

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
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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

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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
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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)

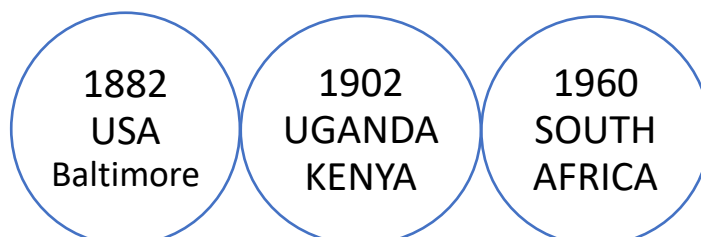


FOUNDRESS

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

			2021		2020	
	Notes	£	£	£	£	
Fixed Assets:						
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>	
Current Assets						
Debtors	4	7,633		7,751		
Cash at bank and in hand		363,257		202,843		
		<u>370,890</u>		<u>210,594</u>		
Creditors: Amounts falling due within one year	5	(22,307)		(20,297)		
Net Current Assets			<u>348,583</u>		<u>190,297</u>	
Net Assets			<u><u>£4,412,359</u></u>		<u><u>£4,135,670</u></u>	
Funds						
General			815,613		849,477	
Designated - Retirement Fund	6	2,250,000		2,250,000		
- Property Fund	6	<u>1,346,746</u>		<u>1,036,193</u>		
			<u>3,596,746</u>		<u>3,286,193</u>	
			<u><u>£4,412,359</u></u>		<u><u>£4,135,670</u></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			
	Notes	General Fund £	Retirement Fund £	Property Fund £	2021 Total £	2020 Total £
Income from:						
<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	-
Total income		<u>148,932</u>	<u>-</u>	<u>-</u>	<u>148,932</u>	<u>175,934</u>
Expenditure on:						
Raising funds						
Investment management costs		16,940	-	-	16,940	19,538
Charitable activities						
Sisters' maintenance and welfare		165,856	114,563	42,075	322,494	441,903
Total expenditure	7	<u>182,796</u>	<u>114,563</u>	<u>42,075</u>	<u>339,434</u>	<u>461,441</u>
Net expenditure and net movements in funds before gains and losses on investments		(33,864)	(114,563)	(42,075)	(190,502)	(285,507)
Gains/(losses) on investments:						
Realised		-	81,595	-	81,595	18,068
Unrealised		-	385,596	-	385,596	(248,491)
Net Movement in Funds		<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	-	-
Net movement in funds after transfers		<u>(33,864)</u>	<u>-</u>	<u>310,553</u>	<u>276,689</u>	<u>(515,930)</u>
Reconciliation of funds:						
Fund balances brought forward at 1 April 2020		849,477	2,250,000	1,036,193	4,135,670	4,651,600
Fund balances carried forward at 31 March 2021		<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 £
COST/VALUATION					
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)
At 31 March 2021	26,798	2,028,939	15,041	47,349	2,118,127
DEPRECIATION					
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
At 31 March 2021	18,915	394,054	12,626	15,362	440,957
NET BOOK VALUE					
At 31 March 2021	£7,883	£1,634,885	£2,415	£31,987	£1,677,170
At 31 March 2020	£1,267	£1,675,465	£4,176	£27,991	£1,708,899

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
Market Value at 31 March 2021	£17,987	£67,533	£2,301,086	£2,386,606
Cost at 31 March 2021	£17,987	£67,533	£1,892,227	£1,977,747

INVESTMENTS -2020

	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)
Market Value at 31 March 2020	£17,987	£32,149	£2,186,338	£2,236,474
Cost at 31 March 2020	£17,987	£32,149	£2,199,569	£2,249,705

FRANCISCAN SISTERS OF MILL HILL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

3. INVESTMENTS (continued)	2021	2020
	£	£
Investment income arising from		
Quoted investments	53,850	77,193
Bank deposits	-	-
	<u>£53,850</u>	<u>£77,193</u>
4. DEBTORS	2021	2020
	£	£
Prepayments and accrued income	<u>£7,633</u>	<u>£7,751</u>
5. CREDITORS	2021	2020
	£	£
Other creditors and accruals	<u>22,315</u>	<u>20,297</u>
	<u>£22,315</u>	<u>£20,297</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 - 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	(42,075)	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>
7. EXPENDITURE			2021 £	2020 £
Cost of Raising Funds				
Investment management fees			£16,940	£19,538
			Sisters' Maintenance and Welfare	
			2021 £	2020 £
Direct Costs				
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>
The costs have all been directly allocated.				
Governance			2021 £	2020 £
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>
8. STAFF COSTS			2021 £	2020 £
Wages and salaries			36,023	34,619
Social security costs			2,681	2,736
			<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**Designated Funds**

	General Fund £	Retirement Fund £	Property Fund £	Total £
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**Designated Funds**

	General Fund £	Retirement Fund £	Property Fund £	Total £
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

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

FRANCISCAN SISTERS OF MILL HILL

INCOME AND EXPENDITURE SCHEDULES

FOR THE YEAR ENDED 31 MARCH 2021

	Central Funds £	Houses & Personal Budgets £	Total 2021 £	Total 2020 £
INCOME				
Investment income				
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	-
Total income	<u>148,932</u>	<u>-</u>	<u>148,932</u>	<u>175,934</u>
EXPENDITURE				
Investment management costs	<u>16,940</u>	<u>-</u>	<u>16,940</u>	<u>19,538</u>
Charitable Expenditure				
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>
Governance of Charity	<u>5,462</u>	<u>-</u>	<u>5,462</u>	<u>6,762</u>
Total expenditure	<u>339,434</u>	<u>-</u>	<u>339,434</u>	<u>461,441</u>
Net expenditure before transfers	<u>(190,502)</u>	<u>-</u>	<u>(190,502)</u>	<u>(285,507)</u>
Transfer between funds				-
Net expenditure for the year	<u>(190,502)</u>	<u>-</u>	<u>(190,502)</u>	<u>(285,507)</u>
Gains/(losses) on investment assets:				
Realised	81,595	-	81,595	18,068
Unrealised	385,596	-	385,596	(248,491)
Net Movements in Funds	<u>276,688</u>	<u>-</u>	<u>276,689</u>	<u>(515,930)</u>
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>
Fund balances carried forward at 31 March 2021	<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

	Central Funds £	Houses & Personal Budgets £	Total 2021 £	Total 2020 £
CHARITABLE EXPENDITURE				
Establishment expenses				
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>
Maintenance and Welfare				
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>
Donations, Courses and Church Expenses				
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>
Administration and other expenses				
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>
Investment management fees	<u>16,940</u>	<u>-</u>	<u>16,940</u>	<u>19,538</u>
Governance of the Charity				
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>