains its separate identity, its charism and its professional advisers.

#### **LEGAL STATUS**

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

#### **APPOINTMENT OF TRUSTEES**

The Team Leader has had the power of appointment of the new Trustees of the Charity and is ex-officio a Trustee. Hitherto, Trustees have been drawn from within the Congregation, but owing to falling numbers a former professional adviser was appointed trustee, and since the year-end Fr Terry in his new role has appointed himself a Trustee. No specific training has been given to the Trustees, but they are satisfied they have sufficient access to professional and practical advice to understand the responsibilities as Charity Trustees.

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2025**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Approved by the Trustees on 3 November 2025 and signed as authorised on their behalf by:

*Sister Margaret McElroy*

Sr. Margaret Alice McElroy  
Trustee

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

---

I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill, for the year ended 31 March 2025, which are set out on pages 11 to 20.

**Respective responsibilities of trustees and examiner**

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

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

**Independent examiner's statement**

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

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

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.



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

Date: 16 December 2025

**FRANCISCAN SISTERS OF MILL HILL**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR TO 31 MARCH 2025**

	Notes	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2025 Total £	2024 Total £
<b>Income from:</b>						
<i>Donations and legacies:</i>						
Donations, gifts and legacies		3,475	-	-	3,475	4,010
Sisters' salaries and pensions		93,046	-	-	93,046	70,183
<i>Investments</i>	3	59,181	-	-	59,181	61,177
<i>Other</i>		-	-	-	-	5,289
<b>Total income</b>		<u>155,702</u>	<u>-</u>	<u>-</u>	<u>155,702</u>	<u>140,659</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		17,703	-	-	17,703	16,406
<b>Charitable activities</b>						
Sisters' maintenance and welfare		237,778	88,248	36,864	362,890	313,784
<b>Total expenditure</b>	7	<u>255,481</u>	<u>88,248</u>	<u>36,864</u>	<u>380,593</u>	<u>330,190</u>
<b>Net expenditure and net movements in funds before gains on investments</b>						
		(99,779)	(88,248)	(36,864)	(224,891)	(189,531)
Gains on investments		-	41,257	-	41,257	193,652
<b>Net Movement in Funds</b>		<u>(99,779)</u>	<u>(46,991)</u>	<u>(36,864)</u>	<u>(183,634)</u>	<u>4,121</u>
Transfers between funds		(46,991)	46,991	-	-	-
<b>Net movement in funds after transfers</b>		<u>(146,770)</u>	<u>-</u>	<u>(36,864)</u>	<u>(183,634)</u>	<u>4,121</u>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2024		£762,322	£2,250,000	£1,327,920	£4,340,242	£4,336,121
<b>Fund balances carried forward at 31 March 2025</b>		<u>£615,552</u>	<u>£2,250,000</u>	<u>£1,291,056</u>	<u>£4,156,608</u>	<u>£4,340,242</u>

All funds in 2024 and 2025 were unrestricted.

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

The notes on pages 13 to 20 form part of these financial statements.

**FRANCISCAN SISTERS OF MILL HILL**

**BALANCE SHEET**

**AS AT 31 MARCH 2025**

	Notes	2025		2024	
		£	£	£	£
<b>Fixed Assets:</b>					
Tangible fixed assets	2		1,291,462		1,337,952
Investments	3		2,462,133		2,444,482
			<u>3,753,595</u>		<u>3,782,434</u>
<b>Current Assets</b>					
Debtors	4	9,779		7,339	
Cash at bank and in hand		409,238		565,999	
		<u>419,017</u>		<u>573,338</u>	
<b>Creditors: Amounts falling due within one year</b>	5	<u>(16,004)</u>		<u>(15,530)</u>	
<b>Net Current Assets</b>			<u>403,013</u>		<u>557,808</u>
<b>Net Assets</b>			<u>4,156,608</u>		<u>4,340,242</u>
<b>Funds</b>					
<b>General</b>					
			615,552		762,322
<b>Designated</b>					
- Retirement Fund	6	2,250,000		2,250,000	
- Property Fund	6	1,291,056		1,327,920	
		<u>3,541,056</u>		<u>3,577,920</u>	
			<u>4,156,608</u>		<u>4,340,242</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 3 November 2025 and were signed below on its behalf by:

*Sister Margaret Alice McElroy*

Sr. Margaret Alice McElroy  
Trustee

The notes on pages 13 to 20 form part of these financial statements.

## GENERAL INFORMATION

Franciscan Sisters of Mill Hill is an unincorporated charity in England and Wales, with the charity registration number 232494. The registered office is The Generalate, 118 Chalet Estate, Hammers Lane, London, NW7 4DN. The principal objectives of the charity are set out within the Trustees Report, in the reference and administration section.

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

#### a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in UK Sterling, which is the Charity's functional currency, and rounded to the nearest pound.

#### b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

#### c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2025, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

#### d) Cash Flow Statement

The Trustees have taken advantage of the provisions of the Statement of Recommended Practice for Charities (SORP 2015) for smaller charities and have chosen not to prepare a cash flow statement.

**1. ACCOUNTING POLICIES (continued)**

**e) Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**f) Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

**g) Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

**h) Tangible Fixed Assets**

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

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

**FRANCISCAN SISTERS OF MILL HILL**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

---

**1. ACCOUNTING POLICIES (continued)**

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Leasehold land and buildings	50 years
Freehold buildings	50 years
Furniture and equipment	4 years
Motor vehicles	4 years

**i) Investments**

Quoted investments are valued at their closing middle market price on the balance sheet date. Increases and decreases in market value are reflected in Statement of Financial Activities.

In addition, the charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No value can be attributed to the contract as future returns are dependent on the bonuses which in turn depend on investment returns and inflation. Therefore, the asset is included in the balance sheet at the aggregate value of the premiums paid to date, which the Trustees estimate is not materially different from its market value.

On maturity, proceeds are credited to the Statement of Financial Activities net of premiums paid in respect of the relevant member or members.

**j) Financial Instruments**

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

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**m) Creditors and provisions**

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

**n) Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

2. TANGIBLE FIXED ASSETS	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2024	26,798	1,762,155	17,022	31,100	1,837,075
Disposals	-	-	-	(13,995)	(13,995)
At 31 March 2025	<u>26,798</u>	<u>1,762,155</u>	<u>17,022</u>	<u>17,105</u>	<u>1,823,080</u>
<b>DEPRECIATION</b>					
At 1 April 2024	24,648	436,385	16,028	22,062	499,123
Charge for the year	1,622	35,243	587	875	38,327
Eliminated on disposal	-	-	-	(5,832)	(5,832)
At 31 March 2025	<u>26,270</u>	<u>471,628</u>	<u>16,615</u>	<u>17,105</u>	<u>531,618</u>
<b>NET BOOK VALUE</b>					
At 31 March 2025	<u>£528</u>	<u>£1,290,527</u>	<u>£407</u>	<u>£-</u>	<u>£1,291,462</u>
At 31 March 2024	<u>£2,150</u>	<u>£1,325,770</u>	<u>£994</u>	<u>£9,038</u>	<u>£1,337,952</u>

All fixed assets are held for charitable use.

3. INVESTMENTS

	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2024	£36,756	£2,407,726	£2,444,482
Additions during the year	£553,402	£492,100	£1,045,502
Disposals (at opening market value)	(£573,695)	(£495,413)	(£1,069,108)
Net investment gains	£-	£41,257	£41,257
<b>Market value at 31 March 2025</b>	<u>£16,463</u>	<u>2,445,670</u>	<u>£2,462,133</u>
<b>Cost at 31 March 2025</b>	<u>£16,463</u>	<u>£2,203,119</u>	<u>£2,219,582</u>

	2025 £	2024 £
Investment income arising from:		
Quoted investments	<u>£59,181</u>	<u>£61,177</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

<b>4. DEBTORS</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	<u>£9,779</u>	<u>£7,339</u>

<b>5. CREDITORS</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Other creditors and accruals	<u>16,004</u>	<u>15,530</u>

**6. DESIGNATED FUNDS**

a) The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

**Retirement Fund**

A fund has been designated to provide for the Charity's commitment to provide for the retirement and care in old age and sickness of the Charity's members. An actuarial review of the Charity's membership carried out in 1997 indicated that a fund in the region of £2.78 million would be required to finance the Charity's commitment to provide care for its elderly members after taking account of their occupational pension rights. However, it is now felt that less is needed in the fund and has therefore been reduced to £2,250,000 and hence a transfer has been made to maintain the fund at this level.

**Property Fund**

In order to fulfil its charitable objectives, the charity needs a number of properties. These properties, although they are unrestricted assets, cannot be realised without undermining the charity's work and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund. The balance of this fund equates to the NBV of the property fixed assets.

b) **Analysis of Movements – 2025**

	<b>Balance at 1 April 2024</b>	<b>Income/ (expenditure) and Gains/(losses)</b>	<b>Transfers</b>	<b>Balance at 31 March 2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Retirement Fund	2,250,000	(46,991)	46,991	2,250,000
Property Fund	1,327,920	(36,864)	-	1,291,056
	<u>3,577,920</u>	<u>(83,855)</u>	<u>46,991</u>	<u>3,541,056</u>

**Analysis of Movements – 2024**

	<b>Balance at 1 April 2023</b>	<b>Income/ (expenditure) and Gains/(losses)</b>	<b>Transfers</b>	<b>Balance at 31 March 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Retirement Fund	2,250,000	132,189	(132,189)	2,250,000
Property Fund	1,185,965	(36,932)	178,887	1,327,920
	<u>£3,435,965</u>	<u>95,257</u>	<u>46,698</u>	<u>£3,577,920</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

<b>7. EXPENDITURE</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Cost of Raising Funds</b>		
Investment management fees	£17,703	£16,406
	<u>£17,703</u>	<u>£16,406</u>
	<b>Sisters' Maintenance and Welfare</b>	
	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Direct Costs</b>		
Establishment expenses	58,134	57,840
Depreciation	38,327	42,579
Maintenance and living costs	141,004	122,610
Staff costs	44,449	39,660
Donations, courses and church expenses	40,742	25,448
Support and other expenses	31,030	16,656
Governance costs (see below)	9,204	8,991
	<u>362,890</u>	<u>313,784</u>
	<u>£362,890</u>	<u>£313,784</u>
 The costs have all been directly allocated.		
	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Governance</b>		
Independent examiner's fees	2,034	2,000
Accountancy fees	7,170	5,080
Legal and professional fees	-	1,911
	<u>£9,204</u>	<u>£8,991</u>
	<u>£9,204</u>	<u>£8,991</u>
<b>8. STAFF COSTS</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	36,231	35,619
Social security costs	8,118	4,041
	<u>£44,349</u>	<u>£39,660</u>
	<u>£44,349</u>	<u>£39,660</u>

No employee received emoluments of more than £60,000.  
The average number of employees in the year was 2 (2024: 2).  
The charity's key management personnel are its trustees who are not remunerated.

**FRANCISCAN SISTERS OF MILL HILL**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2025**

**9. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES**

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of those trustees who are members of the Congregation are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees. The Congregation pays for the lay trustee's travel and accommodation for the occasional trustee meetings. There are no balances outstanding with any related parties, at the Balance sheet date (2024: £Nil).

**10. ANALYSIS OF NET ASSETS BY FUND – 2025**

	Designated Funds			Total £
	General Fund £	Retirement Fund £	Property Fund £	
Fund Balances at 31 March 2025 are represented by:				
Tangible fixed assets	406	-	1,291,056	1,291,462
Investments	-	2,462,133	-	2,462,133
Current assets	631,150	(212,133)	-	419,017
Current liabilities	(16,004)	-	-	(16,004)
	<u>615,552</u>	<u>2,250,000</u>	<u>1,291,056</u>	<u>4,156,608</u>

**ANALYSIS OF NET ASSETS BY FUND – 2024**

	Designated Funds			Total £
	General Fund £	Retirement Fund £	Property Fund £	
Fund Balances at 31 March 2024 are represented by:				
Tangible fixed assets	10,032	-	1,327,920	1,337,952
Investments	-	2,444,482	-	2,444,482
Current assets	767,820	(194,482)	-	573,338
Current liabilities	(15,530)	-	-	(15,530)
	<u>762,322</u>	<u>2,250,000</u>	<u>1,327,920</u>	<u>4,340,242</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11. STATEMENT OF FINANCIAL ACTIVITIES 2024**

	Notes	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2024 Total £	2023 Total £
<b>Income from:</b>						
<i>Donations and legacies:</i>						
Donations, gifts and legacies		4,010	-	-	4,010	1,085
Sisters' salaries and pensions		70,183	-	-	70,183	74,152
<i>Investments</i>	3	61,177	-	-	61,177	61,277
<i>Other</i>		5,289	-	-	5,289	2,343
- Sale of fixed assets		-	-	-	-	3,998
<b>Total income</b>		<u>140,659</u>	<u>-</u>	<u>-</u>	<u>140,659</u>	<u>142,855</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		16,406	-	-	16,406	16,273
<b>Charitable activities</b>						
Sisters' maintenance and welfare		215,389	61,463	36,932	313,784	279,325
<b>Total expenditure</b>	7	<u>231,795</u>	<u>61,463</u>	<u>36,932</u>	<u>330,190</u>	<u>295,598</u>
<b>Net income/(expenditure) and net movements in funds before (losses)/gains on investments</b>						
		(91,136)	(61,463)	(36,932)	(189,531)	(152,743)
<b>(Losses)/gains on investments:</b>						
Realised		-	(13,396)	-	(13,396)	(64,588)
Unrealised		-	207,048	-	207,048	(73,347)
<b>Net Movement in Funds</b>		<u>(91,136)</u>	<u>132,189</u>	<u>(36,932)</u>	<u>4,121</u>	<u>(290,678)</u>
Transfers between funds		<u>(46,698)</u>	<u>(132,189)</u>	<u>178,887</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds after transfers</b>		<u>(137,834)</u>	<u>-</u>	<u>141,955</u>	<u>4,121</u>	<u>(290,678)</u>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2023		<u>£900,156</u>	<u>£2,250,000</u>	<u>£1,185,965</u>	<u>£4,336,121</u>	<u>£4,626,799</u>
<b>Fund balances carried forward at 31 March 2024</b>		<u><u>£762,322</u></u>	<u><u>£2,250,000</u></u>	<u><u>£1,327,920</u></u>	<u><u>£4,340,242</u></u>	<u><u>£4,336,121</u></u>

**FRANCISCAN SISTERS OF MILL HILL**  
**INCOME AND EXPENDITURE SCHEDULES**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
<b>INCOME</b>				
<b>Investment income</b>				
Dividends	53,857	-	53,857	55,156
Interest	5,324	-	5,324	6,021
	<u>59,181</u>	-	<u>59,181</u>	<u>61,177</u>
	-	-	-	-
Donations and gifts	3,475	-	3,475	4,010
Sisters' salaries and pensions	93,046	-	93,046	88,170
Other income	-	-	-	5,289
JRS Furlough grants	-	-	-	-
	<u>155,702</u>	-	<u>155,702</u>	<u>158,646</u>
<b>Total income</b>				
<b>EXPENDITURE</b>				
Investment management costs	17,703	-	17,703	16,406
	<u>17,703</u>	-	<u>17,703</u>	<u>16,406</u>
<b>Charitable Expenditure</b>				
Establishment expenses	94,998	-	94,998	94,772
Maintenance and welfare of members	185,453	-	185,453	162,271
Donations, courses and church expenses	40,742	-	40,742	25,448
Administration and other expenses	32,493	-	32,493	22,302
	<u>353,686</u>	-	<u>353,686</u>	<u>304,793</u>
	-	-	-	-
<b>Governance of Charity</b>	9,204	-	9,204	8,991
	<u>9,204</u>	-	<u>9,204</u>	<u>8,991</u>
<b>Total expenditure</b>	<u>362,890</u>	-	<u>362,890</u>	<u>313,784</u>
<b>Net income/(expenditure) before transfers</b>	(224,891)	-	(224,891)	(171,544)
Transfer between funds	-	-	-	-
	<u>(224,891)</u>	-	<u>(224,891)</u>	<u>(171,544)</u>
<b>Net income/(expenditure) for the year</b>				
<b>Gains on investment assets:</b>				
Gains on investments	41,257	-	41,257	193,652
	<u>41,257</u>	-	<u>41,257</u>	<u>193,652</u>
<b>Net Movements in Funds</b>	(183,634)	-	(183,634)	22,108
<b>Fund balances brought forward at 1 April 2024</b>	4,340,242	-	4,340,242	4,318,134
	<u>4,340,242</u>	-	<u>4,340,242</u>	<u>4,318,134</u>
<b>Fund balances carried forward at 31 March 2025</b>	<u>4,156,608</u>	-	<u>4,156,608</u>	<u>4,340,242</u>

**FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2025**

	Central Funds £	Houses & Personal Budgets £	Total 2025 £	Total 2024 £
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	3,892	-	3,892	2,260
Repairs and maintenance	2,055	-	2,055	3,944
Light and heat	1,840	-	1,840	2,418
Depreciation	36,864	-	36,864	36,932
Bungalows - Expenses	8,319	-	8,319	7,569
Bungalows - Ground rent	824	-	824	709
Other establishment costs	41,204	-	41,204	40,940
	<u>94,998</u>	<u>-</u>	<u>94,998</u>	<u>94,772</u>
<b>Maintenance and Welfare</b>				
Provisions	10,548	-	10,548	10,720
Household and furnishings	282	-	282	2,183
Wages	44,449	-	44,449	39,660
Sisters' expenses	38,120	-	38,120	38,346
Medical	503	-	503	6,437
Holidays	2,129	-	2,129	2,152
Books, stationery and subscriptions	1,174	-	1,174	1,310
Sisters' Residential Care (St. Vincent's)	88,248	-	88,248	61,463
	<u>185,453</u>	<u>-</u>	<u>185,453</u>	<u>162,271</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	190	-	190	200
Retreats and sabbaticals	1,445	-	1,445	1,300
Educational courses	3,652	-	3,652	693
Donations - general and missions	35,455	-	35,455	23,255
	<u>40,742</u>	<u>-</u>	<u>40,742</u>	<u>25,448</u>
<b>Administration and other expenses</b>				
Telephone	-	-	-	103
Postage	614	-	614	740
Travel	7,413	-	7,413	2,724
Computer/ Broadband	1,112	-	1,112	1,536
Motor expenses	637	-	637	4,443
Council/AGM/Chapter	3,458	-	3,458	4,284
Bank charges	5,470	-	5,470	931
Sundry expenses	10,163	-	10,163	1,895
Depreciation	1,462	-	1,462	5,646
Unrealised investment (gains)/losses	(41,257)	-	(41,257)	(193,652)
	<u>(10,928)</u>	<u>-</u>	<u>(10,928)</u>	<u>(171,350)</u>
<b>Investment management fees</b>				
	<u>17,703</u>	<u>-</u>	<u>17,703</u>	<u>16,406</u>
<b>Governance of the Charity</b>				
Audit and accountancy	9,204	-	9,204	1,911
Other Advice	-	-	-	7,080
	<u>9,204</u>	<u>-</u>	<u>9,204</u>	<u>8,991</u>

**THE FRANCISCAN SISTERS OF MILL HILL**

England & Wales - Charity number 232494

---

# Accounts

---

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2024**

**Reference and Administrative Details**

**PRINCIPAL OFFICE**

The Generalate  
118 Chalet Estate  
Hammers Lane  
London NW7 4DN

**TRUSTEES**

Catherine McGovern OSF  
Joan Edna Rowlands OSF  
Eileen Plunkett OSF  
Margaret Alice McElroy OSF  
Richard King (appointed 18 May 2023)

**CONGREGATIONAL LEADERSHIP TEAM**

Sister Margaret Alice McElroy OSF  
Sister Eileen Plunkett OSF  
Sister Catherine McGovern OSF

**TEAM LEADER**

Sister Margaret Alice McElroy OSF

**ASSISTANT TEAM LEADER**

Sister Eileen Plunkett OSF

**BURSAR**

Sister Catherine McGovern OSF

**ASSISTANT BURSAR**

Veronica Lumb

**SOLICITORS**

Tozers LLP  
Broadwalk House  
Southernhay West  
Exeter EX1 1UA

**PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
24 Grosvenor Place  
London SW1X 7HP

**INDEPENDENT EXAMINER**

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

**INSURANCE BROKERS**

Marsh Commercial  
1<sup>st</sup> Floor, Gail House  
5 Lower Stone Street  
Maidstone, ME15 6NB

**INVESTMENT ADVISORS**

Barclays Wealth Management Limited  
1 Churchill Place  
London  
E14 5HP

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

The Trustees present their report and Accounts for the year ended 31 March 2024.

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

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

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

MOTHER MARY FRANCIS BASIL (1833-1886)

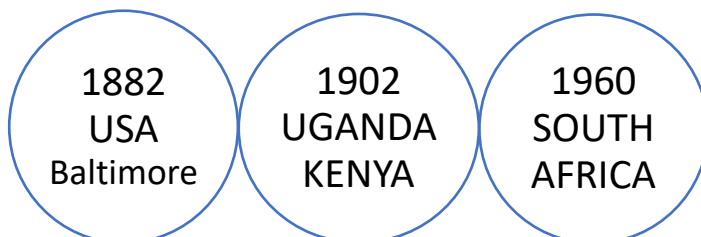


FOUNDRESS

GROUP OF EARLY SISTERS (circa 1874)



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



Across three Continents Sisters engaged in a variety of challenging ministries, pioneering many projects and maintaining others, the emphasis on helping and empowering the poorest and voiceless in society. Some of these areas included:

**EDUCATION**  
Nursery to  
University,  
Special needs:  
physical/mental,  
Skills Training,



**HEALTH CARE**

Nurses  
Doctors  
Midwives  
Clinics  
Home Health



Hospitals  
Mobile Clinics  
HIV/AIDS  
Health Visitors

**Community based projects for the deaf and visually impaired.**

**Added to these ministries are many AREAS of SOCIAL, PARISH, and PASTORAL WORK**

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



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

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

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

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

The Congregation is an Institute of Pontifical status, with a Superior General (now referred to as 'Team Leader') who has overall responsibility for the governance of the Congregation and is assisted in this by the General Council (now referred to as 'Congregational Leadership Team') which broadly mirrors the Trustee body though a lay trustee has now been appointed. The Congregational Leadership Team is accountable to the General Chapter which is held every 4 years and is the Supreme Legislative Authority in the congregation.

**OBJECTIVES AND ACTIVITIES**

The Franciscan Sisters of Mill Hill are a group of women whose main aim is still to fulfil the charism of their Foundress, Mother Mary Francis Basil: 'To meet the needs of the world of her day.'

We continually assess the needs of our world today and evaluate how best we can address them with our diminishing numbers of Sisters.

**Public benefit**

The Trustees in this report describe how those activities undertaken by the charity further its charitable purposes for the public benefit. The Trustees confirm that they comply with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission. In particular they have considered its supplementary public guidance on the advancement of religion for the public benefit.

**ACTIVITIES OF THE CHARITY**

The activities of the Charity have changed over time, just as societal needs have changed; our numbers have decreased, and members are ageing. What has now emerged, is a variety of pastoral needs and opportunities that all of us are engaging with, according to health and training.

- Visiting the elderly in St. Vincent's Nursing Home, where our Sisters first went for care in October 2007 and within the wider community.
- Parish team work to enable parishioners and people in the areas to participate in community activities.
- One Sister on Hospice Pastoral Care Team on a voluntary basis.
- Where possible, all are engaged in: Visiting of the housebound/lonely/terminally ill and offering pastoral assistance where we can.
- Two Sisters are engaged in 'Accompaniment': Spiritual Direction, Retreats/Psychotherapy/Supervision,
- In our Franciscan spirit, we offer "Open Door Hospitality" to all creeds and races.

**We support the disadvantaged societies by:**

- Contribution to Art/Craft Days
- Networking with Cafod, Missio, Traidcraft and Age Concern, Justice/Peace Groups
- Working with NCSC – safeguarding within the Catholic Church of England/Wales
- Working with CARITAS – building a new culture of responsibility

**Our Constitutions remind us:**

'The mission is possible at all times, in health and in sickness, in joy and in sorrow, in youth and in advancing years and in old age, in success and in failure. In fact, in every circumstance of age and health we can proclaim that our life is founded on Jesus Christ and expect to find its fulfilment in Him.' (Constitutions, ch.5 para. 47).

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

**INVESTMENT POWER**

The Trustees may invest in any manner in which the law allows trust money to be invested, or as directed by donors of any donated trust funds, so the Trustee Act 2000 applies.

**INVESTMENT POLICY**

The Trustees have appointed Barclays Wealth Investment Management Limited to manage the portfolio subject to a medium degree of risk. The Trustees intend that the real value of the assets be maintained and enhanced over the long-term investment in a portfolio of equities, fixed stocks and cash. The Trustees have instructed Barclays Wealth to adopt an ethical policy and use their best endeavours to avoid investment in companies that are predominately involved in activities contrary to the ethos of the Charity, including gambling, tobacco or armaments.

Between 1 April 2023 and 31 March 2024, the capital value of the investment portfolio increased by £193,652 after adjusting for new money and disposals. During the period, the investment portfolio produced a return of 3.97% which was lower than the composite benchmark return of 5.40% over the same period. The trustees appreciate that the investments are held for the medium to long term and as such there are likely to be times of volatility where performance may not always track the benchmark.

**THE PRESENT TRUSTEES**

**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Richard King**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

**FINANCIAL REVIEW**

The Statement of Financial Activities shows net movement in funds (increase) after investment gains, of £4,121 (2023: £290,678). Income decreased to £140,659 from £142,855 in 2023. Expenditure in the year amounted to £330,190, up from £295,598 in 2023. Investments increased in value during the year (before additions and disposals). The Congregation continues to review its finances and needs in order to match future income with expenditure. Investments will assist in retirement provision for those no longer engaged in pastoral or other salaried work or who have left the Congregation but require continuing support according to the Congregation's obligations and resources. No commitments or guarantees have been given in this or any other respect, but the Congregation is committed to supporting its members who have spent most of their working lives in the furtherance of its aims either voluntarily or by covenanting earned income from outside employment.

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Reserves policy**

The commitment to provide for care of the members of the Congregation in sickness and old age has profound implications for the finances of the Charity. Members of the Congregation have all taken a vow of poverty which means that all rights to assets and income have been given up, in favour of the Charity. Where members earn a salary, stipend or pension this is paid into the charitable trust under a deed of covenant. In most cases members have devoted the whole of their working lives to the Congregation and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age if they are healthy enough to do so, the work is often not remunerative, and the Congregation must provide for their upkeep and in some cases nursing care. The Designated Reserves of the charity stand at a little over £3.5m with £1.3m designated in respect of the charity's property assets, which are required for its ongoing work. In addition, £2.25m is designated to a Retirement Fund. This represents assets held for the purposes of providing long term support for members. An appraisal of this fund is considered annually. At present the amount held is thought to be adequate, but the charity's situation could change in future years, with additional sums possibly being required to provide fully for the charity's commitment. If additional funds are required, the charity could potentially dispose of part of its freehold property.

At the end of the year to 31 March 2024 the undesignated reserves of the charity were £762,321. This represents just over 2 years of expenditure, which is considered to be adequate. It is the intention of the Trustees to maintain the reserve at between three- and six-months' expenditure (£82,250 – £165,000).

**Risk review**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, they have concluded that the greatest risk to the Charity currently is the lack of novices or postulants under training for the religious life and the consequent fall in the number of Sisters able either to carry out the Charity's pastoral work or to provide nursing or other care for those Sisters who have retired. Concerns were also raised about the requirement for religious and other charities to show public benefit from their activities. But the remaining Sisters, though now fewer in number, can easily show that they do bring tangible benefit to the local community.

As with all organisations serving in the community, the Trustees recognise the need for protection and safety of all those the Charity serves. We do have our own Safeguarding Policy for children/vulnerable adults. Where it applies Sisters, employees and volunteers have had a clearance with POVA and DBS.

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

**SUMMARY**

The Congregation continues to review its spending plans and needs and makes every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims, including provision for Sisters in retirement. The Trustees are satisfied that the overall financial position is sound but are conscious that their resources are limited in the face of future needs.

**PLANS FOR FUTURE PERIODS**

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

OBJECTIVES for the forthcoming year:

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Congregation's headquarters are based at the Generalate in 118 Chalet Estate, Mill Hill, London. There, the Bursar administers certain funds on behalf of the Congregation as a whole, under the direction of the Team Leader advised by the Congregational Leadership Team. Each year, the Bursar submits to them a formal account of her administration of those funds in accordance with the Congregation's Rule and Constitutions. The Congregational Leadership Team, elected every 4 years by the members of the Congregation, meets regularly to advise the Team Leader on matters concerning the Congregation and formal decisions affecting its charitable activities are taken at regular meetings of the Trustees, several of whom serve on the Congregational Leadership Team.

In addition to the general administration, the Congregation's work is carried through St. Mary's Convent, 118 Chalet Estate, Mill Hill, which continues to minister to the Parish and community groups within the area as well as various groups in the wider community. The Congregation also supports Sisters in various ministries in East Kilbride (Scotland); and Widnes (Cheshire); Monaghan (Ireland).

Because of declining numbers, and as the Congregation is a Pontifical Congregation, Rome appointed Fr Terry McGrath as Pontifical Religious Assistant in March 2021.

**LEGAL STATUS**

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

**APPOINTMENT OF TRUSTEES**

The Team Leader has the power of appointment of the new Trustees of the Charity and is ex-officio a Trustee. Given the nature of the Congregation, Trustees have not been required from outside its members in the past. However, in May 2023, in view of diminishing numbers the Team Leader, with the approval of the other Trustees, decided to add one lay trustee, who is the retired legal adviser to the Charity.

No specific training has been given to the Trustees, but they are satisfied they have sufficient access to professional and practical advice to understand the responsibilities as Charity Trustees.

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Approved by the Trustees on 1 November 2024 and signed as authorised on their behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Team Leader

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

---

I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill, for the year ended 31 March 2024, which are set out on pages 11 to 22.

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

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

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

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

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

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

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

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

Date: 4 November 2024

FRANCISCAN SISTERS OF MILL HILL  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31 MARCH 2024

	Notes	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2024 Total £	2023 Total £
<b>Income from:</b>						
<i>Donations and legacies:</i>						
		4,010	-	-	4,010	1,085
		70,183	-	-	70,183	74,152
	3	61,177	-	-	61,177	61,277
		5,289	-	-	5,289	2,343
		-	-	-	-	3,998
<b>Total income</b>		<u>140,659</u>	<u>-</u>	<u>-</u>	<u>140,659</u>	<u>142,855</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
		16,406	-	-	16,406	16,273
<b>Charitable activities</b>						
		215,389	61,463	36,932	313,784	279,325
<b>Total expenditure</b>	7	<u>231,795</u>	<u>61,463</u>	<u>36,932</u>	<u>330,190</u>	<u>295,598</u>
<b>Net income/(expenditure) and net movements in funds before (losses)/gains on investments</b>						
		(91,136)	(61,463)	(36,932)	(189,531)	(152,743)
<b>(Losses)/gains on investments:</b>						
		-	(13,396)	-	(13,396)	(64,588)
		-	207,048	-	207,048	(73,347)
<b>Net Movement in Funds</b>		<u>(91,136)</u>	<u>132,189</u>	<u>(36,932)</u>	<u>4,121</u>	<u>(290,678)</u>
		(46,698)	(132,189)	178,887	-	-
<b>Net movement in funds after transfers</b>		<u>(137,834)</u>	<u>-</u>	<u>141,955</u>	<u>4,121</u>	<u>(290,678)</u>
<b>Reconciliation of funds:</b>						
		£900,156	£2,250,000	£1,185,965	£4,336,121	£4,626,799
<b>Fund balances carried forward at</b>		<u>£762,322</u>	<u>£2,250,000</u>	<u>£1,327,920</u>	<u>£4,340,242</u>	<u>£4,336,121</u>
<b>31 March 2024</b>		<u><u>£762,322</u></u>	<u><u>£2,250,000</u></u>	<u><u>£1,327,920</u></u>	<u><u>£4,340,242</u></u>	<u><u>£4,336,121</u></u>

All funds in 2023 and 2024 were unrestricted.

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

The notes on pages 13 to 20 form part of these financial statements.

FRANCISCAN SISTERS OF MILL HILL

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	£	2024	£	£	2023	£
<b>Fixed Assets:</b>							
Tangible fixed assets	2			1,337,952			1,380,530
Investments	3			2,444,482			2,278,936
				<u>3,782,434</u>			<u>3,659,466</u>
<b>Current Assets</b>							
Debtors	4	7,339			7,578		
Cash at bank and in hand		565,999			682,895		
				<u>573,338</u>		<u>690,473</u>	
<b>Creditors:</b> Amounts falling due within one year	5	(15,530)			(13,818)		
<b>Net Current Assets</b>				<u>557,808</u>			<u>676,655</u>
<b>Net Assets</b>				<u>4,340,242</u>			<u>£4,336,121</u>
<b>Funds</b>							
General				762,322			900,156
Designated							
- Retirement Fund	6	2,250,000			2,250,000		
- Property Fund	6	1,327,920			1,185,965		
				<u>3,577,920</u>			<u>3,435,965</u>
				<u>4,340,242</u>			<u>£4,336,121</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 1 November 2024 and were signed below on its behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Leader

The notes on pages 13 to 20 form part of these financial statements.

## GENERAL INFORMATION

Franciscan Sisters of Mill Hill is an unincorporated charity in England and Wales, with the charity registration number 232494. The registered office is The Generalate, 118 Chalet Estate, Hammers Lane, London, NW7 4DN. The principal objectives of the charity are set out within the Trustees Report, on page 4.

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

#### a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in UK Sterling, which is the Charity's functional currency, and rounded to the nearest pound.

#### b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

#### c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

#### d) Cash Flow Statement

The Trustees have taken advantage of the provisions of the Statement of Recommended Practice for Charities (SORP 2015) for smaller charities and have chosen not to prepare a cash flow statement.

1. ACCOUNTING POLICIES (continued)

e) **Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) **Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

g) **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

h) **Tangible Fixed Assets**

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

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

**1. ACCOUNTING POLICIES (continued)**

Depreciation is calculated by the straight-line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Leasehold land and buildings	50 years
Freehold buildings	50 years
Furniture and equipment	4 years
Motor vehicles	4 years

**i) Investments**

Quoted investments are valued at their closing middle market price on the balance sheet date. Increases and decreases in market value are reflected in Statement of Financial Activities.

In addition, the charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No value can be attributed to the contract as future returns are dependent on the bonuses which in turn depend on investment returns and inflation. Therefore, the asset is included in the balance sheet at the aggregate value of the premiums paid to date, which the Trustees estimate is not materially different from its market value.

On maturity, proceeds are credited to the Statement of Financial Activities net of premiums paid in respect of the relevant member or members.

**j) Financial Instruments**

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

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**m) Creditors and provisions**

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

**n) Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

2. TANGIBLE FIXED ASSETS	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2023	26,798	1,762,155	17,022	31,100	1,837,075
At 31 March 2024	<u>26,798</u>	<u>1,762,155</u>	<u>17,022</u>	<u>31,100</u>	<u>1,837,075</u>
<b>DEPRECIATION</b>					
At 1 April 2022	22,959	401,142	15,484	16,960	456,545
Charge for the year	1,689	35,243	544	5,102	42,578
At 31 March 2023	<u>24,648</u>	<u>436,385</u>	<u>16,028</u>	<u>22,062</u>	<u>499,123</u>
<b>NET BOOK VALUE</b>					
At 31 March 2024	<u>£2,150</u>	<u>£1,325,770</u>	<u>£994</u>	<u>£9,038</u>	<u>£1,337,952</u>
At 31 March 2023	<u>£3,839</u>	<u>£1,361,013</u>	<u>£1,538</u>	<u>£14,140</u>	<u>£1,380,530</u>

All fixed assets are held for charitable use.

3. INVESTMENTS	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2023	17,987	50,346	2,210,603	2,278,936
Additions during the year	-	1,376,616	1,311,341	2,687,957
Disposals (at opening market value)	(17,987)	(1,390,206)	(1,307,870)	(2,716,063)
Net investment losses	-	-	193,652	193,652
<b>Market value at 31 March 2024</b>	<u>£-</u>	<u>£36,756</u>	<u>£2,407,726</u>	<u>£2,444,482</u>
<b>Cost at 31 March 2024</b>	<u>£-</u>	<u>£36,756</u>	<u>£2,377,482</u>	<u>£2,432,225</u>

	2024 £	2023 £
Investment income arising from:		
Quoted investments	<u>£61,177</u>	<u>£61,277</u>

FRANCISCAN SISTERS OF MILL HILL  
 NOTES TO THE ACCOUNTS (continued)  
 FOR THE YEAR ENDED 31 MARCH 2024

<b>4. DEBTORS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	£7,339	£7,578

<b>5. CREDITORS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Other creditors and accruals	15,530	13,818
	<u>£15,530</u>	<u>£13,818</u>

**6. DESIGNATED FUNDS**

a) The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

**Retirement Fund**

A fund has been designated to provide for the Charity's commitment to provide for the retirement and care in old age and sickness of the Charity's members. An actuarial review of the Charity's membership carried out in 1997 indicated that a fund in the region of £2.78 million would be required to finance the Charity's commitment to provide care for its elderly members after taking account of their occupational pension rights. However, it is now felt that less is needed in the fund and has therefore been reduced to £2,250,000 and hence a transfer has been made to reduce the fund to this level.

**Property Fund**

In order to fulfil its charitable objectives, the charity needs a number of properties. These properties, although they are unrestricted assets, cannot be realised without undermining the charity's work and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund. The balance of this fund equates to the NBV of the property fixed assets.

**b) Analysis of Movements – 2024**

	<b>Balance at 1 April 2023 £</b>	<b>Income/ (expenditure) and Gains/(losses) £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2024 £</b>
Retirement Fund	2,250,000	132,189	(132,189)	2,250,000
Property Fund	1,185,965	(36,932)	178,887	1,327,920
	<u>£3,435,965</u>	<u>95,257</u>	<u>46,698</u>	<u>£3,577,920</u>

**Analysis of Movements -2023**

	<b>Balance at 1 April 2022 £</b>	<b>Income/ (expenditure) and Gains/(losses) £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2023 £</b>
Retirement Fund	2,250,000	(183,537)	183,537	2,250,000
Property Fund	1,406,768	(37,268)	(183,537)	1,185,963
	<u>£3,656,768</u>	<u>£(220,805)</u>	<u>-</u>	<u>£3,435,963</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>7. EXPENDITURE</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Cost of Raising Funds</b>		
Investment management fees	£16,406	£16,273
	<u>£16,406</u>	<u>£16,273</u>
		<b>Sisters' Maintenance and Welfare</b>
	<b>2024</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Direct Costs</b>		
Establishment expenses	57,840	55,191
Depreciation	42,579	45,171
Maintenance and living costs	122,610	105,873
Staff costs	39,660	34,903
Donations, courses and church expenses	25,448	21,694
Support and other expenses	16,656	8,940
Governance costs (see below)	8,991	7,553
	<u>£313,784</u>	<u>£279,325</u>
	<u>£313,784</u>	<u>£279,325</u>
The costs have all been directly allocated.		
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Governance</b>		
Subscriptions	-	353
Independent examiner's fees	2,000	2,000
Accountancy fees	5,080	4,300
Legal and professional fees	1,911	900
	<u>£8,991</u>	<u>£7,553</u>
	<u>£8,991</u>	<u>£7,553</u>
<b>8. STAFF COSTS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	35,619	31,812
Social security costs	4,041	3,091
	<u>£39,660</u>	<u>£34,903</u>
	<u>£39,660</u>	<u>£34,903</u>

No employee received emoluments of more than £60,000.  
The average number of employees in the year was 2 (2023: 2).  
The charity's key management personnel are its trustees who are not remunerated.

**9. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES**

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of those trustees who are members of the Congregation are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees. The Congregation pays for the lay trustee's travel and accommodation for the occasional trustee meetings. There are no balances outstanding with any related parties, at the Balance sheet date (2023: £Nil).

**10. ANALYSIS OF NET ASSETS BY FUND – 2024**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2024 are represented by:				
Tangible fixed assets	10,032	-	1,327,920	1,337,952
Investments	-	2,444,482	-	2,444,482
Current assets	767,820	(194,482)	-	573,338
Current liabilities	(15,530)	-	-	(15,530)
	<u>762,322</u>	<u>2,250,000</u>	<u>1,327,920</u>	<u>4,340,242</u>

**ANALYSIS OF NET ASSETS BY FUND – 2023**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2023 are represented by:				
Tangible fixed assets	194,567	-	1,185,965	1,380,532
Investments	-	2,278,934	-	2,278,934
Current assets	719,407	(28,934)	-	690,473
Current liabilities	(13,818)	-	-	(13,818)
	<u>£900,156</u>	<u>£2,250,000</u>	<u>£1,185,965</u>	<u>£4,336,121</u>

FRANCISCAN SISTERS OF MILL HILL  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2024

11. STATEMENT OF FINANCIAL ACTIVITIES 2023

	General Fund £	Designated Funds		2023 Total £
		Retirement Fund £	Property Fund £	
<b>Income from:</b>				
<i>Donations and legacies:</i>				
Donations, gifts and legacies	1,085	-	-	1,085
Sisters' salaries and pensions	74,152	-	-	74,152
<i>Investments</i>	61,277	-	-	61,277
<i>Other</i>	2,343	-	-	2,343
- Sale of fixed assets	3,998	-	-	3,998
- JRS furlough grants	-	-	-	-
<b>Total income</b>	<u>142,855</u>	<u>-</u>	<u>-</u>	<u>142,855</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	16,273	-	-	16,273
<b>Charitable activities</b>				
Sisters' maintenance and welfare	196,457	45,602	37,266	279,325
<b>Total expenditure</b>	<u>212,730</u>	<u>45,602</u>	<u>37,266</u>	<u>295,598</u>
<b>Net income/(expenditure) and net movements in funds before (losses)/gains on investments</b>	(69,875)	(45,602)	(37,266)	(152,743)
<b>Gains on investments:</b>				
Realised	-	(64,588)	-	(64,588)
Unrealised	-	(73,347)	-	(73,347)
<b>Net Movement in Funds</b>	(69,875)	(183,537)	(37,266)	(290,678)
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April 2022	970,031	2,250,000	1,406,768	4,626,799
Fund balances carried forward at <b>31 March 2023</b>	<u>£900,156</u>	<u>£2,250,000</u>	<u>£1,185,965</u>	<u>£4,336,121</u>

FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES

FOR THE YEAR ENDED 31 MARCH 2024

	Central Funds £	Houses & Personal Budgets £	Total 2024 £	Total 2023 £
<b>INCOME</b>				
<b>Investment income</b>				
Dividends	55,156	-	55,156	58,998
Interest	6,021	-	6,021	2,279
	<u>61,177</u>	<u>-</u>	<u>61,177</u>	<u>61,277</u>
Donations and gifts	4,010	-	4,010	1,085
Sisters' salaries and pensions	88,170	-	88,170	74,152
Sale of fixed assets	-	-	-	3,998
Other income	5,289	-	5,289	2,343
	<u>158,646</u>	<u>-</u>	<u>158,646</u>	<u>142,855</u>
<b>EXPENDITURE</b>				
Investment management costs	16,406	-	16,406	16,273
<b>Charitable Expenditure</b>				
Establishment expenses	94,772	-	94,772	92,456
Maintenance and welfare of members	162,271	-	162,271	140,776
Donations, courses and church expenses	25,448	-	25,448	21,694
Administration and other expenses	22,302	-	22,302	16,846
	<u>304,793</u>	<u>-</u>	<u>304,793</u>	<u>271,772</u>
<b>Governance of Charity</b>	8,991	-	8,991	7,553
	<u>313,784</u>	<u>-</u>	<u>313,784</u>	<u>295,598</u>
<b>Net income/(expenditure) before transfers</b>	(171,544)	-	(171,544)	(152,743)
Transfer between funds	-	-	-	-
	<u>(171,544)</u>	<u>-</u>	<u>(171,544)</u>	<u>(152,743)</u>
<b>Net income/(expenditure) for the year</b>	(171,544)	-	(171,544)	(152,743)
<b>Gains on investment assets:</b>				
Realised	(13,396)	-	(13,396)	(64,588)
Unrealised	207,048	-	207,048	(73,349)
	<u>22,108</u>	<u>-</u>	<u>22,108</u>	<u>(290,680)</u>
Fund balances brought forward at 1 April 2022	4,336,121	-	4,336,121	£4,626,799
	<u>4,358,229</u>	<u>-</u>	<u>4,358,229</u>	<u>£4,336,119</u>
<b>Fund balances carried forward at 31 March 2023</b>	<u>4,358,229</u>	<u>-</u>	<u>4,358,229</u>	<u>£4,336,119</u>

**FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	2,260	-	2,260	2,601
Repairs and maintenance	3,944	-	3,944	1,549
Light and heat	2,418	-	2,418	(1,042)
Depreciation	36,932	-	36,932	37,266
Bungalows - Expenses	7,569	-	7,569	8,934
Bungalows - Ground rent	709	-	709	(167)
Other establishment costs	40,940	-	40,940	43,315
	<u>94,772</u>	<u>-</u>	<u>94,772</u>	<u>92,456</u>
<b>Maintenance and Welfare</b>				
Provisions	10,720	-	10,720	9,197
Household and furnishings	2,183	-	2,183	1,066
Wages	39,660	-	39,660	34,903
Sisters' expenses	38,346	-	38,346	40,197
Medical	6,437	-	6,437	21
Holidays	2,152	-	2,152	3,031
Books, stationery and subscriptions	1,310	-	1,310	6,758
Sisters' Residential Care (St. Vincent's)	61,463	-	61,463	45,602
	<u>162,271</u>	<u>-</u>	<u>162,271</u>	<u>140,775</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	200	-	200	300
Retreats and sabbaticals	1,300	-	1,300	39
Educational courses	693	-	693	2,070
Donations - general and missions	23,255	-	23,255	19,286
	<u>25,448</u>	<u>-</u>	<u>25,448</u>	<u>21,695</u>
<b>Administration and other expenses</b>				
Telephone	103	-	103	328
Postage	740	-	740	445
Travel	2,724	-	2,724	759
Computer/ Broadband	1,536	-	1,536	1,339
Motor expenses	4,443	-	4,443	2,940
Council/AGM/Chapter	4,284	-	4,284	644
Bank charges	931	-	931	628
Sundry expenses	1,895	-	1,895	2,019
Depreciation	5,646	-	5,646	7,905
Unrealised investment (gains)/losses	(193,652)	-	(193,652)	(161)
	<u>(171,350)</u>	<u>-</u>	<u>(171,350)</u>	<u>16,846</u>
<b>Investment management fees</b>				
	<u>16,406</u>	<u>-</u>	<u>16,406</u>	<u>16,273</u>
<b>Governance of the Charity</b>				
Audit and accountancy	1,911	-	1,911	1,253
Other Advice	7,080	-	7,080	6,300
	<u>8,991</u>	<u>-</u>	<u>8,991</u>	<u>7,553</u>

**THE FRANCISCAN SISTERS OF MILL HILL**

England & Wales - Charity number 232494

---

# Accounts

---

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2023**

**Haysmacintyre LLP  
Chartered Accountants  
Registered Auditors  
London**

**Reference and Administrative Details**

**PRINCIPAL OFFICE**

The Generalate  
118 Chalet Estate  
Hammers Lane  
London NW7 4DN

**TRUSTEES**

Catherine McGovern OSF  
Joan Edna Rowlands OSF  
Eileen Plunkett OSF  
Margaret Alice McElroy OSF

**CONGREGATIONAL LEADERSHIP TEAM**

Sister Margaret Alice McElroy OSF  
Sister Eileen Plunkett OSF  
Sister Catherine McGovern OSF

**TEAM LEADER**

Sister Margaret Alice McElroy OSF

**ASSISTANT TEAM LEADER**

Sister Eileen Plunkett OSF

**BURSAR**

Sister Catherine McGovern OSF

**ASSISTANT BURSAR**

Veronica Lumb

**SOLICITORS**

Messrs Tozers  
Broadwalk House  
Southernhay West  
Exeter EX1 1UA

**PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
24 Grosvenor Place  
London SW1X 7HP

**INDEPENDENT EXAMINER**

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

**INSURANCE BROKERS**

Marsh Commercial  
1<sup>st</sup> Floor, Gail House  
5 Lower Stone Street  
Maidstone, ME15 6NB

**INVESTMENT ADVISORS**

Barclays Wealth Management Limited  
1 Churchill Place  
London  
E14 5HP

**SURVEYORS**

Stanley Hicks  
52 Bow Lane  
London  
EC4M 9ET

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

The Trustees present their report and Accounts for the year ended 31 March 2023.

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

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

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

MOTHER MARY FRANCIS BASIL (1833-1886)

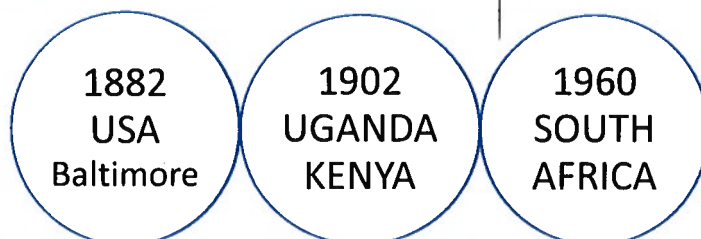


FOUNDRESS

GROUP OF EARLY SISTERS (circa 1874)



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



Across three Continents Sisters engaged in a variety of challenging ministries, pioneering many projects and maintaining others, the emphasis on helping and empowering the poorest and voiceless in society. Some of these areas included:



**EDUCATION**  
Nursery to  
University,  
Special needs:  
physical/mental,  
Skills Training,



**HEALTH CARE**

Nurses  
Doctors  
Midwives  
Clinics  
Home Health



Hospitals  
Mobile Clinics  
HIV/AIDS  
Health Visitors

Community based projects for the deaf and visually impaired.

Added to these ministries are many  
**AREAS of SOCIAL, PARISH, and PASTORAL WORK**

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



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

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

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

## FRANCISCAN SISTERS OF MILL HILL

### TRUSTEES' ANNUAL REPORT (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2023

---

The Congregation is an Institute of Pontifical status, with a Superior General (now referred to as 'Team Leader') who has overall responsibility for the governance of the Congregation and is assisted in this by the General council (now referred to as 'Congregational Leadership Team') which broadly mirrors the Trustee body. The Congregational Leadership Team is accountable to the General Chapter which is held every 4 years and is the Supreme Legislative Authority in the congregation.

#### OBJECTIVES AND ACTIVITIES

The Franciscan Sisters of Mill Hill are a group of women whose main aim is still to fulfil the charism of their Foundress, Mother Mary Francis Basil: 'To meet the needs of the world of her day'.

We continually assess the needs of our world today and evaluate how best we can address them with our diminishing numbers of Sisters.

#### Public benefit

The Trustees in this report describe how those activities undertaken by the charity further its charitable purposes for the public benefit. The Trustees confirm that they comply with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission. In particular they have considered its supplementary public guidance on the advancement of religion for the public benefit.

#### ACTIVITIES OF THE CHARITY

The activities of the Charity have changed over time, just as societal needs have changed; our numbers have decreased and members are ageing. What has now emerged, is a variety of Pastoral needs and opportunities that all of us are engaging with, according to health and training.

- Visiting the elderly in St. Vincent's Nursing Home, where our Sisters first went for care in October 2007 and within the wider community.
- Parish team work to enable parishioners and people in the areas to participate in community activities.
- One Sister on Hospice Pastoral Care Team on a voluntary basis.
- Where possible, all are engaged in: Visiting of the housebound/lonely/terminally ill and offering pastoral assistance where we can.
- Two Sisters are engaged in 'Accompaniment': Spiritual Direction, Retreats/Psychotherapy/Supervision,
- In our Franciscan spirit, we offer "Open Door Hospitality" to all creeds and races.

#### We support the disadvantaged societies by:

- Contribution to Art/Craft Days
- Networking with Cafod, Missio, Traidcraft and Age Concern, Justice/Peace Groups
- Working with NCSC – safeguarding within the Catholic Church of England/Wales
- Working with CARITAS – building a new culture of responsibility

#### Our Constitutions remind us:

'The mission is possible at all times, in health and in sickness, in joy and in sorrow, in youth and in advancing years and in old age, in success and in failure. In fact, in every circumstance of age and health we can proclaim that our life is founded on Jesus Christ and expect to find its fulfilment in Him.' (Constitutions, ch.5 para. 47).

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

**INVESTMENT POWER**

The Trustees may invest in any manner in which the law allows trust money to be invested, or as directed by donors of any donated trust funds, so the Trustee Act 2000 applies.

**INVESTMENT POLICY**

The Trustees have appointed Barclays Wealth Investment Management Limited to manage the portfolio subject to a medium degree of risk. The Trustees intend that the real value of the assets be maintained and enhanced over the long term investment in a portfolio of equities, fixed stocks and cash. The Trustees have instructed Barclays Wealth to adopt an ethical policy and use their best endeavours to avoid investment in companies that are predominately involved in activities contrary to the ethos of the Charity, including gambling, tobacco or armaments.

Between 1 April 2022 until 31 March 2023, the capital value of the investment portfolio decreased by £137,935 after adjusting for new money and disposals. During the period, the investment portfolio produced a return of 3.65% which was higher than the composite benchmark return of 2.78% over the same period.

**THE PRESENT TRUSTEES**

**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



## **FRANCISCAN SISTERS OF MILL HILL**

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

#### **FOR THE YEAR ENDED 31 MARCH 2023**

---

#### **FINANCIAL REVIEW**

The Statement of Financial Activities shows net movement in funds (increase) after investment losses, of £290,678 (2022: £214,440). Income decreased to £142,855 from £380,019 in 2022. Expenditure in the year amounted to £295,598, down from £304,947 in 2022. Investments decreased in value during the year (before additions and disposals). The Congregation continues to review its finances and needs in order to match future income with expenditure. Investments will assist in retirement provision for those no longer engaged in pastoral or other salaried work or who have left the Congregation but require continuing support according to the Congregation's obligations and resources. No commitments or guarantees have been given in this or any other respect, but the Congregation is committed to supporting its members who have spent most of their working lives in the furtherance of its aims either voluntarily or by covenanting earned income from outside employment.

#### **Reserves policy**

The commitment to provide for care of the members of the Congregation in sickness and old age has profound implications for the finances of the Charity. Members of the Congregation have all taken a vow of poverty which means that all rights to assets and income have been given up, in favour of the Charity. Where members earn a salary, stipend or pension this is paid into the charitable trust under a deed of covenant. In most cases members have devoted the whole of their working lives to the Congregation and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age if they are healthy enough to do so, the work is often not remunerative and the Congregation must provide for their upkeep and in some cases nursing care. The Designated Reserves of the charity stand at a little under £3.5m with £1.4m designated in respect of the charity's property assets, which are required for its ongoing work. In addition £2.25m designated to a Retirement Fund. This represents assets held for the purposes of providing long term support for members. An appraisal of this fund is considered annually. At present the amount held is thought to be adequate, but the charity's situation could change in future years, with additional sums possibly being required to provide fully for the charity's commitment. If additional funds are required, the charity could potentially dispose of its freehold property.

At the end of the year to 31 March 2023 the undesignated reserves of the charity were £900,158. This represents just over 2 years of expenditure, which is considered to be adequate. It is the intention of the Trustees to maintain the reserve at between three and six months' expenditure.

#### **Risk review**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, they have concluded that the greatest risk to the Charity currently is the lack of novices or postulants under training for the religious life and the consequent fall in the number of Sisters able either to carry out the Charity's pastoral work or to provide nursing or other care for those Sisters who have retired. Concerns were also raised about the impact of the Charities Act 2006 and the requirement for religious and other charities to show public benefit from their activities. But the remaining Sisters, though now fewer in number, can easily show that they do bring tangible benefit to the local community.

As with all organisations serving in the community, the Trustees recognise the need for protection and safety of all those the Charity serves. We do have our own Safeguarding Policy for children/vulnerable adults. Where it applies Sisters, employees and volunteers have had a clearance with POVA and DBS.

#### **SUMMARY**

The Congregation continues to review its spending plans and needs and makes every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims, including provision for Sisters in retirement. The Trustees are satisfied that the overall financial position is sound but are conscious that their resources are limited in the face of future needs.

## **FRANCISCAN SISTERS OF MILL HILL**

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

#### **FOR THE YEAR ENDED 31 MARCH 2023**

---

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

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

OBJECTIVES for the forthcoming year:

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

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

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

#### **LEGAL STATUS**

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

#### **APPOINTMENT OF TRUSTEES**

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

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

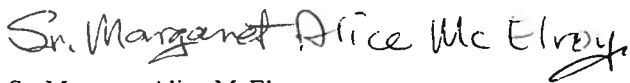
The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Approved by the Trustees on 15 January 2024 and signed as authorised on their behalf by:



Sr. Margaret Alice McElroy  
Trustee and Congregational Team Leader

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

---

I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill for the year ended 31 March 2023 which are set out on pages 11 to 19.

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

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

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

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

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

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

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



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

Date:

**FRANCISCAN SISTERS OF MILL HILL**

**BALANCE SHEET**

**AS AT 31 MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Fixed Assets:</b>					
Tangible fixed assets	2		1,380,530		1,426,263
Investments	3		2,278,936		2,432,982
			<u>3,659,466</u>		<u>3,859,245</u>
<b>Current Assets</b>					
Debtors	4	7,578		5,160	
Cash at bank and in hand		682,895		777,588	
		<u>690,473</u>		<u>782,748</u>	
<b>Creditors: Amounts falling due within one year</b>	5	<u>(13,818)</u>		<u>(15,194)</u>	
<b>Net Current Assets</b>			<u>676,655</u>		<u>767,554</u>
<b>Net Assets</b>			<u>£4,336,121</u>		<u>£4,626,799</u>
<b>Funds</b>					
General			900,158		970,563
Designated - Retirement Fund	6	2,250,000		2,250,000	
- Property Fund	6	<u>1,185,963</u>		<u>1,406,236</u>	
			<u>3,435,963</u>		<u>3,656,236</u>
			<u>£4,336,121</u>		<u>£4,626,799</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on and were signed below on its behalf by:

*Sr Margaret Alice McElroy*

Sr. Margaret Alice McElroy  
Trustee and Congregational Leader

Date: 15 January 2024

FRANCISCAN SISTERS OF MILL HILL  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31 MARCH 2023

	Notes	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2023 Total £	2022 Total £
<b>Income from:</b>						
<i>Donations and legacies:</i>						
Donations, gifts and legacies		1,085	-	-	1,085	1,720
Sisters' salaries and pensions		74,152	-	-	74,152	141,153
<i>Investments</i>	3	61,277	-	-	61,277	57,966
<i>Other</i>		2,343	-	-	2,343	142
- Sale of fixed assets		3,998	-	-	3,998	176,616
- JRS furlough grants		-	-	-	-	2,422
<b>Total income</b>		<u>142,855</u>	<u>-</u>	<u>-</u>	<u>142,855</u>	<u>380,019</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		16,273	-	-	16,273	17,461
<b>Charitable activities</b>						
Sisters' maintenance and welfare		196,457	45,602	37,266	279,325	287,486
<b>Total expenditure</b>	7	<u>212,730</u>	<u>45,602</u>	<u>37,266</u>	<u>295,598</u>	<u>304,947</u>
<b>Net income/(expenditure) and net movements in funds before (losses)/gains on investments</b>		(69,875)	(45,602)	(37,266)	(152,743)	75,072
<b>(Losses)/gains on investments:</b>						
Realised		-	(64,588)	-	(64,588)	11,974
Unrealised		-	(73,347)	-	(73,347)	127,394
<b>Net Movement in Funds</b>		<u>(69,875)</u>	<u>(183,537)</u>	<u>(37,266)</u>	<u>(290,678)</u>	<u>214,440</u>
Transfers between funds		-	183,537	(183,537)	-	-
<b>Net movement in funds after transfers</b>		<u>(69,875)</u>	<u>-</u>	<u>(220,803)</u>	<u>(290,678)</u>	<u>214,440</u>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2022		970,031	2,250,000	1,406,768	4,626,799	4,412,359
<b>Fund balances carried forward at</b>		<u>970,031</u>	<u>2,250,000</u>	<u>1,406,768</u>	<u>4,626,799</u>	<u>4,412,359</u>
<b>31 March 2023</b>		<u>£900,156</u>	<u>£2,250,000</u>	<u>£1,185,965</u>	<u>£4,336,121</u>	<u>£4,626,799</u>

All funds in 2022 and 2023 were unrestricted.

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**a) Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

**c) Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

**d) Cash Flow Statement**

The Trustees have taken advantage of the provisions of the Statement of Recommended Practice for Charities (SORP 2015) for smaller charities and have chosen not to prepare a cash flow statement.

**e) Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1. ACCOUNTING POLICIES (continued)**

**f) Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

**g) Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

**h) Tangible Fixed Assets**

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

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

Depreciation is calculated by the straight line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Leasehold land and buildings	50 years
Freehold buildings	50 years
Furniture and equipment	4 years
Motor vehicles	4 years

**i) Investments**

Quoted investments are valued at their closing middle market price on the balance sheet date. Increases and decreases in market value are reflected in Statement of Financial Activities.

In addition, the charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No value can be attributed to the contract as future returns are dependent on the bonuses which in turn depend on investment returns and inflation. Therefore the asset is included in the balance sheet at the aggregate value of the premiums paid to date, which the Trustees estimate is not materially different from its market value.

On maturity, proceeds are credited to the Statement of Financial Activities net of premiums paid in respect of the relevant member or members.

**1. ACCOUNTING POLICIES (continued)**

**j) Financial Instruments**

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

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**m) Creditors and provisions**

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

**n) Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

2. TANGIBLE FIXED ASSETS	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2022	26,798	1,762,155	17,022	45,344	1,851,319
Additions	-	-	-	19,580	19,580
Disposals	-	-	-	(33,824)	(33,824)
At 31 March 2023	26,798	1,762,155	17,022	31,100	1,837,075
<b>DEPRECIATION</b>					
At 1 April 2022	20,937	365,898	14,897	23,324	425,056
Charge for the year	2,022	35,244	587	7,318	45,171
Disposals	-	-	-	(13,682)	(13,682)
At 31 March 2023	22,959	401,142	15,484	16,960	456,545
<b>NET BOOK VALUE</b>					
At 31 March 2023	£3,839	£1,361,013	£1,538	£14,140	£1,380,530
At 31 March 2022	£5,861	£1,396,257	£2,125	£22,020	£1,426,263

All fixed assets are held for charitable use.

3. INVESTMENTS - 2023	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2022	17,987	53,445	2,361,550	2,432,982
Additions during the year	-	464,259	392,088	856,347
Disposals (at opening market value)	-	(467,358)	(405,100)	(872,458)
Net investment losses	-	-	(137,935)	(137,935)
<b>Market value at 31 March 2023</b>	<b>£17,987</b>	<b>£50,346</b>	<b>£2,210,603</b>	<b>£2,278,936</b>
<b>Cost at 31 March 2023</b>	<b>£17,987</b>	<b>£53,445</b>	<b>£1,987,977</b>	<b>£2,059,409</b>
<b>INVESTMENTS -2022</b>				
	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2021	17,987	67,533	2,301,086	2,386,606
Additions during the year	-	473,323	336,984	810,307
Disposals (at opening market value)	-	(487,411)	(415,888)	(903,299)
Net investment gains	-	-	139,368	139,368
<b>Market value at 31 March 2022</b>	<b>£17,987</b>	<b>£53,445</b>	<b>£2,361,550</b>	<b>£2,432,982</b>
<b>Cost at 31 March 2022</b>	<b>£17,987</b>	<b>£53,445</b>	<b>£1,963,498</b>	<b>£2,034,930</b>

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

3. INVESTMENTS (continued)	2023 £	2022 £
Investment income arising from		
Quoted investments	61,277	57,966
Bank deposits	-	-
	<u>£61,277</u>	<u>£57,966</u>
4. DEBTORS	2023 £	2022 £
Prepayments and accrued income	<u>£7,578</u>	<u>£5,160</u>
5. CREDITORS	2023 £	2022 £
Other creditors and accruals	<u>13,818</u>	<u>22,307</u>
	<u>13,818</u>	<u>£22,307</u>
6. DESIGNATED FUNDS		

a) The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

**Retirement Fund**

A fund has been designated to provide for the Charity's commitment to provide for the retirement and care in old age and sickness of the Charity's members. An actuarial review of the Charity's membership carried out in 1997 indicated that a fund in the region of £2.78 million would be required to finance the Charity's commitment to provide care for its elderly members after taking account of their occupational pension rights. However it is now felt that less is needed in the fund and has therefore been reduced to £2,250,000 and hence a transfer has been made to reduce the fund to this level.

**Property Fund**

In order to fulfil its charitable objectives the charity needs a number of properties. These properties, although they are unrestricted assets, cannot be realised without undermining the charity's work and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund. This fund has been reduced by means of a transfer to the level the trustees feel is more appropriate.

b) Analysis of Movements – 2023

	Balance at 1 April 2022 £	Income/ (expenditure) and Gains/(losses) £	Transfers £	Balance at 31 March 2023 £
Retirement Fund	2,250,000	(183,537)	183,537	2,250,000
Property Fund	1,406,768	(37,268)	(183,537)	1,185,963
	<u>£3,656,768</u>	<u>£(220,805)</u>	<u>-</u>	<u>£3,435,963</u>

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Analysis of Movements -2022

	Balance at 1 April 2021 £	Income/ (expenditure) and Gains/(losses) £	Transfers £	Balance at 31 March 2022 £
Retirement Fund	2,250,000	102,623	(102,623)	2,250,000
Property Fund	1,346,746	(42,601)	102,623	1,406,768
	<u>£3,596,746</u>	<u>£60,022</u>	<u>£-</u>	<u>£3,656,768</u>

7. EXPENDITURE

	2023 £	2022 £
<b>Cost of Raising Funds</b>		
Investment management fees	<u>£16,273</u>	<u>£17,462</u>

	Sisters' Maintenance and Welfare	
	2023 £	2022 £
<b>Direct Costs</b>		
Establishment expenses	55,191	64,444
Depreciation	45,171	56,499
Maintenance and living costs	105,873	70,975
Staff costs	34,903	38,170
Donations, courses and church expenses	21,694	30,633
Support and other expenses	8,940	9,713
Governance costs (see below)	7,553	17,052
	<u>£279,325</u>	<u>£287,486</u>

The costs have all been directly allocated.

	2023 £	2022 £
<b>Governance</b>		
Subscriptions	353	-
Independent examiner's fees	2,000	2,000
Accountancy fees	4,300	3,416
Legal and professional fees	900	11,636
	<u>£7,553</u>	<u>£17,052</u>

8. STAFF COSTS

	2023 £	2022 £
Wages and salaries	31,812	35,338
Social security costs	3,091	2,832
	<u>£34,903</u>	<u>£38,170</u>

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

The average number of employees in the year was 2 (2022: 2).

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

## 9. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of the five trustees are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees. There were no other transactions with related parties (2022 – the same).

## 10. ANALYSIS OF NET ASSETS BY FUND – 2023

	Designated Funds			Total £
	General Fund £	Retirement Fund £	Property Fund £	
Fund Balances at 31 March 2023 are represented by:				
Tangible fixed assets	194,567	-	1,185,965	1,380,532
Investments	-	2,278,934	-	2,278,934
Current assets	719,407	(28,934)	-	690,473
Current liabilities	(13,818)	-	-	(13,818)
	<u>£900,156</u>	<u>£2,250,000</u>	<u>£1,185,965</u>	<u>£4,336,121</u>

## ANALYSIS OF NET ASSETS BY FUND – 2022

	Designated Funds			Total £
	General Fund £	Retirement Fund £	Property Fund £	
Fund Balances at 31 March 2022 are represented by:				
Tangible fixed assets	19,495	-	1,406,768	1,426,263
Investments	-	2,432,982	-	2,432,982
Current assets	965,730	(182,982)	-	782,748
Current liabilities	(15,194)	-	-	(15,194)
	<u>£970,031</u>	<u>£2,250,000</u>	<u>£1,406,768</u>	<u>£4,626,799</u>

FRANCISCAN SISTERS OF MILL HILL  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

11. STATEMENT OF FINANCIAL ACTIVITIES 2022

	General Fund £	Designated Funds		2022 Total £
		Retirement Fund £	Property Fund £	
<b>Income from:</b>				
<i>Donations and legacies:</i>				
Donations, gifts and legacies	1,720	-	-	1,720
Sisters' salaries and pensions	141,153	-	-	141,153
<i>Investments</i>	57,966	-	-	57,966
<i>Other</i>	142	-	-	142
- Sale of fixed assets	176,616	-	-	176,616
- JRS furlough grants	2,422	-	-	2,422
<b>Total income</b>	<u>380,019</u>	<u>-</u>	<u>-</u>	<u>380,019</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	17,461	-	-	17,461
<b>Charitable activities</b>				
Sisters' maintenance and welfare	208,140	36,745	42,601	287,486
<b>Total expenditure</b>	<u>225,601</u>	<u>36,745</u>	<u>42,601</u>	<u>304,947</u>
<b>net income/ (expenditure) and net movements in funds before gains on investments</b>	154,418	(36,745)	(42,601)	75,072
<b>Gains on investments:</b>				
Realised	-	11,974	-	11,974
Unrealised	-	127,394	-	127,394
<b>Net Movement in Funds</b>	154,418	102,623	(42,601)	214,440
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April 2021	815,613	2,250,000	1,346,746	4,412,359
<b>Fund balances carried forward at 31 March 2022</b>	<u>£970,031</u>	<u>£2,250,000</u>	<u>£1,406,768</u>	<u>£4,626,799</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**INCOME AND EXPENDITURE SCHEDULES**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Central Funds £	Houses & Personal Budgets £	Total 2023 £	Total 2022 £
<b>INCOME</b>				
<b>Investment income</b>				
Dividends	58,998	-	58,998	57,966
Interest	2,279	-	2,279	-
	<u>61,277</u>	<u>-</u>	<u>61,277</u>	<u>57,966</u>
Donations and gifts	1,085	-	1,085	1,720
Sisters' salaries and pensions	74,152	-	74,152	141,153
Sale of fixed assets	3,998	-	3,998	176,616
Other income	2,343	-	2,343	142
JRS Furlough grants	-	-	-	2,422
<b>Total income</b>	<u>142,855</u>	<u>-</u>	<u>142,855</u>	<u>380,019</u>
<b>EXPENDITURE</b>				
Investment management costs	16,273	-	16,273	17,461
<b>Charitable Expenditure</b>				
Establishment expenses	92,456	-	92,456	107,046
Maintenance and welfare of members	140,776	-	140,776	109,145
Donations, courses and church expenses	21,694	-	21,694	30,633
Administration and other expenses	16,846	-	16,846	23,610
	<u>271,772</u>	<u>-</u>	<u>271,772</u>	<u>270,434</u>
<b>Governance of Charity</b>	7,553	-	7,553	17,052
<b>Total expenditure</b>	<u>295,598</u>	<u>-</u>	<u>295,598</u>	<u>304,947</u>
<b>Net income/(expenditure) before transfers</b>	(152,743)	-	(152,743)	75,072
Transfer between funds	-	-	-	-
<b>Net income/(expenditure) for the year</b>	(152,743)	-	(152,743)	75,072
<b>Gains on investment assets:</b>				
Realised	(64,588)	-	(64,588)	11,974
Unrealised	(73,349)	-	(73,349)	127,394
<b>Net Movements in Funds</b>	(290,680)	-	(290,680)	214,440
Fund balances brought forward at 1 April 2021	4,626,799	-	4,626,799	4,412,359
<b>Fund balances carried forward at 31 March 2022</b>	<u>£4,336,119</u>	<u>-</u>	<u>£4,336,119</u>	<u>£4,626,799</u>

**FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2023**

	Central Funds £	Houses & Personal Budgets £	Total 2023 £	Total 2022 £
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	2,601	-	2,601	2,463
Repairs and maintenance	1,549	-	1,549	7,211
Light and heat	(1,042)	-	(1,042)	2,630
Depreciation	37,266	-	37,266	42,601
Bungalows - Expenses	8,934	-	8,934	5,224
Bungalows - Ground rent	(167)	-	(167)	963
Other establishment costs	43,315	-	43,315	45,954
	<u>92,456</u>	<u>-</u>	<u>92,456</u>	<u>107,046</u>
<b>Maintenance and Welfare</b>				
Provisions	9,197	-	9,197	7,251
Household and furnishings	1,066	-	1,066	545
Wages	34,903	-	34,903	38,170
Sisters' expenses	40,197	-	40,197	24,985
Medical	21	-	21	31
Holidays	3,031	-	3,031	-
Books, stationery and subscriptions	6,758	-	6,758	1,418
Sisters' Residential Care (St. Vincent's)	45,602	-	45,602	36,745
	<u>140,775</u>	<u>-</u>	<u>140,775</u>	<u>109,145</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	300	-	300	330
Retreats and sabbaticals	39	-	39	540
Educational courses	2,070	-	2,070	3,321
Donations - general and missions	19,286	-	19,286	26,442
	<u>21,695</u>	<u>-</u>	<u>21,695</u>	<u>30,633</u>
<b>Administration and other expenses</b>				
Telephone	328	-	328	2,216
Postage	445	-	445	304
Travel	759	-	759	(1,374)
Computer/ Broadband	1,339	-	1,339	2,674
Motor expenses	2,940	-	2,940	1,818
Council/AGM/Chapter	644	-	644	8
Bank charges	628	-	628	584
Sundry expenses	2,019	-	2,019	2,945
Depreciation	7,905	-	7,905	13,898
Exchange (gains)/losses	(161)	-	(161)	537
	<u>16,846</u>	<u>-</u>	<u>16,846</u>	<u>23,610</u>
<b>Investment management fees</b>	<u>16,273</u>	<u>-</u>	<u>16,273</u>	<u>17,462</u>
<b>Governance of the Charity</b>				
Audit and accountancy	1,253	-	1,253	5,416
Other Advice	6,300	-	6,300	11,636
	<u>7,553</u>	<u>-</u>	<u>7,553</u>	<u>17,052</u>

**THE FRANCISCAN SISTERS OF MILL HILL**

England & Wales - Charity number 232494

---

# Accounts

---

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2022**

**Haysmacintyre LLP  
Chartered Accountants  
Registered Auditors  
London**

**Reference and Administrative Details**

**PRINCIPAL OFFICE**

The Generalate  
118 Chalet Estate  
Hammers Lane  
London NW7 4DN

**TRUSTEES**

Catherine McGovern OSF  
Joan Edna Rowlands OSF  
Eileen Plunkett OSF  
Margaret Alice McElroy OSF

**CONGREGATIONAL LEADERSHIP TEAM**

Sister Margaret Alice McElroy OSF  
Sister Eileen Plunkett OSF  
Sister Catherine McGovern OSF

**TEAM LEADER**

Sister Margaret Alice McElroy OSF

**ASSISTANT TEAM LEADER**

Sister Eileen Plunkett OSF

**BURSAR**

Sister Catherine McGovern OSF

**ASSISTANT BURSAR**

Veronica Lumb

**SOLICITORS**

Messrs Tozers  
Broadwalk House  
Southernhay West  
Exeter EX1 1UA

**PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
24 Grosvenor Place  
London SW1X 7HP

**INDEPENDENT EXAMINER**

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

**INSURANCE BROKERS**

Marsh Commercial  
1<sup>st</sup> Floor, Gail House  
5 Lower Stone Street  
Maidstone, ME15 6NB

**INVESTMENT ADVISORS**

Barclays Wealth Management Limited  
1 Churchill Place  
London  
E14 5HP

**SURVEYORS**

Stanley Hicks  
52 Bow Lane  
London  
EC4M 9ET

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

The Trustees present their report and Accounts for the year ended 31 March 2022.

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

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

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

MOTHER MARY FRANCIS BASIL (1833-1886)

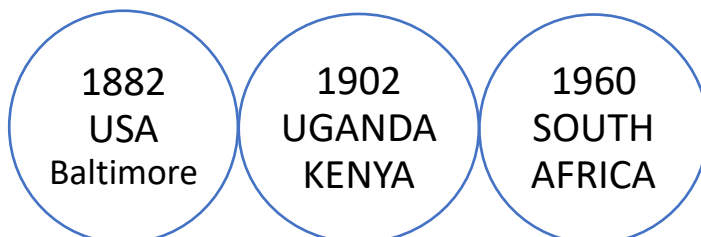


FOUNDRESS

GROUP OF EARLY SISTERS (circa 1874)



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



Across three Continents Sisters engaged in a variety of challenging ministries, pioneering many projects and maintaining others, the emphasis on helping and empowering the poorest and voiceless in society. Some of these areas included:

**EDUCATION**  
**Nursery to**  
**University,**  
**Special needs:**  
**physical/mental,**  
**Skills Training,**



**HEALTH CARE**

**Nurses**  
**Doctors**  
**Midwives**  
**Clinics**  
**Home Health**



**Hospitals**  
**Mobile Clinics**  
**HIV/AIDS**  
**Health Visitors**

**Community based projects for the deaf and visually impaired.**

**Added to these ministries are many**  
**AREAS of SOCIAL, PARISH, and PASTORAL WORK**

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



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

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

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

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

The Congregation is an Institute of Pontifical status, with a Superior General (now referred to as 'Team Leader') who has overall responsibility for the governance of the Congregation and is assisted in this by the General council (now referred to as 'Congregational Leadership Team') which broadly mirrors the Trustee body. The Congregational Leadership Team is accountable to the General Chapter which is held every 4 years and is the Supreme Legislative Authority in the congregation.

**OBJECTIVES AND ACTIVITIES**

The Franciscan Sisters of Mill Hill are a group of women whose main aim is still to fulfil the charism of their Foundress, Mother Mary Francis Basil: 'To meet the needs of the world of her day'.

We continually assess the needs of our world today and evaluate how best we can address them with our diminishing numbers of Sisters.

**Public benefit**

The Trustees in this report describe how those activities undertaken by the charity further its charitable purposes for the public benefit. The Trustees confirm that they comply with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission. In particular they have considered its supplementary public guidance on the advancement of religion for the public benefit.

**ACTIVITIES OF THE CHARITY**

The activities of the Charity have changed over time, just as societal needs have changed; our numbers have decreased and members are ageing. What has now emerged, is a variety of Pastoral needs and opportunities that all of us are engaging with, according to health and training.

- Visiting the elderly in St. Vincent's Nursing Home, where our Sisters first went for care in October 2007 and within the wider community.
- Parish team work to enable parishioners and people in the areas to participate in community activities.
- One Sister on Hospice Pastoral Care Team on a voluntary basis.
- Where possible, all are engaged in: Visiting of the housebound/lonely/terminally ill and offering pastoral assistance where we can.
- Two Sisters are engaged in 'Accompaniment': Spiritual Direction, Retreats/Psychotherapy/Supervision,
- In our Franciscan spirit, we offer "Open Door Hospitality" to all creeds and races.

**We support the disadvantaged societies by:**

- Contribution to Art/Craft Days
- Networking with Cafod, Missio, Traidcraft and Age Concern, Justice/Peace Groups
- Working with NCSC – safeguarding within the Catholic Church of England/Wales
- Working with CARITAS – building a new culture of responsibility

**Our Constitutions remind us:**

'The mission is possible at all times, in health and in sickness, in joy and in sorrow, in youth and in advancing years and in old age, in success and in failure. In fact, in every circumstance of age and health we can proclaim that our life is founded on Jesus Christ and expect to find its fulfilment in Him.' (Constitutions, ch.5 para. 47).

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**INVESTMENT POWER**

The Trustees may invest in any manner in which the law allows trust money to be invested, or as directed by donors of any donated trust funds, so the Trustee Act 2000 applies.

**INVESTMENT POLICY**

The Trustees have appointed Barclays Wealth Investment Management Limited to manage the portfolio subject to a medium degree of risk. The Trustees intend that the real value of the assets be maintained and enhanced over the long term investment in a portfolio of equities, fixed stocks and cash. The Trustees have instructed Barclays Wealth to adopt an ethical policy and use their best endeavours to avoid investment in companies that are predominately involved in activities contrary to the ethos of the Charity, including gambling, tobacco or armaments.

Between 1 April 2020 until 31 March 2021, the capital value of the investment portfolio increased by £150,132 after adjusting for new money and disposals. During the period, the investment portfolio produced a return of 1.20% which was lower than the composite benchmark return of 3.33% over the same period. The latest valuation of the portfolio shows that its value has recovered to be 1.36% down over the past 12 months.

**THE PRESENT TRUSTEES**

**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**FINANCIAL REVIEW**

The Statement of Financial Activities shows net movement in funds (increase) after investment gains, of £214,440 (2021: £276,689). Income increased to £380,019 from £148,932 in 2021. Expenditure in the year amounted to £304,947, down from £339,434 in 2021. Investments increased in value during the year (before additions and disposals). The Congregation continues to review its finances and needs in order to match future income with expenditure. Investments will assist in retirement provision for those no longer engaged in pastoral or other salaried work or who have left the Congregation but require continuing support according to the Congregation's obligations and resources. No commitments or guarantees have been given in this or any other respect, but the Congregation is committed to supporting its members who have spent most of their working lives in the furtherance of its aims either voluntarily or by covenanting earned income from outside employment.

**Reserves policy**

The commitment to provide for care of the members of the Congregation in sickness and old age has profound implications for the finances of the Charity. Members of the Congregation have all taken a vow of poverty which means that all rights to assets and income have been given up, in favour of the Charity. Where members earn a salary, stipend or pension this is paid into the charitable trust under a deed of covenant. In most cases members have devoted the whole of their working lives to the Congregation and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age if they are healthy enough to do so, the work is often not remunerative and the Congregation must provide for their upkeep and in some cases nursing care. The Designated Reserves of the charity stand at a little under £3.5m with £1.4m designated in respect of the charity's property assets, which are required for its ongoing work. In addition £2.25m designated to a Retirement Fund. This represents assets held for the purposes of providing long term support for members. An appraisal of this fund is considered annually. At present the amount held is thought to be adequate, but the charity's situation could change in future years, with additional sums possibly being required to provide fully for the charity's commitment. If additional funds are required, the charity could potentially dispose of its freehold property.

At the end of the year to 31 March 2022 the undesignated reserves of the charity were £970,031 This represents just over 2 years of expenditure, which is considered to be adequate. It is the intention of the Trustees to maintain the reserve at between three and six months' expenditure.

**Risk review**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, they have concluded that the greatest risk to the Charity currently is the lack of novices or postulants under training for the religious life and the consequent fall in the number of Sisters able either to carry out the Charity's pastoral work or to provide nursing or other care for those Sisters who have retired. Concerns were also raised about the impact of the Charities Act 2006 and the requirement for religious and other charities to show public benefit from their activities. But the remaining Sisters, though now fewer in number, can easily show that they do bring tangible benefit to the local community.

As with all organisations serving in the community, the Trustees recognise the need for protection and safety of all those the Charity serves. We do have our own Safeguarding Policy for children/vulnerable adults. Where it applies Sisters, employees and volunteers have had a clearance with POVA and DBS.

**SUMMARY**

The Congregation continues to review its spending plans and needs and makes every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims, including provision for Sisters in retirement. The Trustees are satisfied that the overall financial position is sound but are conscious that their resources are limited in the face of future needs.

## **FRANCISCAN SISTERS OF MILL HILL**

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

#### **FOR THE YEAR ENDED 31 MARCH 2022**

---

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

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

OBJECTIVES for the forthcoming year:

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

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

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

#### **LEGAL STATUS**

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

#### **APPOINTMENT OF TRUSTEES**

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

**FRANCISCAN SISTERS OF MILL HILL**

**TRUSTEES' ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2022**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Approved by the Trustees on 30 January 2023 and signed as authorised on their behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Team Leader

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

---

I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill for the year ended 31 March 2022 which are set out on pages 11 to 19.

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

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

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

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

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

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

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

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

Date: 30 January 2023

**FRANCISCAN SISTERS OF MILL HILL**

**BALANCE SHEET**

**AS AT 31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed Assets:</b>					
Tangible fixed assets	2		1,426,263		1,677,170
Investments	3		2,432,982		2,386,606
			<u>3,859,245</u>		<u>4,063,776</u>
<b>Current Assets</b>					
Debtors	4	5,160		7,633	
Cash at bank and in hand		777,588		363,257	
		<u>782,748</u>		<u>370,890</u>	
<b>Creditors:</b> Amounts falling due within one year	5	(15,194)		(22,307)	
<b>Net Current Assets</b>			<u>767,554</u>		<u>348,583</u>
<b>Net Assets</b>			<u>£4,626,799</u>		<u>£4,412,359</u>
<b>Funds</b>					
General			970,563		815,613
Designated					
- Retirement Fund	6	2,250,000		2,250,000	
- Property Fund	6	1,406,236		1,346,746	
		<u>3,656,236</u>		<u>3,596,746</u>	
			<u>£4,626,799</u>		<u>£4,412,359</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 30 January 2023 and were signed below on its behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Leader

FRANCISCAN SISTERS OF MILL HILL  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31 MARCH 2022

	Notes	General Fund £	Designated Funds Retirement Fund £	Property Fund £	2022 Total £	2021 Total £
<b>Income from:</b>						
<i>Donations and legacies:</i>						
Donations, gifts and legacies		1,720	-	-	1,720	1,860
Sisters' salaries and pensions		141,153	-	-	141,153	80,265
<i>Investments</i>	3	57,966	-	-	57,966	53,693
<i>Other</i>						
		142	-	-	142	611
- Sale of fixed assets		176,616	-	-	176,616	3,668
- JRS furlough grants		2,422	-	-	2,422	8,835
<b>Total income</b>		<u>380,019</u>	<u>-</u>	<u>-</u>	<u>380,019</u>	<u>148,932</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		17,461	-	-	17,461	16,940
<b>Charitable activities</b>						
Sisters' maintenance and welfare		208,140	36,745	42,601	287,486	322,494
<b>Total expenditure</b>	7	<u>225,601</u>	<u>36,745</u>	<u>42,601</u>	<u>304,947</u>	<u>339,434</u>
<b>Net income/(expenditure) and net movements in funds before gains on investments</b>						
		154,418	(36,745)	(42,601)	75,072	(190,502)
<b>Gains on investments:</b>						
Realised		-	11,974	-	11,974	81,595
Unrealised		-	127,394	-	127,394	385,596
<b>Net Movement in Funds</b>		<u>154,418</u>	<u>102,623</u>	<u>(42,601)</u>	<u>214,440</u>	<u>276,689</u>
Transfers between funds		-	(102,623)	102,623	-	-
<b>Net movement in funds after transfers</b>		<u>154,418</u>	<u>-</u>	<u>60,022</u>	<u>214,440</u>	<u>276,689</u>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2021		815,613	2,250,000	1,346,746	4,412,359	4,135,670
<b>Fund balances carried forward at 31 March 2022</b>		<u>£970,031</u>	<u>£2,250,000</u>	<u>£1,406,768</u>	<u>£4,626,799</u>	<u>£4,412,359</u>

All funds in 2021 and 2022 were unrestricted.

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**a) Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

**c) Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

**d) Cash Flow Statement**

The Trustees have taken advantage of the provisions of the Statement of Recommended Practice for Charities (SORP 2015) for smaller charities and have chosen not to prepare a cash flow statement.

**e) Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1. ACCOUNTING POLICIES (continued)**

**f) Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

**g) Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

**h) Tangible Fixed Assets**

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

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

Depreciation is calculated by the straight line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Leasehold land and buildings	50 years
Freehold buildings	50 years
Furniture and equipment	4 years
Motor vehicles	4 years

**i) Investments**

Quoted investments are valued at their closing middle market price on the balance sheet date. Increases and decreases in market value are reflected in Statement of Financial Activities.

In addition, the charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No value can be attributed to the contract as future returns are dependent on the bonuses which in turn depend on investment returns and inflation. Therefore the asset is included in the balance sheet at the aggregate value of the premiums paid to date, which the Trustees estimate is not materially different from its market value.

On maturity, proceeds are credited to the Statement of Financial Activities net of premiums paid in respect of the relevant member or members.

**1. ACCOUNTING POLICIES (continued)**

**j) Financial Instruments**

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

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**m) Creditors and provisions**

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

**n) Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

2. TANGIBLE FIXED ASSETS	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2021	26,798	2,028,939	15,041	47,349	2,118,127
Additions	-	-	1,981	13,995	15,976
Disposals	-	(266,785)	-	(16,000)	(282,785)
	<u>26,798</u>	<u>1,762,154</u>	<u>17,022</u>	<u>45,344</u>	<u>1,851,318</u>
At 31 March 2022	26,798	1,762,154	17,022	45,344	1,851,318
<b>DEPRECIATION</b>					
At 1 April 2021	18,915	394,054	12,626	15,362	440,957
Disposals	-	(68,734)	-	(3,667)	(72,401)
Charge for the year	2,022	40,580	2,269	11,628	56,499
	<u>20,937</u>	<u>365,900</u>	<u>14,895</u>	<u>23,323</u>	<u>425,055</u>
At 31 March 2022	20,937	365,900	14,895	23,323	425,055
<b>NET BOOK VALUE</b>					
At 31 March 2022	<u>£5,861</u>	<u>£1,396,254</u>	<u>£2,127</u>	<u>£22,021</u>	<u>£1,426,263</u>
At 31 March 2021	<u>£7,883</u>	<u>£1,634,885</u>	<u>£2,415</u>	<u>£31,987</u>	<u>£1,677,170</u>

All fixed assets are held for charitable use.

3. INVESTMENTS - 2022	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2021	17,987	67,533	2,301,086	2,386,606
Additions during the year	-	473,323	336,984	810,307
Disposals (at opening market value)	-	(487,411)	(415,888)	(903,299)
Net investment gains	-	-	139,368	139,368
	<u>£17,987</u>	<u>£53,445</u>	<u>£2,361,550</u>	<u>£2,432,982</u>
<b>Market value at 31 March 2022</b>	<u>£17,987</u>	<u>£53,445</u>	<u>£2,361,550</u>	<u>£2,432,982</u>
<b>Cost at 31 March 2021</b>	<u>£17,987</u>	<u>£53,445</u>	<u>£1,963,498</u>	<u>£2,034,930</u>
<b>INVESTMENTS -2021</b>				
	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2020	17,987	32,149	2,186,338	2,236,474
Additions during the year	-	1,471,953	1,065,929	2,537,882
Disposals (at opening market value)	-	(1,436,569)	(1,418,371)	(2,854,940)
Net investment gains	-	-	467,190	467,190
	<u>£17,987</u>	<u>£67,533</u>	<u>£2,301,086</u>	<u>£2,386,606</u>
<b>Market value at 31 March 2021</b>	<u>£17,987</u>	<u>£67,533</u>	<u>£2,301,086</u>	<u>£2,386,606</u>
<b>Cost at 31 March 2021</b>	<u>£17,987</u>	<u>£67,533</u>	<u>£1,892,227</u>	<u>£1,977,747</u>

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>3. INVESTMENTS (continued)</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment income arising from		
Quoted investments	38,591	53,693
Bank deposits	-	-
	<u>£38,591</u>	<u>£53,593</u>
<b>4. DEBTORS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	£5,160	£7,633
<b>5. CREDITORS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other creditors and accruals	15,194	22,307
	<u>£15,194</u>	<u>£22,307</u>
<b>6. DESIGNATED FUNDS</b>		

a) The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

**Retirement Fund**

A fund has been designated to provide for the Charity's commitment to provide for the retirement and care in old age and sickness of the Charity's members. An actuarial review of the Charity's membership carried out in 1997 indicated that a fund in the region of £2.78 million would be required to finance the Charity's commitment to provide care for its elderly members after taking account of their occupational pension rights. However it is now felt that less is needed in the fund and has therefore been reduced to £2,250,000 and hence a transfer has been made to reduce the fund to this level.

**Property Fund**

In order to fulfil its charitable objectives the charity needs a number of properties. These properties, although they are unrestricted assets, cannot be realised without undermining the charity's work and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund. This fund has been reduced by means of a transfer to the level the trustees feel is more appropriate.

b) **Analysis of Movements – 2022**

	<b>Balance at 1 April 2021 £</b>	<b>Income/ (expenditure) and Gains/(losses) £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2022 £</b>
Retirement Fund	2,250,000	102,623	(102,623)	2,250,000
Property Fund	1,346,746	(42,601)	102,623	1,406,768
	<u>£3,596,746</u>	<u>£60,022</u>	<u>£-</u>	<u>£3,656,768</u>

FRANCISCAN SISTERS OF MILL HILL  
 NOTES TO THE ACCOUNTS (continued)  
 FOR THE YEAR ENDED 31 MARCH 2022

Analysis of Movements -2021	Balance at 1 April 2020 £	Income/ (expenditure) and Gains/(losses) £	Transfers £	Balance at 31 March 2021 £
Retirement Fund	2,250,000	352,627	(352,627)	2,250,000
Property Fund	1,036,193	(42,074)	352,627	1,346,746
	<u>£3,286,193</u>	<u>£310,553</u>	<u>£-</u>	<u>£3,596,746</u>
<b>7. EXPENDITURE</b>			<b>2022</b> £	<b>2021</b> £
<b>Cost of Raising Funds</b>				
Investment management fees			£17,462	£16,940
			<u>£17,462</u>	<u>£16,940</u>
			<b>Sisters' Maintenance and Welfare</b>	
			<b>2022</b> £	<b>2021</b> £
<b>Direct Costs</b>				
Establishment expenses			64,444	57,123
Depreciation			56,499	54,877
Maintenance and living costs			70,975	143,670
Staff costs			38,170	38,704
Donations, courses and church expenses			30,633	7,558
Support and other expenses			9,713	15,100
Governance costs (see below)			17,052	5,462
			<u>£287,486</u>	<u>£322,494</u>
			<u>£287,486</u>	<u>£322,494</u>
The costs have all been directly allocated.				
			<b>2022</b> £	<b>2021</b> £
<b>Governance</b>				
Subscriptions			-	302
Independent examiner's fees			2,000	2,000
Accountancy fees			3,416	3,160
Legal and professional fees			11,636	-
			<u>£17,052</u>	<u>£5,462</u>
			<u>£17,052</u>	<u>£5,462</u>
<b>8. STAFF COSTS</b>			<b>2022</b> £	<b>2021</b> £
Wages and salaries			35,338	36,023
Social security costs			2,832	2,681
			<u>£38,170</u>	<u>£38,704</u>
			<u>£38,170</u>	<u>£38,704</u>

No employee received emoluments of more than £60,000.  
 The average number of employees in the year was 2 (2021: 2).  
 The charity's key management personnel are its trustees who are not remunerated.

**FRANCISCAN SISTERS OF MILL HILL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**9. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES**

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of the five trustees are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees. There were no other transactions with related parties (2020 – the same).

**10. ANALYSIS OF NET ASSETS BY FUND – 2022**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2022 are represented by:				
Tangible fixed assets	19,495	-	1,406,768	1,426,263
Investments	-	2,432,982	-	2,432,982
Current assets	965,730	(182,982)	-	782,748
Current liabilities	(15,194)	-	-	(15,194)
	<u>£970,031</u>	<u>£2,250,000</u>	<u>£1,406,768</u>	<u>£4,626,799</u>

**ANALYSIS OF NET ASSETS BY FUND – 2021**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2021 are represented by:				
Tangible fixed assets	330,425	-	1,346,745	1,677,170
Investments	-	2,386,606	-	2,386,606
Current assets	507,496	(136,606)	-	370,890
Current liabilities	(22,307)	-	-	(22,307)
	<u>£815,614</u>	<u>£2,250,000</u>	<u>£1,346,745</u>	<u>£4,412,359</u>

FRANCISCAN SISTERS OF MILL HILL  
 NOTES TO THE ACCOUNTS (continued)  
 FOR THE YEAR ENDED 31 MARCH 2022

11. STATEMENT OF FINANCIAL ACTIVITIES 2021

	<b>General Fund £</b>	<b>Designated Funds</b>		<b>2021 Total £</b>
		<b>Retirement Fund £</b>	<b>Property Fund £</b>	
<b>Income from:</b>				
<i>Donations and legacies:</i>				
Donations, gifts and legacies	1,860	-	-	1,860
Sisters' salaries and pensions	80,625	-	-	80,625
<i>Investments</i>	53,693	-	-	53,693
<i>Other</i>	611	-	-	611
- Sale of fixed assets	8,835	-	-	8,835
<b>Total income</b>	<u>148,932</u>	<u>-</u>	<u>-</u>	<u>148,932</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	16,940	-	-	16,940
<b>Charitable activities</b>				
Sisters' maintenance and welfare	165,856	114,563	42,075	322,494
<b>Total expenditure</b>	<u>182,796</u>	<u>114,563</u>	<u>42,075</u>	<u>339,434</u>
<b>Net expenditure and net movements in funds before gains on investments</b>	(33,864)	(114,563)	(42,075)	(190,502)
<b>Gains on investments:</b>				
Realised	-	81,595	-	81,595
Unrealised	-	385,596	-	385,596
<b>Net Movement in Funds</b>	<u>(33,864)</u>	<u>352,628</u>	<u>(42,075)</u>	<u>276,689</u>
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April 2020	(19,553)	2,912,330	1,242,893	4,135,670
<b>Fund balances carried forward at 31 March 2021</b>	<u>(53,417)</u>	<u>3,264,958</u>	<u>1,200,818</u>	<u>4,412,359</u>

FRANCISCAN SISTERS OF MILL HILL  
 INCOME AND EXPENDITURE SCHEDULES  
 FOR THE YEAR ENDED 31 MARCH 2022

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>INCOME</b>				
<b>Investment income</b>				
Dividends	57,966	-	57,966	53,693
Interest	-	-	-	-
	<u>57,966</u>	<u>-</u>	<u>57,966</u>	<u>53,693</u>
Donations and gifts	1,720	-	1,720	1,860
Sisters' salaries and pensions	141,152	-	141,152	80,265
Sale of fixed assets	176,616	-	176,616	3,668
Other income	142	-	142	611
JRS Furlough grants	2,422	-	2,422	8,835
	<u>380,019</u>	<u>-</u>	<u>380,019</u>	<u>148,932</u>
<b>EXPENDITURE</b>				
Investment management costs	17,461	-	17,461	16,940
<b>Charitable Expenditure</b>				
Establishment expenses	107,046	-	107,046	99,198
Maintenance and welfare of members	109,145	-	109,145	182,374
Donations, courses and church expenses	30,633	-	30,633	7,558
Administration and other expenses	23,610	-	23,610	27,902
	<u>270,434</u>	<u>-</u>	<u>270,434</u>	<u>317,032</u>
<b>Governance of Charity</b>	17,052	-	17,052	5,462
	<u>304,947</u>	<u>-</u>	<u>304,947</u>	<u>339,434</u>
<b>Net income/(expenditure) before transfers</b>	75,072	-	75,072	(190,502)
Transfer between funds	-	-	-	-
	<u>75,072</u>	<u>-</u>	<u>75,072</u>	<u>(190,502)</u>
<b>Net income/(expenditure) for the year</b>	75,072	-	75,072	(190,502)
<b>Gains on investment assets:</b>				
Realised	11,974	-	11,974	81,595
Unrealised	127,394	-	127,394	385,596
	<u>214,440</u>	<u>-</u>	<u>214,440</u>	<u>276,689</u>
<b>Net Movements in Funds</b>	214,440	-	214,440	276,689
Fund balances brought forward at 1 April 2020	4,412,359	-	4,412,359	4,135,670
	<u>4,412,359</u>	<u>-</u>	<u>4,412,359</u>	<u>4,135,670</u>
<b>Fund balances carried forward at 31 March 2021</b>	<u>£4,626,799</u>	<u>£-</u>	<u>£4,626,799</u>	<u>£4,412,359</u>

**FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	2,463	-	2,463	2,498
Repairs and maintenance	7,211	-	7,211	1,918
Light and heat	2,630	-	2,630	4,375
Depreciation	42,601	-	42,601	42,075
Bungalows - Expenses	5,224	-	5,224	5,471
Bungalows - Ground rent	963	-	963	973
Other establishment costs	45,954	-	45,954	41,888
	<u>107,046</u>	<u>-</u>	<u>107,046</u>	<u>99,198</u>
<b>Maintenance and Welfare</b>				
Provisions	7,251	-	7,251	4,746
Household and furnishings	545	-	545	789
Wages	38,170	-	38,170	38,704
Sisters' expenses	24,985	-	24,985	22,459
Medical	31	-	31	20
Books, stationery and subscriptions	1,418	-	1,418	1,094
Sisters' Residential Care (St. Vincent's)	36,745	-	36,745	114,563
	<u>109,145</u>	<u>-</u>	<u>109,145</u>	<u>182,374</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	330	-	330	730
Retreats and sabbaticals	540	-	540	-
Educational courses	3,321	-	3,321	996
Donations - general and missions	26,442	-	26,442	5,833
	<u>30,633</u>	<u>-</u>	<u>30,633</u>	<u>7,558</u>
<b>Administration and other expenses</b>				
Telephone	2,216	-	2,216	2,611
Postage	304	-	304	596
Travel	(1,374)	-	(1,374)	-
Computer/ Broadband	2,674	-	2,674	1,993
Motor expenses	1,818	-	1,818	3,517
Council/AGM/Chapter	8	-	8	232
Bank charges	584	-	584	1,370
Sundry expenses	2,945	-	2,945	3,673
Depreciation	13,898	-	13,898	12,802
Exchange (gains)/losses	537	-	537	1,108
	<u>23,610</u>	<u>-</u>	<u>23,610</u>	<u>27,902</u>
<b>Investment management fees</b>	<u>17,462</u>	<u>-</u>	<u>17,462</u>	<u>16,940</u>
<b>Governance of the Charity</b>				
Subscriptions	-	-	-	302
Audit and accountancy	5,416	-	5,416	5,160
Other Advice	11,636	-	11,636	-
	<u>17,052</u>	<u>-</u>	<u>17,052</u>	<u>5,462</u>

**THE FRANCISCAN SISTERS OF MILL HILL**

England & Wales - Charity number 232494

---

# Accounts

---

**FRANCISCAN SISTERS OF MILL HILL**

**(Charity Registration Number: 232494)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**Haysmacintyre LLP  
Chartered Accountants  
Registered Auditors  
London**

**Reference and Administrative Details**

**PRINCIPAL OFFICE**

The Generalate  
118 Chalet Estate  
Hammers Lane  
London NW7 4DN

**TRUSTEES**

Catherine McGovern OSF  
Joan Edna Rowlands OSF  
Eileen Plunkett OSF  
Margaret Alice McElroy OSF

**CONGREGATIONAL LEADERSHIP TEAM**

Sister Margaret Alice McElroy OSF  
Sister Eileen Plunkett OSF  
Sister Catherine McGovern OSF

**TEAM LEADER**

Sister Margaret Alice McElroy OSF

**ASSISTANT TEAM LEADER**

Sister Eileen Plunkett OSF

**BURSAR**

Sister Catherine McGovern OSF

**ASSISTANT BURSAR**

Veronica Lumb

**SOLICITORS**

Messrs Tozers  
Broadwalk House  
Southernhay West  
Exeter EX1 1UA

**PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
24 Grosvenor Place  
London SW1X 7HP

**INDEPENDENT EXAMINER**

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

**INSURANCE BROKERS**

Marsh Commercial  
1<sup>st</sup> Floor, Gail House  
5 Lower Stone Street  
Maidstone, ME15 6NB

**INVESTMENT ADVISORS**

Barclays Wealth Management Limited  
1 Churchill Place  
London  
E14 5HP

**SURVEYORS**

Stanley Hicks  
52 Bow Lane  
London  
EC4M 9ET

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

The Trustees present their report and Accounts for the year ended 31 March 2021.

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

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

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

MOTHER MARY FRANCIS BASIL (1833-1886)

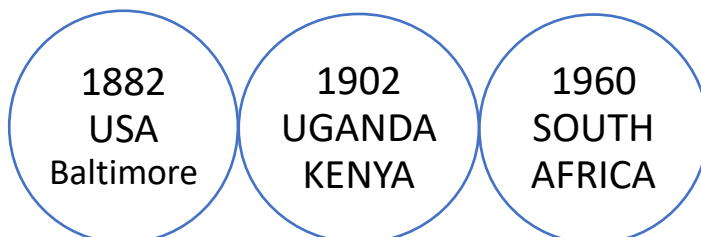


FOUNDRESS

GROUP OF EARLY SISTERS (circa 1874)



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



Across three Continents Sisters engaged and continue to serve in a variety of challenging ministries, pioneering many projects and maintaining others, the emphasis on helping and empowering the poorest and voiceless in society. Some of these areas include:

**EDUCATION**  
**Nursery to**  
**University,**  
**Special needs:**  
**physical/mental,**  
**Skills Training,**



**HEALTH CARE**

**Nurses**  
**Doctors**  
**Midwives**  
**Clinics**  
**Home Health**



**Hospitals**  
**Mobile Clinics**  
**HIV/AIDS**  
**Health Visitors**

**Community based projects for the deaf and visually impaired.**

**Added to these ministries are many**  
**AREAS of SOCIAL, PARISH, and PASTORAL WORK**

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



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

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

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

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

The Congregation is an Institute of Pontifical status, with a Superior General (now referred to as 'Team Leader') who has overall responsibility for the governance of the Congregation and is assisted in this by the General council (now referred to as 'Congregational Leadership Team') which broadly mirrors the Trustee body. The Congregational Leadership Team is accountable to the General Chapter which is held every 4 years and is the Supreme Legislative Authority in the congregation.

**OBJECTIVES AND ACTIVITIES**

The Franciscan Sisters of Mill Hill are a group of women whose main aim is still to fulfil the charism of their Foundress, Mother Mary Francis Basil: 'To meet the needs of the world of her day'.

We continually assess the needs of our world today and evaluate how best we can address them with our diminishing numbers of Sisters.

**Public benefit**

The Trustees in this report describe how those activities undertaken by the charity further its charitable purposes for the public benefit. The Trustees confirm that they comply with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charity Commission. In particular they have considered its supplementary public guidance on the advancement of religion for the public benefit.

**ACTIVITIES OF THE CHARITY**

- Care of the elderly within St. Vincent's Care Home that some of the Sisters went to in October 2007 and within the wider community.
- Parish team work to enable parishioners and people in the areas to participate in community activities.
- One Sister on Hospice Pastoral Care Team on a voluntary basis.
- Visiting of the housebound/lonely terminally ill.
- One Sister is full time psychotherapist, counsellor and lecturer.
- One Sister is in part-time retreat work.
- We offer "Open Door Hospitality" to all creeds and races.

**We support the disadvantaged societies by:**

- Art/Craft Days
- Networking with Cafod, Traidcraft and Age Concern, Justice/Peace Groups
- Working with NCSC – safeguarding within the Catholic Church of England/Wales
- Working with CARITAS – building a new culture of social responsibility

**Our Constitutions Remind us:**

- The mission is possible at all times, in health and in sickness, in joy and in sorrow, in youth, in advancing years and in old age, in success and in failure. In fact in every circumstance of age and health, we can proclaim that our life is founded on Jesus Christ and expect to find its fulfilment in Him (Constitutions, Ch.5 para. 47)
- In the Coronavirus situation we were faced with unexpected changes to our way of life. Lockdown saw our two employees being furloughed and a few Sisters being isolated. Though our visits to the Care Home were halted, we were able, thanks to Skype, to keep in touch each week.
- Due to technology - Telephone and Zoom, two of the Sisters involved in Counselling and Therapy and Spiritual Direction were able to continue their ministry.

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**INVESTMENT POWER**

The Trustees may invest in any manner in which the law allows trust money to be invested, or as directed by donors of any donated trust funds, so the Trustee Act 2000 applies.

**INVESTMENT POLICY**

The Trustees have appointed Barclays Wealth Investment Management Limited to manage the portfolio subject to a medium degree of risk. The Trustees intend that the real value of the assets be maintained and enhanced over the long term investment in a portfolio of equities, fixed stocks and cash. The Trustees have instructed Barclays Wealth to adopt an ethical policy and use their best endeavours to avoid investment in companies that are predominately involved in activities contrary to the ethos of the Charity, including gambling, tobacco or armaments.

Between 1 April 2020 until 31 March 2021, the capital value of the investment portfolio increased by £150,132 after adjusting for new money and disposals. During the period, the investment portfolio produced a return of 1.20% which was lower than the composite benchmark return of 3.33% over the same period. The latest valuation of the portfolio shows that its value has recovered to be 1.36% down over the past 12 months.

**THE PRESENT TRUSTEES**

**Sister Edna Rowlands**



**Sister Catherine McGovern**



**Sister Margaret McElroy**



**Sister Eileen Plunkett**



## FRANCISCAN SISTERS OF MILL HILL

### TRUSTEES' ANNUAL REPORT (continued)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### FINANCIAL REVIEW

The Statement of Financial Activities shows net expenditure of £190,502 and net movement in funds (increase) after investment gains of £276,689. Investments decreased in value during the year (before additions and disposals). The Congregation continues to review its finances and needs in order to match future income with expenditure. Investments will assist in retirement provision for those no longer engaged in pastoral or other salaried work or who have left the Congregation but require continuing support according to the Congregation's obligations and resources. No commitments or guarantees have been given in this or any other respect, but the Congregation is committed to supporting its members who have spent most of their working lives in the furtherance of its aims either voluntarily or by covenanting earned income from outside employment.

#### Reserves policy

The commitment to provide for care of the members of the Congregation in sickness and old age has profound implications for the finances of the Charity. Members of the Congregation have all taken a vow of poverty which means that all rights to assets and income have been given up, in favour of the Charity. Where members earn a salary, stipend or pension this is paid into the charitable trust under a deed of covenant. In most cases members have devoted the whole of their working lives to the Congregation and are dependent upon it for all their temporal needs. Although members invariably continue to perform charitable work long past normal retirement age if they are healthy enough to do so, the work is often not remunerative and the Congregation must provide for their upkeep and in some cases nursing care. The Designated Reserves of the charity stand at a little under £3.5m with £1.3m designated in respect of the charity's property assets, which are required for its ongoing work. In addition £2.25m designated to a Retirement Fund. This represents assets held for the purposes of providing long term support for members. An appraisal of this fund is considered annually. At present the amount held is thought to be adequate, but the charity's situation could change in future years, with additional sums possibly being required to provide fully for the charity's commitment. If additional funds are required, the charity could potentially dispose of its freehold property.

At the end of the year to 31 March 2021 the undesignated reserves of the charity were £815,613 This represents just over 2 years of expenditure, which is considered to be adequate. It is the intention of the Trustees to maintain the reserve at between three and six months' expenditure.

#### Risk review

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks. However, they have concluded that the greatest risk to the Charity currently is the lack of novices or postulants under training for the religious life and the consequent fall in the number of Sisters able either to carry out the Charity's pastoral work or to provide nursing or other care for those Sisters who have retired. Concerns were also raised about the impact of the Charities Act 2006 and the requirement for religious and other charities to show public benefit from their activities. But the remaining Sisters, though now fewer in number, can easily show that they do bring tangible benefit to the local community.

As with all organisations serving in the community, the Trustees recognise the need for protection and safety of all those the Charity serves. We do have our own Safeguarding Policy for children/vulnerable adults. Where it applies Sisters, employees and volunteers have had a clearance with POVA and DBS.

#### SUMMARY

The Congregation continues to review its spending plans and needs and makes every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims, including provision for Sisters in retirement. The Trustees are satisfied that the overall financial position is sound but are conscious that their resources are limited in the face of future needs.

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**PLANS FOR FUTURE PERIODS**

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

OBJECTIVES for the forthcoming year:

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

**LEGAL STATUS**

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

**APPOINTMENT OF TRUSTEES**

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

**FRANCISCAN SISTERS OF MILL HILL**  
**TRUSTEES' ANNUAL REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Approved by the Trustees on 15 October 2021 and signed as authorised on their behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Team Leader

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

---

I report to the Trustees on my examination of the accounts of The Franciscan Sisters of Mill Hill for the year ended 31 March 2021 which are set out on pages 14 to 23.

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

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

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

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

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

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

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



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

Date: 15 October 2021

**FRANCISCAN SISTERS OF MILL HILL**

**BALANCE SHEET**

**AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed Assets:</b>					
Tangible fixed assets	2		1,677,170		1,708,899
Investments	3		2,386,606		2,236,474
			<u>4,063,776</u>		<u>3,945,573</u>
<b>Current Assets</b>					
Debtors	4	7,633		7,751	
Cash at bank and in hand		363,257		202,843	
		<u>370,890</u>		<u>210,594</u>	
<b>Creditors:</b> Amounts falling due within one year	5	(22,307)		(20,297)	
<b>Net Current Assets</b>			<u>348,583</u>		<u>190,297</u>
<b>Net Assets</b>			<u>£4,412,359</u>		<u>£4,135,670</u>
<b>Funds</b>					
General			815,613		849,477
Designated					
- Retirement Fund	6	2,250,000		2,250,000	
- Property Fund	6	1,346,746		1,036,193	
		<u>3,596,746</u>		<u>3,286,193</u>	
			<u>£4,412,359</u>		<u>£4,135,670</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 15 October 2021 and were signed below on its behalf by:

Sr. Margaret Alice McElroy  
Trustee and Congregational Leader

FRANCISCAN SISTERS OF MILL HILL  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31 MARCH 2021

		Designated Funds			2021	2020
	Notes	General Fund	Retirement Fund	Property Fund	Total	Total
		£	£	£	£	£
<b>Income from:</b>						
<i>Donations and legacies:</i>						
Donations, gifts and legacies		1,860	-	-	1,860	2,930
Sisters' salaries and pensions		80,265	-	-	80,265	90,037
<i>Investments</i>	3	53,693	-	-	53,693	77,193
<i>Other</i>						
		611	-	-	611	871
- Sale of fixed assets		3,668	-	-	3,668	3,033
- JRS furlough grants		8,835	-	-	8,835	-
<b>Total income</b>		<u>148,932</u>	<u>-</u>	<u>-</u>	<u>148,932</u>	<u>175,934</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		16,940	-	-	16,940	19,538
<b>Charitable activities</b>						
Sisters' maintenance and welfare		165,856	114,563	42,075	322,494	441,903
<b>Total expenditure</b>	7	<u>182,796</u>	<u>114,563</u>	<u>42,075</u>	<u>339,434</u>	<u>461,441</u>
<b>Net expenditure and net movements in funds before gains and losses on investments</b>		(33,864)	(114,563)	(42,075)	(190,502)	(285,507)
<b>Gains/(losses) on investments:</b>						
Realised		-	81,595	-	81,595	18,068
Unrealised		-	385,596	-	385,596	(248,491)
<b>Net Movement in Funds</b>		<u>(33,864)</u>	<u>352,628</u>	<u>(42,075)</u>	<u>276,689</u>	<u>(515,930)</u>
Transfers between funds		-	(352,687)	352,628	-	-
<b>Net movement in funds after transfers</b>		<u>(33,864)</u>	<u>-</u>	<u>310,553</u>	<u>276,689</u>	<u>(515,930)</u>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2020		849,477	2,250,000	1,036,193	4,135,670	4,651,600
<b>Fund balances carried forward at 31 March 2021</b>		<u>£815,613</u>	<u>£2,250,000</u>	<u>£1,346,746</u>	<u>£4,412,359</u>	<u>£4,135,670</u>

All funds in 2020 and 2021 were unrestricted.

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**a) Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

**c) Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

**d) Cash Flow Statement**

The Trustees have taken advantage of the provisions of the Statement of Recommended Practice for Charities (SORP 2015) for smaller charities and have chosen not to prepare a cash flow statement.

**e) Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Sisters' salaries and pensions are received under deeds of covenant and are stated inclusive of income tax but net of any deductions for social security payments and contributions to occupational pension schemes if relevant.

Legacies and donations are recognised when receivable or when the Society becomes legally entitled to them. Receipts of property, investments or other gifts in kind are included at market value.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**1. ACCOUNTING POLICIES (continued)**

**f) Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

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

**g) Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

**h) Tangible Fixed Assets**

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

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

Depreciation is calculated by the straight line method to write off the cost/value, less anticipated residual value, over the expected useful lives of assets as follows:

Leasehold land and buildings	50 years
Freehold buildings	50 years
Furniture and equipment	4 years
Motor vehicles	4 years

**i) Investments**

Quoted investments are valued at their closing middle market price on the balance sheet date. Increases and decreases in market value are reflected in Statement of Financial Activities.

In addition, the charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No value can be attributed to the contract as future returns are dependent on the bonuses which in turn depend on investment returns and inflation. Therefore the asset is included in the balance sheet at the aggregate value of the premiums paid to date, which the Trustees estimate is not materially different from its market value.

On maturity, proceeds are credited to the Statement of Financial Activities net of premiums paid in respect of the relevant member or members.

**1. ACCOUNTING POLICIES (continued)**

**j) Financial Instruments**

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

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**l) Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**m) Creditors and provisions**

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

**n) Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation.

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

2. TANGIBLE FIXED ASSETS	Buildings Improvements £	Leasehold Land and Buildings £	Furniture And Equipment £	Motor Vehicles £	Total £
<b>COST/VALUATION</b>					
At 1 April 2020	18,686	2,028,939	14,672	39,344	2,101,641
Additions	8,112	-	369	16,000	24,481
Disposals	-	-	-	(7,995)	(7,995)
	<u>26,798</u>	<u>2,028,939</u>	<u>15,041</u>	<u>47,349</u>	<u>2,118,127</u>
<b>DEPRECIATION</b>					
At 1 April 2020	17,419	353,475	10,494	11,355	392,743
Disposals	-	-	-	(6,663)	(6,663)
Charge for the year	1,496	40,579	2,132	10,670	54,877
	<u>18,915</u>	<u>394,054</u>	<u>12,626</u>	<u>15,362</u>	<u>440,957</u>
<b>NET BOOK VALUE</b>					
At 31 March 2021	<u>£7,883</u>	<u>£1,634,885</u>	<u>£2,415</u>	<u>£31,987</u>	<u>£1,677,170</u>
At 31 March 2020	<u>£1,267</u>	<u>£1,675,465</u>	<u>£4,176</u>	<u>£27,991</u>	<u>£1,708,899</u>

All fixed assets are held for charitable use.

3. INVESTMENTS - 2021	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2020	17,987	32,149	2,186,338	2,236,474
Additions during the year	-	1,471,953	1,065,929	2,537,882
Disposals (at opening market value)	-	(1,436,569)	(1,418,371)	(2,854,940)
Net investment gains	-	-	467,190	467,190
	<u>£17,987</u>	<u>£67,533</u>	<u>£2,301,086</u>	<u>£2,386,606</u>
<b>Market Value at 31 March 2021</b>	<u>£17,987</u>	<u>£67,533</u>	<u>£2,301,086</u>	<u>£2,386,606</u>
<b>Cost at 31 March 2021</b>	<u>£17,987</u>	<u>£67,533</u>	<u>£1,892,227</u>	<u>£1,977,747</u>
<b>INVESTMENTS -2020</b>				
	Deferred Annuity Contract £	Portfolio Cash £	Portfolio Investments £	Total £
Market Value at 1 April 2019	17,987	30,427	2,637,238	2,685,652
Additions during the year	-	813,921	515,145	1,329,066
Disposals (at opening market value)	-	(812,199)	(735,622)	(1,547,821)
Net investment gains	-	-	(230,423)	(230,423)
	<u>£17,987</u>	<u>£32,149</u>	<u>£2,186,338</u>	<u>£2,236,474</u>
<b>Market Value at 31 March 2020</b>	<u>£17,987</u>	<u>£32,149</u>	<u>£2,186,338</u>	<u>£2,236,474</u>
<b>Cost at 31 March 2020</b>	<u>£17,987</u>	<u>£32,149</u>	<u>£2,199,569</u>	<u>£2,249,705</u>

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

<b>3. INVESTMENTS (continued)</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment income arising from		
Quoted investments	53,850	77,193
Bank deposits	-	-
	<u>£53,850</u>	<u>£77,193</u>
<b>4. DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	£7,633	£7,751
<b>5. CREDITORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors and accruals	22,315	20,297
	<u>£22,315</u>	<u>£20,297</u>
<b>6. DESIGNATED FUNDS</b>		

a) The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

**Retirement Fund**

A fund has been designated to provide for the Charity's commitment to provide for the retirement and care in old age and sickness of the Charity's members. An actuarial review of the Charity's membership carried out in 1997 indicated that a fund in the region of £2.78 million would be required to finance the Charity's commitment to provide care for its elderly members after taking account of their occupational pension rights. However it is now felt that less is needed in the fund and has therefore been reduced to £2,250,000 and hence a transfer has been made to reduce the fund to this level.

**Property Fund**

In order to fulfil its charitable objectives the charity needs a number of properties. These properties, although they are unrestricted assets, cannot be realised without undermining the charity's work and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund. This fund has been reduced by means of a transfer to the level the trustees feel is more appropriate.

b) **Analysis of Movements - 2021**

	<b>Balance at 1 April 2020</b>	<b>Income/ (expenditure) and Gains/(losses)</b>	<b>Transfers</b>	<b>Balance at 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Retirement Fund	2,250,000	352,627	(352,627)	2,250,000
Property Fund	1,036,193	(42,075)	352,627	1,346,745
	<u>£3,286,193</u>	<u>£310,552</u>	<u>£-</u>	<u>£3,596,745</u>

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Analysis of Movements -2020	Balance at 1 April 2019 £	Income/ (expenditure) and Gains/(losses) £	Transfers £	Balance at 31 March 2020 £
Retirement Fund	3,304,551	(392,221)	(662,330)	2,250,000
Property Fund	1,277,314	(34,421)	(206,700)	1,036,193
	<u>£4,581,865</u>	<u>(£426,642)</u>	<u>£(869,030)</u>	<u>£3,286,193</u>
<b>7. EXPENDITURE</b>			<b>2021</b> £	<b>2020</b> £
<b>Cost of Raising Funds</b>				
Investment management fees			£16,940	£19,538
			<u>£16,940</u>	<u>£19,538</u>
			<b>Sisters' Maintenance and Welfare</b>	
			<b>2021</b> £	<b>2020</b> £
<b>Direct Costs</b>				
Establishment expenses			57,123	79,726
Depreciation			54,877	48,097
Maintenance and living costs			143,670	211,922
Staff costs			38,704	37,355
Donations, courses and church expenses			7,558	20,644
Support and other expenses			15,100	37,396
Governance costs (see below)			5,462	6,762
			<u>£322,494</u>	<u>£441,902</u>
			<u>£322,494</u>	<u>£441,902</u>
The costs have all been directly allocated.				
			<b>2021</b> £	<b>2020</b> £
<b>Governance</b>				
Subscriptions			302	1,302
Independent examiner's fees			2,000	2,000
Accountancy fees			3,160	3,460
Other advice			-	-
			<u>£5,462</u>	<u>£6,762</u>
			<u>£5,462</u>	<u>£6,762</u>
<b>8. STAFF COSTS</b>			<b>2021</b> £	<b>2020</b> £
Wages and salaries			36,023	34,619
Social security costs			2,681	2,736
			<u>£38,704</u>	<u>£37,355</u>
			<u>£38,704</u>	<u>£37,355</u>

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

The average number of employees in the year was 2 (2020: 2).

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

**9. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES**

The trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all the members. The living costs of the five trustees are therefore borne by the Charity in the same way as those of other Sisters. The trustees therefore receive no benefit by virtue of their position as trustees. This leaves them free to carry out their prime purpose, to advance the Roman Catholic religion. No remuneration has been paid to the trustees. There were no other transactions with related parties (2020 – the same).

**10. ANALYSIS OF NET ASSETS BY FUND - 2021**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2021 are represented by:				
Tangible fixed assets	330,425	-	1,346,745	1,677,170
Investments	-	2,386,606	-	2,386,606
Current assets	507,496	(136,606)	-	370,890
Current liabilities	(22,307)	-	-	(22,307)
	<u>£815,614</u>	<u>£2,250,000</u>	<u>£1,346,745</u>	<u>£4,412,359</u>

**ANALYSIS OF NET ASSETS BY FUND - 2020**

	<b>Designated Funds</b>			
	<b>General Fund</b>	<b>Retirement Fund</b>	<b>Property Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund Balances at 31 March 2020 are represented by:				
Tangible fixed assets	672,706	-	1,036,193	1,708,899
Investments	-	2,236,476	-	2,236,475
Current assets	197,068	13,525	-	210,593
Current liabilities	(20,297)	-	-	(20,297)
	<u>£849,477</u>	<u>£2,250,000</u>	<u>£1,036,193</u>	<u>£4,135,670</u>

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

11. STATEMENT OF FINANCIAL ACTIVITIES 2020

	<b>General Fund £</b>	<b>Designated Funds</b>		<b>2020 Total £</b>
		<b>Retirement Fund £</b>	<b>Property Fund £</b>	
<b>Income from:</b>				
<i>Donations and legacies:</i>				
Donations, gifts and legacies	2,930	-	-	2,930
Sisters' salaries and pensions	90,037	-	-	90,037
<i>Investments</i>	79,062	-	-	79,062
<i>Other</i>	872	-	-	872
- Sale of fixed assets	3,033	-	-	3,033
<b>Total income</b>	<u>175,934</u>	<u>-</u>	<u>-</u>	<u>175,934</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	19,538	-	-	19,538
<b>Charitable activities</b>				
Sisters' maintenance and welfare	245,684	161,798	34,421	441,903
<b>Total expenditure</b>	<u>265,222</u>	<u>161,798</u>	<u>34,421</u>	<u>461,441</u>
<b>Net expenditure and net movements in funds before gains and losses on investments</b>	(89,288)	(161,798)	(34,421)	(285,507)
<b>Gains/(losses) on investments:</b>				
Realised	-	18,068	-	18,068
Unrealised	-	(248,491)	-	(248,491)
<b>Net Movement in Funds</b>	(89,288)	(392,221)	(34,421)	(515,930)
<b>Reconciliation of funds:</b>				
Fund balances brought forward at 1 April 2019	69,735	3,304,551	1,277,314	4,651,600
<b>Fund balances carried forward at 31 March 2020</b>	<u>(19,553)</u>	<u>2,912,330</u>	<u>1,242,893</u>	<u>4,135,670</u>

FRANCISCAN SISTERS OF MILL HILL  
 INCOME AND EXPENDITURE SCHEDULES  
 FOR THE YEAR ENDED 31 MARCH 2021

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>INCOME</b>				
<b>Investment income</b>				
Dividends	53,693	-	53,693	79,062
Interest	-	-	-	872
	<u>53,693</u>	<u>-</u>	<u>53,693</u>	<u>79,934</u>
Donations and gifts	1,860	-	1,860	2,930
Sisters' salaries and pensions	80,265	-	80,265	90,037
Sale of fixed assets	3,668	-	3,668	1,727
Other income	611	-	611	2,225
JRS Furlough grants	8,835	-	8,835	-
<b>Total income</b>	<u>148,932</u>	<u>-</u>	<u>148,932</u>	<u>175,934</u>
<b>EXPENDITURE</b>				
Investment management costs	16,940	-	16,940	19,538
<b>Charitable Expenditure</b>				
Establishment expenses	99,198	-	99,198	114,147
Maintenance and welfare of members	182,374	-	182,374	249,277
Donations, courses and church expenses	7,558	-	7,558	20,644
Administration and other expenses	27,902	-	27,902	51,073
	<u>317,032</u>	<u>-</u>	<u>317,032</u>	<u>435,141</u>
<b>Governance of Charity</b>	5,462	-	5,462	6,762
<b>Total expenditure</b>	<u>339,434</u>	<u>-</u>	<u>339,434</u>	<u>461,441</u>
<b>Net expenditure before transfers</b>	(190,502)	-	(190,502)	(285,507)
Transfer between funds	-	-	-	-
<b>Net expenditure for the year</b>	(190,502)	-	(190,502)	(285,507)
<b>Gains/(losses) on investment assets:</b>				
Realised	81,595	-	81,595	18,068
Unrealised	385,596	-	385,596	(248,491)
<b>Net Movements in Funds</b>	276,688	-	276,689	(515,930)
Fund balances brought forward at 1 April 2020	<u>4,135,670</u>	<u>-</u>	<u>4,135,670</u>	<u>4,651,600</u>
<b>Fund balances carried forward at 31 March 2021</b>	<u>4,135,670</u>	<u>-</u>	<u>4,412,359</u>	<u>4,135,670</u>

**FRANCISCAN SISTERS OF MILL HILL  
INCOME AND EXPENDITURE SCHEDULES - FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Central Funds £</b>	<b>Houses &amp; Personal Budgets £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>CHARITABLE EXPENDITURE</b>				
<b>Establishment expenses</b>				
Insurances	2,498	-	2,498	2,268
Repairs and maintenance	1,918	-	1,918	6,641
Light and heat	4,375	-	4,375	6,892
Depreciation	42,075	-	42,075	34,421
Bungalows - Expenses	5,471	-	5,471	15,711
Bungalows - Ground rent	973	-	973	2,217
Other establishment costs	41,888	-	41,888	45,997
	<u>99,198</u>	<u>-</u>	<u>99,198</u>	<u>114,147</u>
<b>Maintenance and Welfare</b>				
Provisions	4,746	-	4,746	597
Household and furnishings	789	-	789	868
Wages	38,704	-	38,704	37,355
Sisters' expenses	22,459	-	22,459	43,207
Allowances	-	-	-	1,373
Medical	20	-	20	-
Hospitality and entertainment	-	-	-	2,188
Books, stationery and subscriptions	1,094	-	1,094	1,892
Sisters' Residential Care (St. Vincent's)	114,563	-	114,563	161,798
	<u>182,374</u>	<u>-</u>	<u>182,374</u>	<u>249,277</u>
<b>Donations, Courses and Church Expenses</b>				
Church stipends	730	-	730	812
Retreats and sabbaticals	-	-	-	5,792
Educational courses	996	-	996	619
Donations - general and missions	5,833	-	5,833	14,233
	<u>7,558</u>	<u>-</u>	<u>7,558</u>	<u>20,644</u>
<b>Administration and other expenses</b>				
Telephone	2,611	-	2,611	2,501
Postage	596	-	596	692
Travel	-	-	-	4,573
Computer/ Broadband	1,993	-	1,993	2,660
Motor expenses	3,517	-	3,517	11,119
Council/AGM/Chapter	232	-	232	9,736
Bank charges	1,370	-	1,370	726
Sundry expenses	3,673	-	3,673	5,389
Depreciation	12,802	-	12,802	13,676
Exchange (gains)/losses	1,108	-	1,108	1
	<u>27,902</u>	<u>-</u>	<u>27,902</u>	<u>51,073</u>
<b>Investment management fees</b>				
	<u>16,940</u>	<u>-</u>	<u>16,940</u>	<u>19,538</u>
<b>Governance of the Charity</b>				
Subscriptions	302	-	302	1,302
Audit and accountancy	5,160	-	5,160	5,460
	<u>5,462</u>	<u>-</u>	<u>5,462</u>	<u>6,762</u>