

Charity registration number 1036524

**THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF
MERCY IN THE BRITISH ISLES**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sr M Nzeribe Sr B Onwuzuruigbo Sr M Echeta Sr P Iwuoha Sr A Ilonor
Charity number	1036524
Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT
Bankers	Barclays Bank Peckham Rye Leicester LE87 2BB
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

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THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Objectives and aims

The main object of the charity is to promote the charitable work carried on or supported by the Trustees of the Congregation of the Daughters of Mary, Mother of Mercy.

Members of the community continued to work in hospitals and nursing homes providing medical and nursing support. In the local Parish communities the sisters undertake Pastoral work, including adoration of the blessed sacrament, visiting and administering the Eucharist to the lonely, sick, aged, bereaved and other members of the community. They are also involved in other aspects of Parish life.

Public benefit

The charity's trustees have referred to the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, they have considered how planned activities will contribute to the aims and objectives they have set.

Charity background

Daughters of Mary, Mother of Mercy sisters in England work in hospitals and nursing homes to provide nursing care and support. They also have sisters working in local parishes, co-ordinating their activities of pastoral work including adorations of the blessed sacrament, visiting and administering Eucharist to the lonely, sick, aged and bereaved.

There are 8 communities in England:

- 1, Edgware (Diocese of Westminster)
- 2, Walthamstow (Diocese of Brentwood)
- 3, Upper Walthamstow (Diocese of Brentwood)
- 4, Liverpool (Archdiocese of Liverpool)
- 5, Slough (Diocese of Northampton).
- 6, Manor House (Diocese of Brentwood)
- 7, St Joeseeph's Covent (Diocese of Leeds)
- 8, DMMM Covent (Diocese of Leeds)

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

The number of communities in England remained at 8 in the year. The congregation continued to undertake their normal activities at all 8 locations as best they could during the continued effects of Covid-19.

Waverley care home was purchased in April 2007 and is a twenty bed care home. The home provides nursing and residential care.

The home is spread over four floors and consists of:

Basement

In the basement there is a dining room with an area which is used for watching TV by some of the clients. The kitchen, laundry, Staff room and main office are based in the basement. There is also access to three toilets: one for kitchen staff, one for general staff and one for clients.

Ground floor

On the ground floor there are three bedrooms, a sluice, a bathroom with a toilet, a separate toilet, the main lounge and a small nurse's station. Two of the bedrooms on this floor are double room's with one en-suite.

First floor

On the first floor there are seven bedrooms, one of these is a large double room. There is a shower room, toilet and sluice room.

Second floor

There are seven bedrooms, one bathroom with a toilet, a sluice room and a separate toilet.

There is a passenger lift which accesses all of the floors in the building.

Staff and training

A trained nurse is on duty 24 hours a day with three care assistants in the morning, two in the afternoon and one at night. Staffing levels are monitored to ensure that appropriate numbers of staff are available for clients in our care. We have not used agency staff in the last 12 months.

Our manager is a trained nurse and has commenced a level 4 NVQ in leadership and Management. We have a registered general/mental nurse who is responsible for overseeing any mental health issues across clients at Waverley.

Three of our other nurses are dual registered general nurse/midwife. Our part time nurse is a state enrolled nurse who works two nights a week. All of our trained staff attend various training courses and updates regarding best practice across various areas within the home. We employ a full time activities co-ordinator who works 6 hours a day 5 days a week.

Financial review

The net incoming resources of the charity was £76,952 (2021 - £19,822).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between approximately six and nine month's expenditure. The trustees consider that reserves at this level are sufficient to cover it's working capital requirements. This reserve policy reflects the need to balance risk against the objectives of the charity.

The trustees have assessed the major risks to which the charity is exposed, and confirm that systems are in place to mitigate exposure to these risks.

Plans for future periods

The Trustees hope to continue assisting the sisters of the congregation in providing care to the local communities.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The Congregation of the Daughters of Mary, Mother of Mercy was established in England in 1987. The charity is governed by a trust deed dated 13 December 1993 and is registered with the Charity Commission under registration number 1036524. The power to appoint and remove trustees rests with the Sister Superior.

The trustees who served during the year and up to the date of signature of the financial statements were:

Sr M Nzeribe

Sr B Onwuzuruigbo

Sr M Echeta

Sr P Iwuoha

Sr A Ilonor

Day to day activities are managed by the sisters at each of the locations, with key decisions made by the Trustees.

The trustees' report was approved by the Board of Trustees.

Sr. M. Bema.

Sr B Onwuzuruigbo

Trustee

Date: *11/5/25*

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are responsible for preparing the Trustees' Report and the financial statements 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 requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

Opinion

We have audited the financial statements of The Congregation of the Daughters of Mary Mother of Mercy in the British Isles (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, General Data Protection Regulations, Charities Act 2011, Charities Statement of Recommended Practice and employment law and regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

1. Revenue recognition - this was tested substantively for rental income and the sisters salary income.
2. Management override of controls - we reviewed management accounts and large journals to discover any evidence of management override

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

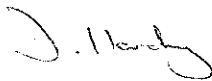
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Darren Harding (Senior Statutory Auditor)
for and on behalf of Richard Place Dobson Services Limited

12 May 2025

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Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson Services Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	16,349	-	16,349	27,064
<u>Charitable activities</u>					
Sisters Salaries	4	653,419	-	653,419	522,549
Care Home	4	521,598	-	521,598	408,617
Total income		<u>1,191,366</u>	<u>-</u>	<u>1,191,366</u>	<u>958,230</u>
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Religious activities	5	565,919	-	565,919	552,176
Care Home	5	544,995	3,500	548,495	383,258
Total charitable expenditure		<u>1,110,914</u>	<u>3,500</u>	<u>1,114,414</u>	<u>935,434</u>
Other	9	-	-	-	2,974
Total expenditure		<u>1,110,914</u>	<u>3,500</u>	<u>1,114,414</u>	<u>938,408</u>
Net income for the year/ Net movement in funds		80,452	(3,500)	76,952	19,822
Fund balances at 1 January 2022		<u>595,569</u>	<u>297,500</u>	<u>893,069</u>	<u>873,247</u>
Fund balances at 31 December 2022		<u><u>676,021</u></u>	<u><u>294,000</u></u>	<u><u>970,021</u></u>	<u><u>893,069</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	27,064	-	27,064
<u>Charitable activities</u>				
Sisters Salaries	4	522,549	-	522,549
Care Home	4	408,617	-	408,617
Total income		958,230	-	958,230
<u>Expenditure on:</u>				
<u>Charitable activities</u>				
Religious activities	5	552,176	-	552,176
Care Home	5	379,758	3,500	383,258
Total charitable expenditure		931,934	3,500	935,434
Other	9	2,974	-	2,974
Total expenditure		934,908	3,500	938,408
Net income for the year/ Net movement in funds		23,322	(3,500)	19,822
Fund balances at 1 January 2021		572,247	301,000	873,247
Fund balances at 31 December 2021		595,569	297,500	893,069

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		893,266		913,014
Current assets					
Debtors	12	1,138		4,375	
Cash at bank and in hand		165,853		41,301	
		166,991		45,676	
Creditors: amounts falling due within one year	14	(90,236)		(52,811)	
Net current assets/(liabilities)			76,755		(7,135)
Total assets less current liabilities			970,021		905,879
Creditors: amounts falling due after more than one year	15		-		(12,810)
Net assets			970,021		893,069
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	294,000		297,500	
General unrestricted funds		676,021		595,569	
			970,021		893,069
			970,021		893,069

The financial statements were approved by the Trustees on 11/5/25

Sr. M. Berna.

Sr B Onwuzuruigbo
Trustee

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		162,058		37,718
Net cash used in investing activities			-		-
Financing activities					
Repayment of bank loans		(37,506)		(37,613)	
Net cash used in financing activities			(37,506)		(37,613)
Net increase in cash and cash equivalents			124,552		105
Cash and cash equivalents at beginning of year			41,301		41,196
Cash and cash equivalents at end of year			165,853		41,301

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Congregation of the Daughters of Mary Mother of Mercy in the British Isles is a charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Income

Donations and similar incoming resources are included in the year in which they are receivable which is when the charity is entitled to the resource.

Sisters Income - This is included in the accounts as and when it is paid into the Charity's bank by either the individual Sisters or their employers.

Care Home Residents Fees - This income is included in the accounts in the year in which it is receivable which is when the charity is entitled to the resource.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The charitable activities are split between Waverley Care Home in Liverpool and the other congregations which are spread across the UK. Likewise, the support costs have been split between the care home and the congregation.

All support costs have been identified as finance and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. These costs include costs related to audit and other professional fees with allocation split to Religious activities and Care Home based on where these costs primarily relate to.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	Straight line over 50 years
Plant and machinery	20% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor Vehicles	20% Reducing balance

Freehold land is not depreciated.

Assets costing over £1,000 are capitalised.

1.7 Financial instruments

The charity only has financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments.

1.8 Taxation

As a charity, the organisation is not subject to Corporation Tax or any other taxes on income or gains arising from its charitable activities.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Debtors

Other debtors represent prepayments that are valued at the amount prepaid net of any trade discounts due.

1.12 Creditors

Other Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

(Continued)

The main judgements and accounting estimates included in the accounts are:

- Prepayments and Accruals - Management has made estimates and established prepayments and accruals in respect of potential assets and liabilities as at the balance sheet date.

- Depreciation - Management has made assumptions and estimated depreciation rates in respect of showing a true and fair view of the assets at the balance sheet date.

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Donations and gifts	-	68
Government grant	16,349	26,996
	<u>16,349</u>	<u>27,064</u>

4 Charitable activities

	Sisters Salaries 2022 £	Care Home 2022 £	Total 2022 £	Sisters Salaries 2021 £	Care Home 2021 £	Total 2021 £
Care home fees	-	521,598	521,598	-	408,617	408,617
Sisters income	653,419	-	653,419	522,549	-	522,549
	<u>653,419</u>	<u>521,598</u>	<u>1,175,017</u>	<u>522,549</u>	<u>408,617</u>	<u>931,166</u>

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities

	Religious activities 2022 £	Care Home 2022 £	Total 2022 £	Religious activities 2021 £	Care Home 2021 £	Total 2021 £
Staff costs	-	350,853	350,853	-	246,764	246,764
Depreciation and impairment	16,084	3,664	19,748	17,444	3,705	21,149
Religious activities	542,835	-	542,835	534,732	-	534,732
Care Home	-	189,138	189,138	-	132,789	132,789
	<u>558,919</u>	<u>543,655</u>	<u>1,102,574</u>	<u>552,176</u>	<u>383,258</u>	<u>935,434</u>
Share of governance costs (see note 6)	7,000	4,840	11,840	-	-	-
	<u>565,919</u>	<u>548,495</u>	<u>1,114,414</u>	<u>552,176</u>	<u>383,258</u>	<u>935,434</u>
Analysis by fund						
Unrestricted funds - general	565,919	544,995	1,110,914	552,176	379,758	931,934
Unrestricted funds - designated	-	3,500	3,500	-	3,500	3,500
	<u>565,919</u>	<u>548,495</u>	<u>1,114,414</u>	<u>552,176</u>	<u>383,258</u>	<u>935,434</u>

6 Support costs

	Support costs £	Governance costs £	2022 £
Audit fees	-	7,000	7,000
Legal and professional	-	4,840	4,840
	<u>-</u>	<u>11,840</u>	<u>11,840</u>
Analysed between Charitable activities	-	11,840	11,840

Governance costs includes payments to the auditors of £7,000 for audit fees (2021- £5,631 for independent examination fees).

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Waverley Care Home	16	16
Employment costs	2022	2021
	£	£
Wages and salaries	275,092	203,388
Social security costs	62,870	34,859
Other pension costs	12,891	8,517
	350,853	246,764

As members of the order, the trustees' living expenses are borne by the Order.

The trustees do not consider any of the staff to be key management personnel.

There were no employees whose annual remuneration was more than £60,000.

9 Other

	Total £ 2022	Unrestricted funds general 2021
Financing costs	-	2,974

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2022	1,137,400	5,112	74,088	99,669	1,316,269
At 31 December 2022	1,137,400	5,112	74,088	99,669	1,316,269
Depreciation and impairment					
At 1 January 2022	252,327	5,112	71,166	74,650	403,255
Depreciation charged in the year	14,143	-	601	5,004	19,748
At 31 December 2022	266,470	5,112	71,767	79,654	423,003
Carrying amount					
At 31 December 2022	870,930	-	2,321	20,015	893,266
At 31 December 2021	885,073	-	2,922	25,019	913,014

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	1,138	4,375

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	13,569	51,075
Payable within one year	13,569	38,265
Payable after one year	-	12,810

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	13,569	38,265
Other creditors		76,667	14,546
		90,236	52,811

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	-	12,810

A loan was taken out in March 2007 with Allied Irish Bank to help finance the purchase of Waverley Nursing Home, Liverpool. The loan is repayable quarterly over 15 years and the rate of interest charged is 1.25% above the Bank's Base Rate. The loan is secured by the first legal charge on the freehold property in Liverpool.

16 Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021 £	Resources expended £	Balance at 1 January 2022 £	Resources expended £	Balance at 31 December 2022 £
Property fund	301,000	(3,500)	297,500	(3,500)	294,000
	<u>301,000</u>	<u>(3,500)</u>	<u>297,500</u>	<u>(3,500)</u>	<u>294,000</u>

The Property fund represents the funds necessarily set aside for the charity's occupation of the nursing home in Liverpool, but also takes into account any Impairment loss incurred.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	599,266	294,000	893,266	615,514	297,500	913,014
Current assets/(liabilities)	76,755	-	76,755	(7,135)	-	(7,135)
Long term liabilities	-	-	-	(12,810)	-	(12,810)
	<u>676,021</u>	<u>294,000</u>	<u>970,021</u>	<u>595,569</u>	<u>297,500</u>	<u>893,069</u>

18 Events after the reporting date

After the year end the Trustees were made aware of a CQC inspection that had asked for urgent improvements to be made to Waverley Care Home. Subsequently the Care Home was forced to close on 27/09/24. The charity is expected to continue operating at a reduced level.

THE CONGREGATION OF THE DAUGHTERS OF MARY MOTHER OF MERCY IN THE BRITISH ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

20 Cash generated from operations

	2022 £	2021 £
Surplus for the year	76,952	19,822
Adjustments for:		
Depreciation and impairment of tangible fixed assets	19,748	21,149
Movements in working capital:		
Decrease/(increase) in debtors	3,237	(2,316)
Increase/(decrease) in creditors	62,121	(937)
Cash generated from operations	162,058	37,718

21 Analysis of changes in net funds/(debt)

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	41,301	124,552	165,853
Loans falling due within one year	(38,265)	24,696	(13,569)
Loans falling due after more than one year	(12,810)	12,810	-
	(9,774)	162,058	152,284

22 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.