



Sisters of the Cross and Passion

Annual Report and Accounts

31 March 2022

Charity Registration Numbers
1038483 (England and Wales)
SC038416 (Scotland)

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Reference and administrative details of the Charity, its trustees and advisers

Trustees	Sister Claire Dawson C.P. (appointed 10/8/2022) Sister Margaret Gorman C.P. (Sister Carmel) Sister Anne Hammersley C.P. Sister Margaret O'Regan C.P. (Sister Therese) Sister Margaret Steed C.P. (Sister Savio) Sister Eileen Fucito C.P. (resigned 1 June 2022)
Province Leader	Sister Margaret Steed C.P.
Province Bursar	Mrs Sakina Lowe
Principal address	Cross & Passion Convent 299 Boarshaw Road Middleton Manchester M24 2PF
Telephone	0161 655 3184
Email	pltcpsisters@gmail.com
Website	www.crossandpassion.com
Charity Registration Number - England and Wales	1038483
Charity Registration Number - Scotland	SCO38416
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL
Auditor	RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

Reference and administrative details of the Charity, its trustees and advisers

Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
Principal bankers	The Royal Bank of Scotland plc 1 Dale Street Liverpool L2 2PP
	Bank of Ireland Limited 2 College Green Dublin 2
Solicitors England and Wales	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS12 3AG
Solicitors Northern Ireland	Conway, Todd & Co 22 Market Square Antrim BT41 4DT
	Edwards & Co 28 Hill Street Belfast BT1 2LA
Finance and General Purposes Committee	Elizabeth Wilson, Wrigleys Solicitors LLP Amanda Francis, Buzzacott LLP Andrew Mather, CS2 Chartered Surveyors
Insurance Brokers	Steve Burns, Marsh Commercial, UK
Energy Broker	Charles Lowe, EnergyFlowe Limited, UK

Report of the Trustees Year to 31 March 2022

The Trustees present their statutory report, together with the accounts of the Sisters of the Cross and Passion (the 'Charity'), for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 26 to 33 and comply with the Charity's Trust Deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The accounts also comply 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 the Republic of Ireland (FRS 102).

PART ONE

CHAPTER ONE – Who we are

Introduction

The Sisters of the Cross and Passion is an international Roman Catholic Religious Congregation founded in industrial England in 1852. It is divided into a number of individual areas and provinces under the authority of the Congregational Leadership Team (CLT), members of which reside in the UK, Republic of Ireland, the USA and Argentina and their offices are in Larne, Antrim, Northern Ireland. The Team comprises the Congregational Leader and a team of three Sisters.

The Sisters from St Paul's Province live in England and Wales. The accounts accompanying this report are those of the charitable trust (the Charity) on which the assets of St Paul's Province and the Congregational Leadership were held until 31 March 2021. The Charity is governed by a Trust Deed dated 25 March 1994 and is registered with the Charity Commission:

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Over the years to 31 March 2021, the trustees have been working on a project to de-merge the Province and the Congregational Leadership and simultaneously to incorporate the Province as a Incorporated Charitable Organisation (CIO).

To this end, with effect from midnight on 31 March 2021, in accordance with a legal transfer of undertakings dated 31 March 2021 and a resolution of the trustees, certain activities, assets and liabilities of the Charity relating to the Province were transferred as a going concern into a newly formed Charitable Incorporated Organisation (CIO): Sisters of the Cross and Passion CIO, Charity Registration Number 1185348 (the 'successor charity'). Other Congregational Leadership assets and liabilities remained in the Charity as at 31 March 2021, together with some Province assets which the trustees had been advised to leave in the Charity – principally because they related to assets in the course of being disposed of or because they related to properties where the legalities of transfer required more time. During the year to 31 March 2022, the transfer of the properties where the legalities required more time has been completed and these assets are now in the ownership of the CIO. The Sisters of the Cross and Passion CIO will be the main vehicle for delivering the Province activities going forward.

Introduction (continued)

The Charity ceased to be CQC-registered on 1 April 2021 (as the CQC registration transferred to the CIO on that date), and therefore ceased CQC registered activities at midnight on 31 March 2021.

Mission and Objectives

The corporate mission of the Sisters of the Cross and Passion is to witness to the reconciling, forgiving and compassionate love of God through openness to the needs of the world and especially those of the poor and marginalised.

The Sisters of the Cross and Passion identify with Christ in his Passion, Death and Resurrection. We aspire to a more just and compassionate world, where the rights and dignity of the whole of creation is upheld and respected.

What follows is an account of the work of the Charity from April 2021 – March 2022. Benefits are identifiable and touch the lives of the people whom the Sisters seek to serve in all their ministries.

The objectives of the Sisters of the Cross and Passion, as stated in the Trust Deed, are the relief of poverty, the provision of relief assistance and comfort to the sick, the provision of education and the advancement of the teachings of the Roman Catholic Church (or other such charitable purposes as are lawfully authorised from time to time by the constitutions of the Congregation) by such means as are suited to the time and place in which the provision is to be made.

To fulfil these objectives the Sisters regularly evaluate their pastoral activities in the light of their Charism, present day needs and requests for help in new ministries and new localities. Policies and procedures are reviewed and updated regularly in accordance with statutory regulations and congregational objectives.

As Sisters of the Cross and Passion we hope that our lives witness to the reconciling, merciful and compassionate love of God. We are covenanted to be bearers of the mercy of God by responding to the needs of the world in our time, as Venerable Elizabeth Prout, our foundress, did in hers.



1 Pastoral and Spiritual Care

2 Education

3 Missions

4 Future Plans

CHAPTER TWO – Activities, Achievements, Future Plans

Pastoral and spiritual care

The Congregational Leader, helped by her Councillors who together make up the Congregational Leadership Team (CLT), has the overall pastoral responsibility for all of the Sisters in the Congregation and must comply with statutes laid down in Canon Law and the Constitutions of the Sisters of the Cross and Passion (The Covenant of the Passion) as well as the civil/charity laws of the various countries in which the Sisters reside. The Sisters live in the UK, Republic of Ireland, USA, Argentina, Chile, Peru, Botswana, Vietnam and Australia.



One of their major pastoral duties is to communicate with and visit all the Sisters in the Congregation. During the past year Covid-19 restrictions were still in place so it was not possible for the CLT to engage in pastoral visits as international travel restrictions limited travel. However they did use IT technology to facilitate good communication throughout the Congregation. Many meetings took place on Zoom between the team members and the Sisters. It has encouraged unity in the

Congregation as all the Sisters were able to meet by Zoom, many for the first time. Most of our meetings over the past year involved preparation for our Congregational Assembly (General Chapter).

Norm 102 Covenant of the Passion: The General Chapter is the highest legislative body in the Congregation.

The Ordinary General Chapter meets every six years, at which the Congregational Leader and her Councillors are elected and policies which will foster the mission and administration of the Congregation are put in place. For the first time in our history this Chapter took place online with preparation involving many online meetings in 2021/22.



A tree was planted at the CLT office on the opening day of the virtual Assembly.

Education

Whilst the work of the Sisters in the Congregation in earlier years was in education, we now see this legacy carried forward in schools and colleges, which were set up by the Sisters in the various countries in which they are resident. One such institution in England, with which the CLT is still involved, is:

Leeds Trinity University



Leeds Trinity University (LTU) was co-founded by the Sisters of the Cross and Passion and the Catholic Education Service as a teacher training college in 1967. In the fifty five years since its foundation it has transformed itself into a university renowned for teaching excellence and has been

ranked by the Times and Sunday Times as the sixth best university in the country for teaching quality. Leeds Trinity offers undergraduate, postgraduate, foundation and top-up courses, as well as apprenticeship and work-based learning.

In accordance with the Articles of Association, the trusteeship of the University remains with the Diocese of Leeds. While the Sisters are no longer actively involved in the day-to-day life of LTU, the Congregational Leader has a representative on the Board of Governors, who keeps her informed of developments. Her role is to promote the spiritual ethos, which is part of the heritage of the University. The CLT are consulted on the appointment of new trustees to the Board and have the right to nominate up to five people to be independent on the Board.

The updated mission statement of LTU reads:

"Our mission is guided by our Catholic identity and faith foundation...We are committed to the promotion of dignity, respect, social justice and equality in order to deliver positive social and economic impacts."

It is encouraging to hear that the statement does not just remain on paper, but that LTU was the first university in Yorkshire to achieve the *Race Equality Charter (REC) Bronze Award* in November 2020. This was followed by the *Gold Whatsuni Student Choice Award* in 2021 for diversity and inclusion and it was short listed for *Outstanding Contribution to Equality, Diversity and Inclusion* at the *Times Higher Education (THE) Awards* in 2021.

These are some of the values that we, as Sisters of the Cross and Passion, aspire to and are happy to see implemented.

Education (continued)

Formation/Education



FIRST PROFESSION OF SISTERS IN VIETNAM



One of the pastoral responsibilities of the CLT is to coordinate an *international formation/education programme* for young Sisters, who are joining the Congregation. Most of the older, established areas in the Congregation have sufficient funding and personnel to run their own programmes, but newer areas require both financial support and support with personnel. The area where there has been most development in the past year is Vietnam. The numbers of young Sisters in Vietnam who require formation are increasing. Financial support has been given for formation during the year 2021/22.

Other areas which require support are Botswana and Peru, where there are very few Sisters who, in spite of low numbers, are carrying out outreach work amongst the very poor.

Justice/Education



Passionists International

Passionists International is one of a number of groups of Religious men and women who work as NGO representatives at the United Nations. We believe that the presence of Religious in such a complex diplomatic system can give an independent voice that promotes the development of the weakest and most disadvantaged peoples. From its beginning, Passionists International has promoted the defence of vulnerable populations (particularly indigenous ones), the development of policies to protect those social groups more susceptible to poverty, as well as women's rights, especially girls. They have recently added the topics of emergency migration and care of the planet to their remit.

The CLT and the Passionists men's community agreed to provide financial and personnel support to Passionists International at the United Nations for the next two years.

A part-time administrator has been appointed for Passionists International.

Missions

A mission outreach has always been a part of our Charism. Many of our Sisters in the Congregation have had experience of working and living on our missions. The provision of financial support and personnel is the responsibility of the CLT. Any contributions, donations or legacies for the missions are channelled through the CLT. In the past year, two mission areas received financial support for projects.

Missions (continued)

Pachacutec, Lima, Peru

After Cairo in Egypt, Lima, Peru is the second largest city in the world, located in a desert. 66% of Peru's population, some 20 million people, live in the coastal zone where there is a chronic water shortage. Pachacutec, located in the north west of Lima, is one of the poorest areas of the city. It has a population of 180,000 people. Thousands of people were relocated to this area with little or no infrastructure in place. Three of our Sisters live there and the CLT is currently funding a project to build a centre for disabled children.



PACHACUTEC, LIMA, PERU



Botswana

Again a country located in a semi desert area where two Sisters work in outreach projects to help the poor. One such project was the acquisition of a piece of land on which to grow crops in a poor rural area; *Mmamhiko*. We funded the sinking of a bore hole to provide water two years ago and followed with funding for farm implements during the past year. Photos show progress and harvesting.



BORE HOLE.....& HARVEST A YEAR LATER



HARVESTING MAIZE, SHELLING MAIZE & SWEET REED.& CRUSHING BEANS

Other activities

As noted above under the introduction, certain assets of the Province did not transfer across to the CIO as at midnight on 31 March 2021. The assets remaining in this Charity included several properties that at that date were in the process of being disposed of. The sale of one such property, in London, was completed during the year giving rise to a surplus on disposal of £624k. The sale enabled a donation from the Charity to the CIO of £1,450,000 during 2021/22.

Other assets, where it had not been possible to complete the legal paperwork in order to transfer them to the CIO as at 31 March 2021, were transferred during the year leading to a transfer of £8,622,195 during 2021/22.

Future plans

- ◆ To encourage all Sisters in their ministries, encouraging them to live by the *Directives for Ministry* set out in our Congregational Chapter 2014.
- ◆ To continue to live out of our *Organic Participative Model of Leadership* in the Congregation through consultation and discernment.
- ◆ To encourage as many Sisters as possible to use social media as a means of communication so that as a Congregation we may have a greater sense of unity.
- ◆ To be faithful stewards of the work entrusted to us by:
 - ◇ valuing the resources of the Charity;
 - ◇ maintaining, developing, donating or selling property in a responsible manner and in accordance with charity legal guidelines;
 - ◇ using the financial resources of the Charity in a responsible manner. In these matters listening to our advisors;
 - ◇ completing the remaining work of removing the Congregational assets from the Charitable Trust to a separate charity, either to a company limited by guarantee or a CIO;
 - ◇ being alert to any changes in charity law, which will affect the Charity.

Income

Income for the year to 31 March 2022 has been generated through:

- ◆ annual capitation from areas of the Congregation
- ◆ bank deposit interest
- ◆ investments
- ◆ legacies
- ◆ donations including any earnings and pensions of the Congregational Leadership Team covenanted to the Charity
- ◆ the surplus on the disposal of tangible fixed assets
- ◆ income from miscellaneous sources including exchange gains.

Expenditure

The main role of the CLT is the pastoral care of the Sisters and having an overview of the charitable activities of the Congregation. The Congregational Leader is the official representative of the Congregation in the Roman Catholic Church.

Before the advent of Covid this involved the team travelling to all areas of the Congregation. Travel expenses have therefore been greatly reduced during the past two years. However, other expenses have increased, such as investment in IT services, equipment and skills in order to facilitate digital communication throughout the Congregation.

The expenses incurred in preparation for the General Chapter, which was held virtually and began on 30 March 2022, amounts to a large portion of the expenditure over the past year.

Th expenses included payments for a facilitator (both before and during the Chapter), spiritual director, speakers, legal and financial advisors, translators and technical support services before and during the Chapter, and general administration.

Expenditure of the Charity comprises:

- ◆ administration expenditure, which includes renting office space, payment of staff and any travel expenses;
- ◆ expenses involved in the preparation for, organising and running of a digital Congregational Chapter, which took place between 30 March – 10 April 2022;
- ◆ Sisters' healthcare and living expenses in developing areas such as Peru, Botswana and Vietnam;
- ◆ donations to the Sisters of the Cross and Passion CIO from the proceeds of assets in the course of being sold as at 31 March 2021 and hence left within the Charity as at that date;

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Expenditure (continued)

- ◆ donations and financial support to the Congregation's mission projects;
- ◆ formation and education support for our young Sisters;
- ◆ those costs associated with the management of the Charity's investment portfolios and the compliance with regulatory and statutory requirements;
- ◆ the CLT and the Passionists men's community agreed to provide financial and personnel support to Passionists International at the United Nations for the next two years.

Transfers

During the course of the year certain property assets that were not transferred to the CIO as at midnight on 31 March 2021 due to delays with the legal paperwork were subsequently transferred. The value of these transfers amounted to £8,622,195.

Tangible fixed assets

Tangible fixed assets now comprise of buildings still awaiting disposal. The members of the CLT in the UK live in houses owned by the Province, which were transferred to the Sisters of the Cross and Passion CIO on 31 March 2021. The CLT owns office equipment in their office in Drumalis Retreat Centre.

Results for the year

The statement of financial activities for the Charity shows net expenditure before investment gains and prior to the transfer to the CIO of £1,071,874 (2021 - £3,115,078) with total income amounting to £1,052,773 (2021 - £3,016,648) and expenditure prior to the transfer amounting to £2,124,647 (2021 - £6,131,726). £8,622,195 (2021 - £35,217,053) was transferred to the CIO, giving total expenditure for the year of £10,746,842 and a net decrease in funds of £9,414,331. The comparative figures include income and expenditure relating to the activities of the Charity which transferred to the CIO with effect from midnight on 31 March 2021 and figures relating to the Charity's former subsidiary which became a subsidiary of the CIO as at midnight on 31 March 2021.

Total income for 2022 includes £179,508 (2021 - £196,359) of donations, legacies and similar income. Other major categories of income include investment income and interest receivable, and surplus on disposal of tangible fixed assets.

Total expenditure for 2022 includes the personal and living costs of the members of the CLT and the costs of administering the Charity and a donation of £1,450,000 to Sisters of the Cross and Passion CIO in relation to the proceeds from the sale of a property.

Deducting expenditure from income for the year gives net expenditure after investment gains for the year and prior to transfer to the CIO of £792,136 (2021 - net income after investment gains £1,687,749).

Investment performance

The purpose of holding listed investments is to earn income to be used to facilitate the work of the CLT and further the charitable work of the Congregation now and in the future.

The Congregation has discretionary investment agreements with Sarasin & Partners LLP and Rathbone Investment Management Limited. Representatives of the trustees meet with the fund managers and financial advisers during the year to ensure that the funds are managed in accordance with the investment policy and the religious and ethical principles of the Congregation. The objective of the fund managers is to achieve a reasonable return of both income and capital growth with no more than a conservative to moderate level of risk.

The performance and structure of the principal portfolios continues to be closely monitored.

An income yield of 0.8% and a capital yield of 1.5% was achieved. At the end of the year the Charity's portfolio of listed investments comprised 52.34% unit funds, 14.54% UK equities, 5.01% UK fixed interest stocks, 22.14% overseas unit trusts and 5.97% alternative investments.

The value of the listed investments increased by £326,829 from a market value of £6,637,659 at the end of March 2021 to a value of £6,964,488 at the end of March 2022, a rise of 4.9%. Net investment additions during the year amounted to £103,776 (2021 - £1,823,514 net disposals).

Reserves policy

The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Charity is dependent in part on investment income generated by the listed investments held to enable it to meet its ongoing expenditure. The trustees estimate that this income needs to be approximately £160,000 per annum and hence based on an income yield of 2.5%, the value of the Charity's investment portfolio needs to be approximately £6.5 million. Consequently, the trustees believe the Charity's free reserves should equal this figure plus an amount equal to annual unrestricted expenditure. The trustees consider that, given the nature of the Charity's work and its commitments, it is prudent to retain this level of free reserves.

Financial position

The balance sheet shows free reserves of £9,813,657 at 31 March 2022 (2021 - £19,227,988).

The tangible fixed assets fund totals £56,977 (2021 - £9,556,453) and represents tangible fixed assets.

Funds which are available to support the work of the Charity in the future are those shown on the balance sheet as general funds. These amount to £9,756,680 at 31 March 2022 (2021 - £7,751,589). Whilst this level of free reserves is slightly above that demanded by the above policy, given the current macroeconomic and geopolitical climate in the UK and elsewhere in the world, the trustees deem the free reserves to be adequate but not excessive.

CHAPTER FOUR – Trustees' duties and Compliance with Charity Requirements

Property

Province property not transferred to the CIO.

St Gabriel's Hall

St Gabriel's Hall was an all-female hall of residence for Manchester University which was leased to the University on a peppercorn rent for the past thirty five years. This lease expired in 2018, which was also the centenary year of its foundation. An extension to the lease was agreed with the University until September 2019, when the premises were vacated. The trustees, with the help of their advisors, are now in the process of selling this property. Money received from the sale will be invested to enable the Charity to continue its work into the future. In the meantime the cost of insurance and security is covered by Province money held in the Charity.



St Gabriel's Hall

House No 7 Stadium Street, London

The sale of one property in London (7 Stadium Street) was completed on Monday 8 November 2021. Monies received from this sale, after deduction of costs, amounted to £1,608,498 and £1,450,000 was donated to the CIO.

Policies, Reports and Plans

We reviewed our:

- Risk Management Policy*
- Disaster Plan*
- Safeguarding Policy*
- GDPR Policy*

We compiled our: *Charity Annual Report and Accounts (UK)*

Safeguarding

The CLT are responsible for ensuring that safeguarding policies are in place throughout the Congregation.

Archives

One Sister is engaged full-time in preserving the archives of the Congregation. She ensures that all collections are sorted, carefully stored and remain confidential. Finding a permanent home for the storage of our archives still remains one of our goals. 2020 was a year of cancelled events relating to celebrating the bicentenary of the birth of our foundress, Elizabeth Prout. However in January 2021 we received the good news from Rome that she has been declared Venerable, a public acknowledgment of her sanctity. Our archivist has been busy with publicity about this good news.

General Data Protection Regulation (GDPR)

We have drawn up an umbrella Data Protection Policy for the Charity, which covers the processing and control of data from four main areas: employment data; data relating to Sisters in care; data relating to the users of our retreat centres and data kept on individual Sisters in the Congregation's office. This policy is reviewed on an annual basis.

Investment Policy

The Charity's investments are managed by Sarasin & Partners LLP, Rathbone Investment Management Ltd and Invesco USA.

There are no restrictions on the Charity's power to invest.

The Investment Strategy is set by the trustees and takes into account income requirements, the risk profile and investment manager's views of the market prospects in the medium term.

The policy is to maximise total return through diversified portfolios whilst providing a level of income advised by the trustees from time to time.

There is also an ethical policy precluding any investment in any company which, after reasonable enquiry, clearly has significant profits from any activity whose objectives are contrary to ours and considered to be unjust or damaging to health and wellbeing.

The performance of the portfolios and the Charity's investment strategy are reviewed by representatives of the trustees, who meet with the investment managers twice yearly.

Insurance

A review of the major risks to which the Charity is exposed and of systems established to mitigate those risks is undertaken annually by the trustees.

Continued Professional Development

For our own professional development and to keep ourselves updated with changes we have attended numerous online courses and Zoom meetings.

During 2021 the Congregational Leader or her representative attended:

- ◆ The UK CIO and Charity meetings
- ◆ All Board of Management meetings, St Gemma's Hospice
- ◆ Meetings with investment managers/financial advisors
- ◆ Misesan Cara (Irish Missionary) Development Organisation
- ◆ Religious leaders meetings (AMRI, COREW, LCWR, UISG)
- ◆ Leadership Courses (Mastery)
- ◆ CLT meetings
- ◆ Meetings with the whole Congregation to prepare for the General Chapter.

CHAPTER FIVE: Governance, Trustees' Responsibilities, Risk Management

Governance

In terms of Canon Law, at international level the Congregational Leadership Team (CLT) is the major spiritual and administrative body of the Congregation of the Sisters of the Cross and Passion. The administration of the CLT continues to be centred in the United Kingdom.

In keeping with the charitable work envisaged by the Trust Deed, the CLT often make donations to other charitable organisations. The finances of the CLT also incorporate the administrative and financial costs and the expenses incurred by the members of the team.

In terms of civil law, the Charity is governed by its own Trust Deed dated 25 March 1994 and is a registered Charity under the Charities Act 2011; Charity registration number 1038483 (England and Wales). It is also a registered Charity in Scotland, Charity registration number SCO 38416 (Scotland). In recent year, the trustees have been working on a project to de-merge the Province and the Congregational Leadership and simultaneously to incorporate the Province. This took a major step forward on 31 March 2021 when, with the exception of a small number of properties in the process of being disposed of and others where the legalities of the transfer took longer than anticipated, the Province assets, activities, contracts, employees and liabilities were transferred to Sisters of the Cross and Passion CIO (registered charity number 1185348). The properties where the legal paperwork was delayed were transferred to the CIO during 2022.

The trustees of the Charity are the Congregational Leader, the Provincial Leader and Provincial Councillors, plus one trustee appointed by the Congregational Leader. As all trustees are members of the Congregation they have a detailed knowledge of the work of the Charity and of its structure. The trustees, one of whom is the canonical bursar, are members of the Congregation. They receive no remuneration or reimbursement of expenses in connection with their duties as trustees. On being appointed, new trustees spend time with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisors in order to obtain a full briefing of their responsibilities and the Charity's position. They attend training courses and seminars where appropriate.

The names of the trustees who served during the year are set out as part of the reference and administration details on page 1 of this annual report and accounts.

Our Key Personal Staff/Manager's pay awards are reviewed and agreed by the Trustees. These are benchmarked against current salaries for similar roles in the Sector.

Our remuneration principles ensure that the Organisation offers a suitable package to attract, retain and motivate people with the skills and attributes needed to deliver our goals, while recognising the unique nature of our organisation and the requirements of its stakeholders.

Risk Management

The key risks for the Charity, as identified by the trustees, are described below, together with the principal ways they are mitigated.

Risk Management (continued)

The value of investments: The Charity's main assets are in its investments. The value of listed investments is dependent on movements in UK and world stock markets. At the present time the markets are volatile. The investments are managed by reputable investment managers, who adhere to a policy agreed by the trustees. The investment strategy is assessed regularly to ensure it remains appropriate to the Charity's needs, both now and into the future.

Reliance on key staff and the need for succession planning: Advice is taken on investment management, accountancy, actuarial, legal and business matters from lay professionals. These advisors meet three times a year, with sub-committees meeting when necessary. They monitor risks and the risk management policy and refer matters to the CLT for consideration.

The change of trustees: When a new leadership team is elected into office this involves a change of trustees. On being appointed, new trustees spend time with those trustees leaving office. They also meet with the Congregation's legal, accounting, investment and property advisors in order to obtain a full briefing of their responsibilities and the Charity's position. They attend training courses and seminars where appropriate.

During their pastoral visits, the trustees continue to monitor the major risks to which the Charity may be exposed and systems are investigated and established to mitigate these risks.

A review of major risks to which the Charity is exposed and the systems established to mitigate those risks is undertaken annually by the trustees.

Since the lockdown in March 2020, most meetings with Sisters and staff have been conducted by Zoom. The trustees attended various online courses during the year to keep abreast of any developments.

Trustees' Responsibility Statement

The Trustees are responsible for preparing the report of the Trustees 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 and the Republic of Ireland, requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the income and expenditure of the Group 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 to the United Kingdom and Republic of Ireland (FRS102);

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- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material 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.

Trustees' Responsibility Statement (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Irish Charities Act 2009 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 confirm that they have complied with their duty under the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. Throughout this report, in particular in Chapter Two, the Trustees have demonstrated how the Charity has been faithful to this. The activities of the Charity can be divided into five main areas, namely: education; health; pastoral and spiritual care; social care and projects we support financially.

Summary and Acknowledgements

This report is a summary of the work of the Congregation. The accounts accompanying this report show the movement of funds for the year ended 31 March 2022.

We, the trustees, acknowledge with gratitude the professionalism and commitment of all our staff, volunteers and the individual members of the Congregation. Their dedication, support and positive approach are very encouraging for us.

We wish also to record our thanks to the professional bodies on whose advice and expertise we rely.

Approved by the trustees and signed on their behalf by:

M. J. Steed

Sister Margaret Steed C.P.
Trustee

Approved by the trustees on: 20 December 2022



Independent auditor's report to the trustees of Sisters of the Cross and Passion

Opinion

We have audited the financial statements of Sisters of the Cross and Passion (the 'charity') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Charity statement of financial activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 March 2022 and of the charity's 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 and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 151 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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 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 where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 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' annual report; or
- proper and sufficient accounting records have not been kept by the charity; or
- the charity financial statements 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 statement of trustees' responsibilities set out on pages 16 and 17 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities 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 misstatement 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 risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charity operate in and how the charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Auditor's responsibilities for the audit of the financial statements (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are Charities SORP (FRS 102), Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP

Statutory Auditor

Bluebell House

Brian Johnson Way

Preston

PR2 5PE

Date: 21/12/22

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

Consolidated statement of financial activities Year to 31 March 2022

	Notes	Charity			Group		
		Un-restricted funds £	Restricted funds £	Total funds 2022 £	Un-restricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	1	179,508	—	179,508	1,695,592	3,626,362	5,321,954
Investment income and interest receivable	2	159,872	—	159,872	731,718	174,166	905,884
Charitable activities							
· Provision of hospice care	3	—	—	—	—	5,839,403	5,839,403
· Retreat and similar income		—	—	—	44,547	—	44,547
· Grants receivable		—	—	—	385,000	—	385,000
Other trading activities							
· Income from charity shops		—	—	—	—	1,100,551	1,100,551
· Room hire and rental income		—	—	—	2,066	—	2,066
· Fundraising events and lotteries		—	—	—	—	695,819	695,819
Other sources							
· Surplus on disposal of tangible fixed assets		624,498	—	624,498	9,198	—	9,198
· Foreign exchange gains		58,848	—	58,848	—	—	—
· Miscellaneous income		30,047	—	30,047	148,528	49,081	197,609
Total income		1,052,773	—	1,052,773	3,016,649	11,485,382	14,502,031
Expenditure on:							
Raising funds							
· Cost of raising donations		—	—	—	—	2,123,859	2,123,859
· Fundraising activities including charity shops		—	—	—	—	1,231,466	1,231,466
· Investment management costs		23,654	—	23,654	28,220	27,282	55,502
Charitable activities							
· Provision of hospice care	4	—	—	—	—	8,207,089	8,207,089
· Donations and support of overseas missions	5	81,347	—	81,347	117,510	—	117,510
· Support of members of the Congregation and their ministry	6	569,646	—	569,646	5,985,996	—	5,985,996
· Donations to Sisters of the Cross and Passion CIO	24	1,450,000	—	1,450,000	—	—	—
		2,124,647	—	2,124,647	6,131,726	11,589,696	17,721,422
Transfer to Sisters of the Cross and Passion CIO (Charity Registration Number 1185348) and its subsidiary	24	8,622,195	—	8,622,195	35,217,050	12,886,782	48,103,832
Total expenditure		10,746,842	—	10,746,842	41,348,776	24,476,478	65,825,254
Net expenditure before net investment gains		(9,694,069)	—	(9,694,069)	(38,332,127)	(12,991,096)	(51,323,223)
Net investment gains		279,738	—	279,738	4,802,827	1,246,820	6,049,647
Net expenditure and net movement in funds	8	(9,414,331)	—	(9,414,331)	(33,529,300)	(11,744,276)	(45,273,576)
Reconciliation of funds:							
Fund balances at 1 April 2021		19,227,988	—	19,227,988	52,757,288	11,744,276	64,501,564
Fund balances at 31 March 2022		9,813,657	—	9,813,657	19,227,988	—	19,227,988

All recognised gains and losses are included in the above statement of financial activities. The statement of financial activities for 2021 includes St Gemma's Hospice, a subsidiary of the Charity until 31 March 2021.

With effect from midnight on 31 March 2021, certain activities, transactions, assets and liabilities of the charity were transferred as a going concern to Sisters of the Cross and Passion CIO (the 'successor charity'), a Charitable Incorporated Organisation (CIO), Charity Registration Number 1185348 (see note 24).

Charity statement of financial activities Year to 31 March 2022

		Charity			Charity		
	Notes	Un-restricted funds £	Restricted funds £	Total funds 2022 £	Un-restricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	1	179,508	—	179,508	1,695,592	—	1,695,592
Investment income and interest receivable	2	159,872	—	159,872	731,718	—	731,718
Charitable activities							
Retreat and similar income		—	—	—	44,547	—	44,547
Grants receivable		—	—	—	385,000	—	385,000
Other trading activities							
Room hire and rental income		—	—	—	2,066	—	2,066
Other sources							
Surplus on disposal of tangible fixed assets		624,498	—	624,498	9,198	—	9,198
Foreign exchange gains		58,848	—	58,848	—	—	—
Miscellaneous income		30,047	—	30,047	148,527	—	148,527
Total income		1,052,773	—	1,052,773	3,016,648	—	3,016,648
Expenditure on:							
Raising funds							
Investment management costs		23,654	—	23,654	28,220	—	28,220
Charitable activities							
Donations and support of overseas missions	5	81,347	—	81,347	117,510	—	117,510
Support of members of the Congregation and their ministry	6	569,646	—	569,646	5,985,996	—	5,985,996
Donations to Sisters of the Cross and Passion CIO	24	1,450,000	—	1,450,000	—	—	—
		2,124,647	—	2,124,647	6,131,726	—	6,131,726
Transfer to Sisters of the Cross and Passion CIO (Charity Registration Number 1185348)	24	8,622,195	—	8,622,195	35,217,049	4	35,217,053
Total expenditure		10,746,842	—	10,746,842	41,348,775	4	41,348,779
Net expenditure before net investment gains		(9,694,069)	—	(9,694,069)	(38,332,127)	(4)	(38,332,131)
Net investment gains		279,738	—	279,738	4,802,827	—	4,802,827
Net expenditure and net movement in funds	8	(9,414,331)	—	(9,414,331)	(33,529,300)	(4)	(33,529,304)
Reconciliation of funds:							
Fund balances at 1 April 2021		19,227,988	—	19,227,988	52,757,288	4	52,757,292
Fund balances at 31 March 2022		9,813,657	—	9,813,657	19,227,988	—	19,277,988

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

With effect from midnight on 31 March 2021, certain activities, transactions, assets and liabilities of the charity were transferred as a going concern to Sisters of the Cross and Passion CIO (the 'successor charity'), a Charitable Incorporated Organisation (CIO), Charity Registration Number 1185348 (see note 24).

Balance sheets 31 March 2022

		Charity		Group
	Notes	2022	2021	2021
		£	£	£
Fixed assets:				
Tangible assets	12	56,977	9,566,453	9,566,453
Assets held for sale	13	1,909,946	—	—
Investments				
. Listed investments	13	7,037,205	6,778,911	6,778,911
. Programme related investments	13	—	1,909,946	1,909,946
Total fixed assets		9,004,128	18,255,310	18,255,310
Current assets:				
Debtors	14	1,962	339,937	339,937
Cash at bank and in hand		829,692	647,085	647,085
Total current assets		831,654	987,022	987,022
Liabilities:				
Creditors: amounts falling due within one year	15	(22,125)	(14,344)	(14,344)
Net current assets		809,529	972,678	972,678
Total net assets		9,813,657	19,227,988	19,227,988
The funds of the Charity:				
Unrestricted funds				
. Designated funds	16	—	1,909,946	1,909,946
. Tangible fixed assets fund	17	56,977	9,566,453	9,566,453
. General fund		9,756,680	7,751,589	7,751,589
		9,813,657	19,227,988	19,227,988

Approved by the trustees
and signed on their behalf by:

M. J. Steed

Sister Margaret Steed C.P.
Trustee

Approved on: *20th Dec. 2022.*

Statement of cash flows Year to 31 March 2022

	Notes	Charity 2022 £	Group 2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,466,147)	(2,395,691)
Cash flows from investing activities:			
Investment income and interest received		159,872	905,884
Proceeds from the disposal of tangible fixed assets		1,608,498	6,000
Purchase of tangible fixed assets		—	(259,628)
Proceeds from the disposal of investments		527,945	4,252,495
Purchase of investments		(569,260)	(1,685,233)
Net cash provided by investing activities		1,727,055	3,219,518
Change in cash and cash equivalents in the year		260,908	823,827
Cash and cash equivalents transferred to Sisters of the Cross and Passion CIO (Charity Registration 1185348)		(114,180)	(5,622,842)
Cash and cash equivalents at 1 April 2021	B	788,335	5,454,714
Change in cash and cash equivalents due to exchange rate movements		(32,654)	132,636
Cash and cash equivalents at 31 March 2022	B	902,409	788,335

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

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(9,414,331)	(45,273,576)
Adjustments for:		
Depreciation charge	44,341	1,196,123
(Gains) on investments	(279,738)	(6,049,647)
Investment income and interest receivable	(159,872)	(905,884)
Net (surplus)/deficit on disposal of tangible fixed assets	(624,498)	119,247
(Increase) in stocks	—	(865)
Decrease in debtors	337,975	345,049
Increase in creditors	7,781	70,030
Transfer to Sisters of the Cross and Passion CIO	8,622,195	48,103,832
Net cash used in operating activities	(1,466,147)	(2,395,691)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	829,692	647,085
Cash held by investment managers	72,717	141,250
Total cash and cash equivalents	902,409	788,335

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below. The principal accounting policies relate to both the current and comparative figures.

Basis of preparation

These accounts have been prepared for the year to 31 March 2022 with comparative information given in respect to the year to 31 March 2021 for the Charity and the Group.

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 the principles set out 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Consolidated accounts

The accounts for the year ended 31 March 2021 consolidate, on a line by line basis, the results of the Charity and its charitable subsidiary, St Gemma's Hospice, and the hospice's subsidiary, St Gemma's Hospice Services Limited. St Gemma's Hospice and its subsidiary, St Gemma's Hospice Services Limited, became a subsidiary of Sisters of the Cross and Passion CIO (Charity Registration Number 1185348) with effect from midnight on 31 March 2021. Therefore, the Charity's accounts for the year to 31 March 2022 are not consolidated.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ the valuation of investments;
- ◆ allocation of support costs across charitable activities; and
- ◆ estimating the value of legacies to be recognised in accordance with FRS 102.

Critical accounting estimates and areas of judgement

As set out in these accounting policies under "assessment of going concern", the trustees have considered the effect on the Charity of the aftermath of the Covid-19 pandemic and also the current macroeconomic and geopolitical climate. They have concluded that although there may be some negative consequences, it is appropriate for the Charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts. They have included in their assessment the fact that with effect from midnight on 31 March 2021 certain activities, assets and liabilities were transferred on a going concern basis to Sisters of the Cross and Passion CIO, Charity Registration Number 1185348 (the 'successor charity'). The transfer was in accordance with a legal transfer of undertakings dated 31 March 2021.

Certain of the previous activities of the Charity are now carried out by Sisters of the Cross and Passion CIO and the relevant assets and liabilities were transferred in 2021 and 2022 on a going concern basis. However, the Charity will continue to carry out the remaining activities and has retained certain assets and liabilities. Hence, the trustees of the Charity have concluded that it is appropriate for the accounts to be prepared on a going concern basis.

The trustees acknowledge and recognise the effect of the aftermath of the Covid-19 pandemic on the Charity and also the impact of the macroeconomic and geopolitical climate and have concluded that there may be some negative consequences such as greater volatility in the value of the Charity's listed investment portfolio and related income. However, the trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next 12 months, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the Charity (or Group) has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income and interest receivable, income from the provision of hospice care, retreat income, grants receivable, income from trading activities (including the operation of charity shops and income from fundraising events and lotteries) and miscellaneous income.

Income recognition (continued)

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the Charity (or Group) 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 (or Group) 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 (or Group) and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Gifts in kind and donated services are included at the lower of their value to the Charity (or Group) and their estimated market value.

Legacies are included in the statement of financial activities when the Charity (or Group) is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity (or Group).

Entitlement is taken as the earlier of the date on which either: the Charity (or Group) is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity (or Group) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity (or Group) has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity (or Group), or the Charity (or Group) is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity (or Group).

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity (or Group); this is normally upon notification of the interest paid or payable by the bank.

Contracts and service agreements in respect to the provision of hospice care are recognised to the extent that it is probable that the economic benefits will flow to the Charity (or Group) and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax.

Income recognition (continued)

Income from the provision of retreats is recognised to the extent that it is probable that the economic benefits will flow to the Charity (or Group) and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax.

Grants from government, NHS bodies, Clinical Commissioning Groups and from trusts and foundations have been included as income from charitable activities i.e. the provision of healthcare and related services where they amount to a contract for services but as donations where the money is given in response to an appeal or grant application or with greater freedom of use, e.g. for core purposes. Deferred income includes amounts received in respect of grants received for work to be carried out in the next financial year.

Funding from the Coronavirus Job Retention Scheme and other Covid-19 related grants is credited to the statement of financial activities when the Charity (or Group) becomes entitled to the monies and when the amount receivable has been quantified.

Income received by way of fundraising events, lotteries and other trading receipts are credited in the accounts when the Charity (or Group) is legally entitled to the income and the amount can be quantified with reasonable accuracy. These are shown gross before deductions of related expenses and net of VAT.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity (or Group) 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 classification between activities is as follows:

- a. Expenditure on raising funds comprises the salaries, direct costs and overheads incurred in soliciting donations, the costs associated with operating charity shops and the fees paid to investment managers in connection with the management of the Charity's (or Group's) listed investments, net of rebates received. Rebates arise when the fees deducted automatically through charges for common investment funds and related transactions exceed the fees agreed between the Charity (or Group) and its investment managers.
- b. Expenditure on charitable activities comprises expenditure on the Charity's (or Group's) primary charitable purposes as described in the trustees' report and includes:

Expenditure recognition (continued)

- ◆ Expenditure incurred in the provision of hospice services including the costs of providing clinical, emotional and spiritual care to physically ill people of all races and creeds at St Gemma's Hospice.
- ◆ Expenditure on provision of retreats to members of the public.
- ◆ Charitable donations which relate, in the main, to the support of the Charity's missionary work overseas and the support of the Roman Catholic charitable organisations.
- ◆ Expenditure on the support of the work of the sisters. Such expenditure enables the members to carry out the work of the Charity in the areas of the advancement of the Roman Catholic faith and the relief of poverty.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of indirect costs and governance costs

Indirect costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity (or Group) it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (or Group) (including audit costs) and costs in respect to its compliance with regulation and good practice.

Indirect costs and governance costs are able to be allocated to the specific charitable activities to which they relate.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings
Freehold land and buildings owned at 1 April 2016 are included in the accounts at their valuation as at that date. This valuation has been deemed cost under the transitional arrangements set out in FRS 102 and will apply going forward with additions as of 1 April 2016 or later accounted for at cost. In prior years freehold land and buildings have been included in the accounts at a valuation based on existing use or depreciated replacement cost, depending on the nature of the property. Valuations were updated on a "rolling basis" with each property's value being updated at least every five years.

Depreciation is provided at 2% per annum on a straight line basis to write the buildings off over their estimated useful life to the Charity (or Group).
- ◆ Improvements to leasehold properties
Improvements to leasehold properties are capitalised and depreciated at 5% per annum on a straight line basis.

Tangible fixed assets (continued)

- ◆ Plant, furniture and equipment
Expenditure on the purchase and replacement of items of plant, furniture and equipment, including computer equipment, is depreciated over a four to six year period on a reducing balance basis.
- ◆ Motor vehicles
Motor vehicles are capitalised and depreciated over a four to five year period on a reducing balance basis, in order to write off each vehicle over its estimated useful life.

Fixed asset investments

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

The Charity (or Group) does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the Charity (or Group) is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Programme related investments

Programme related investments comprise the following:

- Freehold properties occupied at a peppercorn or nominal rent and used by other charitable and not-for-profit organisations for purposes consistent with the Charity's (or Group's) objectives. They are included at a value equivalent to their depreciated cost immediately prior to their reclassification from tangible fixed assets to programme related investments as at 31 December 2013. Their value is considered each year and any impairment is written off and treated as charitable expenditure in the statement of financial activities.
- Units in an investment vehicle promoting global justice by challenging people, churches and others to share their resources through socially responsible investments and by empowering disadvantaged people by providing them with credit. These are included on the balance sheet at cost with any diminution in value debited to the statement of financial activities.

Non-current assets awaiting disposal

Non-current assets awaiting disposal comprise freehold properties that are in the process of being disposed of but where completion of the disposal is not expected within twelve months of the balance sheet date. The assets, classified as programme related investments prior to the decision to dispose of them, are included in the accounts at their net book value prior to reclassification. Non-current assets awaiting disposal are not depreciated.

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.

Creditors

Creditors 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 are recognised at the amount the Charity (or Group) 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 structure

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity (or Group) and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of the tangible fixed assets excluding those used by St Gemma's Hospice.

The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

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 average rate of exchange for the year. Exchange differences are taken into account in arriving at the net movement in funds.

Pension costs

Charity:

The Charity offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

St Gemma's Hospice operates two pension schemes:

- ◆ The National Health Service Superannuation Scheme, a defined benefit scheme which is only available to staff who have previously contributed to the scheme. The administration of this scheme is dealt with by the National Health Service agencies. Contributions to this scheme are paid in respect of current service, there is no liability to the hospice in respect of past service and the hospice has applied the multi-employer exemption under FRS 102 to account for the scheme as a defined contribution scheme.
- ◆ A Group Personal Pension Scheme, which is a defined contribution pension scheme, administered by Standard Life which is available to all employees.

Services provided by members of the Congregation

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

Operating leases

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

1 Donations and legacies

	Charity			Group		
	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Salaries and pensions of individual religious received under Gift Aid or deed of covenant	—	—	—	1,520,750	—	1,520,750
Legacies	36,995	—	36,995	—	1,253,818	1,253,818
Donations	124,993	—	124,993	163,369	1,220,396	1,383,765
Grants	—	—	—	—	1,152,148	1,152,148
Other voluntary income	17,520	—	17,520	11,473	—	11,473
Total funds	179,508	—	179,508	1,695,592	3,626,362	5,321,954

All unrestricted funds for 2022 and 2021 relate to the Charity only. The Charity received no restricted donations and legacies in either year.

In 2021, grants included government grants of £270,781 relating to the Covid-19 retail grant scheme and Coronavirus Job Retention Scheme grants of £477,240. No such grants were receivable in the year to 31 March 2022.

2 Investment income and interest receivable

	Charity			Group		
	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from listed investments	159,859	—	159,859	729,891	161,915	891,806
Interest receivable						
· Bank interest	—	—	—	1,191	12,251	13,442
· Interest on cash held by investment managers	13	—	13	636	—	636
	13	—	13	1,827	12,251	14,078
Total funds	159,872	—	159,872	731,718	174,166	905,884

All unrestricted funds for 2022 and 2021 relate to the Charity only. The Charity received no restricted investment income and interest receivable in either year.

3 Income from the provision of hospice care

	Charity			Group		
	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Clinical Commissioning Group income	—	—	—	—	3,692,231	3,692,231
NHS England – COVID 19	—	—	—	—	2,014,904	2,014,904
Education and research	—	—	—	—	92,369	92,369
Bistro	—	—	—	—	32,077	32,077
Other income	—	—	—	—	7,822	7,822
Total funds	—	—	—	—	5,839,403	5,839,403

The Charity received no income from the provision of hospice care in 2022.

4 Expenditure on the provision of hospice care

	Charity			Group		
	Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£	£	£	£
In-patient care	—	—	—	—	5,639,547	5,639,547
Community care	—	—	—	—	1,286,881	1,286,881
Day hospice	—	—	—	—	564,859	564,859
Bereavement support	—	—	—	—	196,473	196,473
Education and research	—	—	—	—	519,329	519,329
Total funds	—	—	—	—	8,207,089	8,207,089

The Charity had no expenditure on the provision of hospice care in 2022.

5 Donations and support of overseas missions

	Charity			Group and Charity		
	Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£	£	£	£
Total funds: Grants to the Congregation's overseas missions	81,347	—	81,347	117,510	—	117,510

6 Support of members of the Congregation and their ministry

	Charity			Group and Charity		
	Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£	£	£	£
Sisters' living and personal expenses	68,470	—	68,470	956,433	—	956,433
Premises	169,502	—	169,502	3,274,163	—	3,274,163
Education, training and spiritual renewal	68,608	—	68,608	255,907	—	255,907
Administrative and similar costs	237,326	—	237,326	1,103,239	—	1,103,239
Other costs	2,568	—	2,568	161,916	—	161,916
Foreign exchange (gains)/losses	—	—	—	166,011	—	166,011
Governance costs (note 7)	23,172	—	23,172	68,327	—	68,327
Total funds	569,646	—	569,646	5,985,996	—	5,985,996

7 Governance costs

	Charity			Group		
	Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£	£	£	£
Accountancy	13,810	—	13,810	41,661	—	41,661
Auditor's remuneration						
· Statutory	8,000	—	8,000	15,375	20,300	35,675
· Non-statutory	—	—	—	—	3,330	3,330
Other St Gemma's costs	—	—	—	—	51,526	51,526
Bank fees and charges	1,362	—	1,362	11,291	—	11,291
	23,172	—	23,172	68,327	75,156	143,483

7 Governance costs (continued)

The above governance costs have been allocated to the following activities:

	Charity			Group		
	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted £	Restricted £	Total 2021 £
Raising funds	—	—	—	—	16,914	16,914
In-patient care	—	—	—	—	45,961	45,961
Community care	—	—	—	—	4,900	4,900
Day hospice	—	—	—	—	3,883	3,883
Bereavement support	—	—	—	—	1,321	1,321
Education and research	—	—	—	—	2,177	2,177
Support of members of the Congregation and their ministry	23,172	—	23,172	68,327	—	68,327
	23,172	—	23,172	68,327	75,156	143,483

8 Net expenditure and net movement in funds

This is stated after charging:

	Charity Total 2022 £	Charity Total 2021 £	Group Total 2021 £
Staff costs (note 9)	75,999	2,302,287	10,867,026
Auditor's remuneration			
· Statutory	8,000	15,375	35,675
· Non statutory – taxation services	—	—	2,200
– reporting to Group auditors	—	—	1,130
Depreciation	44,341	610,478	1,196,123
Operating lease rental - land and buildings	—	—	482,929
Operating lease rental - equipment	—	—	11,223

9 Staff costs and remuneration of key management personnel

	Charity 2022 £	Charity 2021 £	Group 2021 £
Staff costs during the year were as follows:			
Wages and salaries	74,042	2,145,598	9,462,932
Social security costs	738	133,019	783,792
Other pension costs	1,219	23,670	620,302
	75,999	2,302,287	10,867,026

The number of employees who earned £60,000 per annum or more (excluding employer's pension contributions but including taxable benefits) during the year is shown below. All were employed at St Gemma's Hospice.

9 Staff costs and remuneration of key management personnel (continued)

	Charity Total 2022 No.	Charity Total 2021 No.	Group Total 2021 No.
£60,001 – £70,000	—	—	1
£70,001 – £80,000	—	—	3
£80,001 – £90,000	—	—	1
£100,001 – £110,000	—	—	1
£140,001 – £150,000	—	—	1
	—	—	7

As shown above, St Gemma's Hospice employed seven individuals in 2021 who had salaries over £60,000. Three of these are medical consultants who are directly employed on NHS equivalent contracts, in line with national agreements. The others are members of the Hospice Leadership Team, responsible for running the Hospice. The Chief Executive is not the highest paid employee.

The average number of full time equivalent employees during the year was:

	Charity 2022 No.	Charity 2021 No.	Group 2021 No.
St Gemma's Hospice	—	—	230
Support of sisters and their ministry	5	4	134
	5	4	364

The Trustees consider that they together with the Province Bursar comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis.

In terms of St Gemma's Hospice, the Charity's subsidiary in 2021, the board of St Gemma's Hospice is responsible for the overall direction and management of the hospice. The board has overall responsibility for ensuring the hospice is managed efficiently, approves the strategy and oversees its implementation. At 31 March 2021 there were five members of the board who were representatives of the Sisters of the Cross and Passion.

The Chief Executive of the hospice leads a Hospice Leadership Team (HLT) consisting of the Director of Nursing and Deputy Chief Executive; Director of Income Generation; Director of Medicine and Consultant in Palliative Care; and Director of Corporate Services. The HLT has a strategic role in driving forward the hospice and assisting the Chief Executive in discharging the duties delegated by the board. It is the HLT that is in charge of challenging, leading, running and supporting the hospice to achieve its aims.

As explained in note 10 below, all Trustees are members of the Congregation 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 as Trustees.

9 Staff costs and remuneration of key management personnel (continued)

The total remuneration (including taxable benefits, employer's pension contributions and employers' national insurance contributions) of the key management personnel for the Charity was £49,023.

The total remuneration (including taxable benefits, employer's pension contributions and employers' national insurance contributions) of the key management personnel of St Gemma's Hospice for 2021 was £494,000.

10 Trustees' expenses and remuneration and transactions with trustees

The Charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Congregation, are borne by the Charity. No Trustees received any remuneration or reimbursement of expenses in connection with their duties as Trustees (2021 – none).

As members of the Congregation, none of the Trustees 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. During the year, the total amount donated by the Trustees to the Charity was £nil (2021 - £66,704).

The Trustees of St Gemma's Hospice did not receive any remuneration in 2021.

No Trustee of St Gemma's Hospice was reimbursed expenses during 2021.

Indemnity insurance was provided for the Trustees of St Gemma's Hospice. Premiums paid during 2021 were £1,210. The cover was £5,000,000.

11 Taxation

The Sisters of the Cross and Passion is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12 Tangible fixed assets

Group and Charity	Freehold land and buildings £	Plant, furniture and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2021	11,115,143	115,494	102,762	11,333,399
Disposals	(1,200,000)	—	—	(1,200,000)
Exchange movement	33,234	906	1,097	35,237
	<u>9,948,377</u>	<u>116,400</u>	<u>103,859</u>	<u>10,168,636</u>
Transfer to Sisters of the Cross and Passion CIO	(9,878,461)	(83,889)	(103,859)	(10,066,209)
At 31 March 2022	<u>69,916</u>	<u>32,511</u>	<u>—</u>	<u>102,427</u>
Assets at historic cost	<u>69,916</u>	<u>32,511</u>	<u>—</u>	<u>102,427</u>
Depreciation				
At 1 April 2021	1,627,513	71,239	68,194	1,766,946
Charge for year	39,317	3,277	1,747	44,341
On disposals	(216,000)	—	—	(216,000)
Exchange movement	7,127	502	728	8,357
	<u>1,457,957</u>	<u>75,018</u>	<u>70,669</u>	<u>1,603,644</u>
Transfer to Sisters of the Cross and Passion CIO	(1,439,781)	(47,744)	(70,669)	(1,558,194)
At 31 March 2022	<u>18,176</u>	<u>27,274</u>	<u>—</u>	<u>45,450</u>
Net book values				
At 31 March 2022	<u>51,740</u>	<u>5,237</u>	<u>—</u>	<u>56,977</u>
At 31 March 2021	<u>9,487,630</u>	<u>44,255</u>	<u>34,568</u>	<u>9,566,453</u>

Group and Charity

Properties located in Great Britain and owed by the Charity at 1 April 2016 were revalued by Feather, Smailes & Scales, Auctioneers and Valuers, using an existing use value or depreciated replacement cost basis during March 2002, November 2003, April 2007, October 2008, August 2009, March 2011, March 2012, March 2013, March 2014 and March 2015. The basis of valuation was dependent on the nature of the property. The chief valuer was Michael Hare Bsc LLM Dip Est Man (Tech) FRICS, FNAEA, FICBA.

Properties located in Ireland and Northern Ireland were revalued by Lisneys, Auctioneers and Valuers, using an existing use value basis during 2012.

The revaluations were part of a rolling programme that resulted in each property being revalued at least every five years. As explained under principal accounting policies, freehold land and buildings are included in the accounts at whatever their valuation was as at 1 April 2016 based on the above valuation. This valuation has been deemed cost under the transitional arrangements set out in FRS 102 and will apply going forward with additions as of 1 April 2016 or later accounted for at cost.

13 Investments

At 31 March 2022 fixed asset investments comprised:

	Charity 2022 £	Charity 2021 £	Group 2021 £
Programme related investments (see a below)	—	2,044,592	2,044,592
Assets held for sale	1,909,946	—	—
Listed investments and cash held for re-investment (see b below)	7,037,205	31,943,092	25,406,899
	8,947,151	33,987,684	27,451,491
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(25,298,827)	(18,762,634)
At 31 March 2022	8,947,151	8,688,857	8,688,857

a. Programme related investments

Two of the properties are not used directly by the Charity (or Group) but they were used by other charitable and not-for-profit organisations for purposes consistent with the Charity's (or Group's) objectives. In some cases, rents were received but in other cases no formal rental agreement was in place. Therefore, the Trustees were of the opinion that the relevant land and buildings should be classified as programme related investments.

The properties have now been vacated by their tenants and the properties are in the process of being sold by the Charity. Negotiations with identified purchasers are ongoing and it is intended that the properties will be sold in due course. However, the sale will be subject to the granting of planning permission for development. Therefore, it is not anticipated that the sale will have been completed by 31 March 2023 and as such the properties have been reclassified in these accounts as non-current assets awaiting disposal.

	Charity 2022 £	Group and Charity 2021 £
At 1 April 2021	1,909,946	2,049,323
Additions	—	11,270
Exchange movements	—	(16,001)
Reclassification as non-current assets awaiting disposal	(1,909,946)	—
	—	2,044,592
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(134,646)
At 31 March 2022	—	1,909,946

Programme related investments comprise:

	Charity 2022 £	Group and Charity 2021 £
St Gabriel's Hall	—	134,430
The Imani Centre	—	1,775,516
	—	1,909,946

13 Investments (continued)

a. Programme related investments (continued)

As explained under principal accounting policies, the properties included above were included in the accounts at a value equal to their depreciated cost immediately prior to reclassification. Further details in respect to the programme related investments is given below.

St Gabriel's Hall

St Gabriel's Hall was used during both 2020 and 2019 as a hall of residence by Manchester University. During both of these years it was a catered, all-girls hall comprising of about 100 residents, along with five tutors and the hall warden forming the pastoral team. The hall admitted undergraduate and postgraduate students. The lease on the property expired in 2018. On the advice of the Charity's property advisor and solicitors the Trustees engaged Cushman and Wakefield to negotiate with the University of Manchester and the lease was extended until September 2019, when the properties were vacated.

The Imani Centre

The Imani Centre was used during both 2020 and 2019 by the Imani Community Association, to promote the benefit of the inhabitants of Manchester and the neighbourhood together with local authorities, voluntary and other organisations and so advance education and provide facilities in the interests of social welfare. Specific activities include regular self protection sessions, fundraising functions, young people's groups and play schemes.

The property used by the Centre adjoins St Gabriel's Hall and is now also vacant following the expiry of the lease.

13 Investments (continued)**b. Listed investments and cash held for re-investment**

	Charity 2022 £	Charity 2021 £	Group 2021 £
Listed investments			
Market value at 1 April 2021	6,637,659	22,208,169	27,447,584
Additions at cost	569,260	744,097	1,673,963
Disposals at book value (proceeds: £527,945; gains: £62,011)	(465,484)	(2,567,611)	(3,682,472)
Exchange movements	5,326	(9,779)	(9,780)
Net unrealised investment gains	217,727	4,423,838	5,479,624
Market value at 31 March 2022	6,964,488	24,798,714	30,908,919
Cash held by investment managers for reinvestment	72,717	608,185	1,034,174
	7,037,205	25,406,899	31,943,093
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(18,627,988)	(25,164,182)
	7,037,205	6,778,911	6,778,911
Cost of listed investments	4,943,719	16,228,541	20,896,555
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(11,481,438)	(16,149,452)
Cost of listed investments at 31 March 2022	4,943,719	4,747,103	4,747,103

The movement on listed investments for 2021 for the Charity and Group is given prior to the transfer to the Sisters of the Cross and Passion CIO. Listed investments, all of which were dealt in on a recognised stock exchange, comprised the following:

	Charity 2022 £	Charity 2021 £	Group 2021 £
Fixed interest based common investment funds	349,145	1,088,781	1,990,213
Equities	1,012,576	5,371,773	8,148,391
Unit trusts	3,645,166	14,220,313	14,219,943
Alternative investments	415,594	674,340	1,110,910
Property	—	168,806	355,376
Overseas funds	1,542,007	3,274,701	5,084,086
	6,964,488	24,798,714	30,908,919

Included in the investment portfolio was the following holding which, at 31 March 2022, had a market value which was deemed material in comparison with the market value of the total portfolio at that date:

	Charity		Charity		Group	
	2022 Market value £	2022 Percentage of portfolio %	2021 Market value £	2021 Percentage of portfolio %	2021 Market value £	2021 Percentage of portfolio %
Sarasin Endowments Fund (Income Units)	3,645,166	52.34	14,219,943	57.34	14,219,943	46.01

14 Debtors

	Charity 2022 £	Charity 2021 £	Group 2021 £
Trade debtors	—	—	2,428
Income tax recoverable	—	—	121,974
Other debtors	—	8,519	590,911
Prepayments and accrued income	1,962	341,919	510,738
	1,962	350,438	1,226,051
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(10,501)	(886,114)
	1,962	339,937	339,937

15 Creditors: amounts falling due within one year

	Charity 2022 £	Charity 2021 £	Group 2021 £
Expense creditors	—	—	50
Taxation and social security costs	—	29,614	29,614
Other creditors	—	30,580	640,567
Accrued expenditure	22,125	178,878	435,860
	22,125	239,072	1,106,091
Transfer to Sisters of the Cross and Passion CIO (see note 24)	—	(224,728)	(1,091,747)
	22,125	14,344	14,344

16 Designated funds

The income funds of the Charity included designated funds which had been set aside out of unrestricted funds by the trustees for specific purposes. With effect from midnight on 31 March 2022, the funds were transferred to Sisters of the Cross and Passion CIO.

Charity	At 1 April 2021 £	New designation £	Utilised/ released £	Transfer to CIO (note 24) £	At 31 March 2022 £
Future healthcare of sisters	—	—	—	—	—
Crisis donations	—	—	—	—	—
Programme related investments fund	1,909,946	—	(1,909,946)	—	—
	1,909,946	—	(1,909,946)	—	—

Group and Charity	At 1 April 2020 £	New designation £	Utilised/ released £	Transfer to CIO (note 24) £	At 31 March 2021 £
Future healthcare of sisters	23,000,000	—	(4,000,000)	(19,000,000)	—
Crisis donations	165,305	—	(5,000)	(160,305)	—
Programme related investments fund	2,049,323	11,270	(16,001)	(134,646)	1,909,946
	25,214,628	11,270	(4,021,001)	(19,294,951)	1,909,946

16 Designated funds (continued)

The future healthcare of sisters fund consisted of monies which the Trustees set aside in order to provide for the sisters in later life. The calculations, based on actuarial methods, indicated that £23 million is needed to be set aside in order to provide £20,000 per annum for sisters over 65 years of age and, because of greater health needs, £30,000 to £40,000 per annum for sisters over 75 years of age and £40,000 to £50,000 per annum for those over 90 years of age. The amount designated had been limited by the resources available and the fund, prior to the transfer to the CIO on 31 March 2021 had been reduced by £4 million to £19 million.

The crisis donations fund consisted of monies which the trustees set aside from the proceeds of the disposal of a property in Liverpool. The fund was to be used to fund donations to projects, run by others, which are trying to alleviate the suffering of asylum seekers, the homeless and crisis situations. This fund was transferred to the CIO on 31 March 2021.

The programme related investments fund had been designated to represent the carrying value of the Charity's programme related investments. The amount had been set aside from the Charity's general funds in recognition of the fact that the assets have been made available to the Imani Community Association, Manchester University and therefore could not be regarded as funds that would be available to meet future contingencies.

17 Tangible fixed assets fund

	Charity 2022 Total £	Group and Charity 2021 Total £
At 1 April 2021	9,566,453	25,825,835
Net movement in year	(1,001,461)	(794,023)
	8,564,992	25,031,812
Transfer to Sisters of the Cross and Passion CIO (see note 24)	(8,508,015)	(15,465,359)
At 31 March 2022	56,977	9,566,453

The tangible fixed assets fund represents the net book value of the tangible fixed assets excluding those used by St Gemma's Hospice. A decision was made to separate this fund from the other funds of the Group and Charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the Group and Charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

18 Analysis of net assets between funds

Charity	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	—	56,977	—	—	56,977
Assets held for sale	1,909,946	—	—	—	1,909,946
Investments	7,037,205	—	—	—	7,037,205
Net current assets	809,529	—	—	—	809,529
Total net assets	9,756,680	56,977	—	—	9,813,657

Charity	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	9,566,453	—	—	9,566,453
Investments	6,778,911	—	1,909,946	—	8,688,857
Net current assets	972,678	—	—	—	972,678
Total net assets	7,751,589	9,566,453	1,909,946	—	19,227,988

Group	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	9,566,453	—	—	9,566,453
Investments	6,778,911	—	1,909,946	—	8,688,857
Net current assets	972,678	—	—	—	972,678
Total net assets	7,751,589	9,566,453	1,909,946	—	19,227,988

The total unrealised gains as at 31 March 2022 constitute movements on revaluation and are shown below. The comparative amounts for 2021 are given prior to the transfer to the Sisters of the Cross and Passion CIO.

	Charity 2022 £	Charity 2021 £	Group 2021 £
Unrealised gains included above:			
On investments	2,020,769	8,570,174	10,012,364
Total unrealised gains at 31 March 2022	2,020,769	8,570,174	10,012,364
Reconciliation of movements in unrealised gains (losses)			
Unrealised gains at 1 April 2021	1,890,558	4,722,622	5,294,021
Less: in respect to disposals in the year	(92,842)	(566,507)	(751,501)
	1,797,716	4,156,115	4,542,520
Net gains arising on revaluation in the year	223,053	4,414,059	5,469,844
Total unrealised gains at 31 March 2022	2,020,769	8,570,174	10,012,364

19 Pension commitments

Charity:

The Charity offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

St Gemma's Hospice operated two pension schemes in the prior year:

- ◆ National Health Service Pension Scheme

A defined benefit scheme operated by the National Health Service Superannuation Scheme, which is only available to staff who have previously contributed to the scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. Contributions to this scheme are paid in respect of current service, and there is no liability to the hospice in respect of past service.

- ◆ Group Personal Pension Scheme

In addition there is a Group Personal Pension Scheme, which is a defined contribution pension scheme, administered by Standard Life which is available to all employees.

The charge to the statement of financial activities of £nil (2021 – £596,632) represents contributions to funds during the year. Contributions payable to the schemes at the year-end date totalling £nil (2021 – £24,474) are included in creditors.

20 St Gemma's Hospice

Until 31 March 2021, the Charity had a wholly owned subsidiary, St Gemma's Hospice, a charitable company constituted as a company limited by guarantee, Charity Registration No. 1015941 and Company Registration No. 02773867 (England and Wales). The charitable company operates a hospice in Leeds providing palliative care, treatment or relief of people with active, progressive and advanced illnesses without regard to their means, culture, faith or belief. A summary of its results for 2021 is shown below. Audited accounts were filed with both the Registrar of Companies and the Charity Commission.

	Unrestricted funds £	Designated funds £	Restricted funds £	2021 Total funds £
Income:				
Donations, legacies and trusts	3,028,650	—	597,712	3,626,362
Other trading activities	1,845,450	—	—	1,845,450
Investment income	174,166	—	—	174,166
Charitable activities	3,824,499	—	2,014,904	5,839,403
Total income	8,872,765	—	2,612,616	11,485,381
Expenditure:				
Cost of raising funds	3,284,316	98,292	—	3,382,608
Charitable activities	5,059,857	519,407	2,627,825	8,207,089
Total expenditure	8,344,173	617,699	2,627,825	11,589,697
Gains on investments	1,246,821	—	—	1,246,821
Net income (expenditure) before transfers	1,775,413	(617,699)	(15,209)	1,142,505
Transfers	(862,923)	917,028	(54,105)	—
Net movement in funds	912,490	299,329	(69,314)	1,142,505
Reconciliation of funds:				
Fund balances at 1 April 2020	7,472,574	3,979,809	291,889	11,744,272
Fund balances at 31 March 2021	8,385,064	4,279,138	222,575	12,886,777

St Gemma's Hospice has an arrangement with Sue Ryder Care (Wheatfields) to operate a joint lottery for fundraising purposes, which is administered by Sterling Lotteries. The net income received during 2021 from the lottery was £92,323.

21 St Gemma's Hospice Services Limited

St Gemma's Hospice has a wholly owned subsidiary, St Gemma's Hospice Services Limited, a company incorporated in the United Kingdom and registered in England and Wales Company No. 03739423. The company undertakes trading activities including the sale of goods and the provision of room hire. A summary of its trading results for 2021 is shown below, the company donates its taxable profit to St Gemma's Hospice under Gift Aid. Audited accounts will be filed with the Registrar of Companies.

	2021 £
Profit and loss account	
Turnover	49,081
Cost of sales	(12,514)
Gross profit	36,567
Administrative expenses	(634)
Management charge	(18,987)
Operating profit	16,946
Amount gift aided to St Gemma's Hospice	(16,946)
Retained in subsidiary	—
Aggregate capital and reserves	2

22 Leasing commitments**Operating leases**

At 31 March 2022, the Group and Charity had the following total future minimum lease payments under non-cancellable operating leases relating to land and buildings and office equipment:

	Land and buildings		Office equipment	
	Charity 2022 £	Group 2021 £	Charity 2022 £	Group 2021 £
Within one year	—	395,986	—	6,539
Between one and five years	—	680,165	—	7,327
	—	1,076,151	—	13,866

The Charity did not have any operating lease commitments in 2022 or 2021.

23 Ultimate control

The Charity, which is constituted as a trust, was controlled throughout the period by St Paul's Province of the Sisters of the Cross and the Passion by virtue of the fact that the members of the Congregation appoint the Trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Province are vested in the Trustees of the Charity, who undertake all transactions entered into in the course of the Province's charitable activities.

24 Transfer to Sisters of the Cross and Passion CIO

With effect from midnight on 31 March 2021, certain activities, assets and liabilities of the Charity were transferred to the Sisters of the Cross and Passion CIO, Charity Registration No. 1185348 in accordance with a legal transfer of undertaking deed dated 31 March 2021. The net assets at that date comprised:

	2021 £
Tangible fixed assets	
· Cost	19,790,592
· Depreciation	<u>(4,325,233)</u>
	15,465,359
Fixed asset investments (including cash held by investment managers of £466,935)	18,762,634
Debtors	10,501
Cash at bank and in hand	1,203,287
Creditors: amounts falling due within one year	<u>(224,728)</u>
	<u>35,217,053</u>

The assets and liabilities were represented by the following funds:

	2021 £
Tangible fixed assets fund	15,465,359
General funds	456,739
Restricted funds	4
Designated funds	<u>19,294,951</u>
	<u>35,217,053</u>

During the year ended 31 March 2022, further assets of £8,622,195 were transferred to the Sisters of the Cross and Passion CIO, Charity Registration No. 1185348. These consisted of tangible fixed assets at a net book value of £8,508,015 (cost of £10,066,209, less depreciation of £1,558,194) and cash at bank of £114,180.

In addition, a donation of £1,450,000 was made to the Sisters of the Cross and Passion CIO in relation to the proceeds from the sale of a freehold property in London.

25 Related parties

Other than the transactions detailed in notes 10 and 24, there are no related party transactions that require disclosure (2021 – none).

26 Post balance sheet events

There are no post balance sheet events that require disclosure.