

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales · Charity number 296042

Details

Other names	CHARITY FOR ROMAN CATHOLIC PURPOSES ADMINISTERED IN CONNECTION WITH THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL, PAULINE BOOKS & MEDIA
Status	Registered
Legal form	Trust
Registered	1987-02-06
Register	View on the Charity Commission register

Contact

Address	Pauline Books & Media 84 Church Street Liverpool Liverpool L1 3AY
Phone	01517091328
Email	accounts@pauline-uk.org
Website	www.paulineuk.org

Activities

Objects: THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION IN ENGLAND AND WALES BY SUCH LAWFUL CHARITABLE MEANS IN KEEPING WITH THE AIMS OF THE SOCIETY AS THE TRUSTEES WITH THE APPROVAL OF THE SUPERIOR THINK FIT INCLUDING IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FORE-GOING FOR THE ADVANCEMENT OF EVANGELIZATION THROUGH THE MEDIA OF SOCIAL COMMUNICATION ACCORDING TO THE ROMAN CATHOLIC RELIGION.

Activities: The objective of the charity is to communicate the Good News of Jesus Christ to the world with means of social communication. The sisters work through their Pauline Books & Media retail centres, their wholesale operation and the internet, to bring a wide range of educational & religious books, posters, icon materials, etc to Catholics, members of other denominations and the public in general.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- Italy
- Scotland
- Kensington And Chelsea
- Liverpool City
- Newcastle Upon Tyne City
- Slough

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,091,933	£1,158,054	£9,447,713	14
2023-12-31	£887,548	£1,277,635	£9,513,834	12
2022-12-31	£6,890,403	£1,475,300	£9,903,921	13
2021-12-31	£766,975	£1,109,130	£4,488,818	13
2020-12-31	£968,450	£1,063,566	£4,830,973	15

Trustees

Name	Role	Appointed
SISTER ELAINE PENRICE FSP	Chair	2018-12-06
SISTER ANGELA GRANT FSP		2013-06-03
SISTER FLORENCE WAHOME		2022-05-16
SISTER JOSETTE SPITTERI CREMONA		2025-05-17

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales - Charity number 296042

Accounts

**The Pious Society
of the Daughters of
St Paul**

Annual Report and Accounts

31 December 2024

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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Reference and administrative details

Trustees	Sister Elaine Penrice fsp (<i>Delegate Superior</i>) Sister Angela Grant fsp Sister Mary Ann Salvilla fsp (<i>Bursar</i>) Sr Florence Wahome
Council	Sister Elaine Penrice fsp Sr Josette Spitteri fsp Sister Florence Wahome fsp
Principal office	84 Church Street Liverpool L1 3AY
Telephone	0151 709 1328
Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc Leicester LE87 2BB
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ J McSparran & McCormick 19 Waterloo Street Glasgow G2 6AH
Property consultants	Newmark 60 London Wall London EC2M 5TQ

Reference and administrative details

Insurance consultants

Marsh Commercial
Tower Place
London
EC3R 5BU

The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2024. The charity trades under the name Pauline Book Centre.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 30 of this document and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

On 1 December 2024 the Daughters of St Paul numbered 1,867 sisters throughout 50 countries composed of 205 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 26 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Book Centre ensures that, at all times, it is acting in the public benefit, and the Trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Book Centres are open to the public for prayer and masses. In view of public benefit and a culture of education, Pauline Book Centre seeks to provide resources and occasions of encounter to help all people grow in faith and peace. Pauline Book Centre also sends products to their communities in poorer countries for distribution in schools and parishes.

As Pauline Book Centre continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, social media and developments in technology, they avail of these new means and appreciate the interest and feedback they receive from the public.

Objectives, activities, and relevant policies

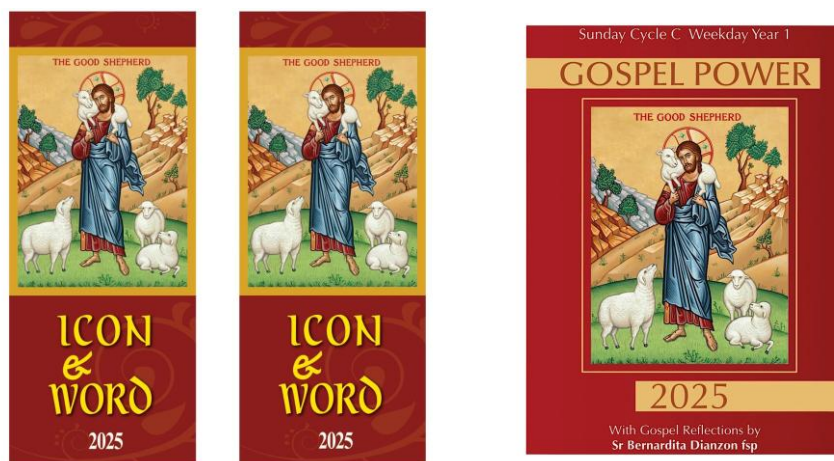
Pauline Book Centre

Throughout 2024, the Charity's activities have been carried out at 4 locations throughout the UK: London, Liverpool, Newcastle, and Glasgow. The primary way it has continued to serve the people of the UK has been through its Pauline Book Centre websites, alongside the book centres on the high street.

Pauline Book Centre productions are resources sourced or commissioned and distributed by the charity in order to support local communities in their faith journey and in their educational programmes. Products developed by the sisters are one of the main ways in which they carry out their mission and objectives, as well as being one of their primary sources of income which is used wholly to support the objectives of the charity.

New products of 2024

We have for many years, produced our Icon & Word Calendar, with beautiful icons representing artists from many different parts of the world. We are pleased to have the opportunity to promote the work also of our Ukrainian friends through our publications, our small contribution to this collaborative relationship will bring awareness and support to the difficult times the Ukrainian people are suffering at this time.



We also collaborated with our sisters in the Philippines to bring Gospel Power to the UK audience, providing daily spiritual commentary on sacred scripture. This is a much-anticipated product that was so highly sought-after publication.

Pauline Book & Media Centres

London

Our Pauline Book Centre outlet in Kensington is a small continuing presence serving our London patrons in collaboration with the parish of Our Lady of Victories Catholic Church. The small space at the entrance of the church was formally the parish repository, and with the kind support of the parish priest and the parishioners, we will continue to provide means of ongoing formation and evangelisation in London. We are fortunate to have two volunteers to help keep this outlet open to the public.

Objectives, activities, and relevant policies (continued)

Pauline Book & Media Centres (continued)

Liverpool

The Liverpool book centre is at 84 Church Street, close to the heart of the commercial city, and in easy walking distance from the Central and Lime Street Stations. The community of sisters has been working hard to welcome visitors from all over the world, through the physical store as well as through the distribution warehouse and the central office of the Pauline Book Centre website.



Pauline Book & Media are not confined by our traditional outreach locations but frequently visit local churches and conference centres to make our services reach as many people as possible.



Objectives, activities, and relevant policies (continued)

Pauline Book & Media Centres (continued)

Newcastle

The staff working at the Book Centre by Newcastle Cathedral have dedicated themselves to welcome visitors as always. All our Pauline Book Centres are wheelchair accessible so to provide services to our whole community.



Pauline Book Centre in Newcastle is an important resource hub of the Catholic diocese there and is always a welcome contributor at their education conferences.

Glasgow

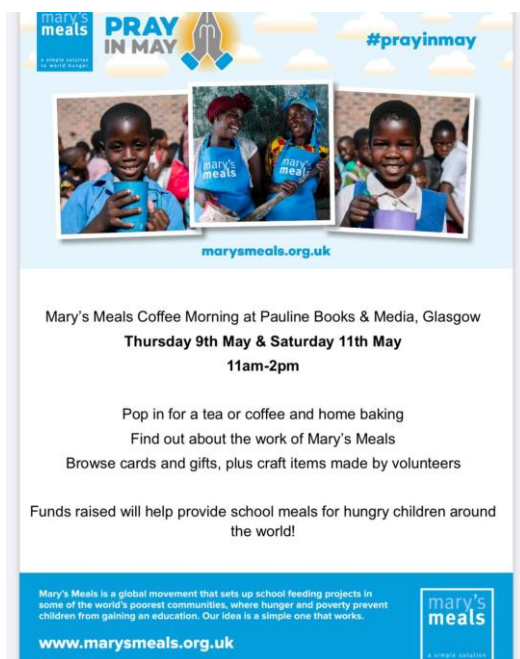
Pauline Book Centre in Glasgow has been working hard throughout the year to welcome friends young and old, not only to our everyday services, but to many special events throughout the year, building community and reaching out to customers throughout Scotland.



Objectives, activities, and relevant policies (continued)

Pauline Book and Media centres: Collaborating with other Charities

Of particular note is our efforts to work alongside other charities. This year we sought to work to support Mary's Meals and are proud that the Religious Life Safeguarding Service have continued to rent one of the floors of our Liverpool property, to provide central and accessible offices to religious congregations in seeking to protect the most vulnerable in our society.



Warehouse & Web ordering

The mission activities in the Pauline Book Centre's warehouse and shipping department continue to be in high demand. With the reduction in footfall on the high street and the ongoing financial challenges within our communities, online and telephone sales continued to attract customers. The warehouse management is working hard to distribute our products by offering special discounts to trade customers and bulk purchasers.

Websites

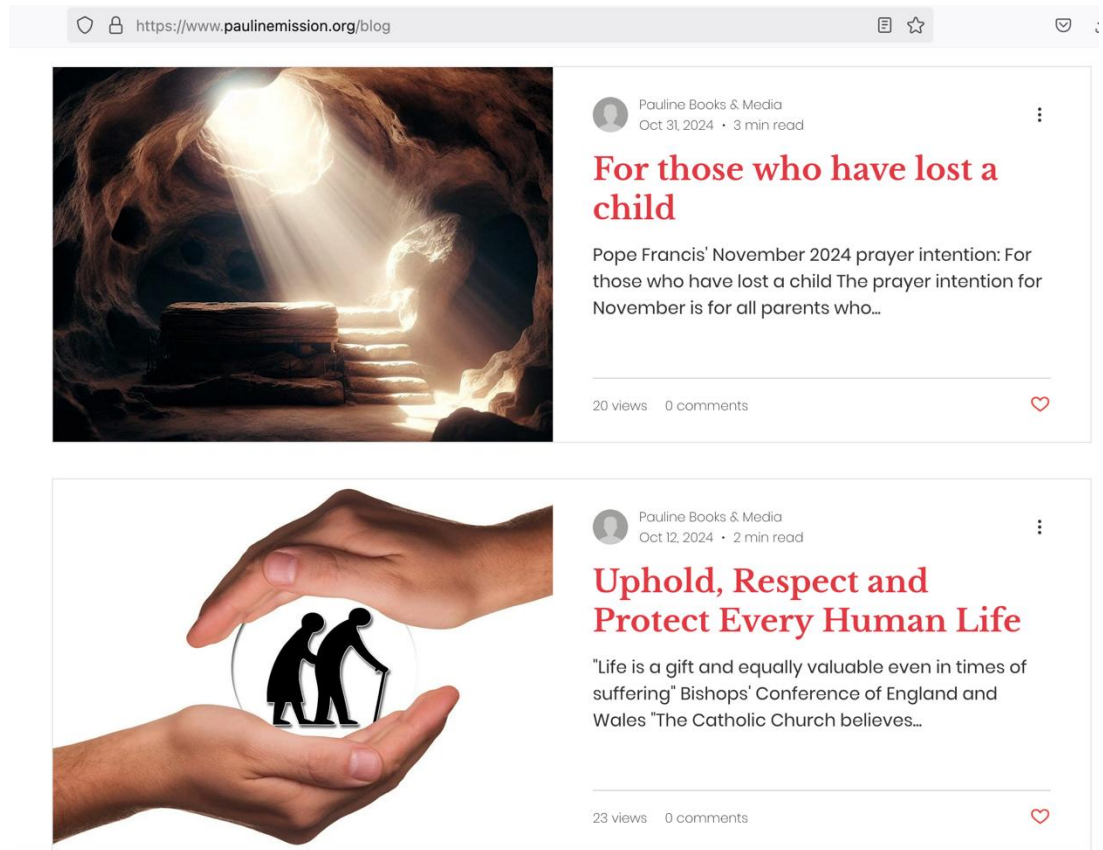
www.pauline-uk.org www.paulinemission.org

The Pauline Book Centre website is a sector of the Daughters of St Paul's mission which we seek to keep continually updated. The website is that space where the sisters have the opportunity to support those who are not able to come into the high street book and pastoral centres. Besides providing products for purchase, the website has the facility to accept prayer-requests as well as providing the general public with information about the Daughters of St Paul. Pauline Book Centre continues to invest resources into improving our outreach through online engagement with our clients and patrons.

Objectives, activities, and relevant policies (continued)

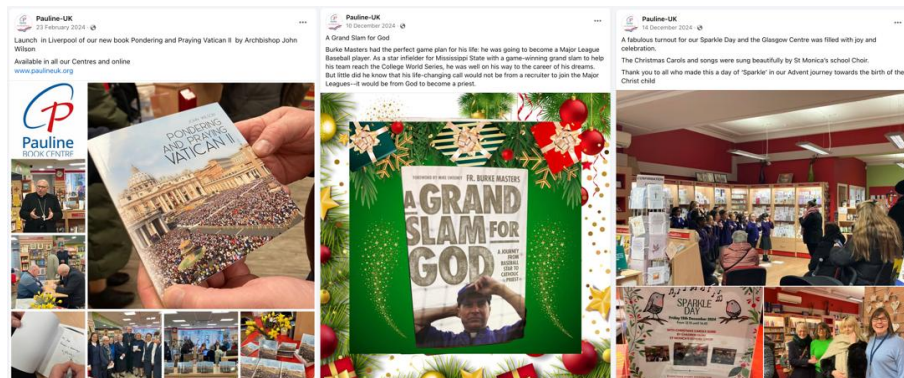
Websites (continued)

The Pauline Mission website, which runs alongside the commercial website has continued to address pertinent topics of the day, providing free content and information to our patrons.



Social Media

Our Social Media presence is also an important part of our efforts to build community, so our channels have continued to be dedicated to the same mission as our other apostolic activities, for example promoting diversity and inclusion through our particular way of doing mission.



Objectives, activities, and relevant policies (continued)

Vocations Ministry

Discovering what to do with your life is one of the many challenges young adults have to work at these days. The pressures of modern-day life can leave many people hesitant to make some of the most satisfying but daunting life-decisions. The Daughters of St Paul work with the local church to help such young people feel supported and guided in this important time of their lives. One sister has worked three days a week in this service of the local church, since 2016 and this year was present at the annual Youth 2000 festival, and was even invited to talk to the local Church of Malta about vocations ministry!



General Government and British Delegation

During their meetings the Trustees reflect on governance issues including the “Relationship with our Generalate in Rome”. In view of the expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul is made up of 15 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, Philippines, Scotland, and the USA. The Trustees are Sister Elaine Penrice fsp, (Chair), Sister Angela Grant fsp, Sister Mary Ann Salvilla fsp, and Sister Florence Wahome fsp. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Chair, Sister Elaine Penrice, keeps up to date with the Charity Commission in England and Wales and the Office of the Scottish Regulator (announcements and publications) to ensure that the Trustees comply with all legal and regulatory requirements.

Objectives, activities, and relevant policies (continued)

Looking to the future

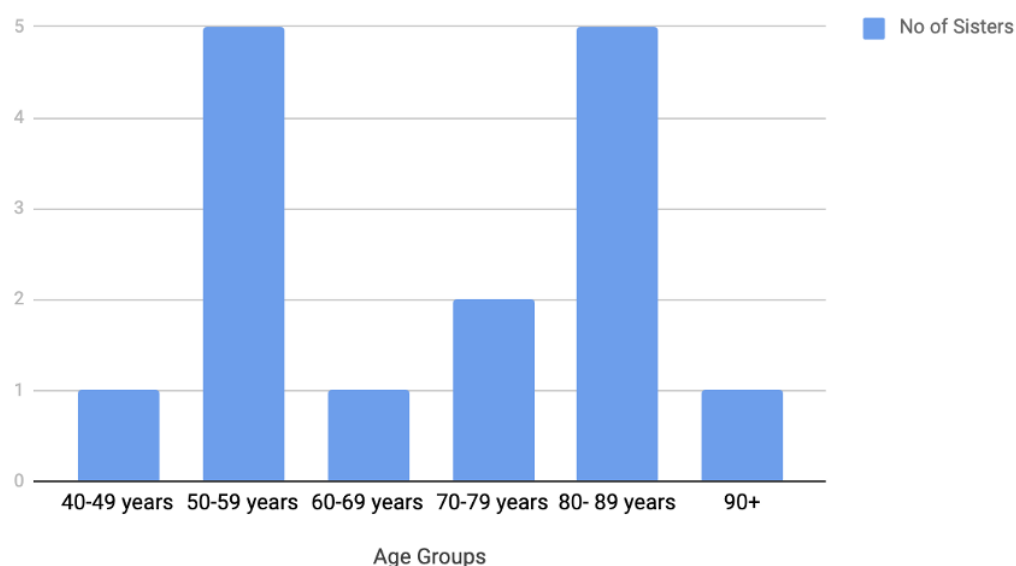
Mapping a way forward

The Trustees of the charity have worked to plan ways forward, which will sustain the charity's work in the near future:

With the current financial climate in the UK, and the responsibility to care and provide for the members of the religious community who have been entrusted with the mission and activities of the institute, there is a recognisable financial challenge that is only being sustained by the good stewardship of preceding decades. This, however, has become increasingly difficult, compounded by the reality that the average age of the sisters is 69.3 years. Of 15 members, only 7 of these are below the age of 70. This personnel situation has little prospect of amelioration in the short or medium term.

In 2024 we have one sister in a residential care home. We take care that this sister has her spiritual needs supported and is visited by Daughters of St Paul. Provision for eventual funerals is being allocated for all sisters.

Age Profile of Members



Presently there are 4 sisters who are responsible for leadership and management of the charity, all of whom carry out other responsibilities in the mission. The community leader is overseeing the direction and management of all locations, the board of advisers, and supports mission activities throughout the UK.

All sisters in community make some practical contribution to the life and mission of the institute, including the ministry of prayer, welcoming and hospitality. Besides this, all the sisters who can work in the diffusion mission do so according to their abilities. Because of diminishing numbers and increasing average age, the younger sisters have multiple responsibilities.

Objectives, activities, and relevant policies (continued)

Reorganising Delegation of Great Britain

Considerable investment of time and financial resources has been used to secure the charity for the medium and long-term. The next stage of the redesigning process is evaluating the new rhythm of the apostolic centres to ascertain the personnel needs of that centre. 2024 has proved that there is considerable challenge in finding the right persons to work in the roles that we have advertised, in some cases multiple times or over a longer period. Some progress has been made but it is likely that some further investment in finding new staff will be needed.

Advisors

In consideration of the challenges of present times, the Trustees have a panel of four external advisers who represent a breadth of experience from financial, business, and religious backgrounds. Besides these, the Trustees also consult with Newmark real estate advisors, and with Buzzacott Audit LLP.

The aforementioned advisors have been consulted regarding their expertise in investment, sustainability and property management, with a view as to how to better prepare the charity to move securely into the future.

Safeguarding

The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS). The sisters are offered periodic updating on safeguarding training and the Trustees ensure that both sisters and employees are reminded of their rights and responsibilities in this regard. All active sisters and staff have a DBS check and are signed up to the update service.

Trustee meetings are careful to address safeguarding matters when they gather, and trustees are informed about any matters of concern that may arise. In 2024 there have been no reports of concerns about the safeguarding of children or vulnerable adults in our locations.

The charity in 2024 has learned about minor incident reporting, and has begun working on a minor incident policy, as well as updating its general safeguarding policy and safer recruiting policy.

General Data Protection Regulation (GDPR)

The Trustees take care to follow the requirements of the Data Protection Act 2018.

Objectives, activities, and relevant policies (continued)

Reserves Policy

Our Reserves Policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure. The retirement fund is reviewed annually with the Trustees taking advice on the minimum amount required per person, in accordance with changes to the average retirement period, the cost of living and changes to the demographic of the Congregation.

Year-end accounts

The Trustees reviewed the 2024 year-end accounts. They are aware of the overall decline in income over the past years and are pleased that the downward trend in sales seems to be slowing. The trustees are aware that employing new personnel as planned, will have an impact on finances, however, the wellbeing of the sisters and the risk-limitation of the charity require that we proceed with recruiting new employees.

Fundraising

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2024, the charity received no complaints about its fundraising activities.

Investment Policy

The Charity's Investment Policy governs the stewardship of its financial assets in accordance with Catholic values and UK charity law. Oversight is delegated to an Investment Committee composed of Trustees and the Delegation Bursar, which meets regularly to review performance and policy. The primary objectives are to preserve and grow the real value of assets while generating income to support the Charity's mission. Investments are diversified across asset classes to manage risk, with an acceptance of market volatility.

Investment managers must adhere to ethical standards, including the UN Principles for Responsible Investment and Catholic Social Teaching. The policy enforces strict exclusions on industries such as abortion services, fossil fuels, and weapons, while encouraging investment in companies that promote human dignity, social justice, and environmental stewardship. The Trustees retain ultimate responsibility and ensure annual reviews and compliance with both financial and ethical objectives.

Financial review

Results for the year

Total income for the year amounted to £1,091,933 (2023 – £887,548). The comparative amounts for 2023 included gains on the sale of two properties amounting to £2,800. Gains on the disposal of fixed assets in 2024 amounted to £nil. Excluding gains on the disposal of fixed assets, total income for the year amounted to £1,091,933 (2023 – £884,748). Of the total income, £797,453 (2023 – £701,179) was derived from the charity's primary purpose trading activities.

Total expenditure for the year amounted to £1,158,054 (2023 – £1,277,635). Of this total, £1,155,667 (2023 – £1,265,105) was directly related to the costs of the charity's primary purpose trading activities.

Net expenditure for the year was £66,121 (2023 – £390,087).

Objectives, activities, and relevant policies (continued)

Financial position

The balance sheet shows total funds of £9,447,713 (2023 – £9,513,834).

Of this, £3,425,793 (2023 – £3,506,224) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters.

The disposal proceeds from the sales of the charity's properties in Kensington and Slough during 2022 have allowed the trustees to set aside £5,191,873 (2023 – £4,000,000) as a designated retirement fund to provide care and support for the sisters in the long term.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £830,047 at 31 December 2024 (2023 – £2,007,610). Whilst the level of free reserves is currently in excess of the reserves policy, the trustees are aware that the charity is likely to incur deficits in the coming years, particularly in the light of rising costs, and the excess in the fund will therefore be required to cover these shortfalls.

Principal risks and uncertainties

The Trustees have developed plans to guard the sustainability of the charity's work in the near future and the sisters continue to work on new products for sale through Pauline Book Centre. Pauline Book Centre is currently developing best practice in regard to the future mission of the charity.

The Trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated.

Competition from large scale retailers

In common with many other businesses, competition from larger retailers, particularly those with an online presence such as Amazon, contributes to a decline in revenues for Pauline Book Centre. The charity also bears the additional overheads associated with maintaining its presence on the high street in different locations across the UK.

Objectives, activities, and relevant policies (continued)

Principal risks and uncertainties (continued)

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members on 31 December 2024 was 69.3 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Availability of financial resources

As noted in the financial review above, the charity has invested £5m in view of the future needs of the charity and for the longer-term care of the sisters of the Congregation. The Trustees continue to consider options to manage this investment for short-, medium- and longer-term needs.

Governance, structure, and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation following a consultation of the members of the British Delegation.

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Governance, structure, and management (continued)

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2024.

Trustee	Appointed/ resigned
Sister Angela Grant fsp	Trustee since 2013
Sister Elaine Penrice fsp (Delegate Superior)	Trustee since 2018
Sister Mary Ann Salvilla fsp	Trustee since 2018
Sr Florence Wahome fsp	Trustee since 2022

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious in England & Wales, Conference of Religious in Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars. In planning activities, the Trustees keep in mind at all times the Charity Commission's guidance on Public Benefit.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Governance, structure, and management (continued)

Statement of Trustees' responsibilities (continued)

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 accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch;
- ◆ Wholesale sales at Liverpool: a warehouse operation, serving wholesale and retail outlets, Church, and educational establishments.
- ◆ Retail sales: the retail operation of the Pauline Book Centre Centres in London, Liverpool, Newcastle upon Tyne and Glasgow;
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions;
- ◆ Central administration: secretarial, accounting, finance and computer services;
- ◆ Website www.pauline-uk.org; and www.paulinemission.org
- ◆ Communities' administration of the religious and private lives of the sisters.

The Trustees hold regular meetings throughout the year and examine the Trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. All Trustee meetings are held at the Pauline Book Centre, 84 Church Street, Liverpool L1 3AY. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Governance, structure, and management (continued)

Key management personnel (continued)

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Members of the Delegation

At the end of 2024 there were 15 sisters in the British Delegation who live as part of 2 communities in Liverpool, and one in a residential care home.

The average age of the sisters in 2024 was 69.3 years. The sisters do not receive a wage for their services. They continue to serve the Lord joyfully and in a spirit of prayer and in view of the common good. They use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments. Care for the elderly sisters and sick members of the Delegation is a priority for the Trustees.

Employees

The Charity employs 14 people:

- ◆ 1 person in accounts / distribution
- ◆ 1 person as part-time Financial Controller
- ◆ 1 person in our Liverpool centre
- ◆ 5 persons in our Newcastle centre
- ◆ 5 persons in our Glasgow centre
- ◆ 1 person assisting with our website.

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Pauline Book Centre is required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment. The scheme, for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Book Centre remains committed to adhering to the ongoing requirements governing automatic enrolment.

Signed on behalf of the Trustees:

Trustee 

Approved on: 17/08/2025

Independent auditor's report to the trustees of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2024, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 28 August 2025

Statement of financial activities Year to 31 December 2024

	Notes	Unrestricted funds	
		2024 £	2023 £
Income from:			
Donations and legacies	1	33,979	41,397
Bank interest	2	247,922	99,647
Charitable activities			
. Communications media income	3	797,453	701,179
Other sources			
. Rental income		10,800	10,800
. Gain on disposal of tangible fixed assets		—	2,800
. Foreign exchange gains		1,779	31,725
Total income		1,091,933	887,548
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	1,155,667	1,265,105
Other items			
. Loss on disposal of tangible fixed assets		—	437
. Foreign exchange losses		2,387	12,093
Total expenditure		1,158,054	1,277,635
Net expenditure and net movement in funds	7	(66,121)	(390,087)
Reconciliation of funds			
Total funds brought forward at 1 January 2024		9,513,834	9,903,921
Total funds carried forward at 31 December 2024		9,447,713	9,513,834

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	10		3,425,793		3,506,224
Investments	11		5,191,873		3,999,921
			8,617,666		7,506,145
Current assets					
Stocks	12	182,152		162,965	
Debtors	13	105,018		92,230	
Cash at bank and in hand		734,525		1,911,988	
		1,021,695		2,167,183	
Liabilities:					
Creditors: amounts falling due within one year	14	(191,648)		(159,494)	
Net current assets			830,047		2,007,689
Total net assets			9,447,713		9,513,834
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	15		3,425,793		3,506,224
. Designated funds	16		5,191,873		4,000,000
. General fund			830,047		2,007,610
			9,447,713		9,513,834

Approved by the Trustees
and signed on their behalf by:

Trustee 

Approved on: 26/08/2025

Statement of cash flows 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(185,250)	(425,281)
Cash flows from investing activities:			
Bank interest received		226,259	83,026
Purchase of tangible fixed assets		(26,520)	(54,728)
Disposal of tangible fixed assets		—	3,050
Purchase of investments		(1,191,952)	(3,999,921)
Net cash used in investing activities		(992,213)	(3,968,573)
Cash flows from financing activities:			
Cash outflows from repayment of borrowings		—	(884,387)
Net cash (used in) provided by financing activities		—	(884,387)
Change in cash and cash equivalents in the year		(1,177,463)	(5,278,241)
Cash and cash equivalents at 1 January 2024	B	1,911,988	7,190,229
Cash and cash equivalents at 31 December 2024	B	734,525	1,911,988

Notes to the statement of cash flows for the year to 31 December 2024

A Reconciliation of net expenditure to net cash used in operating activities

	2024 £	2023 £
Net expenditure (as per the statement of financial activities)	(66,121)	(390,087)
Adjustments for:		
Depreciation charge	106,951	105,271
Interest receivable	(247,922)	(99,647)
Gain on disposal of tangible fixed assets	—	(2,800)
Loss on disposal of tangible fixed assets	—	437
(Increase) decrease in stocks	(19,187)	18,049
Decrease (increase) in debtors	8,875	(8,007)
Increase (decrease) in creditors	32,154	(48,497)
Net cash used in operating activities	(185,250)	(425,281)

B Analysis of changes in net debt

	2023 £	Cash flows £	2024 £
Cash and cash equivalents			
Cash at bank and in hand	1,911,988	(1,177,463)	734,525
Total cash and cash equivalents net of borrowings	1,911,988	(1,177,463)	734,525

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2024 with comparative information provided in respect to the year to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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

The accounts are presented in sterling and are rounded to the nearest pound.

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:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve; and
- ◆ The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

The Trustees are of the opinion that the charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead in respect of current macroeconomic challenges exacerbated by the ongoing fragile geopolitical climate, they are of the opinion that, following the property disposals in 2022 and subsequent investment of the majority of the proceeds, the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from donations, bank interest, charitable activities and other income being the gain on the disposal of tangible fixed assets and foreign exchange gains.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

A gain (or loss) on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The gain (or loss) is recognised at the time when legal completion of the sale takes place.

See "foreign currencies" below for details relating to foreign exchange gains and losses.

Services provided by members of the Congregation

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- | | |
|-----------------------------------|---------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Fixtures and fittings | 10% per annum |
| ◆ Computer software and equipment | 20% per annum |
| ◆ Motor vehicles | 20% per annum |

No depreciation has been charged on refurbishment works until these are complete.

Tangible fixed assets (continued)

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

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

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The charity's investments are currently held as cash instruments within liquidity funds.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than 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.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2024 £	2023 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	30,551	32,312
Donations	3,428	9,085
	33,979	41,397

2 Bank interest

	2024 £	2023 £
Interest receivable	247,922	99,647

3 Communications media income

	2024 £	2023 £
Turnover from trading activities	797,028	701,179
Royalties and copyright income	425	-
	797,453	701,179

4 Spreading the Gospel through communications media

	2024 £	2023 £
Costs of goods sold	479,106	405,376
Community living and personal expenses	191,112	402,653
Support costs (note 5)	485,449	457,076
	1,155,667	1,265,105

5 Support costs

	2024 £	2023 £
Staff costs (note 8)	145,698	137,971
Depreciation	106,951	105,271
Book centre and office expenses	213,280	197,084
Governance costs (note 6)	19,520	16,750
	485,449	457,076

6 Governance costs

	2024 £	2023 £
Auditor's remuneration	19,520	16,750

7 Net expenditure and net movement in funds

This is stated after charging:

	2024 £	2023 £
Staff costs (note 8)	145,698	137,971
Auditor's remuneration		
. Statutory audit services	19,520	16,750
Rentals under operating leases	4,500	4,500
Depreciation	106,951	105,271

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2024 £	2023 £
Wages and salaries	140,577	135,004
Social security costs	1,481	218
Other pension costs	3,640	2,749
	145,698	137,971

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2024 FTE	2023 FTE	2024 Average number	2023 Average number
Charitable activities				
. Spreading the Gospel through communications media	6	6	14	12

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2023 – none).

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Staff costs during the year were as follows:

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2023 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2024	3,727,892	426,138	53,847	41,690	4,249,567
Additions	—	13,927	708	11,885	26,520
At 31 December 2024	<u>3,727,892</u>	<u>440,065</u>	<u>54,555</u>	<u>53,575</u>	<u>4,276,087</u>
At historic cost	3,578,632	440,065	54,555	53,575	4,126,827
At deemed cost (1997 valuation)	149,260	—	—	—	149,260
	<u>3,727,892</u>	<u>440,065</u>	<u>54,555</u>	<u>53,575</u>	<u>4,276,087</u>
Depreciation					
At 1 January 2024	414,899	255,641	48,409	24,394	743,343
Charge for the year	74,574	26,087	2,050	4,240	106,951
At 31 December 2024	<u>489,473</u>	<u>281,728</u>	<u>50,459</u>	<u>28,634</u>	<u>850,294</u>
Net book values					
At 31 December 2024	<u>3,238,419</u>	<u>158,337</u>	<u>4,096</u>	<u>24,941</u>	<u>3,425,793</u>
At 31 December 2023	<u>3,312,993</u>	<u>170,497</u>	<u>5,438</u>	<u>17,296</u>	<u>3,506,224</u>

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefit to users of the accounts.

11 Investments

<i>Cash investments</i>	2024 £	2023 £
At 1 January 2024	3,999,921	—
Additions	1,191,952	3,999,921
At 31 December 2024	<u>5,191,873</u>	<u>3,999,921</u>

12 Stocks

	2024 £	2023 £
Finished goods and goods for resale	182,152	162,965

13 Debtors

	2024 £	2023 £
Trade debtors	32,333	21,822
Other debtors	6,030	6,103
Prepayments and accrued income	66,655	64,305
	105,018	92,230

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Amounts due to the Congregation's General Government	47,028	48,130
Expense creditors	79,834	41,569
Other creditors and accruals	45,586	50,115
Deferred income	19,200	19,680
	191,648	159,494

15 Tangible fixed assets fund

	Total 2024 £	Total 2023 £
At 1 January 2024	3,506,224	2,673,067
Net movement in tangible fixed assets in the year	(80,431)	(51,230)
Add: Repayment of loan towards the purchase of property	—	884,387
At 31 December 2024	3,425,793	3,506,224

16 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2024 £	New designations £	Transferred to general fund £	At 31 December 2024 £
Retirement fund	4,000,000	1,191,873	—	5,191,873
	At 1 January 2023 £	New designations £	Transferred to general fund £	At 31 December 2023 £
Retirement fund	4,000,000	—	—	4,000,000

16 Designated fund (continued)

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the longer term.

17 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2024 £
Fund balances at 31 December 2024 are represented by:				
Tangible fixed assets	—	—	3,425,793	3,425,793
Investments	—	5,191,873	—	5,191,873
Current assets	1,021,695	—	—	1,021,695
Creditors: amounts falling due within one year	(191,648)	—	—	(191,648)
Total net assets	830,047	5,191,873	3,425,793	9,447,713
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	—	—	3,506,224	3,506,224
Investments	—	3,999,921	—	3,999,921
Current assets	2,167,104	79	—	2,167,183
Creditors: amounts falling due within one year	(159,494)	—	—	(159,494)
Total net assets	2,007,610	4,000,000	3,506,224	9,513,834

18 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 5% of their gross salary to the plan (before tax relief: effectively 4%), which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £3,640 (2023 – £2,749).

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the Trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

20 Related party transactions

Transactions with the Congregation's Generalate

La Casa Generalizia del Istituto Pia Societa Figlie di San Paolo, (The Generalate of the Institute of the Pious Society of the Daughters of Saint Paul), based in Rome, is the legal entity representing the canonical governing body of the worldwide Congregation of the Daughters of Saint Paul, the ultimate controlling entity described in note 19. As such, the Congregation's Generalate is considered to be a related party of the charity.

During the year, the charity incurred costs of £796 (2023 – £2,227) in relation to stock purchases from the Generalate and made contributions to the Generalate of £29,567 (2023 – £14,586), which includes an adjustment for the estimated contribution accrued in the prior year. The charity also contributed £16,665 (2023 – £16,104) to the Generalate in respect of UK pension receipts for sisters who are now resident in Italy.

At the year end, an amount of £47,028 (2023 – £48,130) was owed to the Generalate.

Transactions with the charity's trustees and connected persons

Income from donations and legacies includes the salaries and pensions of certain Trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2024, the total value of these receipts amounted to £9,091 (2023 – £13,637).

Other donations made by the trustees to the charity during the year amounted to £466 (2023 – £500).

During the year, the charity made donations of £nil (2023 – £1,000) to assist with medical care for a relative of a trustee.

Other transactions with Trustees are disclosed in note 8.

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales - Charity number 296042

Accounts

The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2023

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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Reference and administrative details of the charity, its Trustees and advisers

Trustees	Sister Angela Grant fsp (<i>Delegate Superior</i>) Sister Elaine Penrice fsp Sister Mary Ann Salvilla fsp (<i>Bursar</i>) Sr Florence Wahome
Council	Sister Angela Grant fsp Sister Lalaine Lilio fsp Sister Elaine Penrice fsp Sister Florence Wahome fsp
Principal office	84 Church Street Liverpool L1 3AY
Telephone	0151 709 1328
Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough SL1 4SG
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ J McSparran & McCormick 19 Waterloo Street Glasgow G2 6AH

Reference and administrative details of the charity, its Trustees and advisers

Property consultants

Gerald Eve LLP
72 Welbeck Street
London
W1G 0AY

and at

140 West George Street
Glasgow
G2 2HG

Insurance consultants

Marsh Commercial
39 Kings Hill Avenue
West Malling
ME19 4ER

The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2023. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 30 of this document and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

On 1 December 2023 the Daughters of St Paul numbered 1,871 sisters throughout 50 countries composed of 208 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 26 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Books & Media ensures that, at all times, it is acting in the public benefit and the Trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Books & Media Centres are open to the public for prayer and masses. In view of public benefit and a culture of education, Pauline Books & Media seek to provide resources and occasions of encounter to help all people grow in faith and peace. Pauline Books & Media also send products to their communities in poorer countries for distribution in schools and parishes.

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, social media and developments in technology, they avail of these new means and appreciate the interest and feedback they receive from the public.

Objectives, activities, and relevant policies

Pauline Books & Media Centres

Throughout 2023, the Charity's activities have been carried out at 4 locations throughout the UK: London, Liverpool, Newcastle, and Glasgow. The primary way it has continued to serve the people of the UK has been through its Pauline Books & Media book websites, alongside the book centres on the high street.

Pauline Books & Media productions are resources sourced or commissioned and distributed by the charity in order to support local communities in their faith journey and in their educational programmes. Products developed by the sisters are one of the main ways in which they carry out their mission and objectives, as well as being one of their primary sources of income which is used wholly to support the objectives of the charity.

New products of 2023

We have for many years, produced our Icon & Word Calendar, with beautiful icons representing artists from many different parts of the world. We are pleased to have the opportunity to promote the work also of our Ukrainian friends through our publications, our small contribution to this collaborative relationship will bring awareness and support to the difficult times the Ukrainian people are suffering at this time.



We also collaborated with our sisters in the Philippines to bring Gospel Power to the UK audience, providing daily spiritual commentary on sacred scripture. This is a much-anticipated product that was so highly sought-after publication.

London

Our Pauline Books & Media outlet is a small continuing presence serving our London patrons in collaboration with the parish of Our Lady of Victories Catholic Church in Kensington. The small space at the entrance of the church was formally the parish repository, and with the kind support of the parish priest and the parishioners, we will continue to provide means of ongoing formation and evangelisation in London.

Objectives, activities, and relevant policies (continued)

Pauline Books & Media Centres (continued)

Liverpool

The Liverpool book centre at 84 Church Street, close to the heart of the commercial city, and is in easy walking distance from the Central and Lime Street Stations. The community of sisters has been working hard to welcome visitors from all over the world, through the physical store as well as through the distribution warehouse and the central office of the Pauline Books & Media website.

Gospel Power 2024 being happily received at Christ the King parish, Liverpool. A very vibrant, pastoral and welcoming community.



Pauline Books & Media are not confined by our traditional outreach locations, but frequently visit local Churches and conference centres to make our services reach as many people as possible.

Newcastle

The staff working at the Book Centre by Newcastle Cathedral have dedicated themselves to welcome visitors as always. All our Pauline Books & Media Centres are wheelchair accessible so to provide services to our whole community.



Pauline Books & Media in Newcastle is an important resource hub of the Catholic diocese there and is always a welcome contributor at their education conferences.

Objectives, activities, and relevant policies (continued)

Pauline Books & Media Centres (continued)

Glasgow

Pauline Books & Media in Glasgow has been working hard throughout the year to welcome friends young and old, not only to our everyday services, but to many special events throughout the year, building community and reaching out to customers throughout Scotland.



Collaborating with other Charities

Of particular note is our efforts to work alongside other charities. This year we sought to work to support Mary's Meals and are proud that the Religious Life Safeguarding Service have chosen to rent one of the floors of our Liverpool property, to provide central and accessible offices to religious congregations in seeking to protect the most vulnerable in our society.



Objectives, activities, and relevant policies (continued)

Pauline Books & Media Centres (continued)

Warehouse & Web ordering

The mission activities in the Pauline Books & Media warehouse and shipping department continue to be in high demand. With the reduction in footfall on the high street and the ongoing financial challenges within our communities, online and telephone sales continued to attract customers. The warehouse management is working hard to distribute our products by offering special discounts to trade customers and bulk purchasers.

Websites

www.pauline-uk.org www.paulinemission.org

The Pauline Books & Media website is a sector of the Daughters of St Paul's mission which we seek to keep continually updated. The website is that space where the sisters have the opportunity to support those who are not able to come into the high street book and pastoral centres. Besides providing products for purchase, the website has the facility to accept prayer-requests as well as providing the general public with information about the Daughters of St Paul. Pauline Books & Media continue to invest resources into improving our outreach through online engagement with our clients and patrons.

The Pauline Mission website, which runs alongside the commercial website has continued to address pertinent topics of the day, providing free content and information to our patrons.



**November
Remembrance
Tree**

Those we hold closest to our hearts
never truly leave us.



Christmas Appeal

Together with Pauline Books & Media
share the Christmas story with
Children



**First Holy
Communion**

An occasion for a child's full and rich
life with Jesus through the reception
of the Holy Eucharist

Social Media

Our Social Media presence is also an important part of our efforts to build community, so our channels have continued to be dedicated to the same mission as our other apostolic activities, for example promoting diversity and inclusion through our particular way of doing mission.

Objectives, activities, and relevant policies (continued)

Pauline Books & Media Centres (continued)

Social Media (continued)



Vocations Ministry

Discovering what to do with your life is one of the many challenges young adults have to work at these days. The pressures of modern-day life can leave many people hesitant to make some of the most satisfying but daunting life-decisions. The Daughters of St Paul work with the local church to help such young people feel supported and guided in this important time of their lives. One sister works three days a week in this service of the local church, and this year was a full year with World Youth Day, Flame, and Youth 2000 festivals!



General Government and British Delegation

During their meetings the Trustees reflect on governance issues including the "Relationship with our Generalate in Rome". In view of the expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

Objectives, activities, and relevant policies (continued)

The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul is made up of 14 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, Philippines, Scotland, and the USA. The Trustees are Sister Angela Grant fsp, (Chair), Sister Mary Ann Salvilla fsp (Bursar), Sister Elaine Penrice fsp (Secretary) and Sister Florence Wahome fsp. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Chair, Sister Angela Grant, keeps up to date with the Charity Commission in England and Wales and the Office of the Scottish Regulator (announcements and publications) to ensure that the Trustees comply with all legal and regulatory requirements.

Looking to the future

Mapping a way forward

The Trustees of the charity have worked to plan ways forward, which will sustain the charity's work in the near future:

In 2023 we took steps to invest the remaining funds received from our previous years' property sales. This investment has already proved to be profitable in comparison to keeping the funds in our high-street business account.

With the current financial climate in the UK, and the responsibility to care and provide for the members of the religious community who have been entrusted with the mission and activities of the institute, there is a recognisable financial challenge that is only being sustained by the good stewardship of preceding decades. This, however, has become increasingly difficult, compounded by the reality that the average age of the sisters is 69.5 years. Of 14 members, only 6 of these are below the age of 70. This personnel situation has little prospect of amelioration in the short or medium term.

In 2023 we relocated two of our elderly sisters: one to a local care home, and the other returned to her home nation in Italy for professional care. We have taken care that both sisters will also have their spiritual needs supported and are visited by Daughters of St Paul. This has a financial impact on the Charity because of the loss of their pension income, and at the same time the charity continues to contribute towards their needs. Provision for eventual funerals is being allocated for this also.

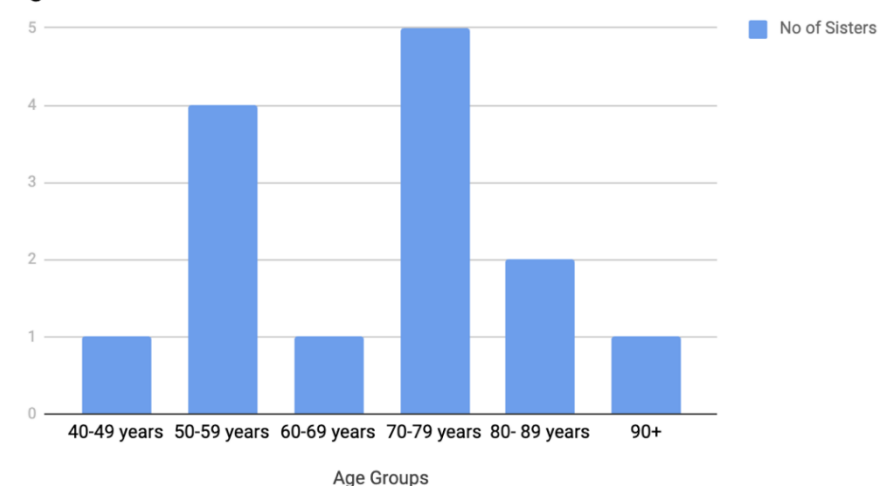
Despite our current financial challenges, we recognise the significant value our Italian sisters and the contribution sisters in the Italian province have given us over the years. These times are also financially difficult for all over our religious congregation. In view of this, we decided to make a financial contribution to the Italian province in view of their commitment to care and provide for our sisters who have returned to them in their later years, in various stages of health. This should also provide for their eventual funeral arrangements.

Objectives, activities, and relevant policies (continued)

Looking to the future (continued)

Mapping a way forward (continued)

Age Profile of Members



Presently there are 4 sisters who are responsible for leadership and management of the charity, all of whom carry out other responsibilities in the mission. The community leader is overseeing the direction and management of all locations, the board of advisers, and frequently supports mission activities throughout the UK.

All sisters in the community make some practical contribution to the life and mission of the institute, including the ministry of prayer, welcoming and hospitality. Besides this, the all the sisters who can work in the diffusion mission do so according to their abilities. Because of diminishing numbers and increasing average age, the younger sisters have multiple responsibilities.

Reorganising Delegation of Great Britain

Considerable investment of time and financial resources has been used to secure the charity for the medium and long-term. The next stage of the redesigning process is evaluating the new rhythm of the apostolic centres to ascertain the personnel needs of that centre. 2023 has proved that there is considerable challenge in finding the right persons to work in the roles that we have advertised, in some cases multiple times or over a longer period. Some progress has been made but it is likely that some further investment in finding new staff will be needed.

Advisors

In consideration of the challenges of present times, the Trustees have a panel of four external advisers who represent a breadth of experience from financial, business, and religious backgrounds. Besides these, the Trustees have also been consulting with Gerard Eve real estate advisors, and with Buzzacott LLP.

The aforementioned advisors have been consulted regarding their expertise in investment, sustainability and property management, with a view as to how to better prepare the charity to move securely into the future.

Objectives, activities, and relevant policies (continued)

Safeguarding

The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS). The sisters are offered periodic updating on safeguarding training and the Trustees ensure that both sisters and employees are reminded of their rights and responsibilities in this regard. All active sisters and staff have a DBS check and are signed up to the update service.

Trustee meetings are careful to address safeguarding matters when they gather, and trustees are informed about any matters of concern that may arise. In 2023 there have been no reports of concerns about the safeguarding of children or vulnerable adults in our locations.

General Data Protection Regulation (GDPR)

The Trustees take care to follow the requirements of the Data Protection Act 2018.

Reserves Policy

Our Reserves Policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure. The retirement fund is reviewed annually with the Trustees taking advice on the minimum amount required per person, in accordance with changes to the average retirement period, the cost of living and changes to the demographic of the Congregation.

Marsh Commercial Insurance Brokers

Marsh Commercial is one of the founding business in Marsh McLennan (MMC) – a global leader in insurance broking and risk management with a 150-year heritage.

Year-end accounts

The Trustees reviewed the 2023 year end accounts. They are aware of the overall decline in income over the past years and are seeking advice as to how to respond best to the challenge. Despite the trend in declining income, the trustees do not believe there are any material uncertainties over the charity's status as a going concern over the next twelve months.

Fundraising

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers.

Objectives, activities, and relevant policies (continued)

Fundraising (continued)

The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2023, the charity received no complaints about its fundraising activities.

Financial review

Results for the year

Total income for the year amounted to £887,548 (2022 – £6,890,403). The comparative amounts for 2022 included gains on the sale of two properties amounting to £5,974,084. Gains on the disposal of fixed assets in 2023 amounted to just £2,800. Excluding gains on the disposal of fixed assets, total income for the year amounted to £884,748 (2022 – £916,319). Of the total income, £701,179 (2022 – £679,759) was derived from the charity's primary purpose trading activities.

Total expenditure for the year amounted to £1,277,635 (2022 – £1,475,300). Of this total, £1,265,105 (2022 – £1,215,709) was directly related to the costs of the charity's primary purpose trading activities.

Net expenditure for the year was £390,087 (2022 – net income was £5,415,103, but excluding gains on the disposal of fixed assets, the charity's net expenditure for 2022 was £673,626).

Financial position

The balance sheet shows total funds of £9,513,834 (2022 – £9,903,921).

Of this, £3,506,224 (2022 – £2,673,067) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters. In 2022, the fund excluded the value of the loan from the Congregation's General Government of £884,387 which was used to help finance the purchase of property. During 2023, that loan was repaid in full and the fund now reflects the full value of the charity's tangible fixed assets.

The disposal proceeds from the sales of the charity's properties in Kensington and Slough during 2022 have allowed the trustees to set aside £4,000,000 (2022 – £4,000,000) as a designated retirement fund to provide care and support for the sisters in the long term.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £2,007,610 at 31 December 2023 (2022 – £3,230,854). Whilst the level of free reserves is currently in excess of the reserves policy, the trustees are aware that the charity is likely to incur deficits in the coming years, particularly in the light of rising costs, and the excess in the fund will therefore be required to cover these shortfalls.

Principal risks and uncertainties

The Trustees have developed plans to guard the sustainability of the charity's work in the near future and the sisters continue to work on new products for sale through Pauline Books & Media. Pauline Books & Media is currently developing best practice in regard to the future mission of the charity.

The Trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated.

Competition from large scale retailers

In common with many other businesses, competition from larger retailers, particularly those with an online presence such as Amazon, contributes to a decline in revenues for Pauline Books & Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in different locations across the UK.

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members on 31 December 2023 was 69.5 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Availability of financial resources

As noted in the financial review above, the charity's balance of free reserves remains a concern for the longer term due to the recurring deficits and the desire to increase the amounts designated for the longer term care of the sisters of the Congregation. The Trustees continue to consider options to manage this issue longer term.

Governance, structure, and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

Governance, structure, and management (continued)

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation.

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2023.

Trustee

Sister Angela Grant fsp (Delegate Superior)
Sister Elaine Penrice fsp (Secretary from December 2018)
Sister Mary Ann Salvilla fsp (Bursar from May 2019)
Sr Florence Wahome fsp

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious in England & Wales, Conference of Religious in Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars. In planning activities, the Trustees keep in mind at all times the Charity Commission's guidance on Public Benefit.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Governance, structure, and management (continued)

Statement of Trustees' responsibilities (continued)

- ◆ observe the methods and principles in the Charities SORP;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations 2008, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch;
- ◆ Wholesale sales at Liverpool: a warehouse operation, serving wholesale and retail outlets, Church, and educational establishments.
- ◆ Retail sales: the retail operation of the Pauline Books & Media Centres in London, Liverpool, Newcastle upon Tyne and Glasgow;
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions;
- ◆ Central administration: secretarial, accounting, finance and computer services;
- ◆ Website www.pauline-uk.org; and www.paulinemission.org
- ◆ Communities' administration of the religious and private lives of the sisters.

Governance, structure, and management (continued)

Structure and management reporting (continued)

The Trustees hold regular meetings throughout the year and examine the Trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. All Trustee meetings are held at the Pauline Books Media Centre, 84 Church Street, Liverpool L1 3AY. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Members of the Delegation

At the end of 2023 there were 14 sisters in the British Delegation who live as part of 3 communities: 1 in Slough and 2 communities in Liverpool.

The average age of the sisters in 2023 was 69.5 years. The sisters do not receive a wage for their services. They continue to serve the Lord joyfully and in a spirit of prayer and in view of the common good. They use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments. Care for the elderly sisters and sick members of the Delegation is a priority for the Trustees.

Employees

The Charity employs 13 people:

- ◆ 1 person in our Liverpool centre
- ◆ 5 persons in our Newcastle centre
- ◆ 5 persons in our Glasgow centre
- ◆ 1 person assisting with our website
- ◆ 1 person in our Liverpool Dispatch/Distribution department

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Governance, structure, and management (continued)

Employees (continued)

The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Pauline Books & Media is required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment. The scheme, for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Books & Media remains committed to adhering to the ongoing requirements governing automatic enrolment.

Signed on behalf of the Trustees:



Trustee Sr Elaine Penrice

Approved on: 22/08/2024

Independent auditor's report to the trustees of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 22 August 2024

Statement of financial activities Year to 31 December 2023

	Notes	Unrestricted funds	
		2023 £	2022 £
Income from:			
Donations and legacies	1	41,397	80,549
Bank interest	2	99,647	3,296
Charitable activities			
. Communications media income	3	701,179	679,759
Other sources			
. Rental income		10,800	—
. Gain on disposal of tangible fixed assets		2,800	5,974,084
. Foreign exchange gains		31,725	152,715
Total income		887,548	6,890,403
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	1,265,105	1,215,709
Other items			
. Loss on disposal of tangible fixed assets		437	38,899
. Foreign exchange losses		12,093	220,692
Total expenditure		1,277,635	1,475,300
Net (expenditure) income and net movement in funds	7	(390,087)	5,415,103
Reconciliation of funds			
Total funds brought forward at 1 January 2023		9,903,921	4,488,818
Total funds carried forward at 31 December 2023		9,513,834	9,903,921

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	10		3,506,224		3,557,454
Investments	11		3,999,921		—
			7,506,145		3,557,454
Current assets					
Stocks	12	162,965		181,014	
Debtors	13	92,230		67,602	
Cash at bank and in hand		1,911,988		7,190,229	
		2,167,183		7,438,845	
Liabilities:					
Creditors: amounts falling due within one year	14	(159,494)		(1,092,378)	
Net current assets			2,007,689		6,346,467
Total net assets			9,513,834		9,903,921
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	15		3,506,224		2,673,067
. Designated funds	16		4,000,000		4,000,000
. General fund			2,007,610		3,230,854
			9,513,834		9,903,921

Approved by the Trustees
and signed on their behalf by:

Sr Elaine Penrice

Trustee Sr Elaine Penrice

Approved on: 22/08/2024

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(425,281)	(501,521)
Cash flows from investing activities:			
Bank interest received		83,026	3,296
Purchase of tangible fixed assets		(54,728)	(59,657)
Disposal of tangible fixed assets		3,050	8,385,000
Purchase of investments		(3,999,921)	—
Net cash (used in) provided by investing activities		(3,968,573)	8,328,639
Cash flows from financing activities:			
Cash outflows from repayment of borrowings		(884,387)	(926,957)
Net cash (used in) provided by financing activities		(884,387)	(926,957)
Change in cash and cash equivalents in the year		(5,278,241)	6,900,161
Cash and cash equivalents at 1 January 2023	B	7,190,229	290,068
Cash and cash equivalents at 31 December 2023	B	1,911,988	7,190,229

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net expenditure to net cash used in operating activities

	2023 £	2022 £
Net expenditure (as per the statement of financial activities)	(390,087)	5,415,103
Adjustments for:		
Depreciation charge	105,271	139,696
Interest receivable	(99,647)	(3,296)
Gain on disposal of tangible fixed assets	(2,800)	(6,088,729)
Loss on disposal of tangible fixed assets	437	38,899
Decrease (increase) in stocks	18,049	(3,627)
(Increase) decrease in debtors	(8,007)	11,755
Decrease in creditors	(48,497)	(11,322)
Net cash used in operating activities	(425,281)	(501,521)

B Analysis of changes in net debt

	2022 £	Cash flows £	2023 £
Cash and cash equivalents			
Cash at bank and in hand	7,190,229	(5,278,241)	1,911,988
Borrowings			
Loans due within one year	(884,387)	884,387	—
Total cash and cash equivalents net of borrowings	6,305,842	(4,393,854)	1,911,988

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2023 with comparative information provided in respect to the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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

The accounts are presented in sterling and are rounded to the nearest pound.

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:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve; and
- ◆ The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

The Trustees are of the opinion that the charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead in respect of current macroeconomic challenges exacerbated by the ongoing fragile geopolitical climate, they are of the opinion that, following the property disposals in 2022 and subsequent investment of the majority of the proceeds, the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from donations, bank interest, charitable activities and other income being the gain on the disposal of tangible fixed assets and foreign exchange gains.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

A gain (or loss) on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The gain (or loss) is recognised at the time when legal completion of the sale takes place.

See "foreign currencies" below for details relating to foreign exchange gains and losses.

Services provided by members of the Congregation

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- | | |
|-----------------------------------|---------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Fixtures and fittings | 10% per annum |
| ◆ Computer software and equipment | 20% per annum |
| ◆ Motor vehicles | 20% per annum |

No depreciation has been charged on refurbishment works until these are complete.

Tangible fixed assets (continued)

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

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

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The charity's investments are currently held as cash instruments within liquidity funds.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than 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.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2023 £	2022 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	32,312	36,636
Legacies	—	26,765
Donations	9,085	17,148
	41,397	80,549

2 Bank interest

	2023 £	2022 £
Interest receivable	99,647	3,296

3 Communications media income

	2023 £	2022 £
Turnover from trading activities	701,179	679,664
Royalties and copyright income	—	95
	701,179	679,759

4 Spreading the Gospel through communications media

	2023 £	2022 £
Costs of goods sold	405,376	383,117
Community living and personal expenses	402,653	187,973
Support costs (note 5)	457,076	644,619
	1,265,105	1,215,709

5 Support costs

	2023 £	2022 £
Staff costs (note 8)	137,971	130,680
Depreciation	105,271	139,696
Book centre and office expenses	197,084	359,273
Governance costs (note 6)	16,750	14,970
	457,076	644,619

6 Governance costs

	2023 £	2022 £
Auditor's remuneration	16,750	14,970

7 Net expenditure and net movement in funds

This is stated after charging:

	2023 £	2022 £
Staff costs (note 8)	137,971	130,680
Auditor's remuneration		
. Statutory audit services	16,750	14,970
Rentals under operating leases	4,500	3,375
Depreciation	105,271	139,696

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	135,004	126,833
Social security costs	218	1,246
Other pension costs	2,749	2,601
	137,971	130,680

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2023 FTE	2022 FTE	2023 Average number	2022 Average number
Charitable activities				
. Spreading the Gospel through communications media	6	7	12	13

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2022 – none).

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2022 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2023	3,716,267	405,775	51,134	27,365	4,200,541
Additions	11,625	20,363	3,522	19,218	54,728
Disposals	—	—	(809)	(4,893)	(5,702)
At 31 December 2023	<u>3,727,892</u>	<u>426,138</u>	<u>53,847</u>	<u>41,690</u>	<u>4,249,567</u>
At historic cost	3,578,632	426,138	53,847	41,690	4,100,307
At deemed cost (1997 valuation)	149,260	—	—	—	149,260
	<u>3,727,892</u>	<u>426,138</u>	<u>53,847</u>	<u>41,690</u>	<u>4,249,567</u>
Depreciation					
At 1 January 2023	340,395	229,744	45,841	27,107	643,087
Charge for the year	74,504	25,897	2,690	2,180	105,271
Disposals	—	—	(122)	(4,893)	(5,015)
At 31 December 2023	<u>414,899</u>	<u>255,641</u>	<u>48,409</u>	<u>24,394</u>	<u>743,343</u>
Net book values					
At 31 December 2023	<u>3,312,993</u>	<u>170,497</u>	<u>5,438</u>	<u>17,296</u>	<u>3,506,224</u>
At 31 December 2022	<u>3,375,872</u>	<u>176,031</u>	<u>5,293</u>	<u>258</u>	<u>3,557,454</u>

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefit to users of the accounts.

11 Investments**Cash investments**

	2023 £	2022 £
At 1 January 2023	—	—
Additions	3,999,921	—
At 31 December 2023	<u>3,999,921</u>	<u>—</u>

12 Stocks

	2023 £	2022 £
Finished goods and goods for resale	162,965	181,014

13 Debtors

	2023 £	2022 £
Trade debtors	21,822	20,580
Other debtors	6,103	623
Prepayments and accrued income	64,305	46,399
	92,230	67,602

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Loan from the Congregation's General Government	—	884,387
Other amounts due to the Congregation's General Government	48,130	70,591
Expense creditors	41,569	65,080
Other creditors and accruals	50,115	53,535
Deferred income	19,680	18,785
	159,494	1,092,378

	2023 £	2022 £
Deferred income		
Deferred income at 1 January 2023	18,785	17,865
Released during the year	(3,620)	(3,705)
Resources deferred during the year	4,515	4,625
Deferred income at 31 December 2023	19,680	18,785

Deferred income consists of gift vouchers that have yet to be redeemed of £19,680 (2022 – £18,785).

15 Tangible fixed assets fund

	Total 2023 £	Total 2022 £
At 1 January 2023	2,673,067	4,161,314
Net movement in tangible fixed assets in the year	(51,230)	(2,415,204)
Add: Repayment of loan towards the purchase of property	884,387	926,957
At 31 December 2023	3,506,224	2,673,067

16 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2023 £	New designations £	Transferred to general fund £	At 31 December 2023 £
Retirement fund	4,000,000	—	—	4,000,000

16 Designated fund (continued)

	At 1 January 2022 £	New designations £	Transferred to general fund £	At 31 December 2022 £
<i>Retirement fund</i>	—	4,000,000	—	4,000,000

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the longer term.

17 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	—	—	3,506,224	3,506,224
Investments	—	3,999,921	—	3,999,921
Current assets	2,167,104	79	—	2,167,183
Creditors: amounts falling due within one year	(159,494)	—	—	(159,494)
Total net assets	2,007,610	4,000,000	3,506,224	9,513,834
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	—	—	3,557,454	3,557,454
Current assets	3,438,845	4,000,000	—	7,438,845
Creditors: amounts falling due within one year	(207,991)	—	(884,387)	(1,092,378)
Total net assets	3,230,854	4,000,000	2,673,067	9,903,921

18 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 5% of their gross salary to the plan (before tax relief: effectively 4%), which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £2,749 (2022 – £2,601).

19 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the Trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

20 Related party transactions

Transactions with the Congregation's Generalate

La Casa Generalizia del Istituto Pia Societa Figlie di San Paolo, (The Generalate of the Institute of the Pious Society of the Daughters of Saint Paul), based in Rome, is the legal entity representing the canonical governing body of the worldwide Congregation of the Daughters of Saint Paul, the ultimate controlling entity described in note 19. As such, the Congregation's Generalate is considered to be a related party of the charity.

During the year, the charity incurred costs of £2,227 (2022 – £3,315) in relation to stock purchases from the Generalate and made contributions to the Generalate of £14,586 (2022 – £16,077), which includes an adjustment for the estimated contribution accrued in the prior year. The charity also contributed £16,104 (2022 – £nil) to the Generalate in respect of UK pension receipts for sisters who are now resident in Italy.

The charity also transferred £200,000 to the Generalate to provide care and funeral services for the three sisters that moved there in the year.

At the year end, an amount of £48,130 (2022 – £70,591) was owed to the Generalate.

Additionally, as at 31 December 2022, a loan of £884,387 was repayable to the Generalate by the charity. This loan was fully repaid during the year ended 31 December 2023.

Transactions with the charity's trustees and connected persons

Income from donations and legacies includes the salaries and pensions of certain Trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2023, the total value of these receipts amounted to £13,637 (2022 – £12,988).

Other donations made by the trustees to the charity during the year amounted to £500 (2022 – £nil).

During the year, the charity made donations of £1,000 (2022 – £nil) to assist with medical care for a relative of a trustee, Sister Mary Ann Salvilla.

Other transactions with Trustees are disclosed in note 8.

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales - Charity number 296042

Accounts

The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2022

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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Reference and administrative details of the charity, its Trustees and advisers

Trustees	Sister Angela Grant fsp (<i>Delegate Superior</i>) Sister Gregoria Mignolli fsp (<i>resigned May 2022</i>) Sister Elaine Penrice fsp Sister Mary Ann Salvilla fsp (<i>Bursar</i>) Sister Florence Wahome fsp (<i>appointed May 2022</i>)
Council	Sister Angela Grant fsp Sister Lalaine Lilio fsp Sister Elaine Penrice fsp Sister Florence Wahome fsp
Principal office	84 Church Street Liverpool L1 4AY
Telephone	0151 709 1328
Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough SL1 4SG

Reference and administrative details of the charity, its Trustees and advisers

Solicitors

Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

J McSparran & McCormick
19 Waterloo Street
Glasgow
G2 6AH

Property consultants

Gerald Eve LLP
One Fitzroy
6 Mortimer Street
London
W1T 3JJ

and at

140 West George Street
Glasgow
G2 2HG

Insurance consultants

Marsh Commercial
39 Kings Hill Avenue
West Malling
Maidstone
Kent
ME19 4ER

The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2022. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 33 of this document and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

At the end of 2022, the Daughters of St Paul numbered 1,908 sisters throughout 50 countries composed of 208 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 26 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Books & Media ensures that, at all times, it is acting in the public benefit and the Trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Books & Media Centres are open to the public for prayer and masses. In view of public benefit and a culture of education, Pauline Books & Media seek to provide resources and occasions of encounter to help all people grow in faith and peace. Pauline Books & Media also sends products to the Congregation's communities in poorer countries for distribution in schools and parishes.

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, social media and developments in technology, they avail themselves of these new means and appreciate the interest and feedback they receive from the public.

Objectives, activities and relevant policies

Vocations Ministry

Discovering what to do with your life is one of the many challenges young adults have to work at these days. The pressures of modern-day life can leave many people hesitant to make some of the most satisfying but daunting life-decisions. The Daughters of St Paul work with the local church to help such young people feel supported and guided in this important time of their lives.

www.pauline-uk.org and www.paulinemission.org

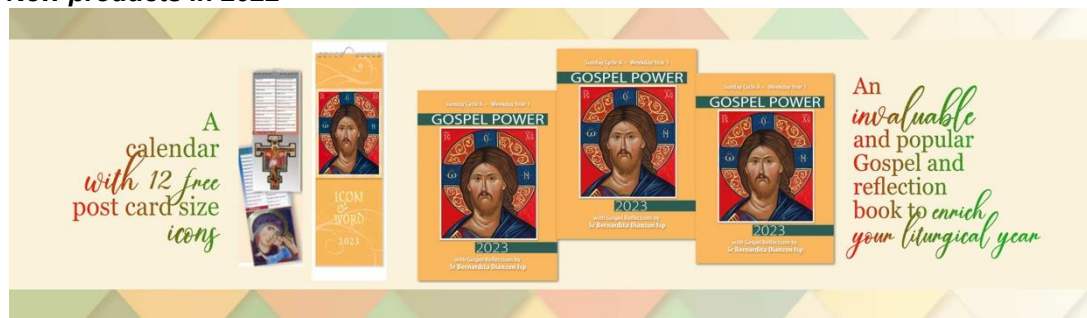
The Pauline Books & Media website is a sector of the Daughters of St Paul's mission which has seen some growth in recent years. The website is that space where the sisters have the opportunity to support those who are not able to come into the high street book and pastoral centres. Besides providing products for purchase, the website has the facility to accept prayer-requests as well as providing the general public with information about the Daughters of St Paul. Pauline Books & Media continues to invest resources into improving the sisters' outreach through online engagement with clients and patrons.

Activities: Pauline Books & Media

Throughout 2022, the charity's activities have been carried out at 5 locations throughout the UK: Slough, London, Liverpool, Newcastle, and Glasgow. The primary way it has continued to serve the people of the UK has been through its Pauline Books & Media book websites, alongside the book centres on the high street.

Pauline Books & Media productions are resources sourced or commissioned and distributed by the charity in order to support local communities in their faith journey and in their educational programmes. Products developed by the sisters are one of the main ways in which they carry out their mission and objectives, as well as being one of their primary sources of income which is used wholly to support the objectives of the charity.

New products in 2022

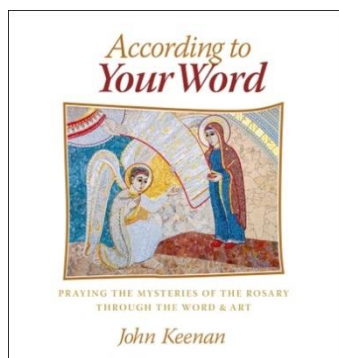


We have, for many years, produced our Icon & Word Calendar, with beautiful icons representing artists from many different parts of the world. We are pleased to have the opportunity to promote the work also of our Ukrainian friends through our publications. Our small contribution to this collaborative relationship will bring awareness and support to the difficult times the Ukrainian people are suffering currently.

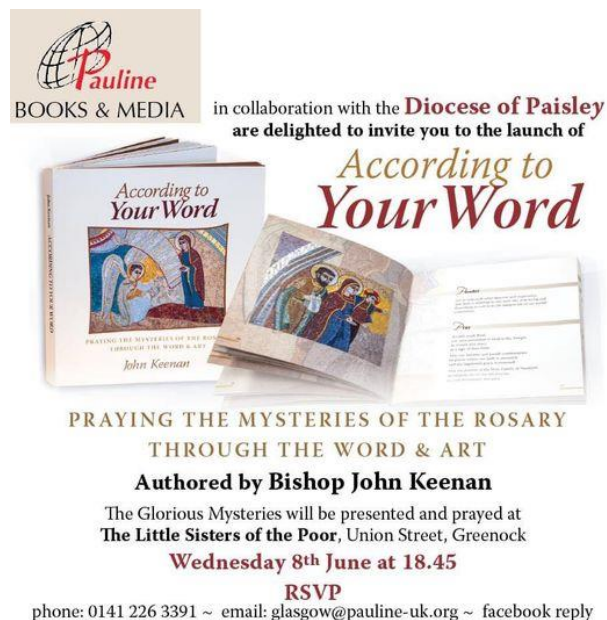
Objectives, activities and relevant policies (continued)

New products in 2022 (continued)

We also collaborated with our sisters in the Philippines to bring Gospel Power to the UK audience, providing daily spiritual commentary on sacred scripture. This is a much-anticipated product and was so highly a sought-after publication that there was pressing demand to expand the print-run, to avoid leaving customers disappointed.



Pauline Books & Media were proud to collaborate with Bishop John Keenan of Paisley Diocese in Scotland, in publishing a new Rosary Meditation book, specifically tailored to our times and our nations here in the UK, whilst still appealing to our international patrons.



Pauline Book & Media Centres

London

Our Pauline Books & Media outlet is a small continuing presence serving our London patrons in collaboration with the parish of Our Lady of Victories Catholic Church in Kensington. The small space at the entrance of the church was formally the parish repository, and with the kind support of the parish priest and the parishioners, we will continue to provide means of ongoing formation and evangelisation in London.

At the beginning of November 2022, the community who served the London and south region were finally able to move into their new accommodation in Slough. This has drawn to a close the long period of uncertainty. With the new settled status of the community of three sisters, we hope that this can mark a new time of creativity in our apostolate and mission.

Objectives, activities and relevant policies (continued)

Pauline Book & Media Centres (continued)

Liverpool

The Liverpool book centre at 84 Church Street, close to the heart of the commercial city, is in easy walking distance from the Central and Lime Street Stations. The community of sisters has been working hard to welcome visitors from all over the world, through the physical store as well as through the distribution warehouse and the central office of the Pauline Books & Media website.



Pauline Books & Media supports local authors and the local community.

Objectives, activities and relevant policies (continued)

Pauline Book & Media Centres (continued)

Newcastle



Pauline Book & Media is not confined by traditional outreach locations, but frequently visits local Churches and conference centres to make our services reach as many people as possible.



The staff working at the Book Centre by Newcastle Cathedral have dedicated themselves to welcome visitors as always. All our Pauline Books & Media Centres are wheelchair accessible so to provide services to our whole community.

Objectives, activities and relevant policies (continued)

Pauline Book & Media Centres (continued)

Newcastle (continued)

The Newcastle book centre organised a travelling crib, to animate their local community in the run-up to Christmas, building up community through mutual support and prayer by a visiting Christmas Nativity Scene.



Glasgow

Pauline Books & Media in Glasgow has been working hard throughout the year to welcome friends young and old, not only to our everyday services, but to many special events throughout the year, building community and reaching out to customers throughout Scotland.



**Pause... for an
Advent Prayer for Peace**
every Wednesday and Friday
at 11.45 am
Enjoy a complimentary tea or coffee afterwards

You are also welcome to call in
and listen for a few songs or more
while Primary School choirs sing
Christmas carols and songs
with children from Motherwell Diocese

Thursday 8th December
Starting at 11.30 until 13.30

Saturday 10th December
The Nativity story in song
&
festive songs
with children from Glasgow Archdiocese
(singing from 1 pm until 2.30)

A collage of three photographs showing children and adults in a library setting. The top photo shows a group of children and adults. The middle photo shows a group of children. The bottom photo shows a group of children singing.

Warehouse & www.pauline-uk.org

The mission activities in the Pauline Books & Media warehouse and shipping department continue to be in high demand. With the reduction in footfall on the high street and the ongoing financial challenges within our communities, online and telephone sales continued to attract customers. The sisters working in the warehouse have been maintaining service, whilst negotiating onerous changes to the shipping requirements imposed by the Post Office and other international shipping services. The warehouse management is working hard to distribute our products by offering special discounts to trade customers and bulk purchasers.

Objectives, activities and relevant policies (continued)

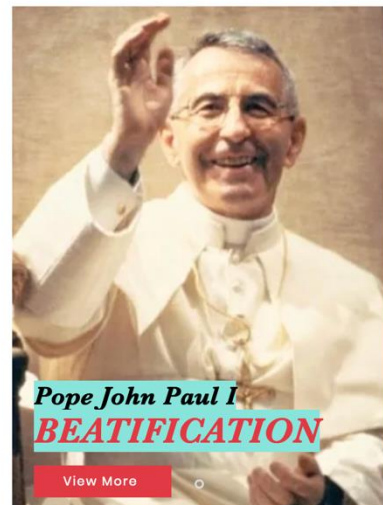
www.paulinemission.org

The Pauline Mission website, which runs alongside the commercial website has continued to address pertinent topics of the day, providing free content and information to our patrons.

Events

Bringing you the latest about Pauline Books & Media!

This is your space. It is a great opportunity for us to bring to you important upcoming events that you may want to know about or participate in. It could be an in-person event like a conference, book launch or virtual events. Stay with us.



Bishop Keenan **BOOK LAUNCH**

On Tuesday 8th June Bishop John Keenan of Paisley diocese launches his new book ACCORDING TO YOUR WORD: Praying the Mysteries of the Rosary through

Social media

Our social media presence is also an important part of our efforts to build community, so our channels have continued to be dedicated to the same mission as our other apostolic activities, for example promoting diversity and inclusion through our particular way of doing mission.

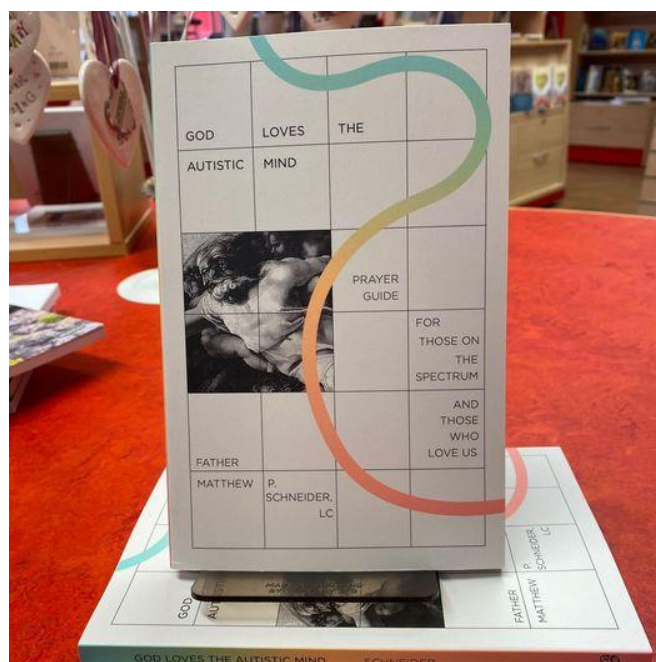
Objectives, activities and relevant policies (continued)

General Government and British Delegation

During their meetings, the Trustees reflect on governance issues including the "Relationship with our Generalate in Rome". In view of the expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul, is made up of 17 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, Philippines, Scotland and the USA. The Trustees are Sister Angela Grant fsp, (Chair), Sister Mary Ann Salvilla fsp (Bursar), Sister Elaine Penrice fsp (Secretary) and Sister Florence Wahome fsp. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Chair, Sister Angela Grant, keeps up to date with announcements and publications from the Charity Commission in England and Wales and the Office of the Scottish Regulator to ensure that the Trustees comply with all legal and regulatory requirements.



Looking to the future

Mapping a way forward

The Trustees of the charity have worked to plan ways forward, which will sustain the charity's work in the near future:

The Trustees had obtained permission from the General Government of the Daughters of St Paul, to sell some properties and purchase other new properties, in view of reorganising the mission and communities. This had the additional effect of releasing some funds which are being used to complete the refurbishment of properties and begin to pay off loans taken from the General Government procured for the purposes of the redesigning projects.

In 2022 we sold two of our properties. Our property at Middle Green, Langley in Berkshire was sold to another charity. The funds obtained from the sale contributed towards beginning to clear the debt incurred in establishing and renovating our apostolic and community presence in Liverpool. This move included the acquisition of the new Church Street apostolic centre and the second community property in Liverpool.

Objectives, activities and relevant policies (continued)

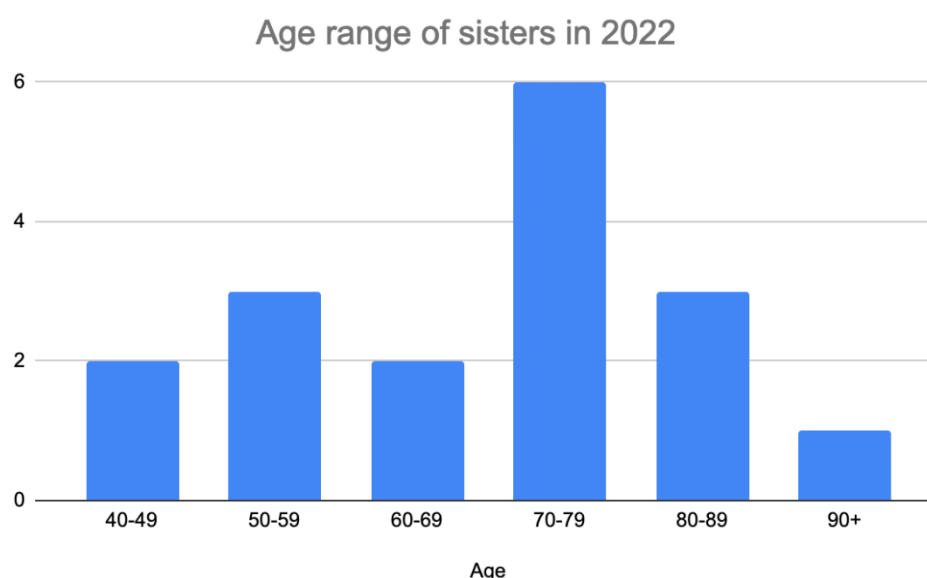
Looking to the future (continued)

Mapping a way forward (continued)

The second property sold was the establishment at 199 Kensington High Street, London. The sum obtained from this sale was reduced towards the end of the transaction, a direct result of the fluctuating circumstances brought about by the uncertainty in the financial markets due to the disconcerting government instability in the second half of 2022.

With the current financial climate in the UK, and the responsibility to care and provide for the members of the religious community who have been entrusted with the mission and activities of the institute, there is a recognisable financial challenge that is only being sustained by the good stewardship of preceding decades. This, however, has become increasingly difficult, compounded by the reality that the average age of the sisters is 69.47 years. Of 19 members, only 7 are below the age of 70. This personnel situation has little prospect of amelioration in the short or medium term.

In 2022 we relocated two of our elderly sisters to their home nations for ongoing professional care in a safe environment which supports their religious life. This has a financial impact on the charity because of the loss of their pension income, and at the same time the charity continues to contribute towards their needs. Provision for eventual funerals is also being allocated.



Presently, there are 4 sisters who are responsible for leadership and management of the charity, all of whom carry out other responsibilities in the mission. The community leader is overseeing the direction and management of all locations, the board of advisers, and frequently supports mission activities throughout the UK.

All sisters make some practical contribution to the life and mission of the Congregation, including the ministry of prayer, welcoming and hospitality. Besides this, the all the sisters who can work in the diffusion mission do so according to their abilities. Because of diminishing numbers and increasing average age, these sisters have multiple responsibilities.

Objectives, activities and relevant policies (continued)

Reorganising Delegation of Great Britain

The ongoing work and deliberation of mapping out the future of the charity in the UK has moved to a new stage, where the selling of properties and the purchase or renting of new properties has been settled. Considerable investment of time and financial resources has been used to secure the charity for the medium and long-term. The next stage of the redesigning process is finding the new rhythm of the apostolic centres to ascertain the personnel needs of each centre. There are plans to find new employees to support the ongoing work of the charity.

Advisors

In consideration of the challenges of the present time, this year the Trustees have established a panel of four external advisers who represent a breadth of experience from financial, business and religious backgrounds. Besides these, the Trustees have also been consulting with Gerard Eve LLP (real estate advisors) and with Buzzacott LLP.

The aforementioned advisors have been consulted regarding their expertise in investment, sustainability and property management, with a view as to how to better prepare the charity to move securely into the future.

Safeguarding

The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS). The sisters are offered periodic updating on safeguarding training and the Trustees ensure that both sisters and employees are reminded of their rights and responsibilities in this regard.

Trustee meetings are careful to address safeguarding matters when they gather, and Trustees are informed about any matters of concern that may arise.

General Data Protection Regulation (GDPR)

The Trustees took note of the Data Protection Act 2018 which replaced the Data Protection Act 1998. They hold a copy of the summary guide to GDPR compliance in the UK. They also have a copy of "GDPR: 12 answers for Religious Orders" (Stone King LLP) and the Brochure on Retention of Accounting Records (Buzzacott LLP).

Reserves Policy

Our Reserves Policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The aim is to ensure that the general fund comprises between 25% and 50% of forecast annual operating expenditure. The retirement fund is reviewed annually with the Trustees taking advice on the minimum amount required per person, in accordance with changes to the average retirement period, the cost of living and changes to the demographics of the Congregation.

Objectives, activities and relevant policies (continued)

Year-end accounts

The Trustees reviewed the 2022 year end accounts. They are aware of the overall decline in income over the past years and are seeking advice as to how to respond best to the challenge.

Fundraising

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022, the charity received no complaints about its fundraising activities.

Financial review

Results for the year

Total income for the year amounted to £6,890,403 (2021 – £766,975), which included gains on the sale of two properties amounting to £5,974,084 (2021 – £nil). Excluding gains on the disposal of fixed assets, total income for the year amounted to £916,319 (2021 – £766,975). Of the total income, £679,759 (2021 – £509,396) was derived from the charity's primary purpose trading activities. The increase reflects the full lifting of the Coronavirus lockdown restrictions during 2022 and the return of customers to the charity's shops.

Total expenditure for the year amounted to £1,475,300 (2021 – £1,109,130). Of this total, £1,215,709 (2021 – £1,037,652) was directly related to the costs of the charity's primary purpose trading activities. As with income from charitable activities, the increase in charitable expenditure reflects the removal of lockdown restrictions and full return of customers to the charity's shops.

Net income for the year was £5,415,103 (2021 – net expenditure was £342,155). However, excluding gains on the disposal of fixed assets, the charity's net expenditure for the year was £673,626 (2021 – £342,155).

Reserves policy

Our reserves policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. Our policy is to strive to achieve a position where the general fund should comprise between 25% and 50% of forecast annual operating expenditure.

Financial review (continued)

Financial position

The balance sheet shows total funds of £9,903,921 (2021 – £4,488,818).

Of this, £2,673,067 (2021 – £4,161,314) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters minus the value of the loan from the Congregation's General Government of £884,387 (2021 – £1,811,344) to help finance the purchase of property.

The disposal proceeds from the sales of the charity's properties in Kensington and Slough have allowed the trustees to set aside £4,000,000 at 31 December 2022 as a designated retirement fund to provide care and support for the sisters in the long term.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £3,230,854 at 31 December 2021 (2021 – £327,504). Whilst the level of free reserves is currently in excess of the reserves policy, the trustees are aware that the charity is likely to incur deficits in the next few years and the excess in the fund will therefore be required to cover these shortfalls.

Principal risks and uncertainties

The Trustees have developed plans to guard the sustainability of the charity's work in the near future and the sisters continue to work on new products for sale through Pauline Books & Media. Pauline Books & Media is currently developing best practice in regard to the future mission of the charity.

The Trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated.

Competition from large scale retailers

In common with many other businesses, competition from larger retailers, particularly those with an online presence such as Amazon, contributes to a decline in revenues for Pauline Books & Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in different locations across the UK. The Trustees are hopeful that developing the charity's websites will help it to better compete online going forward.

Principal risks and uncertainties (continued)

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members at 31 December 2022 was 69.47 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Medium to long term financial performance

As noted in the financial review above, the proceeds from the disposal of two properties during the year have increased the charity's available resources and allowed for the designation of a significant retirement reserve to provide for the longer-term care of the sisters of the Congregation. However, the charity's recurring deficits, driven by the competition described above, remain a concern in the medium to longer term and the trustees continue to consider options to manage this issue in the longer term.

Loss of key staff

The people who work for the charity are a key resource and the charity is reliant on a small number of key individuals, including its bookshop managers and administrative support staff. In particular, the loss of bookshop managers is a significant risk for stores if a successor within a store's existing body of staff has not been identified and appropriately trained. Should book store managers resign, the absence of a successor may lead to operational disruption until a new manager can be trained or hired in, which may be compounded by difficult recruitment markets. Such an eventuality would place an additional burden on the sisters.

Wherever possible, the charity will aim to enable staff to develop their skills and knowledge so as to attract and retain the right people and to build into contracts of employment notice periods that provide some protection to the charity. The charity will also investment time in succession planning for managerial roles in its book stores.

Governance, structure and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation following a consultation of the members of the British Delegation.

Governance, structure and management (continued)

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2022.

Trustee	Appointed/ resigned
Sister Angela Grant fsp (Delegate Superior)	
Sister Gregoria Mignolli fsp	(Resigned May 2022)
Sr Florence Wahome fsp	(Appointed May 2022)
Sister Elaine Penrice fsp (Secretary)	
Sister Mary Ann Salvilla fsp (Bursar)	

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious in England & Wales, Conference of Religious in Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars. In planning activities, the Trustees keep in mind at all times the Charity Commission's guidance on Public Benefit.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;

Governance, structure and management (continued)

Statement of Trustees' responsibilities (continued)

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch;
- ◆ Graphic design: an in-house origination and design service for new products, web pages and advertising;
- ◆ Wholesale sales at Liverpool: a warehouse operation, serving wholesale and retail outlets, Church, and educational establishments.
- ◆ Retail sales: the retail operation of the Pauline Books & Media Centres in London, Liverpool, Newcastle upon Tyne and Glasgow;
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions;
- ◆ Central administration: secretarial, accounting, finance and computer services;
- ◆ Website www.pauline-uk.org; and www.paulinemission.org
- ◆ Communities' administration of the religious and private lives of the sisters.

Governance, structure and management (continued)

Structure and management reporting (continued)

The Trustees hold regular meetings throughout the year and examine the Trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. All Trustees' meetings are held at the Pauline Books Media Centre, 84 Church Street, Liverpool L1 3AY. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Members of the Delegation

At the end of 2022 there were 17 sisters in the British Delegation who live as part of 3 communities; 1 in Slough and 2 communities in Liverpool.

The average age of the sisters in 2021 was 69.47 years. The sisters do not receive a wage for their services. They continue to serve the Lord joyfully and in a spirit of prayer and in view of the common good. They use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments. Care for the elderly sisters and sick members of the Delegation is a priority for the Trustees.

Employees

The charity employs 12 part-time employees:

- ◆ 1 person in accounts / administration.
- ◆ 11 persons to assist in the various retail/distribution services in the 5 locations.

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Governance, structure and management (continued)

Employees (continued)

Pauline Books & Media is required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment. The scheme, for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Books & Media remains committed to adhering to the ongoing requirements governing automatic enrolment.

Signed on behalf of the Trustees:

Trustee Sister Angela Grant

Approved on: 21st June 2023

Independent auditor's report to the members of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and representatives from the trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and Regulations made under that Act; the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with section 44 (l)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

13 July 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds	
		2022 £	2021 £
Income from:			
Donations	1	80,549	82,655
Bank interest	2	3,296	19
Charitable activities			
. Communications media income	3	679,759	509,396
Other sources			
. Gain on disposal of tangible fixed assets	10	5,974,084	200
. Foreign exchange gains		152,715	152,282
. Coronavirus Job Retention Scheme funding		—	22,423
Total income		6,890,403	766,975
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	1,215,709	1,037,652
Other items			
. Loss on disposal of tangible fixed assets	10	38,899	—
. Foreign exchange losses		220,692	71,478
Total expenditure		1,475,300	1,109,130
Net income (expenditure) and net movement in funds	7	5,415,103	(342,155)
Reconciliation of funds			
Total funds brought forward at 1 January 2022		4,488,818	4,830,973
Total funds carried forward at 31 December 2022		9,903,921	4,488,818

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	10		3,557,454		5,972,658
Current assets					
Stocks	11	181,014		177,387	
Debtors	12	67,602		79,357	
Cash at bank and in hand		7,190,229		290,068	
		7,438,845		546,812	
Liabilities:					
Creditors: amounts falling due within one year	13	(1,092,378)		(2,030,652)	
Net current assets (liabilities)			6,346,467		(1,483,840)
Total net assets			9,903,921		4,488,818
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	14	2,673,067			4,161,314
. Designated funds	15	4,000,000			—
. General fund		3,230,854			327,504
		9,903,921			4,488,818

Approved by the Trustees
and signed on their behalf by:

Trustee Sister Angela Grant

Approved on: 21st June 2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(501,521)	(515,095)
Cash flows from investing activities:			
Bank interest received		3,296	19
Purchase of tangible fixed assets		(59,657)	(979,150)
Disposal of tangible fixed assets		8,385,000	200
Net cash provided by (used in) investing activities		8,328,639	(978,931)
Cash flows from financing activities:			
Cash inflows from new borrowing		—	661,252
Cash outflows from repayment of borrowings		(926,957)	—
Net cash (used in) provided by financing activities		(926,957)	661,252
Change in cash and cash equivalents in the year		6,900,161	(832,774)
Cash and cash equivalents at 1 January 2022	B	290,068	1,122,842
Cash and cash equivalents at 31 December 2022	B	7,190,229	290,068

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net expenditure to net cash used in operating activities

	2022 £	2021 £
Net expenditure (as per the statement of financial activities)	5,415,103	(342,155)
Adjustments for:		
Depreciation charge	139,696	136,271
Interest receivable	(3,296)	(19)
Gain on disposal of tangible fixed assets	(6,088,729)	(200)
Loss on disposal of tangible fixed assets	38,899	—
Decrease in stocks	(3,627)	69,829
Decrease in debtors	11,755	68,517
Decrease in creditors	(11,322)	(447,338)
Net cash used in operating activities	(501,521)	(515,095)

B Analysis of changes in net debt

	2021 £	Cash flows £	2022 £
Cash and cash equivalents			
Cash at bank and in hand	290,068	6,900,161	7,190,229
Borrowings			
Loans due within one year	(1,811,344)	926,957	(884,387)
Total cash and cash equivalents net of borrowings	(1,521,276)	7,827,118	6,305,842

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2022 with comparative information provided in respect to the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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

The accounts are presented in sterling and are rounded to the nearest pound.

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:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve; and
- ◆ The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

The financial impact of the Coronavirus pandemic on the charity's income was significant because of the need to close the bookshops during the national lockdowns. During this period, income was reduced to donations, income from the stipend of a sister working for the national church, and the income from sales on the Pauline Books & Media website.

Savings were made, however, chiefly due to the furloughing of staff and reduced overheads arising from book centre closures. A positive impact on cash flow arose due to the inability of the charity, in many cases, to purchase new stock for the book centres (with suppliers often closed for business too). Savings were made, by reducing community expenses to essentials.

The re-opening of Pauline Books & Media centres has resulted in income increasing albeit not to pre-pandemic levels. Inevitably, costs have also risen and there has been increased pressure on gross margins. The downward trend is likely to be exacerbated by:

- ◆ the macroeconomic and geopolitical climate and the resultant inflationary pressures – particularly on utility bills and salaries;
- ◆ increased unemployment within communities served by the book centres;
- ◆ continuing concerns over the transmission of Covid-19 and the safety of the High Street in general;
- ◆ a change of routine and purchasing habits. Consumers will have become accustomed to online shopping and footfall is not expected to return to pre-pandemic levels.

In light of this, the Trustees have taken the following action:

- ◆ Purchased another house in Liverpool that is better suited to the needs of the older sisters. Liverpool provides both for a more affordable location and proximity to the main mission centre of the Daughters of St Paul.

The Trustees have also:

- ◆ Disposed of the property at Langley, Slough. This sale completed on 20 June 2022 with the gross proceeds being £3,735,000;
- ◆ Disposed of the property in Kensington, London. This sale completed on 10 November 2022 with gross proceeds being £4,650,000.
- ◆ Found a new non-retail base in London to maintain the Sisters' mission presence in the capital.

Assessment of going concern (continued)

Therefore, the Trustees are of the opinion that the charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that, following the property disposals, the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from donations, bank interest, charitable activities and other income being the gain on the disposal of tangible fixed assets, foreign exchange gains and income from the Coronavirus Job Retention Scheme.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

A gain (or loss) on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The gain (or loss) is recognised at the time when legal completion of the sale takes place.

Income in connection with the Coronavirus Job Retention Scheme and income in respect to Local Government support grants for Covid-19 is recognised as income in the period in which the charity is entitled to the income, the amount of income can be measured reliably and it is probable that the income will be received.

See "foreign currencies" below for details relating to foreign exchange gains and losses.

Services provided by members of the Congregation

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure recognition (continued)

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- | | |
|-----------------------------------|---------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Fixtures and fittings | 10% per annum |
| ◆ Computer software and equipment | 20% per annum |
| ◆ Motor vehicles | 20% per annum |

Tangible fixed assets (continued)

No depreciation has been charged on refurbishment works until these are complete.

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than 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.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Principal accounting policies 31 December 2022

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2022 £	2021 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	36,636	47,198
Donations	43,913	35,457
	80,549	82,655

2 Bank interest

	2022 £	2021 £
Interest receivable	3,296	19

3 Communications media income

	2022 £	2021 £
Turnover from trading activities	679,664	509,372
Royalties and copyright income	95	24
	679,759	509,396

4 Spreading the Gospel through communications media

	2022 £	2021 £
Costs of goods sold	383,117	322,489
Community living and personal expenses	187,973	102,242
Property repairs	—	61,680
Support costs (note 5)	644,619	551,241
	1,215,709	1,037,652

5 Support costs

	2022 £	2021 £
Staff costs (note 8)	130,680	131,881
Depreciation	139,696	136,271
Book centre and office expenses	359,273	268,599
Governance costs (note 6)	14,970	14,490
	644,619	551,241

6 Governance costs

	2022 £	2021 £
Auditor's remuneration	14,970	14,490

7 Net income (expenditure) and net movement in funds

This is stated after charging:

	2021 £	2020 £
Staff costs (note 8)	130,680	186,383
Auditor's remuneration		
. Statutory audit services	14,970	14,410
Rentals under operating leases	3,375	4,500
Depreciation	139,696	163,397

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	126,833	127,479
Social security costs	1,246	982
Other pension costs	2,601	3,420
	130,680	131,881

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2022 FTE	2020 FTE	2022 Average number	2021 Average number
Charitable activities				
. Spreading the Gospel through communications media	7	7	13	13

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2021 – none).

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2021 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	7,688,097	701,008	465,600	34,565	8,889,270
Additions	52,808	6,040	809	—	59,657
Disposals	(3,871,748)	(454,163)	(415,275)	(7,200)	(4,748,386)
Reclassification	(152,890)	152,890	—	—	—
At 31 December 2022	<u>3,716,267</u>	<u>405,775</u>	<u>51,134</u>	<u>27,365</u>	<u>4,200,541</u>
At historic cost	3,567,007	405,775	51,134	27,365	4,051,281
At deemed cost (1997 valuation)	149,260	—	—	—	149,260
	<u>3,716,267</u>	<u>405,775</u>	<u>51,134</u>	<u>27,365</u>	<u>4,200,541</u>
Depreciation					
At 1 January 2022	1,809,196	618,178	457,549	31,689	2,916,612
Charge for the year	106,681	26,830	3,567	2,618	139,696
Disposals	(1,575,482)	(415,264)	(415,275)	(7,200)	(2,413,221)
At 31 December 2022	<u>340,395</u>	<u>229,744</u>	<u>45,841</u>	<u>27,107</u>	<u>643,087</u>
Net book values					
At 31 December 2022	<u>3,375,872</u>	<u>176,031</u>	<u>5,293</u>	<u>258</u>	<u>3,557,454</u>
At 31 December 2021	<u>5,878,901</u>	<u>82,830</u>	<u>8,051</u>	<u>2,876</u>	<u>5,972,658</u>

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefit to users of the accounts.

During the year, the charity disposed of two of its freehold properties giving rise to a gain on disposal of £5,974,084 (2021 – £nil). Other tangible fixed assets were disposed of during the year and resulted in an aggregate loss on disposal of £38,899 (2021 – gain of £200).

As at 31 December 2022, the Trustees had authorised, in principle, approximately £30,000 of capital expenditure in respect to the refurbishment of Flat 1/92 Saracen Street, Glasgow. There were no capital commitments as at 31 December 2021.

11 Stocks

	2022 £	2021 £
Finished goods and goods for resale	181,014	177,387

12 Debtors

	2022 £	2021 £
Trade debtors	20,580	22,329
Other debtors	623	12,290
Prepayments and accrued income	46,399	44,738
	67,602	79,357

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Loan from the Congregation's General Government	884,387	1,811,344
Other amounts due to the Congregation's General Government	70,591	51,131
Expense creditors	65,080	86,542
Payments due in respect of tangible fixed assets	—	31,219
Other creditors and accruals	53,535	32,551
Deferred income	18,785	17,865
	1,092,378	2,030,652

14 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 January 2022	4,161,314	3,979,687
Net movement in tangible fixed assets in the year	(2,415,204)	842,879
Add: Repayment of loan towards the purchase of property	926,957	—
Less: Loan towards the purchase of property	—	(661,252)
At 31 December 2022	2,673,067	4,161,314

15 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2022 £	New designations £	Transferred to general fund £	At 31 December 2022 £
Retirement fund	—	4,000,000	—	4,000,000

	At 1 January 2021 £	New designations £	Transferred to general fund £	At 31 December 2021 £
Retirement fund	800,000	—	(800,000)	—

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the longer term.

16 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	—	—	3,557,454	3,557,454
Current assets	3,438,845	4,000,000	—	7,438,845
Creditors: amounts falling due within one year	(207,991)	—	(884,387)	(1,092,378)
Total net assets	3,230,854	4,000,000	2,673,067	9,903,921
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	—	—	5,972,658	5,972,658
Current assets	546,812	—	—	546,812
Creditors: amounts falling due within one year	(219,308)	—	(1,811,344)	(2,030,652)
Total net assets	327,504	—	4,161,314	4,488,818

17 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 5% of their gross salary to the plan (before tax relief: effectively 4%), which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £2,601 (2021 – £3,420).

18 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the Trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

19 Related party transactions

Income from donations includes the salaries and pensions of certain Trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2022, the total value of these receipts amounted to £14,990 (2021 – £17,000). Other transactions with Trustees are disclosed in note 8.

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales - Charity number 296042

Accounts

The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2021

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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Reference and administrative details of the charity, its Trustees and advisers

Trustees	Sister Angela Grant fsp (<i>Delegate Superior</i>) Sister Rosetta (Gregoria) Mignolli fsp (<i>resigned 6 May 2022</i>) Sister Elaine Penrice fsp (<i>appointed January 2019</i>) Sister Mary Ann Salvilla fsp (<i>Bursar, appointed January 2019</i>) Sister Florence Wahome fsp (<i>appointed 16 May 2022</i>)
Council	Sister Angela Grant fsp Sister Lalaine Lilio fsp Sister Elaine Penrice fsp Sister Florence Wahome fsp
Principal office	84 Church Street Liverpool L1 4AY
Telephone	0151 709 1328
Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough SL1 4SG

Reference and administrative details of the charity, its Trustees and advisers

Solicitors

Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

J McSparran & McCormick
19 Waterloo Street
Glasgow
G2 6AH

Property consultants

Gerald Eve LLP
One Fitzroy
6 Mortimer Street
London
W1T 3JJ

and at

140 West George Street
Glasgow
G2 2HG

Insurance consultants

Marsh Commercial
39 Kings Hill Avenue
West Malling
Maidstone
Kent
ME19 4ER

The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2021. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 31 of this document and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

On 1 December 2021 the Daughters of St Paul numbered 1,961 sisters throughout 51 countries composed of 213 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 26 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Books & Media ensures that, at all times, it is acting in the public benefit and the Trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Books & Media Centres are open to the public for prayer and masses. In view of public benefit and a culture of education, Pauline Books & Media seek to provide resources and occasions of encounter to help all people grow in faith and peace. Pauline Books & Media also send products to their communities in poorer countries for distribution in schools and parishes.

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, social media and developments in technology, they avail of these new means and appreciate the interest and feedback they receive from the public.

Objectives, activities and relevant policies

Vocations Ministry

Discovering what to do with your life is one of the many challenges young adults have to work at these days. The pressures of modern-day life can leave many people hesitant to make some of the most satisfying but daunting life-decisions. The Daughters of St Paul work with the local church to help such young people feel supported and guided in this important time of their lives.

www.pauline-uk.org

www.paulinemission.org

The Pauline Books & Media website is a sector of the Daughters of St Paul's mission which has seen some growth in recent years. The website is that space where the sisters have the opportunity to support those who are not able to come into the high street book and pastoral centres. Besides providing products for purchase, the website has the facility to accept prayer-requests as well as providing the general public with information about the Daughters of St Paul. Steps were taken to expand the effectiveness of the website in 2020, and so expand the resources offered to be commensurate with the bricks-and mortar centres. This move was taken in the belief that the cultural environment of today necessitates responses of this kind, and will enable Pauline Books & Media to respond to an ever-new and changing audience. In fact, due to the long restrictions imposed by the Pandemic in our countries, the website saw increased traffic.

Coronavirus pandemic

On 12 March 2020, the WHO declared the Covid-19 virus a pandemic.

From 23 March 2020, the UK Government announced certain restrictive measures which aimed to curtail the spread of the Covid-19 virus.

These historical events ushered in unprecedented times in which the ordinary lives of people, businesses and charities changed dramatically. With the persistence of the pandemic still in 2021, Pauline Books and Media endured the ongoing challenges to the high street. With the reduced income due to diminished footfall on the high street, as well as other downward pressure on the finances of the general public, Pauline Books & Media have had to restrain their aspirations to employ new staff. The sisters, whose average age is now 70 years have tried to maintain their service as much as possible, generously giving their time and energy not only to the mission of the institute but to the necessary changes needed to enable the redesigning process.

Objectives, activities and relevant policies (continued)

Activities: Pauline Books & Media

Throughout 2021, the Charity's activities have been carried out at 5 locations throughout the UK: Langley, London, Liverpool, Newcastle and Glasgow. The primary way it has continued to serve the people of the UK during the pandemic has been through its Pauline Books & Media book websites, alongside the book centres on the high street. The London book centre at 199 Kensington High Street has been closed since 2020, but we opened a small repository space in Our Lady of Victories Catholic Church in November 2021, to be able to continue a small presence in the London area.

Pauline Books & Media productions are resources sourced or commissioned and distributed by the charity in order to support local communities in their faith journey and in their educational programmes. Products developed by the sisters are one of the main ways in which they carry out their mission and objectives, as well as being one of their primary sources of income which is used wholly to support the objectives of the charity.

New products of 2021



Objectives, activities and relevant policies (continued)

Activities: *Pauline Books & Media* (continued)

London

After closing the Book Centre at 199 Kensington High Street, Pauline Books & Media opened a small continuing presence to serve their London community, in collaboration with the parish of Our Lady of Victories Catholic Church in Kensington. The small space at the entrance of the church was formally the parish repository, and with the kind support of the parish priest and the parishioners, we will continue to provide means of ongoing formation and evangelisation in London. Whilst the redesigning process of our presence in the UK is still unfinished, the sisters serving the London community still have to settle into accommodation. For this reason, the current opening times are restricted and temporary.



Liverpool

The Liverpool book centre has now been relocated to 84 Church Street, close the heart of the commercial city, and in easy walking distance from the Central and Lime Street Stations. We have begun to advertise employment opportunities with us, and encourage visitors to our book centre to visit the chapel for some quiet time and remember the ones they have lost.



Objectives, activities and relevant policies (continued)

Activities: *Pauline Books & Media (continued)*

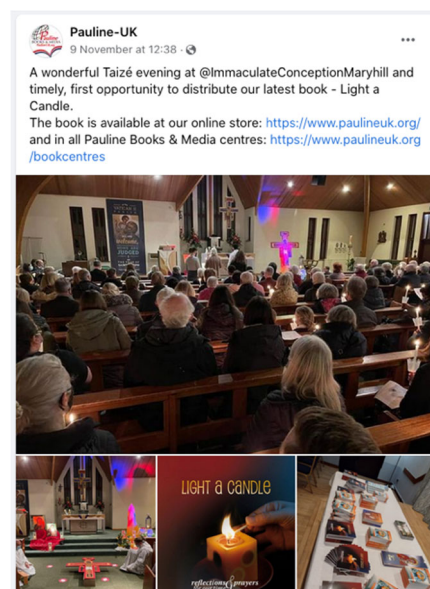
Newcastle

The Book Centre in Newcastle has been working away at the Cathedral, and the staff have dedicated themselves to welcome visitors again. The Headteacher and Deputy Headteacher conference gave us the opportunity to work once again with influential and dedicated education providers in the North East.



Glasgow

Pauline Books & Media in Glasgow has been opened to the public once again, to serve the people of Scotland and beyond. The sisters and staff generously worked throughout the COP26 events, participating in evangelising events and supporting the local parishes with special exhibitions of books and resources.



Objectives, activities and relevant policies (continued)

Activities: *Pauline Books & Media (continued)*

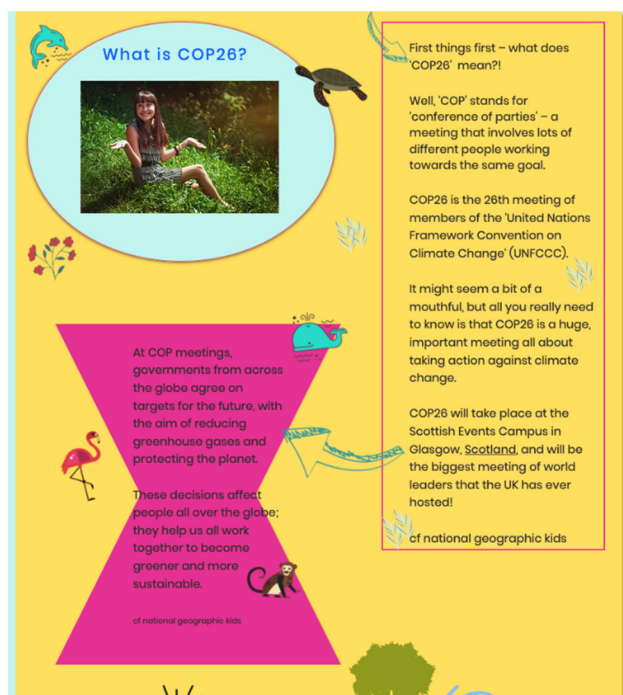
Langley

Warehouse & www.pauline-uk.org

The mission activities in the Langley location continued to be in high demand during the year. With the reduction in footfall on the high street and the closure of the London book centre, online and telephone sales continued to attract customers. The sisters working in the warehouse maintained service, whilst negotiating onerous changes to the shipping requirements imposed by the Post Office and other international shipping services. In addition to this the ongoing redesigning process, preparing to relocate the warehouse to Liverpool has required considerable logistical planning and preparation.

www.paulinemission.org

The Pauline Mission website, which runs alongside the commercial website has continued to address pertinent topics of the day, for example, explaining to children the importance of care of the environment.



Objectives, activities and relevant policies (continued)

Activities: *Pauline Books & Media (continued)*

Social Media

Our Social Media presence is also an important part of our efforts to build community, so our social media channels have continued to be dedicated to the same mission as our other apostolic activities, for example promoting anti-bullying week and providing online children's liturgy for important feast days.



General Government and British Delegation

During their meetings the Trustees reflect on governance issues including the "Relationship with our Generalate in Rome". In view of the expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul, is made up of 19 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, Philippines, Scotland and the USA. The Trustees are: Sister Angela Grant fsp, (Chair), Sister Mary Ann Salvilla fsp (Bursar), Sister Elaine Penrice fsp (Secretary) and Sister Florence Wahome fsp. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Chair, Sister Angela Grant, keeps up to date with the Charity Commission in England and Wales and the Office of the Scottish Regulator (announcements and publications) to ensure that the Trustees comply with all legal and regulatory requirements.

Objectives, activities and relevant policies (continued)

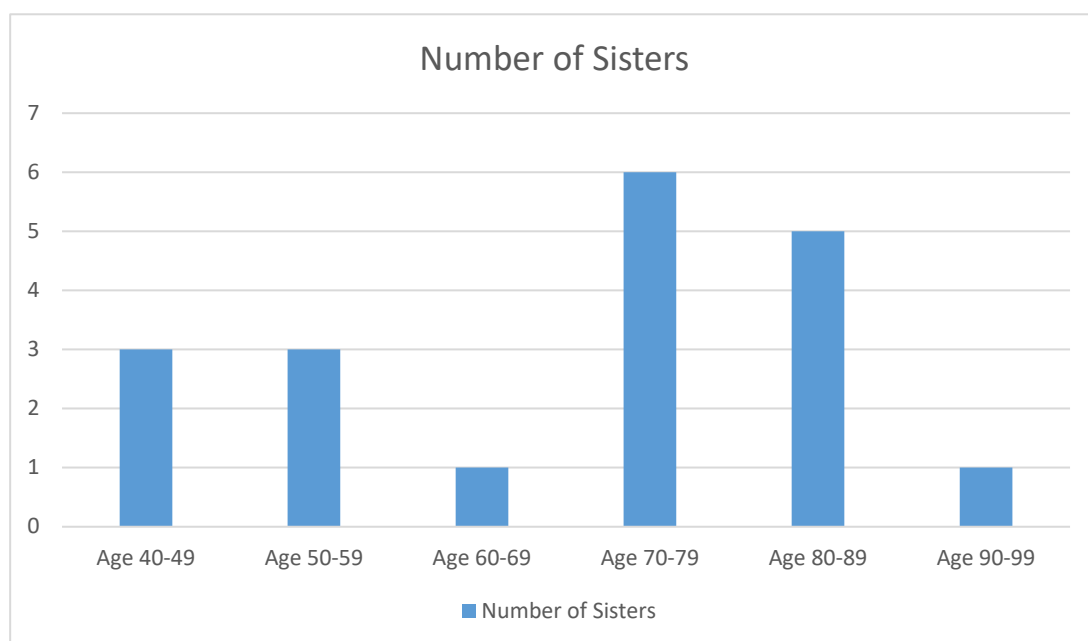
Looking to the future

Mapping a way forward

The Trustees of the charity have worked to plan ways forward, which will sustain the charity's work in the near future:

The Trustees have obtained permission from the General Government of the Daughters of St Paul, to sell some properties and purchase other new properties, in view of reorganising the mission and the communities. This will have the additional effect of releasing some funds which until now have remained tied up in fixed assets.

With the financial climate in the UK at the moment, and the responsibility to care and provide for the members of the religious community who have been entrusted with the mission and activities of the institute, there is a recognisable financial challenge that is only being sustained by the good stewardship of preceding decades. This, however, has become increasingly difficult, compounded by the reality that the average age of the sisters is 70 years. Of 19 members, only 7 of these are under the average age. This personnel situation has little prospect of amelioration in the short or medium term.



Presently there are 4 sisters who are responsible for leadership and management of the charity, all of whom carry out other responsibilities in the mission. The community leader is overseeing the direction and management of all locations, the board of advisers and frequently supports mission activities throughout the UK.

All sisters make some practical contribution to the life and mission of the institute, including the ministry of prayer, welcoming and hospitality. Besides this, the all sisters who are able to work in the mission do so according to their abilities. Because of diminishing numbers and increasing average age, these sisters have multiple responsibilities.

Objectives, activities and relevant policies (continued)

Reorganising the Delegation of Great Britain

The ongoing work and deliberation of mapping out the future of the charity in the UK is moving forward. Considerable investment of time and financial resources will be needed to secure the charity for the medium and long-term.

Advisors

In consideration of the challenges of present times, this year the Trustees have instituted a panel of four external advisers who represent a breadth of experience from financial, business and religious backgrounds. Besides these, the Trustees have also been consulting with Gerard Eve LLP real estate advisors, and with Buzzacott LLP.

The aforementioned advisors have been consulted regarding their expertise in investment, sustainability and property management, with a view as to how to better prepare the charity to move securely into the future.

Safeguarding

The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Safeguarding Standards Agency (CSSA) and by the Religious Life Safeguarding Service (RLSS).

The sisters are offered periodic updating on safeguarding training and the Trustees ensure that both sisters and employees are reminded of their rights and responsibilities in this regard.

General Data Protection Regulation (GDPR)

The Trustees took note of the Data Protection Act 2018 which replaces the Data Protection Act 1998. They hold a copy of the summary guide to GDPR compliance in the UK. They also have a copy of "GDPR: 12 answers for Religious Orders" (Stone King Solicitors) and the Brochure on Retention of Accounting Records (Buzzacott).

Fundraising

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2021, the charity received no complaints about its fundraising activities.

Financial review

Results for the year

Total income for the year amounted to £766,975 (2020 - £968,450). Of the total income, £509,396 (2020 - £390,013) was derived from the charity's primary purpose trading activities. The increase reflects the lifting of the Coronavirus lockdown restrictions during 2021 and the gradual return of customers to the charity's shops. Income in the prior year was inflated by the inclusion of the gain on disposal of the charity's shop in Bold Street, Liverpool.

Total expenditure for the year amounted to £1,109,130 (2020 - £1,063,566). Of this total, £1,037,652 (2020 - £972,348) was directly related to the costs of the charity's primary purpose trading activities. As with income from charitable activities, the increase in charitable expenditure reflects the easing of lockdown restrictions and the opening of the shops. Despite operating in an increasingly cost competitive market, the charity has managed to achieve gross profit margins at an average of 35% (2020 - 38%). Therefore, net expenditure for the year was £342,155 (2020 - £95,116).

Reserves policy

Our reserves policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. Our policy is to strive to achieve a position where the general fund should comprise between 25% and 50% of forecast annual operating expenditure.

Financial position

The balance sheet shows total funds of £4,488,818 (2020 - £4,830,973). Of this, £4,161,314 (2020 - £3,979,687) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters minus the value of the short-term loan from the Congregation's General Government of £1,811,344 (2020 - £1,150,092) to help finance the purchase of property. In 2020, £800,000 had been designated as a retirement fund to support the sisters in the long term. During 2021, this fund has been released back to general funds reflecting the utilisation of funds during the year to assist with and finance the restructuring and relocation of the charity's services. In the future, once key property sales have been achieved, it is hoped that funds can once again be designated.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £327,504 at 31 December 2021 (2020 - £51,286). This level of free reserves is deemed insufficient by the Trustees but it is hoped that it will be temporary. The Trustees have implemented a detailed restructuring plan which includes the receipt of the short-term loan from the General Government in Rome for the purchase of the new building in Church Street, Liverpool. At the same time the charity's properties in Langley, Slough and Kensington, London have been marketed for sale and the property in Langley has been sold (see post balance sheet events).

The charity has in recent years been suffering annual deficits and there remains a desire to increase the amounts designated for the future care of the sisters – both of these factors will continue to place pressure on free reserves whilst restructuring is completed.

Financial review (continued)

Financial position (continued)

In light of this, the Trustees have taken the following action:

- ◆ There is continuing and ongoing work being done in trying to secure the sales of both the Langley and the Kensington properties.
- ◆ Staffing is being kept at a minimum whilst ensuring the continuing activity of the charity.

Principal risks and uncertainties

The Trustees have developed plans to guard the sustainability of the charity's work in the near future and the sisters continue to work on new products for sale through Pauline Books & Media. Pauline Books & Media is currently developing best practice in regard to the future mission of the charity.

The Trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated.

Competition from large scale retailers

In recent years, competition from larger retailers, particularly those with an online presence, such as Amazon, has led to a decline in revenues for Pauline Books & Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in four different locations across the UK. The Trustees are hopeful the restructuring and the new shop in Liverpool, together with the continued development of the charity's website, will help the charity to better compete online going forward.

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members at 31 December 2021 was 70 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Principal risks and uncertainties (continued)

Availability of financial resources

As noted in the financial review above, the charity's balance of free reserves remains a concern for the longer term due to the recurring deficits and the desire to increase the amounts designated for the longer term care of the sisters of the Congregation. The restructuring programme including completing on various property transactions should help mitigate this concern.

Governance, structure and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation following a consultation of the members of the British Delegation.

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2021.

Trustee	Appointed/ resigned
Sister Angela Grant fsp (Delegate Superior)	
Sister Gregoria Mignolli fsp (Bursar to May 2019)	Resigned 6 May 2022
Sister Florence Wahome fsp	Appointed 16 May 2022
Sister Elaine Penrice fsp (Secretary from December 2018)	Appointed January 2019
Sister Mary Ann Salvilla fsp (Bursar from May 2019)	Appointed January 2019

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they form a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious in England & Wales, Conference of Religious in Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars. In planning activities, the Trustees keep in mind at all times the Charity Commission's guidance on Public Benefit.

Governance, structure and management (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch;
- ◆ Graphic design: an in-house origination and design service for new products, web pages and advertising;

Governance, structure and management (continued)

Structure and management reporting (continued)

- ◆ Wholesale sales at Slough: a warehouse operation, serving wholesale and retail outlets, Church and educational establishments;
- ◆ Retail sales: the retail operation of the Pauline Books & Media Centres in London, Langley, Liverpool, Newcastle upon Tyne and Glasgow;
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions;
- ◆ Central administration: secretarial, accounting, finance and computer services;
- ◆ Website www.pauline-uk.org; and www.paulinemission.org
- ◆ Communities' administration of the religious and private lives of the sisters.

The Trustees hold regular meetings throughout the year and examine the Trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Members of the Delegation

At the end of 2021 there were 19 sisters in the British Delegation who live as part of four communities in Slough, London, Liverpool, and Glasgow.

The average age of the sisters in 2021 was 70 years. The sisters do not receive a wage for their services. They continue to serve the Lord joyfully and in a spirit of prayer and in view of the common good. They use the wisdom and experience of the years as they hold administrative and responsible posts within the central administration, production and retail departments. Care for the elderly sisters and sick members of the Delegation is a priority for the Trustees.

Governance, structure and management (continued)

Employees

The Charity employs 13 part-time employees:

- ♦ 1 person in accounts / administration.
- ♦ 1 person in website
- ♦ 11 persons to assist in the various retail / distribution services in the 5 locations.

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

Pauline Books & Media is required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment. The scheme, for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Books & Media remains committed to adhering to the ongoing requirements governing automatic enrolment.

Post balance sheet events

On 20 June 2022 the sale of the property at Middle Green, Langley, Slough was finalised with the gross proceeds being £3,735,000. Negotiations are ongoing in respect of the Kensington property; the trustees expect to achieve gross proceeds of approximately £4,750,000.

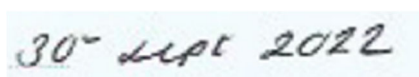
Signed on behalf of the Trustees:



Sr Angela Grant

Trustee

Approved on:



Independent auditor's report to the members of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

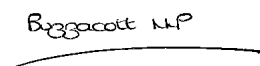
Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


A handwritten signature in dark ink, appearing to read 'Buzzacott LLP', with a horizontal line drawn underneath it.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 September 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds	
		2021 £	2020 £
Income from:			
Donations and legacies	1	82,655	94,193
Bank interest	2	19	1,678
Charitable activities			
. Communications media income	3	509,396	390,013
Other sources			
. Gain on disposal of tangible fixed assets		200	339,868
. Foreign exchange gains		152,282	79,684
. Coronavirus Job Retention Scheme funding		22,423	63,014
Total income		766,975	968,450
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	1,037,652	972,348
Other items			
. Foreign exchange losses		71,478	91,218
Total expenditure		1,109,130	1,063,566
Net expenditure and net movement in funds	7	(342,155)	(95,116)
Reconciliation of funds			
Total funds brought forward at 1 January 2021		4,830,973	4,926,089
Total funds carried forward at 31 December 2021		4,488,818	4,830,973

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		5,972,658		5,129,779
Current assets					
Stocks	11	177,387		247,216	
Debtors	12	79,357		147,874	
Cash at bank and in hand		290,068		<u>1,122,842</u>	
		546,812		1,517,932	
Liabilities:					
Creditors: amounts falling due within one year	13	(2,030,652)		(1,816,738)	
Net current assets liabilities			(1,483,840)		(298,806)
Total net assets			4,488,818		<u>4,830,973</u>
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	14	4,161,314			3,979,687
. Designated funds	15	—			800,000
. General fund		327,504			<u>51,286</u>
		4,488,818			<u>4,830,973</u>

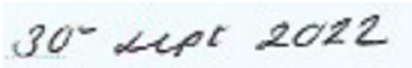
Approved by the Trustees
and signed on their behalf by:



Sr Angela Grant

Trustee

Approved on:



Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(515,095)	(245,634)
Cash flows from investing activities:			
Bank interest received		19	1,678
Purchase of tangible fixed assets		(979,150)	(1,636,455)
Disposal of tangible fixed assets		200	720,000
Net cash used in investing activities		(978,931)	(914,777)
Cash flows from financing activities:			
Cash inflows from new borrowing		661,252	1,151,515
Net cash provided by financing activities		661,252	1,151,515
Change in cash and cash equivalents in the year		(832,774)	(8,896)
Cash and cash equivalents at 1 January 2021	B	1,122,842	1,131,738
Cash and cash equivalents at 31 December 2021	B	290,068	1,122,842

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net expenditure to net cash used in operating activities

	2021 £	2020 £
Net expenditure (as per the statement of financial activities)	(342,155)	(95,116)
Adjustments for:		
Depreciation charge	136,271	163,397
Interest receivable	(19)	(1,678)
Gain on disposal of tangible fixed assets	(200)	(339,868)
Decrease in stocks	69,829	14,020
Decrease (increase) in debtors	68,517	(86,418)
(Decrease) increase in creditors	(447,338)	100,029
Net cash used in operating activities	(515,095)	(245,634)

B Analysis of changes in net debt

	2020 £	Cash flows £	2021 £
Cash and cash equivalents			
Cash at bank and in hand	1,122,842	(832,774)	290,068
Borrowings			
Loans due within one year	(1,150,092)	(661,252)	(1,811,344)
Total cash and cash equivalents net of borrowings	(27,250)	(1,494,026)	(1,521,276)

Principal accounting policies 31 December 2021

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2021 with comparative information provided in respect to the year to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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

The accounts are presented in sterling and are rounded to the nearest pound.

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:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve; and
- ◆ The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

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

The financial impact of the Coronavirus pandemic on the charity's income was significant because of the need to close the bookshops during the national lockdowns. During this period, income was reduced to donations, income from the stipend of a sister working for the national church, and the income from sales on the Pauline Books & Media website.

Savings were made, however, chiefly due to the furloughing of staff and reduced overheads arising from book centre closures. A positive impact on cash flow arose due to the inability of the charity, in many cases, to purchase new stock for the book centres (with suppliers often closed for business too). Savings were made, by reducing community expenses to essentials.

The re-opening of Pauline Books & Media centres has resulted in income increasing albeit not to pre-pandemic levels. Inevitably, costs have also risen and there has been increased pressure on gross margins. The downward trend is likely to be exacerbated by:

- ◆ the macroeconomic and geopolitical climate and the resultant inflationary pressures – particularly on utility bills and salaries;
- ◆ increased unemployment within communities served by the book centres;
- ◆ continuing concerns over the transmission of Covid-19 and the safety of the High Street in general;
- ◆ a change of routine and purchasing habits. Consumers will have become accustomed to online shopping and footfall is not expected to return to pre-pandemic levels.

In light of this, the Trustees have taken the following action:

- ◆ Purchased another house in Liverpool that is better suited to the needs of the older sisters. Liverpool provides both for a more affordable location and proximity to the main mission centre of the Daughters of St Paul.

The Trustees have also:

- ◆ Subsequent to the year end, disposed of the property at Langley, Slough. This sale completed on 20 June 2022 with the gross proceeds being £3.735,000;
- ◆ Resolved to sell the property in Kensington, London. Discussions were ongoing at the date of approval of the financial statements.
- ◆ Resolved to seek to find a new non-retail base in London to maintain our mission presence in the capital.

Assessment of going concern (continued)

Therefore, the Trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate. Should it be needed, the Generalate of the Congregation has confirmed also that it will provide financial support to the charity to enable it to pay its debts as they fall due for a period of at least twelve months from the date on which these accounts were approved.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from charitable activities, donations, bank interest and other income.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Services provided by members of the Congregation

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes sundry costs such as losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- | | |
|-----------------------------------|---------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Fixtures and fittings | 10% per annum |
| ◆ Computer software and equipment | 20% per annum |
| ◆ Motor vehicles | 20% per annum |

No depreciation has been charged on refurbishment works until these are complete.

Tangible fixed assets (continued)

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than 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.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Principal accounting policies 31 December 2021

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2021 £	2020 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	47,198	38,304
Local Government support grants re Covid-19	—	35,000
Donations	35,457	20,889
	82,655	94,193

2 Bank interest

	2021 £	2020 £
Interest receivable	19	1,678

3 Communications media income

	2021 £	2020 £
Turnover from trading activities	509,372	389,383
Royalties and copyright income	24	630
	509,396	390,013

4 Spreading the Gospel through communications media

	2021 £	2020 £
Costs of goods sold	322,489	240,645
Community living and personal expenses	102,242	96,444
Property repairs	61,680	-
Support costs (note 5)	551,241	635,259
	1,037,652	972,348

5 Support costs

	2021 £	2020 £
Staff costs (note 8)	131,881	186,383
Depreciation	136,271	163,397
Book centre and office expenses	268,599	271,069
Governance costs (note 6)	14,490	14,410
	551,241	635,259

6 Governance costs

	2021 £	2020 £
Auditor's remuneration	14,490	14,410

7 Net expenditure and net movement in funds

This is stated after charging:

	2021 £	2020 £
Staff costs (note 8)	131,881	186,383
Auditor's remuneration		
. Statutory audit services	14,490	14,410
Rentals under operating leases	4,500	4,500
Depreciation	136,271	163,397

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	127,479	178,468
Social security costs	982	3,342
Other pension costs	3,420	4,573
	131,881	186,383

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2021 FTE	2020 FTE	2021 Average number	2020 Average number
Charitable activities				
. Spreading the Gospel through communications media	7	9	13	15

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2020 – none).

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2020 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	6,712,286	699,619	463,650	41,765	7,917,320
Additions	975,811	1,389	1,950		979,150
Disposals	—	—	—	(7,200)	(7,200)
At 31 December 2021	<u>7,688,097</u>	<u>701,008</u>	<u>465,600</u>	<u>34,565</u>	8,889,270
At historic cost	7,406,479	701,008	465,600	34,565	8,607,652
At deemed cost (1997 valuation)	281,618	—	—	—	281,618
	<u>7,688,097</u>	<u>701,008</u>	<u>465,600</u>	<u>34,565</u>	8,889,270
Depreciation					
At 1 January 2021	1,701,287	598,501	452,880	34,873	2,787,541
Charge for the year	107,909	19,677	4,669	4,016	136,271
Disposals	—	—	—	(7,200)	(7,200)
At 31 December 2021	<u>1,809,196</u>	<u>618,178</u>	<u>457,549</u>	<u>31,689</u>	2,916,612
Net book values					
At 31 December 2021	<u>5,878,901</u>	<u>82,830</u>	<u>8,051</u>	<u>2,876</u>	5,972,658
At 31 December 2020	<u>5,010,999</u>	<u>101,118</u>	<u>10,770</u>	<u>6,892</u>	5,129,779

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefit to users of the accounts.

During the year to 31 December 2020, as part of the ongoing restructuring of the charity, the Trustees disposed of one of the charity's properties in Liverpool realising a surplus on disposal of £339,868.

10 Tangible fixed assets (continued)

During the year to 31 December 2021, the charity has purchased a further property in Liverpool at a cost of £665,550 and has spent a further £310,261 refurbishing and adapting its Liverpool properties to ensure they meet the charity's future needs. At 31 December 2021 the charity had capital commitments in respect to future property work being amounts authorised but not contracted of £50,000 (2020 £nil) and amounts contracted but not provided for of £nil (2020 - £238,063).

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	177,387	247,216

12 Debtors

	2021 £	2020 £
Trade debtors	22,329	14,156
Other debtors	12,290	98,487
Prepayments and accrued income	44,738	35,231
	79,357	147,874

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Loan from the Congregation's General Government	1,811,344	1,150,092
Other amounts due to the Congregation's General Government	51,131	485,906
Expense creditors	86,542	121,447
Payments due in respect of tangible fixed assets	31,219	1,280
Other creditors and accruals	32,551	40,223
Deferred income	17,865	17,790
	2,030,652	1,816,738

14 Tangible fixed assets fund

	Total 2021 £	Total 2020 £
At 1 January 2021	3,979,687	4,035,573
Net movement in tangible fixed assets in the year	842,879	1,094,206
Less: Increase in loan received towards the purchase of property	(661,252)	(1,150,092)
At 31 December 2021	4,161,314	3,979,687

15 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2021 £	New designations £	Transferred to general fund £	At 31 December 2021 £
Retirement fund	800,000	—	(800,000)	—
	At 1 January 2020 £	New designations £	Transferred to general fund £	At 31 December 2020 £
Retirement fund	800,000	—	—	800,000

The retirement fund comprised monies to apply towards the needs of caring for members of the Community in the longer term. The balance on the fund has been released back to general fund as at 31 December 2021 given the ongoing expense involved in restructuring the charity and the purchase and adaption of property to help secure the charity's future. When surplus properties in Slough and London have been sold in 2022 the fund will be designated once again.

16 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	—	—	5,972,658	5,972,658
Current assets	546,812	—	—	546,812
Creditors: amounts falling due within one year	(219,308)	—	(1,811,344)	(2,030,652)
Total net assets	327,504	—	4,161,314	4,488,818
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	—	—	5,129,779	5,129,779
Current assets	717,932	800,000	—	1,517,932
Creditors: amounts falling due within one year	(666,646)	—	(1,150,092)	(1,816,738)
Total net assets	51,286	800,000	3,979,687	4,830,973

17 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 5% of their gross salary to the plan (before tax relief: effectively 4%), which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £3,420 (2020 – £4,573).

18 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the Trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

19 Related party transactions

Income from donations and legacies includes the salaries and pensions of certain Trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2021, the total value of these receipts amounted to £17,000 (2020 – £16,629). Other transactions with Trustees are disclosed in note 8.

There are no other related party transactions that require disclosure (2020 – none).

20 Post balance sheet events

As at 31 December 2021, the Trustees had placed the charity's properties situated in Kensington, London and Langley, Slough on the market for sale. On 20 June 2022, the sale of the Langley property was finalised with the gross proceeds being £3,735,000. Negotiations are ongoing in respect of the Kensington property.

THE PIOUS SOCIETY OF THE DAUGHTERS OF ST PAUL

England & Wales - Charity number 296042

Accounts

The Pious Society of the Daughters of St Paul

Annual Report and Accounts

31 December 2020

Charity Registration Numbers:
296042 (England and Wales)
SC037889 (Scotland)

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Trustees	Sister Angela Grant fsp (<i>Delegate Superior</i>) Sister Rosetta (Gregoria) Mignolli fsp Sister Elaine Penrice fsp (<i>Secretary</i>) Sister Mary Ann Salvilla fsp (<i>Bursar</i>)
Council	Sister Angela Grant fsp Sister Maria Healy fsp Sister Lalaine Lilo fsp Sister Mary Ann Salvilla fsp Sister Elaine Penrice fsp Sister Florence Wahome fsp
Principal office	84 Church Street Liverpool L1 3AY
Telephone	0151 709 1328
Website	www.paulineuk.org
Charity registration numbers	296042 (England and Wales) SC037889 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc PO Box 756 Slough Berkshire SL1 4SG
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ McSparran McCormick 19 Waterloo Street Glasgow G2 6AH

Property consultants

Gerald Eve LLP
72 Welbeck Street
London
W1G 0AY

and at

140 West George Street
Glasgow
G2 2HG

Insurance consultants

Marsh Commercial
1st Floor
Gail House
5 Lower Stone Street
Maidstone
Kent
ME15 6NB

The Trustees present their statutory report together with the accounts of the Pious Society of the Daughters of St Paul ("the charity") for the year ended 31 December 2020. The charity trades under the name Pauline Books & Media.

The accounts have been prepared in accordance with the accounting policies set out on pages 30 to 35 of this document and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Daughters of St Paul ("the Congregation") is an international Roman Catholic religious Congregation founded by Blessed James Alberione in Alba, Italy, in 1915. Mother Thecla Merlo was the co-foundress and first Superior General of the Daughters of St Paul. Mother Thecla died on 5 February 1964 and was proclaimed "Venerable" on 22 January 1991.

In terms of Canon Law the Congregation of the Daughters of St Paul is an Institute of Pontifical status.

On 1 January 2020 the Daughters of St Paul numbered 1,978 sisters throughout 51 countries composed of 218 communities. The Congregation forms part of a worldwide group of congregations known as the Pauline Family. The Daughters of St Paul follow the Congregation's Constitutions and Directory, approved by the Holy See on 26 January 1984.

Mission

As stated in the Constitutions of the Congregation, the name 'Daughters of St Paul' expresses a fundamental relationship with St Paul the Apostle. The main objective of the Congregation is the perfection of charity to be attained through the spirit and practice of the evangelical counsels of poverty, chastity and obedience in common life and to communicate the Good News of Jesus Christ in the world with the most modern means of social communication.

Pauline Books & Media ensures that, at all times, it is acting in the public benefit and the Trustees confirm that they have paid due regard to the Charity Commission's public benefit guidance.

Chapels in Pauline Books & Media Centres are open to the public for prayer and masses. In view of public benefit and a culture of education, Pauline Books & Media seek to provide resources and occasions of encounter to help all people grow in faith and peace. Pauline Books & Media also send products to their communities in poorer countries for distribution in schools and parishes.

As Pauline Books & Media continues to reach out to new people, the sisters explore the most modern ways of proclaiming Jesus Christ to the world. Aware of the potential of the internet, social media and developments in technology, they avail the charity of these new means and appreciate the interest and feedback they receive from the public.

Objectives, activities and relevant policies

Coronavirus pandemic

On 12 March 2020, the WHO declared the Covid-19 virus a pandemic.

From 23 March 2020, the UK Government announced certain restrictive measures which aimed to curtail the spread of the Covid-19 virus.

These historical events ushered in unprecedented times in which the ordinary lives of people, businesses and charities changed dramatically. The UK Government and devolved governments imposed radical but necessary closures of all non-essential services. Those non-essential services included the ordinary business of churches, schools and bookshops. These services had been the daily business of the work of this charity and of Pauline Books & Media. These enforced closures meant that Pauline Books & Media had to suspend almost all of their charitable activities. These circumstances have inevitably impacted the charity's ability to carry out its mandate, and consequently has also had an impact on our financial security.

Impact on the community members of the Daughters of St Paul

The day-to-day work of the sisters who were responsible for working in the book centres changed dramatically. Instead of full-time working hours, the sisters took the time to do additional cleaning and stock-control in the book centres, whilst using the extra time to rest, study or pray. The other sisters continued to work from home.

All members of the community cooperated in trying to decrease expenditure. This was done by carefully monitoring the food and supplies in each community to try and reduce costs as much as possible. Community members all contributed by sacrificing many things, not least haircuts and non-essential purchases. Savings were also made by many sisters sacrificing holidays in their home countries, and making their annual week-long retreat in-house.

All community members sought to comply with Government guidelines regarding restricted movement, hygiene and social distancing. The impact of these social changes and the ensuing financial insecurity had negative psychological and physical implications for some of the sisters.

Despite the UK Government allowing non-essential shops to eventually re-open, Pauline Books & Media decided not to reopen immediately, primarily because key sisters who staff the book centres are over 70 years old, and we deemed this an unnecessary risk to the community members.

Impact on the mission of the Daughters of St Paul

The mission carried out through the Pauline Books & Media book centres has consequently suffered greatly. The charity was not able to host any gatherings at all during 2020. Outreach was also inhibited because we were not able to attend churches or other organised events that would normally be part of our year. However, during the months of closure, the other activities which are supplementary to the book centres and outreach continued, and the sisters continued to work on new products for sale through Pauline Books & Media.

Objectives, activities and relevant policies (continued)

***Coronavirus pandemic* (continued)**

Financial impact on the charity

The financial impact on the charity cannot be underestimated and these unprecedented times were therefore of serious concern and challenge. The income of the charity was greatly reduced across all areas: book centre sales, donations, the income from the stipend of the sister working for the national church, and the income from sales on the Pauline Books & Media website.

Savings, however, were made, chiefly due to the furloughing of staff and the reduced overheads achieved by not having to open the book centres, as well as our inability in many cases to purchase new stock for the book centres (because suppliers were often closed too). Savings were also made, as noted above, by reducing community expenses to the essential.

The re-opening of the Pauline Books & Media centres had cost implications:

- ◆ Reinstatement of staff salaries;
- ◆ Purchase and consummation of personal protection materials;
- ◆ Increased purchase of cleaning materials;
- ◆ Increased overheads of electricity, heating etc.; and
- ◆ Return to purchasing stock from suppliers.

It was hoped that the re-opening of centres would have a positive return from sales, though recent trends have been downwards, and this has been exacerbated by:

- ◆ The general downturn in the nation's economy;
- ◆ Increased unemployment of the local community;
- ◆ Insecurity from customers in relation to shopping and circulation as a result of Covid-19; and
- ◆ Changes of routine and purchasing habits – people where have become accustomed to online shopping and this, as we anticipated, resulted a further decrease in footfall.

Mapping a way forward

The Trustees worked to plan ways forward, which would sustain the charity's work into the future:

- ◆ The www.paulineuk.org website has been integrated with the book centre database, meaning that our online presence has been strengthened. This means that the website can provide access to almost all of the same resources available in our book centres to the wider public, who for some reason or another cannot access our physical centres. This will not only provide easier access for potential clients, but also make possible an increased income from our website. This has in fact, resulted in an increase of sales through the website.

Objectives, activities and relevant policies (continued)

Mapping a way forward (continued)

- ♦ The Trustees consulted the General Government of the Daughters of St Paul on plans to sell some properties and purchase other new properties, in view of reorganising the mission and the communities. This will have the additional effect of releasing some funds which until now have remained locked-up as assets. These plans are explained further below.

Actions taken

The Trustees:

- ♦ Sold their property in Bold Street, Liverpool;
- ♦ Refurbished their Tecla House residential property at Derby Road, in Liverpool, to accommodate 6 sisters;
- ♦ Placed the property at Langley on the market for sale;
- ♦ Placed the property on Kensington High Street on the market for sale;
- ♦ Purchased a new larger building in Church Street, in Liverpool, which will house a new Pauline Books & Media centre of apostolate. This will provide space for the book centre, the warehouse, storage of archives, a chapel for our sisters and clients, offices for the administration and accounts, graphics, productions, website offices, marketing and outreach. The new property will, essentially, provide a replacement for facilities that were previously housed at either Bold Street in Liverpool, Kensington High Street in London and/or at Langley. It is hoped that some space will also be made available to rent-out in order to provide some supplementary income for the charity. This building was purchased for £1.25 million. A short-term loan of €1.25 million has been secured from the General Government in Rome in order to help fund the purchase.
- ♦ Have sought to purchase another residential house that is more suited to the needs of a community of sisters, in Liverpool. This location is more affordable and will be close to the main mission centre of the Daughters of St Paul which is now in Liverpool.



Above: The new purchase on Church Street.

Objectives, activities and relevant policies (continued)

Mapping a way forward (continued)

Actions taken (continued)

- ♦ Are seeking a new, non-retail base in London to maintain a mission presence in the capital.

The above decisions and plans aim to safeguard the ongoing ability to carry out the charity's mission. These decisions were supported by all the sisters, both morally and practically.

Activities: Pauline Books and Media

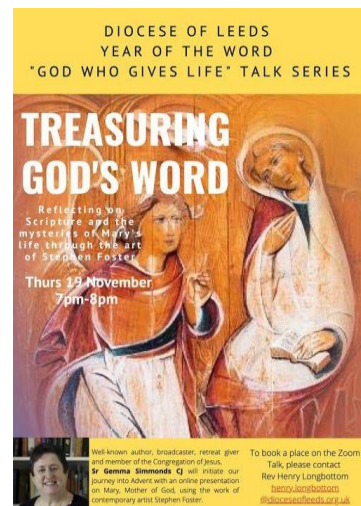
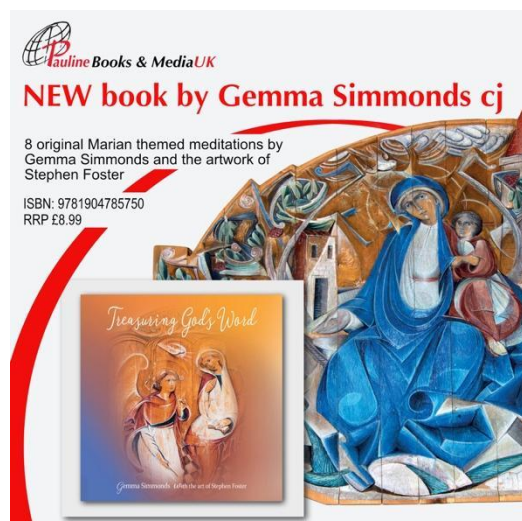
Throughout 2020, the charity's activities have been carried out at five locations throughout the UK: Langley, London, Liverpool, Newcastle and Glasgow. The primary way it has continued to serve the people of the UK during the pandemic has been through its Pauline Books & Media book centres and its websites.

Pauline Books & Media productions are resources sourced, or commissioned and distributed by the charity in order to support local communities in their faith journey and in their educational programmes. Products developed by the sisters are one of the main ways in which they carry out their mission and objectives, as well as being one of their primary sources of income which is used wholly to support the objectives of the charity.

New products in 2020

One of the first products of the year was a reflection book by Sister Gemma Simmonds, reflecting on theological themes and using the art of the late Stephen Foster.

Pauline Books & Media promoted this by video reflections on YouTube with the help of Sister Gemma, and also promoted the product through Leeds Catholic diocese.



Objectives, activities and relevant policies (continued)

Activities: Pauline Books and Media (continued)

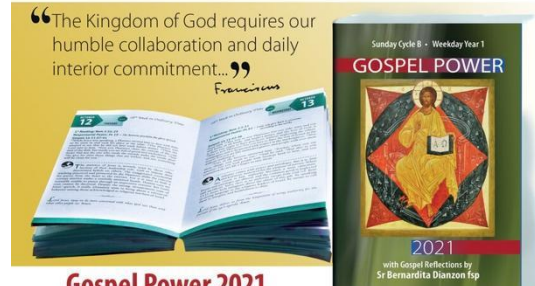
New products in 2020 (continued)

The charity also published a range of seasonal and liturgical publications, such as those displayed to the right and below.



Using the Gospel from the daily liturgy is an excellent way to pray.

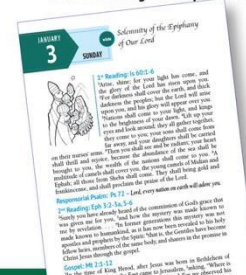
“The Kingdom of God requires our humble collaboration and daily interior commitment...”
Francis



Gospel Power 2021

with Gospel Reflections by Sister Bernardita Dianzon

This is a book that opens up new insight and depth of meaning to reading God's word using the Scriptures for each day in the liturgical year.



- Features**
- Scripture references for daily Mass
 - Response to the Psalm
 - Three Scripture readings for Sunday mass and the weekday Gospel
 - Excellent, short reflection on the Gospel reading for the day
 - A prayer to Jesus

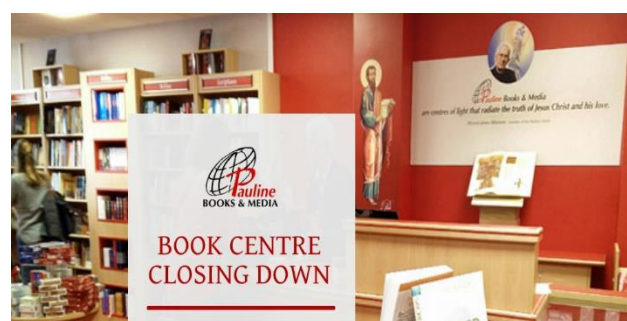
ISBN: 9781904785767 512 pp / £4.99

DISCOUNTS ON QUANTITY ORDERS
email orders@pauline-uk.org
or telephone 01753577629

Activities: Pauline Book and Media centres

London

The Kensington High Street book centre re-opened in late 2020 with the intention to continue, as always, to serve the people of London and beyond. Unfortunately, the lockdown imposed by the necessities of the pandemic precipitated a series of unfortunate events. Prospects for recovery had been dampened further by the initiation of substantial building works directly on either side of the property, which rendered the location less attractive to potential customers when the government eventually permitted resumption of trading by non-essential retail outlets. Prospects for the Kensington Book Centre were not favourable.



We wish to inform you that our Pauline Centre at
199 Kensington High Street
will close on **Saturday, 24 October 2020.**

From 12-24 October, the book centre will open
everyday, except Sunday, from 10.30am-3.30pm.

Considering the financial situation of the charity and the economic downturn over recent years, which has been exacerbated by the impact of the Covid-19 pandemic, the Trustees decided with a heavy heart to close the Book Centre in Kensington High Street.

Objectives, activities and relevant policies (continued)

Activities: Pauline Book and Media centres (continued)

Liverpool

The Liverpool book centre also began the year as normal, opening for sales and service to the people of the city. The Trustees decided to invest in this book centre and planned a refurbishment of the property.

The fortuitous discovery of a suitable property for sale in the centre of Liverpool city prompted the Trustees to abandon the plans to refurbish the Pauline Books & Media centre in Bold Street, in favour of purchasing and using that new location on Church Street to its fullest potential. Funds set aside for the refurbishment were re-purposed and a loan was secured from the Congregational General Government in Rome for the purchase of the new property.

The re-location of the Liverpool book centre inevitably impacted the possible activities for that region, especially regarding the personnel available; much of the work was done by the sisters themselves.

Newcastle

The Book Centre in Newcastle was able to continue to serve the public for those times when government restrictions permitted.



Glasgow

Pauline Books & Media in Glasgow also continued to be open to the public when government restrictions permitted. Efforts were made to support the children of Scotland through promoting spiritual and educational resources in the run-up to Advent and Christmas.



The Glasgow Pauline Books & Media centre renewed its annual Christmas Book Appeal, which encourages customers to purchase a book to be donated to local Children for Christmas.



Objectives, activities and relevant policies (continued)

Activities: Pauline Book and Media centres (continued)

Langley: Warehouse & www.pauline-uk.org

The mission activities in the Langley location were perhaps the most important of the year, since it is from here that the mission has continued to be carried out online, in the face of the closures elsewhere in the country. Considerable investment was made into website development to improve our long-term prospects. The integration of our existing stock database to the website cost £3,900.



The requests for resources through our website increased greatly. The challenge of supplying the public with the things they needed throughout the pandemic and lockdown periods was augmented because of

the closure of many suppliers or because of postal delays. The sisters worked diligently in providing a worthy service despite the many frustrations faced during the year.

Langley: www.paulinemission.org

In view of providing a broad range of pastoral service to the public, the Daughters of St Paul launched an additional website, shown to the right. This website has not been created with financial gain in mind, but is an initiative created to build up a virtual community, where ideas and information can be shared.

Social media

Our Social Media presence is also an important part of our efforts to build community, and so our Facebook and YouTube channels have continued to be dedicated to the same mission as our other apostolic activities.



Objectives, activities and relevant policies (continued)

Activities: Pauline Book and Media centres (continued)

Social media (continued)

The sisters in Langley used Facebook to give a class on Children's Liturgy through a virtual video-link.

Sections of our Facebook page have been promoted specifically to support children through the lockdown.



General Government and British Delegation

During their meetings, the Trustees reflect on governance issues including the "Relationship with our Generalate in Rome". In view of the expenses incurred by the General Government which is at the service of the Congregation worldwide, each circumscription (Province or Delegation) is asked to contribute a percentage (2%) of turnover to cover part of such costs.

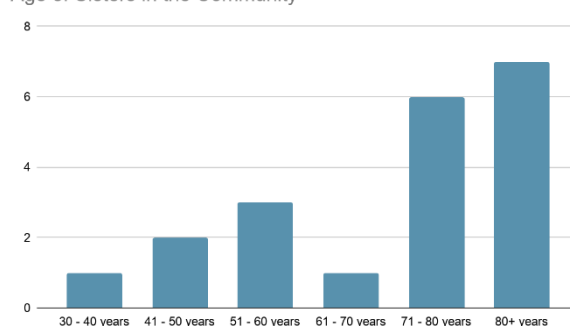
The British Delegation (Daughters of St Paul)

The British Delegation of the Daughters of St Paul is made up of 20 sisters from 7 different countries: Ireland, Italy, Kenya, Malta, Philippines, Scotland and the USA. The Trustees are: Sister Angela Grant fsp, (Chair), Sister Mary Ann Salvilla fsp (Bursar), Sister Elaine Penrice fsp (Secretary) and Sister Rosetta Mignolli fsp. They are aware of their specific roles and ensure that all resources are used efficiently and effectively to further the charitable objects (evangelisation through the media of social communication). The Chair, Sister Angela Grant, keeps up to date with announcements and publications by both the Charity Commission in England and Wales and the Office of the Scottish Regulator to ensure that the Trustees comply with all legal and regulatory requirements.

Looking to the future

With the financial climate in the UK at the moment, and the responsibility to care and provide for the members of the religious community who have been entrusted with the mission and activities of the institute, there is a recognisable financial challenge that is only being sustained by the good stewardship of preceding decades. This, however, has become increasingly difficult and is compounded by the reality that the average age of the sisters is 70 years. Of 20 members, only 7 of these are under the average age. This personnel situation has little prospect of amelioration in the short or medium term.

Age of Sisters in the Community



Objectives, activities and relevant policies (continued)

Looking to the future (continued)

Presently there are 4 sisters who are responsible for leadership and management of the charity, all of whom carry out other responsibilities in the mission. The community leader is overseeing the direction and management of all locations, whilst the board of advisers frequently supports mission activities throughout the UK. One sister oversees the care of the elderly members full-time, as well as the day-to-day management of the Langley house where the active community and guests are catered for. One sister is the Bursar, who supports staff in the local Pauline Books & Media centres. One sister works three days a week with the Catholic Bishops Conference of England & Wales, and is responsible for the management of the productions of Pauline Books & Media.

Three sisters collaborate in a vocations ministry, which supports young women who are reflecting on what to do with their lives, as well as seeking to find new members to secure the mission in future years. Five sisters work full time in the Book Centres, three of whom are over 70 years old. The other sisters mostly work full-time in the Langley site, supporting the various other aspects of our mission including distribution, order fulfilment, marketing and customer service. It should be noted that all sisters make some practical contribution to the life and mission of the institute, including the ministry of prayer, welcoming and hospitality.

Reorganising the Delegation of Great Britain

The ongoing work and deliberation of mapping out the future of the charity in the UK is moving forward. Considerable investment of time and financial resources will continue to be needed to secure the harity for the medium and long-term.

Advisors

In consideration of the challenges of present times, this year the Trustees have a panel of four external advisers who represent a breadth of experience from financial, business and religious backgrounds. Besides these, the Trustees have also been consulting with Gerard Eve LLP (real estate advisors) and with Buzzacott LLP.

The aforementioned advisors have been consulted regarding their expertise in investment, sustainability and property management, with a view as to how to better prepare the charity to move securely into the future.

Safeguarding

The Trustees are committed to Safeguarding as an integral part of the life and ministry of the Daughters of St. Paul in Great Britain. They are fully aware of the Safeguarding policies, procedures and recommendations of the Catholic Church of England, Wales and Scotland. The Trustees are updated on Safeguarding matters by the Catholic Advisory Service on Safeguarding (CSAS).

The sisters are offered periodic updates on safeguarding training and the Trustees ensure that both sisters and employees are reminded of their rights and responsibilities in this regard.

Objectives, activities and relevant policies (continued)

General Data Protection Regulation (GDPR)

The Trustees took note of the Data Protection Act 2018. They hold a copy of the summary guide to GDPR compliance in the UK. They also have a copy of "GDPR: 12 answers for Religious Orders" (Stone King Solicitors) and the Brochure on Retention of Accounting Records (Buzzacott LLP).

Reserves policy

The Reserves Policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure. The retirement fund is reviewed annually with the Trustees taking advice on the minimum amount required per person, in accordance with changes to the average retirement period, the cost of living and changes to the demographic of the Congregation.

Insurance brokers

Since 2016 our insurers have been Jelf, founded in 1989. They changed their name in 2020 and are now called Marsh Commercial.

Year-end accounts

The Trustees reviewed the 2020 year end accounts. They are aware of the overall decline in income over the past years and are seeking advice as to how to respond best to the challenge.

Fundraising

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020, the charity received no complaints about its fundraising activities.

Financial review

Results for the year

Total income for the year amounted to £968,450 (2019 – £1,012,610). Of the total income, £390,013 (2019 – £907,062) was derived from the charity's primary purpose trading activities. The decrease in income from charitable activities reflected the closure of all non-essential shops and businesses as a result of the Coronavirus pandemic lockdowns during 2020. Included within total income are gains on the disposal of tangible fixed assets of £339,868 (2019 – £nil), representing the sale of the charity's property in Bold Street, in Liverpool.

Financial review (continued)

Results for the year (continued)

Total expenditure for the year amounted to £1,063,566 (2019 – £1,340,146). Of this total, £972,348 (2019 – £1,317,567) was directly related to the costs of the charity's primary purpose trading activities. As with income from charitable activities, the fall in charitable expenditure is a result of the closure of non-essential shops and businesses due to the Coronavirus pandemic. Despite the pandemic and the charity's position in an increasingly cost competitive market, the charity has managed to achieve gross profit margins at an average of 38% (2019 – 38%). Net expenditure for the year (after accounting for the £339,868 surplus on disposal of property) was £95,116 (2019 – £327,536).

Reserves policy

Our reserves policy is aimed at helping the Daughters of St Paul to maintain the charity as a going concern and ensure the sisters are sufficiently able to support themselves in their retirement. The general fund should comprise between 25% and 50% of forecast annual operating expenditure.

Financial position

The balance sheet shows total funds of £4,830,973 (2019 – £4,926,089). Of this, £3,979,687 (2019 – £4,035,573) represents the net book value of the charity's tangible fixed assets used to support the work of the sisters minus the value of the short term loan from the Congregation's General Government of £1,150,092 (€1.25 million) to help finance the purchase of property. A further £800,000 (2019 – £800,000) represents designated monies set aside to support the sisters in the long term.

Free reserves, therefore, are those shown on the balance sheet as general funds and amounted to £51,286 at 31 December 2020 (2019 – £90,516). This level of free reserves is deemed insufficient by the Trustees and they have implemented a detailed restructuring plan which includes the receipt of the short-term loan from the General Government in Rome for the purchase of the new building in Church Street, in Liverpool.

The Trustees have resolved to take a number of important actions, which it is anticipated will allow the repayment of the loan during 2021 or 2022 and will return the charity's free reserves to a more appropriate level for long-term sustainability. The actions include:

- ◆ To sale of the charity's property at Langley, Berkshire.
- ◆ To sale of the charity's property in Kensington, London.

As a consequence of these sales the Trustees intend:

- ◆ To purchase another house in Liverpool that is better suited to the needs of the older sisters. Liverpool provides both for a more affordable location than the South of England and will be close to the main mission centre of the Daughters of St Paul which has now been established as being Liverpool.
- ◆ To seek to find a new, non-retail base in London to maintain our mission presence in the capital.

Financial review (continued)

Financial position (continued)

The charity has in recent years been suffering annual deficits and there remains a desire to increase the amounts designated for the future care of the sisters – both of these factors will continue to place pressure on free reserves over the longer term, although it is hoped that these pressures will be ameliorated by the actions described above.

Principal risks and uncertainties

The Coronavirus pandemic has severely affected the mission carried out through Pauline Books & Media. The Trustees have developed plans to guard the sustainability of the charity's work in the near future and the sisters continue to work on new products for sale through Pauline Books & Media. They are currently developing best practice in regard to the future mission of the charity.

The Trustees have identified and considered major risks that the charity may be exposed to. Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring progress, and by being informed also through reading relevant documentation from the Charity Commission, they have established effective systems to mitigate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated.

Competition from large scale retailers

In recent years, competition from larger retailers, particularly those with an online presence, such as Amazon, has led to a decline in revenues for Pauline Books & Media. The charity also bears the additional overheads associated with maintaining its presence on the high street in four different locations across the UK. The Trustees acknowledge the impact of the trends in the retail sector and, as a response, the charity invested in a new website which went live on 1 October 2015. The charity is now also trading through Amazon Marketplace. The Trustees are hopeful that the new online platforms will help the charity to better compete online going forward.

Planning for the care of elderly sisters

An analysis of the age profile of the members of the Delegation shows that the average age of members at 31 December 2020 was 70 years. The Trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles, but constrained by the availability of unrestricted reserves; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Principal risks and uncertainties (continued)

Availability of financial resources

As noted in the financial review above, the charity's balance of free reserves remains a concern for the longer term due to the recurring deficits and the desire to increase the amounts designated for the longer term care of the sisters of the Congregation. The Trustees continue to consider options to manage this issue longer term and their plans are set out above.

Governance, structure and management

In terms of Canon law, the Congregation of the Daughters of St Paul is an Institute of Pontifical status. It is governed at an international level by the Superior General and her Council in Rome. The members of the General Government are elected every six years at a General Chapter, by representatives of all the Provinces and Delegations of the Congregation.

The British Delegation of the Daughters of St Paul is governed by the Delegate Superior and her Council. The Delegate and Councillors are appointed by the Superior General following a consultation of the members of the British Delegation following a consultation of the members of the British Delegation.

In terms of Civil law, the Charity is governed by a Trust Deed dated 16 January 1987, a scheme of the Charity Commission dated 14 January 1997 and the Deed of Variation dated 12 July 2013. The Charity is registered with the Charity Commission for England and Wales with registration number 296042. The Charity is registered with the Office of the Scottish Charity Regulator in Scotland with number SC037889.

Trustees

The following Trustees were in office at the date on which this report was approved and served throughout the year to 31 December 2020.

Trustee	Appointed/ resigned
Sister Angela Grant fsp (Delegate Superior)	
Sister Gregoria Mignolli fsp	
Sister Elaine Penrice fsp (Secretary)	
Sister Mary Ann Salvilla fsp (Bursar)	

The Trustees are all members of the Congregation in Great Britain. They are well versed in the charism of the Congregation and are selected for their personal qualities, and their understanding and experience of the works and ministries of the Daughters of St Paul. Together they have a good skills mix and act as a board. They are ultimately responsible for the policies, activities and assets of the charity. When necessary, the Trustees seek advice and support from the charity's professional advisers. They attend the meetings of the Conference of Religious of England, Wales, Scotland, the Catholic Charity Conference and meetings of the Association of Provincial Bursars.

Governance, structure and management (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Government of Delegation controls the activities of the charity within the following departments:

- ◆ Editorial/production: researching new products and arranging for their production and launch;
- ◆ Graphic design: an in-house origination and design service for new products, web pages and advertising;

Governance, structure and management (continued)

Structure and management reporting (continued)

- ◆ Wholesale sales at Slough: a warehouse operation, serving wholesale and retail outlets, Church and educational establishments;
- ◆ Retail sales: the retail operation of the Pauline Books & Media Centres in Langley, Liverpool, Newcastle upon Tyne and Glasgow;
- ◆ Marketing and publicity: market research, product publicity and trade exhibitions;
- ◆ Central administration: secretarial, accounting, finance and computer services;
- ◆ Websites www.pauline-uk.org and www.paulinemission.org; and
- ◆ Communities' administration of the religious and private lives of the sisters.

The Trustees hold regular meetings throughout the year and examine the Trustees' report and accounts. Special meetings are called to approve capital expenditure, policies regarding employment of lay staff, risk management, health and safety matters, updating reserves policy, and so on. All Trustee meetings are held at the Convent of Our Lady, Middle Green, Slough, SL3 6BS. The Trustees regularly report to, and are accountable to, the General Government of the Congregation in Rome and require that Government's agreement for property transactions and the spending of large sums of money.

Key management personnel

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Employees

The Charity employs 13 part-time employees.

- ◆ 1 person in accounts and administration
- ◆ 11 persons to assist in the various retail and distribution services across the four (previously five) locations.

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Governance, structure and management (continued)

Employees (continued)

The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

From 1 February 2017, Pauline Books & Media was required to provide a workplace pension for all employees who meet the criteria governing automatic enrolment.

The scheme for which Aviva is the provider, has become a qualifying scheme for automatic enrolment purposes. Pauline Books & Media remains committed to adhering to the ongoing requirements governing automatic enrolment.

Signed on behalf of the Trustees:

Sister Mary Ann Salvilla fsp

Trustee

Approved on: 28 September 2021

Independent auditor's report to the Trustees of The Pious Society of the Daughters of St Paul

Opinion

We have audited the accounts of The Pious Society of the Daughters of St Paul (the 'charity') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework i.e. Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and those that relate to data protection (General Data Protection Regulation); and
- ◆ Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of Trustees as to their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested journal entries to identify unusual transactions;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias, particularly in respect to the methodology applied by the charity in determining the provision against obsolescent stock;
- ◆ Used data analytics to investigate the rationale behind any significant or unusual transactions;
- ◆ Tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charity's financial procedures; and
- ◆ Performed substantive testing on expenditure incurred to ensure it complied with the charity's stated purpose.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of Trustees and enquiring of Trustees as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act, and in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 September 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds	
		2020 £	2019 £
Income from:			
Donations	1	94,193	79,687
Bank interest	2	1,678	5,256
Charitable activities			
. Communications media income	3	390,013	907,062
Other sources			
. Gain on disposal of tangible fixed assets	10	339,868	—
. Foreign exchange gains		79,684	20,605
. Coronavirus Job Retention Scheme funding		63,014	—
Total income		968,450	1,012,610
Expenditure on:			
Charitable activities			
. Spreading the Gospel through communications media	4	972,348	1,317,567
Other items			
. Foreign exchange losses		91,218	22,579
Total expenditure		1,063,566	1,340,146
Net expenditure and net movement in funds	7	(95,116)	(327,536)
Reconciliation of funds			
Total funds brought forward at 1 January 2020		4,926,089	5,253,625
Total funds carried forward at 31 December 2020		4,830,973	4,926,089

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		5,129,779		4,035,573
Current assets					
Stocks	11	247,216		261,236	
Debtors	12	147,874		61,456	
Short term deposits		—		700,000	
Cash at bank and in hand		1,122,842		431,738	
		1,517,932		1,454,430	
Liabilities:					
Creditors: amounts falling due within one year	13	(1,816,738)		(563,914)	
Net current (liabilities) assets			(298,806)		890,516
Total net assets			4,830,973		4,926,089
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	14		3,979,687		4,035,573
. Designated funds	15		800,000		800,000
. General fund			51,286		90,516
			4,830,973		4,926,089

Approved by the Trustees
and signed on their behalf by:

Sister Mary Ann Salvilla fsp

Trustee

Approved on: 28 September 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(245,634)	(174,618)
Cash flows from investing activities:			
Bank interest received		1,678	5,256
Purchase of tangible fixed assets		(1,636,455)	(10,741)
Disposal of tangible fixed assets		720,000	4,880
Net cash used in investing activities		(914,777)	(605)
Cash flows from financing activities:			
Cash inflows from new borrowing		1,151,515	423,980
Net cash provided by financing activities		1,151,515	423,980
Change in cash and cash equivalents in the year		(8,896)	248,757
Cash and cash equivalents at 1 January 2020	B	1,131,738	882,981
Cash and cash equivalents at 31 December 2020	B	1,122,842	1,131,738

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net expenditure to net cash used in operating activities

	2020 £	2019 £
Net expenditure (as per the statement of financial activities)	(95,116)	(327,536)
Adjustments for:		
Depreciation charge	163,397	172,683
Interest receivable	(1,678)	(5,256)
Gain on disposal of tangible fixed assets	(339,868)	—
Decrease in stocks	14,020	30,912
(Increase) decrease in debtors	(86,418)	10,234
Increase (decrease) in creditors	100,029	(55,655)
Net cash used in operating activities	(245,634)	(174,618)

B Analysis of changes in net debt

	2019 £	Cash flows £	Foreign exchange movements £	2020 £
Cash and cash equivalents				
Cash at bank and in hand	431,738	691,104	—	1,122,842
Short term deposits	700,000	(700,000)	—	—
	1,131,738	(8,896)	—	1,122,842
Borrowings				
Loans due within one year	—	(1,151,515)	1,423	(1,150,092)
Total cash and cash equivalents net of borrowings	1,131,738	(1,160,411)	1,423	(27,250)

Principal accounting policies 31 December 2020

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparative information provided in respect to the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

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

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates.

The areas in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision made in respect to slow moving or obsolete stock which has been determined through a review of sales patterns for all stock lines;
- ◆ the provision required for any bad or doubtful debts which has been determined following an assessment of the likelihood of recovery of long-standing debts; and
- ◆ the assumptions adopted in estimating the ideal level of the sisters' retirement reserve; and
- ◆ The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The financial impact on the charity cannot be underestimated and these unprecedented times were therefore of serious concern and challenge. The income of the charity was greatly reduced across all areas: book centre sales, donations, the income from the stipend of the sister working for the national church, and the income from sales on the Pauline Books & Media website.

Savings, however, were made, chiefly due to the furloughing of staff and the reduced overheads achieved by not having to open the book centres, as well as the inability in many cases to purchase new stock for the book centres (because suppliers were often closed too). Savings were also made by reducing community expenses to the essential.

The re-opening of the Pauline Books & Media centres had cost implications:

- ◆ Reinstatement of staff salaries;
- ◆ Purchase and consummation of personal protection materials;
- ◆ Increased purchase of cleaning materials;
- ◆ Increased overheads of electricity, heating etc.; and
- ◆ Return to purchasing stock from suppliers.

It was hoped that the re-opening of centres would have a positive return from sales, though recent trends have been downwards, and this has been exacerbated by:

- ◆ The general downturn in the nation's economy;
- ◆ Increased unemployment of the local community;
- ◆ Insecurity from customers in relation to shopping and circulation as a result of Covid-19; and
- ◆ Changes of routine and purchasing habits – people where have become accustomed to online shopping and this, as we anticipated, resulted a further decrease in footfall.

Although the charity's free reserves were deemed insufficient at 31 December 2020 at £51,286, this position is a result of the charity's ongoing restructuring and relocation plan. This is being financed with the assistance of a short-term loan of €1.25 million (£1,150,092) obtained from the Congregation's General Government in Rome for the purchase of the new building in Church Street, in Liverpool.

The Trustees have resolved to take a number of important actions which it is anticipated will allow the repayment of the loan during 2021 or 2022 and return the charity free reserves to a level that ensures long term sustainability. The actions include:

- ◆ To sell the charity's property at Langley, Berkshire.
- ◆ To sell the charity's property in Kensington, London.

Assessment of going concern (continued)

As a consequence of these sales the Trustees intend:

- ◆ To purchase another house in Liverpool that is better suited to the needs of the older sisters. Liverpool provides both for a more affordable location than the South of England and will be close to the main mission centre of the Daughters of St Paul which has now been established as being Liverpool.
- ◆ To seek to find a new, non-retail base in London to maintain our mission presence in the capital.

The charity has in recent years been suffering annual deficits and there remains a desire to increase the amounts designated for the future care of the sisters – both of these factors will continue to place pressure on free reserves over the longer term, although it is hoped that these pressures will be ameliorated by the actions described above. Whilst the restructuring and relocation plans are being implemented during 2021 and 2022, the Congregation's General Government has confirmed that it will continue to provide financial support to the charity to enable it to pay its debts as they fall due.

Therefore, the Trustees are of the opinion that the charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income includes income from charitable activities, donations, local Government support grants, grants from the Government's Coronavirus Job Retention Scheme, bank interest and other income.

Income from charitable activities relates to the turnover derived from the charity's primary purpose trading activity, principally the sale of religious book, media and artefacts. The income is recognised when the significant risks and rewards of ownership have transferred to the buyer. This is usually when the stock has been dispatched to the customer.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

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.

Support grants from local government bodies are recognised when the charity becomes entitled to the funding, receipt of the grant is probable and the value of the grant is measurable

Any surplus on disposal of tangible fixed assets is credited to the statement of financial activities on completion of the legal process to dispose of the assets and comprises the difference between the sale proceeds net of associated costs and the net book value of the assets immediately prior to disposal.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Services provided by members of the Congregation

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities comprises the direct cost of goods sold in relation to the charity's primary purpose trading activity as well as the cost of the living and personal expenses of the sisters.

Indirect support costs are wholly allocated to the cost of charitable activities and include staff costs, depreciation, governance costs and other overheads including those in relation to the running and upkeep of the book centres and the central office. Governance costs relate to the costs of public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

- ◆ Other expenditure which includes sundry costs such as losses made on the disposal of tangible fixed assets and foreign exchange losses.

Pension costs

Contributions to employees' group personal pension plans and the charity's workplace pension scheme are debited to the statement of financial activities in the year in which they are payable.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

♦ Freehold buildings	2% per annum
♦ Fixtures and fittings	10% per annum
♦ Computer software and equipment	20% per annum
♦ Motor vehicles	20% per annum

Freehold land and buildings purchased on or prior to 17 June 1997 are included in the accounts at a valuation carried out by Gerald Eve LLP, Chartered Surveyors and property consultants, at that date. In accordance with the transitional provisions of FRS 102, the 1997 valuation is now deemed to be cost. Land and buildings purchased on or after 18 June 1997 and all other tangible fixed assets are included on the balance sheet at cost.

Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than 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.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

1 Donations and legacies

	2020 £	2019 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	38,304	40,177
Local Government support grants re Covid-19	35,000	—
Donations	20,889	39,510
	94,193	79,687

2 Bank interest

	2020 £	2019 £
Interest receivable	1,678	5,256

3 Communications media income

	2020 £	2019 £
Turnover from trading activities	389,383	906,927
Royalties and copyright income	630	135
	390,013	907,062

4 Spreading the Gospel through communications media

	2020 £	2019 £
Costs of goods sold	240,645	559,212
Community living and personal expenses	96,444	141,280
Support costs (note 5)	635,259	617,075
	972,348	1,317,567

5 Support costs

	2020 £	2019 £
Staff costs (note 8)	186,383	217,373
Depreciation	163,397	172,683
Book centre and office expenses	271,069	213,684
Governance costs (note 6)	14,410	13,335
	635,259	617,075

6 Governance costs

	2020 £	2019 £
Auditor's remuneration	14,410	13,335

7 Net expenditure and net movement in funds

This is stated after charging:

	2020 £	2019 £
Staff costs (note 8)	186,383	217,373
Auditor's remuneration		
. Statutory audit services	14,410	13,335
Rentals under operating leases	4,500	4,824
Depreciation	163,397	172,683

Rentals under operating leases relate to the rental of the bookshop space at the Cathedral Church of St Mary in Clayton Street West, Newcastle, under a rolling agreement with Sursum Corda Limited.

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	178,468	204,067
Social security costs	3,342	7,224
Other pension costs	4,573	6,082
	186,383	217,373

The average number of employees during the year, analysed by function, both on an average headcount and full-time equivalent (FTE) basis, was as follows:

	2020 FTE	2019 FTE	2020 Average number	2019 Average number
Charitable activities				
. Spreading the Gospel through communications media	9	11	15	19

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year (2019 – none).

The Trustees (including the Delegate Superior and Bursar) consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees are all members of the Delegation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2019 – £nil).

9 Taxation

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

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer software and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2020	5,694,125	747,153	459,647	57,315	6,958,240
Additions	1,628,715	5,017	4,003	—	1,637,735
Disposals	(610,554)	(52,551)	—	(15,550)	(678,655)
At 31 December 2020	<u>6,712,286</u>	<u>699,619</u>	<u>463,650</u>	<u>41,765</u>	<u>7,917,320</u>
At historic cost	6,430,668	699,619	463,650	41,765	7,635,702
At deemed cost (1997 valuation)	281,618	—	—	—	281,618
	<u>6,712,286</u>	<u>699,619</u>	<u>463,650</u>	<u>41,765</u>	<u>7,917,320</u>
Depreciation					
At 1 January 2020	1,818,638	618,168	440,911	44,950	2,922,667
Charge for the year	113,071	32,884	11,969	5,473	163,397
Disposals	(230,422)	(52,551)	—	(15,550)	(298,523)
At 31 December 2020	<u>1,701,287</u>	<u>598,501</u>	<u>452,880</u>	<u>34,873</u>	<u>2,787,541</u>
Net book values					
At 31 December 2020	<u>5,010,999</u>	<u>101,118</u>	<u>10,770</u>	<u>6,892</u>	<u>5,129,779</u>
At 31 December 2019	<u>3,875,487</u>	<u>128,985</u>	<u>18,736</u>	<u>12,365</u>	<u>4,035,573</u>

The charity's freehold land and buildings were revalued to open market value on 17 June 1997. The valuation was carried out by Gerald Eve LLP, chartered surveyors and property consultants. As permitted under the transitional arrangements of Financial Reporting Standard 102, the charity has continued to adopt a policy of not updating this valuation which is now deemed to be cost. With the exception of freehold land and buildings, all other assets are included above at historic cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the Trustees, is not justified in terms of the benefit to users of the accounts.

During the year, as part of the ongoing restructuring of the charity, the Trustees disposed of one of the charity's properties in Liverpool realising a surplus on disposal of £339,868.

At 31 December 2021, the Charity had capital commitments of £238,063 (2019 – £nil) in respect to refitting work at the newly acquired property in Church Street, Liverpool.

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	247,216	261,236

12 Debtors

	2020 £	2019 £
Trade debtors	14,156	21,015
Other debtors	98,487	415
Prepayments and accrued income	35,231	40,026
	147,874	61,456

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Loan from the Congregation's General Government (see below)	1,150,092	—
Other amounts due to the Congregation's General Government	485,906	468,414
Expense creditors	121,447	39,202
Payments due in respect of tangible fixed assets	1,280	—
Other creditors and accruals	40,223	37,968
Deferred income	17,790	18,330
	1,816,738	563,914

The loan from the Congregation's General Government was advanced to enable the purchase of a property in Liverpool, the acquisition of which forms part of the charity's ongoing restructuring and relocation plans. The loan is interest free and will be repaid from the proceeds of the sale of other properties which are currently being marketed for sale.

14 Tangible fixed assets fund

	Total 2020 £	Total 2019 £
At 1 January 2020	4,035,573	4,202,395
Net movement in tangible fixed assets in the year	1,094,206	(166,822)
Less: Loan received towards the purchase of property (see note 13)	(1,150,092)	—
At 31 December 2020	3,979,687	4,035,573

15 Designated fund

The funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2020 £	New designations £	Transferred to general fund £	At 31 December 2020 £
Retirement fund	800,000	—	—	800,000
	At 1 January 2019 £	New designations £	Transferred to general fund £	At 31 December 2019 £
Retirement fund	1,000,000	—	(200,000)	800,000

The retirement fund comprises monies to apply towards the needs of caring for members of the Community in the longer term.

16 Analysis of net assets between funds

	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	—	—	5,129,779	5,129,779
Current assets	717,932	800,000	—	1,517,932
Creditors: amounts falling due within one year	(666,646)	—	(1,150,092)	(1,816,738)
Total net assets	51,286	800,000	3,979,687	4,830,973
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	—	—	4,035,573	4,035,573
Current assets	654,430	800,000	—	1,454,430
Creditors: amounts falling due within one year	(563,914)	—	—	(563,914)
Total net assets	90,516	800,000	4,035,573	4,926,089

17 Pension scheme

The charity operates a group personal pension plan. The assets of the plan are held separately from those of the charity in independently administered funds. Employees may contribute 3% of their gross salary to the plan, which is matched by an equal contribution from the charity. The pension cost charge represents contributions payable by the charity to the plans and amounted to £4,573 (2019 – £6,082).

18 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Daughters of St Paul by virtue of the fact that the Superior General of the Congregation and her Council appoint the Trustees. The Daughters of St Paul in Great Britain do not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in Great Britain are vested in the Trustees of the charity, who undertake all transactions entered into in the course of the charitable activities of the Congregation in Great Britain.

19 Related party transactions

Income from donations and legacies includes the salaries and pensions of certain Trustees of the charity received under Gift Aid or Deed of Covenant. For the year ended 31 December 2019, the total value of these receipts amounted to £16,629 (2019 – £18,091). Other transactions with Trustees are disclosed in note 8.

There are no other related party transactions that require disclosure (2019 – none).

20 Property plans and commitments

The Trustees have placed the charity's properties situated in Kensington, London and Langley, Berkshire on the market for sale and it is hoped that these will result in net proceeds of circa £8 million. On completion of these sales, it is the intention of the Trustees to purchase two further residential properties, one in Liverpool and the other in the London area. These property transactions are part of the wider structural re-organisation and relocation of the charity which is described in both the Trustees' report and these accounts.