

REDEMPTORIS MATER HOUSE OF FORMATION

Charitable Company limited by guarantee registered in England

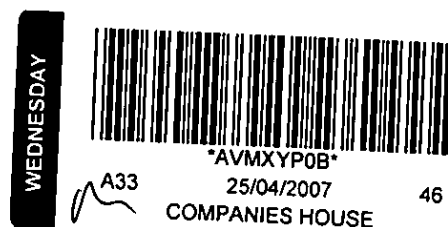
Registered Charity No 104 7443

Company No 296 5770



DIRECTORS' REPORT AND ACCOUNTS

For the financial year ended on 31 August 2006



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REDEMPTORIS MATER HOUSE OF FORMATION

Registered Charity N 1047443

DIRECTORS' REPORT FOR THE YEAR ENDED ON 31-08-2006

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 ²)		
<i>Company secretary</i>	Geraldine Rae		
<i>Directors of the Company</i> (= Members of Administrative Council)	Michael James Anderson Anthony Matthew Cook Francesco Donega Clement Dunne († 7 Aug 2006) Remo Finaldi 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 Glenfrome 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*, §3²)

For that purpose the company is renting a property known as St. 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 2005-2006 there have been 6 volunteers residing full time in the House. Another 7 have offered their services part-time

In the year 2005-2006, 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

One of the students was ordained a priest by Cardinal Murphy-O'Connor for the Archdiocese of Westminster in June 2006 and now is on active pastoral duties in the diocese

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 £5,000 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)

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 five 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 and fund raising amounted to £414

The funds made available to the charity during the year 2005-2006 have all come from unrestricted voluntary donations. The uncertainty experienced in recent years as to whether the charity could remain located at the site of St Edward's convent has ended. This more stable situation, together with personal contacts with regular and potential donors in the UK have improved the Charity's revenue in comparison with the previous year. Small scale fund raising activities are continuing.

Plans for the future

The plan for the immediate future is to continue running the House for the academic year 2006-2007, and to make full provision for the studies, pastoral activities and field-work training in UK and abroad for the 13 students attached to the House.

Following the Sisters of Mercy's decision to postpone indefinitely the sale of St Edward's Convent and to allow Redemptoris Mater to rent part of the property, a medium or long term contract will be negotiated with the Sisters, in order to secure a more stable and long term basis for the House of Formation future and activities.

Plans to share the building with the Sisters of Mercy on a longer term basis will include building works and general refurbishment of the property to make it more suitable for both occupiers

Approved by the Directors of the Company on *29 March 2007*
and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Francesco Donega', with a stylized flourish at the end.

Francesco Donega
(Rector)

INDEPENDENT ACCOUNTANT'S REPORT TO REDEMPTORIS MATER HOUSE OF FORMATION

I report on the accounts for the year ended 31 August 2006 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.

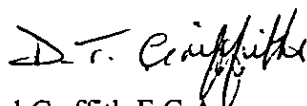
Basis of Opinion

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)



David Griffith F C A
149 Glenfrome Road
Eastville
Bristol BS5 6XF

Date 29/03/2007

REDEMPTORIS MATER HOUSE OF FORMATION

Registered Charity N 1047443

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended on 31 August 2006

	2006 £	2005 £
Income and Expenditure		
Incoming Resources		
Donations (unrestricted)	117,668	108,412
(restricted)	-	-
Bank interest received	177	441
Total Incoming Resources	<u>117,845</u>	<u>108,853</u>
Resources Expended		
Direct Charitable Expenditure	114,938	111,701
Fund raising	23	-
Charity management	391	199
Total Resources Expended	115,352	111,900
Net Movement of Funds	2,493	(3,047)
Balance brought forward from 31 August 2004	<u>32,434</u>	<u>35,481</u>
Total carried forward at 31 August 2005	<u>34,927</u>	<u>32,434</u>
Reserves analysis		
Restricted Funds	16,999	16,999
Designated liquidation reserve	5,000	
Designated capital fund	-	2,360
General Funds	12,928	13,075
Reserves at year end	34,927	32,434

REDEMPTORIS MATER HOUSE OF FORMATION

Registered Charity N 1047443

BALANCE SHEET AS AT 31 AUGUST 2006

	£	2006	£	2005	£
Fixed Assets (note 1c and 3)					
Initial cost of tangible Fixed Assets			8,773		8,485
Accumulated Depreciation	(8,557)			(6,125)	
			216		2,360
Current Assets (note 2a)					
Pre-payments	175			-	
Sundry debtors	-			-	
Cash at Bank (unrestricted)	16,880			13,622	
(restricted)	16,999			16,999	
Cash in Hand	1,851			1,142	
			35,905		31,763
Current Liabilities (note 2b)	(1,193)			(1,689)	
Net current assets			34,927		32,434

These Accounts have been prepared by accrual method (cf notes to the accounts)

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 29/03/2007 and signed on its behalf by



Michael Anderson
Director



Francesco Donega
Director

REDEMPTORIS MATER HOUSE OF FORMATION

Registered Charity N 1047443

INCOME AND EXPENDITURE ACCOUNT For the year ended on 31 August 2006

	£	2006 £	£	2005 £
Incoming Resources				
Donations (UK)	112,402		101,754	
Donations (overseas)	5,266		6,657	
Bank Interest Received	177		441	
Total	117,845	117,845	108,852	108,852
Resources Expended				
Rent	35,004		35,004	
Electricity	1,311		4,692	
Gas	11,505		9,633	
Water & General Rates	3,058		1,385	
Insurance	-		(15,000)	
Telephone	2,430		2,422	
Wages incl PAYE/NIC	-		12,594	
Services & Repairs	3,208		1,034	
Household	4,845		2,673	
Urban Travel	5,049		6,577	
Other Travel	15,324		14,927	
Motor Expenses	7,373		6,109	
Food	9,013		11,162	
Education	7,719		5,917	
Books/Newspapers	842		1,488	
Office stationery and computer	408			
Seminarians Personal	2,654		5,923	
Medical	340		361	
Liturgical	431		1,795	
Pastoral	1,151		1,327	
Sundries	33		74	
Bank Charges	70		68	
Foreign exchange loss	25			
Depreciation	2,434		787	
Legal	711		749	
Charity management	391		199	
Fund raising	23		-	
Total	115,352	115,352	111,900	111,900
Net (Loss) Income for the year		2,493		(3,048)

Notes to the Accounts for the year ended on 31 August 2006

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

Following a review of the Motor Vehicles assets it has been ascertained that they have no market value and it has been decided to increase the depreciation to the full residual value

A new asset category has been created "Household appliances". Depreciation is calculated straight line over three years

2 Accruals

a) Pre-payments

£ 175 for No 1 Motor car road license

b) Liabilities

£1,193 liabilities for Utilities, Travel, Services & Repairs

3 Assets

A new category has been created "Household appliances" to include domestic appliances with initial value greater than £250

4 Reserves

In accordance with the Directors report, a reserve has been designated to cover the costs in the event of the dissolution of the Charity