

# REDEMPTORIS MATER HOUSE OF FORMATION

Charitable Company limited by guarantee registered in England

Registered Charity No. 104 7443

Company No. 296 5770



## DIRECTORS' REPORT AND ACCOUNTS For the financial year ended on 31 August 2005



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# REDEMPTORIS MATER HOUSE OF FORMATION

*Registered Charity N. 1047443*

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## DIRECTORS' REPORT FOR THE YEAR ENDED ON 31-08-2005

### Reference and Administrative Details

<i>Company name:</i>	Redemptoris Mater House of Formation		
<i>Company reg. number:</i>	2965770		
<i>Registered office:</i>	11 Harewood Avenue, London NW1 6LD		
<i>Registered Charity No.</i>	1047443	<i>Date of registration:</i>	22-06-1995
<i>Object</i>	To promote religion in accordance with the Roman Catholic faith and in particular to form young men and adults to the presbyterate for the new evangelisation and for that purpose to establish a House of Formation ( <i>Memorandum of Association</i> , §3 <sup>2</sup> ).		
<i>Company secretary</i>	Geraldine Rae		
<i>Directors of the Company (= Members of Administrative Council):</i>	Michael James Anderson Anthony Matthew Cook Francesco Donega Clement Dunne (since 7/02/05) Remo Finaldi Ludomir Laskowski (until 7/02/05) Terence Fergal Martin Peter John Wallach		
<i>Chief Executive Officer (Rector)</i>	Francesco Donega		
<i>Bankers</i>	Barclays Bank PLC Baker Street Branch 93 Baker Street - London W1A 4SD		
<i>Reporting accountant:</i>	David Griffith F.C.A. 149 Glenfron Road Eastville Bristol BS5 6XF		
<i>Solicitors</i>	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH		

### Structure, Governance and Management

The charity is constituted as a charitable company limited by guarantee and not having a share capital. Governing document: memorandum and articles of association incorporated on 7th September 1994 (as amended by special resolution on 19th June 1995).

The members of the Pastoral Council (= Members of the charitable company) are appointed by the Archbishop of Westminster.

The members of the Pastoral Council give the general guidelines for the company activities, appoint the directors and other company officials and staff, adopt the accounts and represent the Redemptoris Mater House of Formation before the Archbishop of Westminster.

The company is run by an Administrative Council, whose members are the directors of the company. The Administrative Council is chaired by the rector.

The rector of the House of Formation is the chief executive of the company. He is appointed by the Archbishop of Westminster and is *ex officio* member and chairman of both Administrative and Pastoral Council.

All members of the Administrative Council (= the directors of the company) are appointed by the Pastoral Council, i.e. by the members of the company. No person other than a resigning member of the Administrative Council is eligible for election unless his nomination is made by a member of the Pastoral Council. Any member of the Pastoral Council is entitled to submit nominations. (*Cf. Articles of Association, §24*)

Directors are chosen for their expertise in administration, legal matters and/or for their direct experience of working in the charity field. An induction process is carried out by other directors on a one-to-one basis, with the support of material provided by the Charity Commission.

Day to day administration is delegated to the rector, who takes relevant advice from Council members and other professionals before making important decisions.

### **Objectives and Activities**

The main object of the charity is to promote religion in accordance with the Roman Catholic faith, in particular by forming young men as priests for the new evangelisation of Europe and the whole world. (*Cf. Memorandum of Association, §3<sup>2</sup>*)

For that purpose the company is renting a property known as Edward's Convent, located at 11 Harewood Avenue, London NW1 6LD. The building houses the registered office of the charity and a House of Formation where the students and some members of staff are in residence. The House is run under the direct supervision and responsibility of the rector.

Voluntary helpers contribute significantly to the activities of the House of Formation. Cleaning, cooking and most maintenance works are carried out by volunteers. In the year 2004-2005 there have been 3 volunteers residing full time in the House. Another 7 have offered their services part-time.

In the year 2004-2005, 14 seminarians from a number of countries of Europe and America have been residing full board in St Edward's Convent, while attending courses of General English, Philosophy and Theology in preparation for the priesthood. The House of Formation has provided the beneficiaries with food and lodging, met their expenses (studies, clothing, health care, travelling in London and abroad, etc.) and offered them a training programme including studies, pastoral and spiritual meetings and field-work training in the UK and abroad.

### **Achievements and performance**

Two students have been ordained during 2005. One has been ordained priest for the Archdiocese of Westminster; a second one has been ordained deacon for the same Diocese and is expected be ordained priest next year.

Students have been working in adult catechesis in India, Israel, Zambia and Italy. In London students and staff have carried out various pastoral ministries in parishes, hospitals and schools.

### **Financial Review**

The charity has adopted a policy on reserves, thereby designating a fund to be used in the event of winding up, to meet legal and administrative expenses and settle payments to staff (if any: no paid staff are presently employed). It has been decided to allocate a sum of £5,000 for this purpose.

Direct charitable expenditure refers to funds used exclusively for:

- (a) covering the maintenance costs for the House (rent, electricity, gas, water, telephone, repairs, etc.);
- (b) paying for food, travel, studies and any other expenses necessary to provide the required training and ensure adequate living conditions for the beneficiaries;
- (c) paying travel expenses for the students involved in missionary work abroad;
- (d) providing food for the voluntary helpers (the Rector and two/three others) who have been living full time in the House for the sole purpose of running it in accordance with the charitable object of the Company;

None of the directors or members was remunerated. Money spent for the charity management amounted to £199, which includes meeting expenses, travelling, stationery, administration fees and telephone calls.

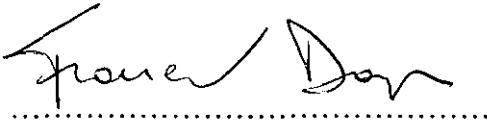
The funds made available to the charity during the year 2004-2005 have all come from unrestricted voluntary donations. In comparison with previous years there has been a loss of income which led to a deficit of £ 3,048. It is the directors' opinion that one of the main causes was the on-going climate of uncertainty concerning the physical location of the House of Formation, should St Edward's convent be no longer available to the charity. A series of meetings with regular and potential donors has given good results in the first quarter of the new financial year. Negotiations for a more stable accommodation arrangement are continuing. Initiatives aimed at providing new income channels in the UK and overseas are also underway.

### **Plans for the future**

The plan for the immediate future is to continue running the House for the academic year 2005-2006, providing the 14 students attached to it with all that is required for their studies, pastoral activities and field-work training in UK and abroad.

Investigations, including relocation, are to continue, in order to secure a stable location for the House of Formation.

Approved by the Directors of the Company on .....26/01/2006.....  
and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Francesco Donega', written over a dotted line.

**Francesco Donega**  
**(Rector)**

## INDEPENDENT ACCOUNTANT'S REPORT TO REDEMPTORIS MATER HOUSE OF FORMATION

I report on the accounts for the year ended 31 August 2005 set out on pages 6 to 9.

### *Respective Responsibilities of Directors and Reporting Accountants*

As described on page 6 the Company's directors are responsible for the preparation of the accounts, and they consider that the Company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

### *Basis of Opinion*

My work was conducted in accordance with the SORP – Recommended Practice for Examination by an Independent Examiner, and so my procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

### *Opinion*

In my opinion:

- a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

.....*D. T. Griffith*.....  
David Griffith F.C.A.  
149 Glenfrome Road  
Eastville  
Bristol BS5 6XF

Date .....*26/1/06*.....

# REDEMPTORIS MATER HOUSE OF FORMATION

*Registered Charity N. 1047443*

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended on 31 August 2005

	2005 £	2004 £
<b>Income and Expenditure</b>		
<b>Incoming Resources</b>		
Donations (unrestricted)	108,411	131,710
(restricted)	-	-
Bank interest received	441	393
	<u>          </u>	<u>          </u>
<b>Total Incoming Resources</b>	<b>108,852</b>	<b>132,094</b>
<b>Resources Expended</b>		
Direct Charitable Expenditure	111,701	131,788
Fund raising	-	-
Charity management	199	122
	<u>          </u>	<u>          </u>
<b>Total Resources Expended</b>	<b>111,900</b>	<b>131,910</b>
<b>Net Movement of Funds</b>	<b>(3,048)</b>	<b>184</b>
Balance brought forward		
from 31 August 2004	35,481	35,297
	<u>          </u>	<u>          </u>
<b>Total carried forward at 31 August 2005</b>	<b>32,433</b>	<b>35,481</b>
	<u>          </u>	<u>          </u>
<b>Reserves analysis</b>		
Restricted Funds	16,999	16,999
Designated capital fund	2,360	3,147
General Funds	13,074	15,335
<b>Reserves at year end</b>	<b>32,433</b>	<b>35,481</b>
	<u>          </u>	<u>          </u>



# REDEMPTORIS MATER HOUSE OF FORMATION

*Registered Charity N. 1047443*

## BALANCE SHEET AS AT 31 AUGUST 2005

		2005		2004	
	£	£	£	£	
<b>Fixed Assets</b>					
Initial cost of tangible Fixed Assets		8,485		8,485	
Accumulated Depreciation	(6,125)		(5,338)		
		<u>2,360</u>		<u>3,147</u>	
<b>Current Assets</b>					
Pre-payments	-		273		
Sundry debtors	-		995		
Cash at Bank (unrestricted)	13,622		29,219		
(restricted)	16,999		16,999		
Cash in Hand	1,142		1,020		
		<u>31,763</u>		<u>48,506</u>	
<b>Current Liabilities</b>	note 2	(1,689)		(16,172)	
		<u></u>		<u></u>	
<b>Net current assets</b>		<u>32,434</u>		<u>35,481</u>	

These Accounts have been prepared by accrual method.

For the financial year in question the Company was entitled to the exemption conferred by Subsection (2) of section 249A.

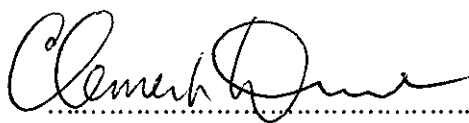
No notice from members requiring an audit has been deposited under Subsection (2) of Section 249B in relation to its accounts for the financial year.

The Directors acknowledge their responsibilities for:

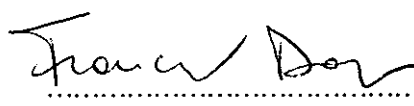
1. ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and
2. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the Company.

Advantage has been taken of the exemption conferred by Section A of Part III of Schedule 8, and in the opinion of the Directors, the Company is entitled to those exemptions on the basis that it qualifies as a small company.

Approved by the Administrative Council on 26/01/2006 and signed on its behalf by



Clement Dunne  
Director



Francesco Donega  
Director

# REDEMPTORIS MATER HOUSE OF FORMATION

Registered Charity N. 1047443

## INCOME AND EXPENDITURE ACCOUNT

For the year ended on 31 August 2005

	2005		2004	
	£	£	£	£
<b>Incoming Resources</b>				
Donations (UK)	101,754		118,033	
Donations (overseas)	6,657		13,668	
Bank Interest Received	441		393	
<b>Total</b>	<b>108,852</b>	<b>108,852</b>	<b>132,094</b>	<b>132,094</b>
<b>Resources Expended</b>				
Rent	35,004		35,004	
Electricity	4,692		2,521	
Gas	9,633		8,988	
Water & General Rates	1,385		4,246	
Insurance	(15,000)		-	
Telephone	2,422		2,524	
Wages incl. PAYE/NIC	12,594		21,014	
Services & Repairs	1,034		3,504	
Household	2,673		1,103	
Urban Travel	6,577		3,199	
Other Travel	14,927		15,410	
Motor Expenses	6,109		6,130	
Food	11,162		12,900	
Education	5,917		5,713	
Books/Newspapers	1,488		838	
Seminarians Personal	5,923		3,371	
Medical	361		494	
Liturgical	1,795		1,345	
Pastoral	1,327		1,957	
Sundries	74		43	
Bank Charges	68		59	
Depreciation	787		1,049	
Legal	749		376	
Charity management	199		122	
Fund raising	-		-	
<b>Total</b>	<b>111,900</b>	<b>111,900</b>	<b>131,910</b>	<b>131,910</b>
<b>Net (Loss) Income for the year</b>		<b>(3,048)</b>		<b>184</b>

## **Notes to the Accounts for the year ended on 31 August 2005**

### *1. Accounting Policies*

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2002 ("SORP") and with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention, modified by the revaluation of investments.

#### *a) Donations*

Donations received for the general purposes of the Charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken as restricted funds.

#### *b) Resources expended*

These are accounted for on an accrual basis.

#### *c) Depreciation*

Depreciation of Motor Vehicles is provided at a rate of 25% per annum on a reducing balance basis calculated to write off the cost of the asset after its estimated useful economic life.

### *2. Liabilities*

- £1,689 arrears due for electricity, agreed with supplier. To be paid off in monthly instalments during coming year.