

# **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

<b>Trustees</b>	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> )
<b>Council</b>	Sister Angela Grant fsp Sister Lalaine Lilio fsp Sister Elaine Penrice fsp Sister Florence Wahome fsp
<b>Principal office</b>	84 Church Street Liverpool L1 4AY
<b>Telephone</b>	0151 709 1328
<b>Website</b>	<a href="http://www.paulineuk.org">www.paulineuk.org</a>
<b>Charity registration numbers</b>	296042 (England and Wales) SC037889 (Scotland)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	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](http://www.pauline-uk.org)**

**[www.paulinemission.org](http://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)

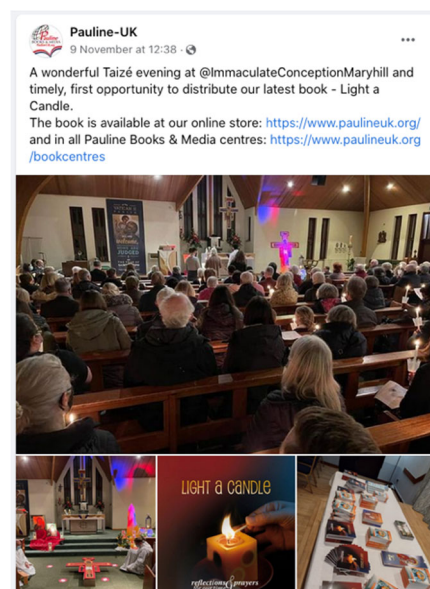
#### Newcastle

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)*

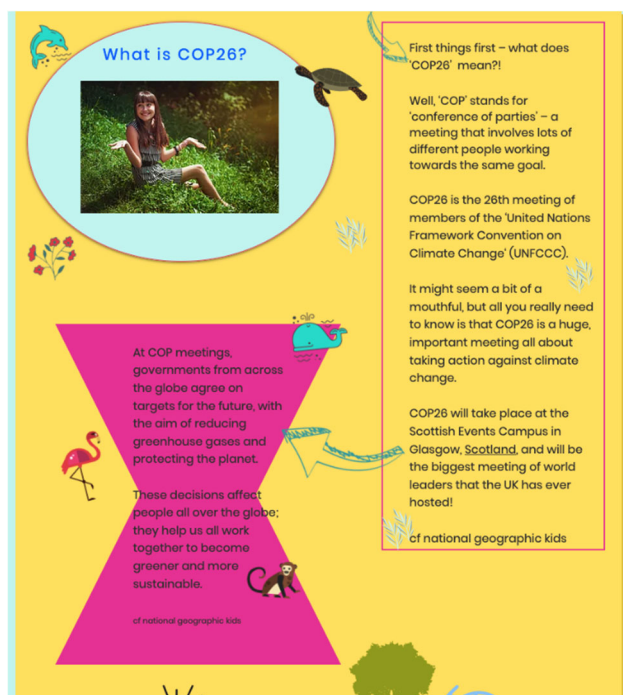
Langley

Warehouse & [www.pauline-uk.org](http://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](http://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.

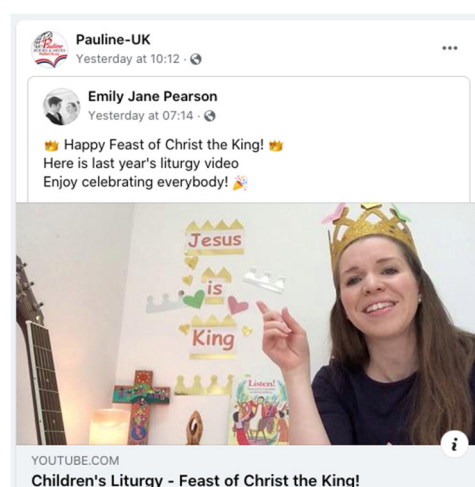


## Objectives, activities and relevant policies (continued)

### 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)

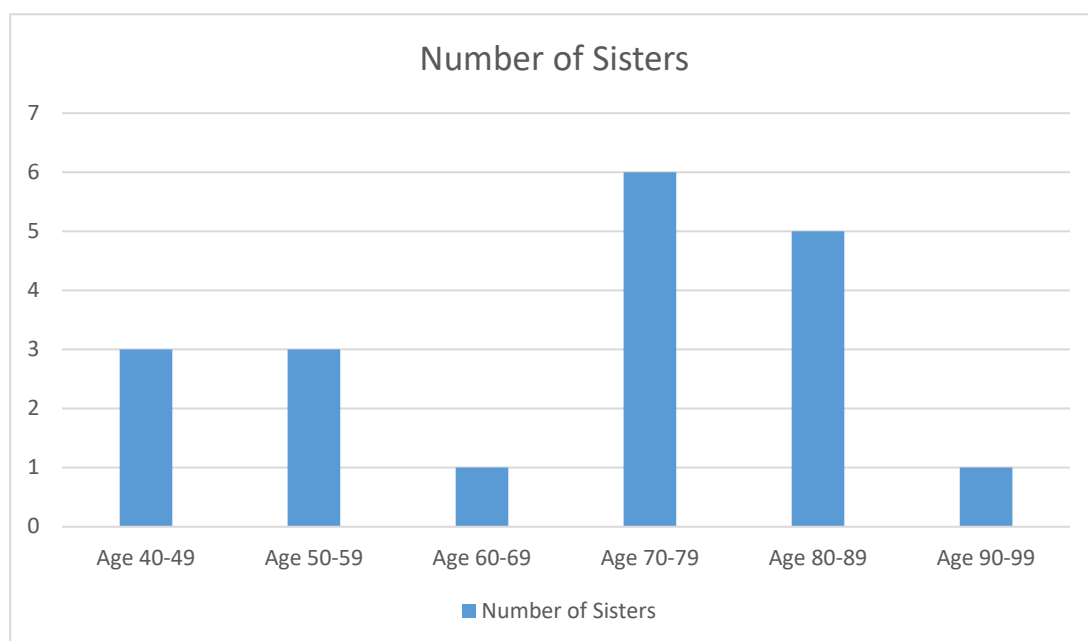
### *Looking to the future*

#### *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](http://www.pauline-uk.org); and [www.paulinemission.org](http://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.

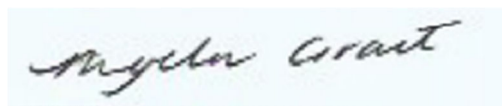
The Trustees recognise that the laity are an integral part of building up the Kingdom of God and that they have their vocation and their rights to be involved in mission.

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.

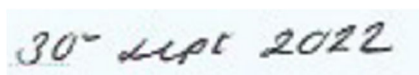
Signed on behalf of the Trustees:



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.

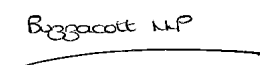
### **Auditor's responsibilities for the audit of the accounts**

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](http://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

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 £
<b>Income from:</b>			
Donations and legacies	1	<b>82,655</b>	94,193
Bank interest	2	<b>19</b>	1,678
Charitable activities			
. Communications media income	3	<b>509,396</b>	390,013
Other sources			
. Gain on disposal of tangible fixed assets		<b>200</b>	339,868
. Foreign exchange gains		<b>152,282</b>	79,684
. Coronavirus Job Retention Scheme funding		<b>22,423</b>	63,014
<b>Total income</b>		<b>766,975</b>	968,450
<b>Expenditure on:</b>			
Charitable activities			
. Spreading the Gospel through communications media	4	<b>1,037,652</b>	972,348
Other items			
. Foreign exchange losses		<b>71,478</b>	91,218
<b>Total expenditure</b>		<b>1,109,130</b>	1,063,566
<b>Net expenditure and net movement in funds</b>	7	<b>(342,155)</b>	(95,116)
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 January 2021		<b>4,830,973</b>	4,926,089
Total funds carried forward at 31 December 2021		<b>4,488,818</b>	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 £
<b>Fixed assets</b>					
Tangible assets	10		<b>5,972,658</b>		5,129,779
<b>Current assets</b>					
Stocks	11	<b>177,387</b>		247,216	
Debtors	12	<b>79,357</b>		147,874	
Cash at bank and in hand		<b>290,068</b>		<u>1,122,842</u>	
		<b>546,812</b>		1,517,932	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<b>(2,030,652)</b>		(1,816,738)	
<b>Net current assets liabilities</b>			<b>(1,483,840)</b>		(298,806)
<b>Total net assets</b>			<b>4,488,818</b>		<u>4,830,973</u>
<b>The funds of the charity:</b>					
Unrestricted funds					
. Tangible fixed assets fund	14	<b>4,161,314</b>			3,979,687
. Designated funds	15	<b>—</b>			800,000
. General fund		<b>327,504</b>			<u>51,286</u>
		<b>4,488,818</b>			<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 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(515,095)</b>	(245,634)
<b>Cash flows from investing activities:</b>			
Bank interest received		19	1,678
Purchase of tangible fixed assets		<b>(979,150)</b>	(1,636,455)
Disposal of tangible fixed assets		200	720,000
<b>Net cash used in investing activities</b>		<b>(978,931)</b>	(914,777)
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		<b>661,252</b>	1,151,515
<b>Net cash provided by financing activities</b>		<b>661,252</b>	1,151,515
<b>Change in cash and cash equivalents in the year</b>		<b>(832,774)</b>	(8,896)
<b>Cash and cash equivalents at 1 January 2021</b>	B	<b>1,122,842</b>	1,131,738
<b>Cash and cash equivalents at 31 December 2021</b>	B	<b>290,068</b>	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 £
<b>Net expenditure (as per the statement of financial activities)</b>	<b>(342,155)</b>	(95,116)
<b>Adjustments for:</b>		
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	<b>(447,338)</b>	100,029
<b>Net cash used in operating activities</b>	<b>(515,095)</b>	(245,634)

### B Analysis of changes in net debt

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

## **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
	<b>82,655</b>	<b>94,193</b>

**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
	<b>509,396</b>	<b>390,013</b>

**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
	<b>1,037,652</b>	<b>972,348</b>

**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
	<b>551,241</b>	<b>635,259</b>

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

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 £
<b>Fund balances at 31 December 2021 are represented by:</b>				
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)
<b>Total net assets</b>	<b>327,504</b>	<b>—</b>	<b>4,161,314</b>	<b>4,488,818</b>
	General fund £	Designated fund £	Tangible fixed asset fund £	Total 2020 £
<b>Fund balances at 31 December 2020 are represented by:</b>				
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)
<b>Total net assets</b>	<b>51,286</b>	<b>800,000</b>	<b>3,979,687</b>	<b>4,830,973</b>

**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.