

GRACE AND COMPASSION BENEDICTINES

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2021

Charity Number: 1056064

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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GRACE AND COMPASSION BENEDICTINES

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Kathryn Yeeles
Carmel Murtagh
Paula Tharasanthiras
Jaya Susai
Thaya Moses

The Trustees who served during the year and since the year end are listed above. Trustees are appointed by the Prioress General and her General Council.

PRIORESS GENERAL

Kathryn Yeeles

GENERAL BURSAR

Jaya Susai

PRINCIPAL OFFICE

Grace and Compassion Convent
St Mary's House
38/39 Preston Park Avenue
Brighton
BN1 6HG

CHARITY REGISTRATION NO

1056064

GOVERNING INSTRUMENT

Trust Deed dated 20 January 1996

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

SOLICITORS

Stone King
13 Queen Square
Bath
BA1 2HJ

BANKERS

National Westminster Bank Plc
8 Pavilion Buildings
Castle Square
Brighton
BN1 1DP

INVESTMENT MANAGERS

Charles Stanley & Co. Limited
55 Bishopsgate
London EC2N 3AS

INVESTMENT POWERS

Under the Congregation's Trust Deed there are no limitations in the Trustees' powers of investment.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Grace and Compassion Benedictines is a registered Charity (1056064) administered by the Benedictine Sisters of Our Lady of Grace and Compassion, an international religious Congregation with headquarters in England, providing services in England, Kenya, Uganda, India and Sri Lanka.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trust is governed by a Trust Deed dated 20 January 1996 and is registered with the Charity Commission, Charity Registration number 1056064. The accounts accompanying this report are those of the English charitable trust and its activities carried out in England and overseas.

Trustees and Organisational Structure

The Congregation is administered by the General Council which consists of the Prioress General and her four Councillors. These Sisters are elected by the General Chapter for a term of eight years and four years respectively, and three of them, all living in England, are currently the Charity's Trustees together with two other Sisters who are appointed by the Prioress General after consulting her General Council. They are widely experienced in senior management of the Charity's Care Homes and other activities, closely monitoring all aspects of its work, and meeting frequently. They are assisted by an Advisory Body consisting of priests and lay members experienced in social justice and finance, law and property, and a small committee meets throughout the year to advise the trustees with their professional expertise.

Professional and other advisors attend Trustees' meetings as needed, including the Trustees' annual financial meeting, providing an independent perspective on the topics being discussed.

Prospective trustees are provided with full information on the charity's constitution, objects and finances. Training and guidance material, and appropriate external seminars, are made available as necessary.

Care Managers and those responsible for other activities refer to the Prioress General any urgent matters outside the scope of their authority for day-to-day management.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that employment matters such as health and safety issues, claims for injury, stress, adequate staff training and vulnerable person protection issues are a key risk for the charity. A key element in the management of the risk is having up to date procedures that are regularly reviewed. Intensive staff training takes place on a regular basis and specialist consultants advise the charity on health and safety and all staffing issues.

The work has also identified other key risks to the charity due to fraud and error giving rise to financial loss, reputational risk and regulatory action. The charity has in place financial control procedures with appropriate segregation of duties. The trustees are closely involved in the day to day operations with all major risks covered by insurance. Appropriate advice is taken annually from insurers and as, and when, the need arises.

The Trustees acknowledge that the COVID 19 pandemic is a major risk to the Charity. Government guidelines are followed precisely and advice is taken from the Department for Health and Social Care and the NHS.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

KEY MANAGEMENT

The Trustees consider that the key management of the Charity consists of themselves and in particular the Prioress General and General Bursar to whom much of the running of the day-to-day running operation devolves. As religious Sisters, under a vow of poverty, the Trustees do not receive remuneration.

OBJECTIVES AND ACTIVITIES

Objectives and Policy

The Charity's Trust Deed states its principal objective as "the promotion of religion and education and the relief of poverty and sickness in accordance with the doctrines of the Roman Catholic church and for any other charitable purpose which shall advance the religious, educational and other charitable work for the time being carried on, directed or supported by the Society".

The policy of the Charity is to provide comfort and security in a loving family atmosphere for those in need, e.g. the elderly in the UK. Each person is valued, independence and privacy respected; there is maximum freedom, opportunity for development, interests and spiritual care; plenty of activity, yet opportunity for space.

Strategy

The Charity's strategy is as follows:

- To continue to maintain and improve our service to the elderly and frail in the UK, having in mind, also, the expected growth in the U.K's elderly population; to support our overseas communities in their activities and service.
- To respond to newly encountered needs within our scope. Development is demand-led.
- Providing financial support to back up the overseas Sisters' own income-generating and fund-raising efforts.
- To review houses and activities in order to concentrate our human and financial resources where most needed.
- To foster our international Congregation's development and multi-cultural unity, including the training of Sisters in diverse roles to fulfil the Charity's work and develop their religious lives which underpin it.

The outcome of this strategy is evaluated through a long-established review structure comprised of frequent Trustees' meetings and regular meetings of Trustees with Care Managers/Sister Superiors and their Advisory Council. This structure is mirrored overseas. The four-yearly General Chapter (with universal representation) considers all aspects of the strategy.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to their aims and objectives, as described elsewhere in this report.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

UK - Care Homes

The Charity operates four Care Homes for the elderly, registered with the Care Quality Commission (CQC). The Sisters are committed to loving service, respect for human dignity and the development of each person, valuing their uniqueness.

Over the years, the age of residents coming to live in our residential accommodation has increased and the majority are well over 90 years of age. The standard of care is excellent and all residents have the privacy of a single room with en-suite facilities although there are a few double rooms available if requested. Some residents pay privately while others receive funding from their local authority.

St Mary's House, Brighton (From 1954)

Our work of providing accommodation and care for the elderly has grown steadily from 1954, when the Charity was founded at St Mary's House in Brighton. Today the home is registered for 12 residents and also accommodates a community of 11 sisters which includes two members of the Generalate, the Manager and carers and two sisters who are retired.



St Mary's House, Brighton

More Hall Convent, Stroud, Gloucester (From 1968)

There are 10 residents at More Hall which is managed by a Sister and her team of sisters and lay staff. The building is over 400 years old and a new wing was added in the 1980s to provide accommodation more suitable for those who need care.

Montana, Bury St Edmunds, Suffolk (From 1969)

Montana is registered for 19 residents and is rated as Outstanding by CQC. The ground floor layout and beautiful gardens make it a very attractive home and the residents are well-cared for by the Manager, a Sister, and her team of sisters and lay staff.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

Holy Cross Care Home, Heathfield, East Sussex (From 1964 with major refurbishment in 2012)

This is our newest and largest Care Home with 60 beds. There is a Registered Manager and a dedicated team of lay staff and sisters who provide 24 hour nursing care for the frail and dying in a loving family atmosphere. The current building replaced the original nursing unit and residential home in buildings which were no longer fit for purpose.



UK - Retirement Accommodation

We have a number of flats suitable for the active elderly, where residents cater for themselves and have maximum independence. Discreet help is available according to the location and circumstances.

Holy Cross Priory, St Benedict's and St Mary's, Heathfield, East Sussex

In close proximity to Holy Cross Care Home are St Mary's and St Benedict's comprising a total of 40 flats. Within the same grounds the main building and former convent have been transformed into 21 flats and a new convent and chapel were completed in 2013. Although independence is encouraged there is a warden on duty 24 hours a day should there be an emergency.

Oakampton House, Bury St Edmunds

There are 22 flats, with one or two bedrooms, situated in the grounds of Montana care home which enables the sisters to provide help where needed.

Padua House & Harrington Villas, Brighton

These flats and bungalows are near St Mary's House and provide accommodation for 19 people.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

The trustees decided that the retirement flat at Berkeley Court, Bognor Regis was surplus to requirements and it was put on the market in 2020. It eventually sold in October 2021.

OVERSEAS MISSIONS

The Congregation's work in the Missions is a response to various needs such as destitution, sickness and lack of employment and education. A number of our houses run farms to provide food and income. Strenuous efforts are made towards self-support, but some shortfall is inevitable as the work is for the poor. Grants are made by the Grace and Compassion Benedictines' UK charity to its partners administered by the Sisters overseas. Capital expenditure is met through applications to grant making charities made by the overseas Communities and by legacies from benefactors wishing to support our Missions.

INDIA

Since 1976 the sisters have been working in Tiruvannamalai and at September 2021 charitable activities are being carried at 10 locations in the states of Tamil Nadu, Karnataka and Kerala.



Home for the Aged at Tiruvannamalai

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

1. Grace and Compassion Priory, Tiruvannamalai is the main house with the largest community where they currently run a home for destitute elderly, a small hospital and village clinics.
2. Grace and Compassion Bhavan in Pondicherry is the Priory Administrative Centre which was blessed and opened in September 2018.
3. St. Benedict's, Adaiyur, a short distance from Tiruvannamalai where the sisters run a Nursing School for students from disadvantaged backgrounds.



The School of Nursing, Adaiyur

4. At Our Lady of Light, Bangalore, Karnataka, we have a home for frail elderly people and this is also the Novitiate House.
5. House of Peace, Yercaud is a Retreat and Conference Centre and a Guest House at a hill station near Salem.
6. Emmaus House, Pondicherry is a home for retired priests.
7. St Henry's Home, Salem is another house where the sisters care for the elderly on behalf of the Diocese of Salem.
8. In Vetoornimadam, Nagercoil a few sisters care for retired priests at Clergy House.
9. At St. Scholastica's, Makkiyad in Kerala the sisters run a small clinic and hospital plus a residential home for the elderly.
10. There is a second foundation in Kerala at Piravom called St. Joseph's, which was built and opened in 2018 to care for the elderly.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)



St Joseph's Home, Piravom

SRI LANKA

There are five houses in Sri Lanka and at four of them the sisters care for the elderly:

1. Melville Priory, Moratuwa since 1976 and refurbished and extended in 2019 to accommodate up to 60 residents.
2. St. Joan's, Ja-Ela normally accommodates 24 residents but in 2021 it was agreed to demolish and rebuild the structure because of serious defects, mainly drainage. This work is still in progress but has been hampered by the Covid – 19 pandemic.
3. Villa Maria, Mugunuatawan, Chilaw accommodates 24 residents.
4. St Benedict's Millewa, Horana, can accommodate 24 residents and was officially opened in September 2019.

Some residents are unable to pay and others have family abroad so we try to cater for the needs of everyone. The sisters also do some parish work.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

At Mattakelle a small group of Sisters are working in a rural parish. The Montessori School was refurbished in 2020.



Children at Mattakelle

EAST AFRICA

The first foundation in Kenya was made in 1990 at Mundika, Busia, near the border with Uganda. By 2020 there were three more houses in Kenya and two in Uganda.

1. Grace and Compassion Convent, Mundika, Busia

We have a home for destitute old people, and the Sisters support a number of elderly in the local villages. We do parish work, tailoring, candle-making, host baking and run a small shop which generates some income. The sisters run a nursery and primary school. A guest house provides a source of income and a valuable facility for both local and overseas visitors. During the Coronavirus pandemic the residents moved to buildings nearer the convent and work began in October 2020 to provide more suitable accommodation for the elderly and was completed in July 2021.

2. There is a small house in Nairobi which provides a base for Sisters who are studying at local institutions.

3. Grace and Compassion Convent, Chebukaka

A small community moved into a former diocesan retreat centre where the sisters run a vocational training school. They also help in the local school and parish and have a small farm.

4. Kibabii

Following a donation of land near Bungoma we have built a hostel to provide accommodation for female religious and students who are attending the local universities. This was opened in July 2020.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)



New hostel and garden at Kibabii

5. Grace and Compassion Convent, Irundu, Uganda

We run a nursery and primary school and do parish work. During the Coronavirus pandemic the school was redecorated and a small library was built. A small convent was built in 2021 so that sisters working in the school could live close- by.



6. St. Mary's House, Jinja, Uganda

This house is used as a base for studies and some parish work. The Sisters have a convent and chapel and in 2021 a new guest house was built to generate some income. They grow maize, vegetables and fruit. There is also a small nursery school.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

The following table gives details of our overseas mission expenditure.

LOCATION	DATE	REASON	AMOUNT in £s
UGANDA	01/10/2020	Allowance for October & November	6,800.00
		Auditor's fees & donation	1,200.00
	15/10/2020	First instalment for guest house	60,000.00
	24/11/2020	Allowance for December & January	6,800.00
		Second instalment for guest house	28,200.00
	15/12/2020	Third instalment for guest house	35,000.00
	25/01/2021	Allowance for February & March	7,000.00
	11/02/2021	First payment for Irundu Convent	80,000.00
	08/03/2021	Allowance for April & May	7,000.00
		Second payment for Irundu Convent	53,000.00
	07/04/2021	Perimeter wall for Irundu	16,000.00
		Solar at Jinja	34,000.00
	31/05/2021	Allowance for June & July	7,000.00
		Third payment for Irundu Convent	51,000.00
		Solar and auditor	22,000.00
	26/07/2021	Allowance for Aug & Sept;	8,000.00
	19/08/2021	Extra for Building & Furniture; Training	30,000.00
		TOTAL SENT	453,000.00
KENYA	01/10/2020	Allowance for October & November	22,500.00
		Building for Old Peoples' Home	34,000.00
		Donation during pandemic and Car Port	13,500.00
	27/10/2020	Second instalment for OPH	50,000.00
	24/11/2020	Allowance for December & January	22,500.00
		Third instalment for OPH	44,000.00
		Purchase of land	3,500.00
	25/01/2021	Allowance for February & March	20,350.00
		Holidays for sisters	4,650.00
		Sirimba building project	10,000.00
	15/03/2021	Allowance for April & May	23,000.00
		Final Payment for OPH	17,000.00
		Donation for Sirimba classrooms	5,000.00
	28/04/2021	Furnishings for OPH	5,000.00
		Old Guest house alterations	10,000.00
	22/05/2021	Allowance for June & July	23,000.00
		Extra building work at Mundika	77,000.00
	28/06/2021	Support Donation	5,000.00
	26/07/2021	Allowance for Aug & Sept; School fees	30,000.00
		TOTAL SENT	420,000.00
SRI LANKA	22/02/2021	First Payment for Ja-Ela building project	160,000.00
	16/06/2021	Second Payment for Ja-Ela	60,000.00
	09/08/2021	Third Payment for Ja-Ela with extras	80,000.00
		TOTAL SENT	300,000.00
INDIA	22/05/2021	Donation during Pandemic	75,000.00
		Sister's Support	25,000.00
	23/08/2021	Bangalore Building Project	170,000.00
		TOTAL SENT	270,000.00
	April -Aug 2201	Donations to Sisters' families	24,000.00
	27/10/2020	Donation to Makkiyad	500.00
		GRAND TOTAL	1,467,500.00

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE

The Care Village at Holy Cross Priory, Heathfield is well-established with a 60-bed care home for residents requiring personal and nursing care. This is run to a very high standard and beds are in high demand with a long waiting list.

The 20 retirement flats in the separately accessed top floor named St Benedict's and a further 20 apartments in a new block called St Mary's provide one and two-bedroomed apartments and offer independent living with a range of community facilities available. The conversion of Holy Cross Priory, a grade 11 listed building, into 18 extra-care leasehold apartments, with a restaurant, lounge and function room is complete and all the flats are occupied.

The new chapel is available for the whole care village and Parish community. Other facilities include guest accommodation and a convent for the Sisters.

In transforming what we offer at Holy Cross Priory, we are enabling our work for older people to continue there and flourish, in response to clear future needs and the trend away from residential care, along with the physical condition and out-dated nature of all the existing buildings. There are still outstanding works to be completed, some of which may have to be paid by the Charity and others by the Contractors. There have been considerable legal costs involved in trying to address these snagging issues.



FUNDRAISING

The Charity does not undertake any formal or organised fundraising activities, either directly or through a professional fundraiser or commercial participator or any person acting on its behalf. We do not engage in cold-calling, door to door or street fundraising. Therefore, we do not target any vulnerable people.

The Charity appeals for financial assistance for its work in the following 3 ways:

- A donation facility on the Charity website.
- Advertisements in a number of professional journals (e.g. Charity Choice, Law Society Gazette)

No complaints about fundraising activities have been received in either the year or the preceding year. However, if a complaint were to be received, we would undertake to resolve it promptly and would envisage that there would never be any need for any complaint to escalate to the stage of referral to the regulator.

The trustees have decided that given the low-key nature of fundraising efforts, there is no need for the charity to be registered with the Fundraising Regulator. However, we endeavour to adhere to the standards of the Fundraising Code of Practice.

The trustees are of the opinion that the Charity's overall fundraising performance was good and was conducted in fully accordance with the above principles. We are extremely grateful for the generosity of all those who have given to the work of the charity over the years.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

FINANCIAL REVIEW

The charity's main form of ongoing income continues to be the fees received in respect of its care facilities. Total income of the charity amounted to £5.31m compared to £6.32m in 2020. Last year, income was boosted by the gain on the disposal of a property of £967.4k. All income in 2021 related to Unrestricted Funds but in 2020, £974k consisted of Restricted Funds, mainly from the sale of St Mary's Convent.

Expenditure was slightly lower at £6.71m (2020: £6.90m). Although staff costs continued to rise as the charity responded to the needs of the pandemic, and payments in support of the overseas missions also grew, there was a significant reduction in Establishment Costs, following major expenditure in recent years.

The result was a deficit, or net expenditure, before investment gains and losses, for the year of £1.4m (2020: £590k). The investment portfolio showed gains of £1.1m which more than compensated for the losses arising in 2020 of £481k. Thus, there was an overall net decrease in funds of £303.1k (2020: £1.07m).

Within the balance sheet, tangible fixed assets fell with another year's depreciation charge. Investments increased from £6.74m to just over £8.0m, thanks to the year's growth in values and the re-investment of income arising of some £200k. Cash at bank fell to £2.65m from £3.72m; a decline which was broadly due to the deficit for the year.

Investment Powers and Policy

The trustees are empowered within the Trust Deed to invest any monies as authorised by law for the investment of trust monies in a manner they think fit. The trustees have decided, considering the charity's long-term commitments to support the work in England and elsewhere, that the establishment of an investment portfolio would be appropriate.

The total return (that is income plus/minus capital gains/losses) on the portfolio in the year was approximately 19.6% (2020: -4.2%) which was somewhat ahead of the averages quoted for the charity sector for the year. This was a welcome reversal of the losses sustained in 2020. These were largely due to the coronavirus pandemic which affected global markets, but the trustees are satisfied with the performance of the portfolio and will continue to monitor it closely.

Reserves Policy

The general, unrestricted funds of the charity at the end of the year stood at £18.5m. Of this, some £7.7m is represented by tangible fixed assets, leaving nearly £10.8m as "free reserves". The intention of the Trustees is to hold one to two years' expenditure in general reserve and the current level is within this range. The trustees will continue to monitor closely both reserves and expenditure levels.

CORONAVIRUS PANDEMIC

In February 2020 a coronavirus (Covid-19) has affected the United Kingdom and the elderly and those persons with serious underlying medical conditions are particularly vulnerable. The trustees are acutely aware of the effect that the pandemic is having on its residents in the care homes and residential accommodation and are taking all necessary steps, following government guidelines, to protect all residents, staff and sisters.

The pandemic has also impacted more generally and upon most sectors of society and the economy. The pandemic and the ensuing lockdown, imposed in order to limit the spread of the disease, have had an adverse effect on the charity's investment portfolio. The exact financial impact is difficult to assess with any high level of confidence but the Trustees are of the opinion that the charity will be able to meet all of its financial obligations and commitments for the foreseeable future. Thus, they consider that the charity is a Going Concern.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

PLANS FOR THE FUTURE

In January 2020 the Prioress General and her Council established a new Charitable Incorporated Organisation (CIO) to take advantage of the benefits of this new form of legal entity that was created by the Charity Commission. The trustees intend to transfer the assets and undertaking of this Charity to this new entity. The trustees confirm that there will be no change in the activities and management of the undertaking.

The Charity has no long-term plans to create new care homes and retirement villages, but will continue to improve its existing portfolio of properties in order to provide an up to date and comfortable environment for its elderly residents and tenants.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

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 financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees July 2022 and signed as authorised on their behalf by:

K Yeeles
Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GRACE AND COMPASSION BENEDICTINES

Opinion

We have audited the financial statements of Grace and Compassion Benedictines for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient and proper accounting records have not been kept; 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GRACE AND COMPASSION BENEDICTINES (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations, employment law, safeguarding regulations and care quality commission compliance, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to depreciation charges. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing calculations for depreciation including reviewing estimated useful economic lives;
- Reviewing the latest Care Quality Commission (CQC) reports;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Reviewing valuations of investments; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These relate to depreciation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor

July 2022

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GRACE AND COMPASSION BENEDICTINES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £ (note 21)
INCOME from					
Donations and Legacies	1	332,257	-	332,257	465,253
Government Grants (re Covid)		279,228	-	279,228	199,829
Charitable activities	2	4,472,572	-	4,472,572	4,499,617
Investments	3	220,171	-	220,171	183,488
Other					
- Gain on disposal of tangible fixed assets	4	1,200	-	1,200	967,445
Total income		5,305,428	-	5,305,428	6,315,632
EXPENDITURE on					
Cost of raising funds					
- Investment management fees		43,780	-	43,780	39,256
Charitable activities	5	6,436,146	226,968	6,663,114	6,866,806
Total expenditure		6,479,926	226,968	6,706,894	6,906,062
Net (expenditure) before gains on investments		(1,174,498)	(226,968)	(1,401,466)	(590,430)
Net gains/(losses) on investments		1,098,317	-	1,098,317	(480,659)
Net (expenditure) and movement in funds		(76,181)	(226,968)	(303,149)	(1,071,089)
Brought forward at start of year		18,588,756	1,849,275	20,438,031	21,509,120
Carried forward at end of year		£18,512,575	£1,622,307	£20,134,882	£20,438,031

All operations are continuing and there are no discontinued operations in either year. There are no other gains or losses other than those stated above.

The notes form part of these financial statements.

GRACE AND COMPASSION BENEDICTINES

BALANCE SHEET

AT 30 SEPTEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible Assets	14		10,294,118		10,743,351
Investments	15		8,018,623		6,742,051
			<u>18,312,741</u>		<u>17,485,402</u>
CURRENT ASSETS					
Debtors	16	129,032		249,037	
Cash at bank & in hand		2,654,709		3,720,251	
		<u>2,783,741</u>		<u>3,969,288</u>	
CREDITORS: Amounts falling due within one year	17	(351,600)		(406,659)	
NET CURRENT ASSETS			<u>2,432,141</u>		<u>3,562,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			20,744,882		21,048,031
PROVISIONS FOR LIABILITIES AND CHARGES	18		(610,000)		(610,000)
NET ASSETS			<u>£20,134,882</u>		<u>£20,438,031</u>
FUNDS					
Unrestricted Funds			18,512,575		18,588,756
Restricted Funds	19		1,622,307		1,849,275
			<u>£20,134,882</u>		<u>£20,438,031</u>

The financial statements were approved and authorised for issue by the Trustees July 2022 and were signed below on its behalf by:

K Yeeles
Trustee

C Murtagh
Trustee

The notes form part of these financial statements.

GRACE AND COMPASSION BENEDICTINES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Cash flows from Operating Activities		
Net cash (outflow)/inflow from operating activities	(1,095,998)	(735,441)
Cash flows from investing activities		
Dividends and interest from investments	220,171	183,488
Receipts from sales of investments	445,212	153,749
Payments to acquire investments	(623,467)	(340,098)
Payments to acquire tangible fixed assets	(12,660)	(371,632)
Receipts from sales of tangible fixed assets	1,200	1,067,837
Net cash provided by/(used in) investing activities	30,456	693,344
Change in cash and cash equivalents in year	(1,065,542)	(42,097)
Cash and cash equivalents at 1 October 2020	3,720,251	3,762,348
Cash and cash equivalents at 30 September 2021	£2,654,709	£3,720,251

Notes to the Cash Flow Statement

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds (as per the Statement of Financial Activities)	(303,149)	(1,071,089)
Adjustments for		
Dividends and interest from investments	(220,171)	(183,488)
Depreciation	461,893	463,731
(Gains) on disposal of tangible fixed assets	(1,200)	(967,445)
(Gains) / Losses on investments assets	(1,098,317)	480,659
Decrease in debtors	120,005	38,010
(Decrease) in creditors	(55,059)	(5,819)
Increase in provisions for liabilities and charges	-	510,000
Net cash (used in)/provided by operating activities	(1,095,998)	(735,441)

B. Analysis of cash and cash equivalents

Cash at bank and in hand	2,654,709	3,720,251
Total cash and cash equivalents	£2,654,709	£3,720,251

C. Analysis of changes in net cash funds

	1 October 2020 £	Cashflows £	30 September 2021 £
Cash at bank and in hand	3,720,251	(1,065,542)	2,654,709
Total cash and cash equivalents	£3,720,251	£(1,065,542)	£2,654,709

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES

YEAR ENDED 30 SEPTEMBER 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

The financial statements have been prepared in accordance with all statutory requirements and the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Figures are presented in sterling and rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

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 one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no other material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. 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 accounting period, the year ending 30 September 2022, the most significant factors likely to affect the financial future of the charity are the uncertain economic outlook, particularly that which applies to all organisations providing care services, and the pressure on Local Authority finances with its consequent effect on fee levels and the rate of increase in care costs which is tending to run at above the general rate of inflation.

General Information

The Charity is registered in England and Wales (charity no: 1056064). The Charity's principal office address is Grace and Compassion Convent, St Mary's House, 38/39 Preston Park Avenue, Brighton, BN1 6HG.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2021

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity 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 has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of care services service is deferred until the criteria for income recognition are met.

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

Dividends are recognised once the dividend has been paid. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income from the Coronavirus Job Retention Scheme is recognised in the same period as the related employment costs are incurred.

Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's Nursing and Care Homes and its Retreat Centres as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations and direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.
- Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity 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.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2021

Tangible fixed assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

	Annual rate
Freehold land	Nil
Freehold buildings	2% to 2.5%
Furniture, fittings and equipment	10 %
Motor vehicles	25%

Financial Instruments and investments

The charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Quoted investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains or losses on investments are disclosed in the statement of financial activities as a combined figure for realised gains or losses from investment sales in the year (sale proceeds less market value last year) and unrealised gains or losses arising from the increase/decrease in value during the year of investments still held.

Receipts on maturity are recognised as investment gains, net of the relevant premiums paid, and the annual premiums are included as an addition to the Deferred Annuity Contract.

As noted above, the main form of financial risk to which the charity is exposed is that of the volatility in investment markets, which has increased markedly since the start of the COVID-19 pandemic.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES (continued)

YEAR ENDED 30 SEPTEMBER 2021

Creditors and provisions for liabilities and charges

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Services provided by members of the Congregation

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2021

1. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2021 £	2020 £
Donations	304,596	-	304,596	219,554
Grants	10,800	-	10,800	-
Income donated by Sisters	1,794	-	1,794	4,473
Legacies	15,067	-	15,067	241,226
	£332,257	£-	£332,257	£465,253

Year ended 30 September 2020

Donations	212,554	7,000	219,554
Income donated by Sisters	4,473	-	4,473
Legacies	241,226	-	241,226
	£458,253	£7,000	£465,253

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2021 £	Unrestricted 2020 £
Residential Accommodation and Nursing Homes	4,021,293	3,975,123
Retirement Accommodation	451,279	524,494
	£4,472,572	£4,499,617

3. INVESTMENT INCOME

	Unrestricted £	Restricted £	2021 £	2020 £
From portfolio of investments	£220,171	£-	£220,171	£183,488
	£183,488	£-	£183,488	

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

4. GAIN ON DISPOSAL OF TANGIBLE FIXED ASSETS

	Unrestricted £	Restricted £	2021 £	2020 £
Motor vehicles				
Proceeds (net of costs)	1,200	-	1,200	1,067,837
Net book value	-	-	-	(100,392)
Net Gain on Disposal	£1,200	£-	£1,200	£967,445

Year ended 30 September 2020

Properties

Proceeds (net of costs)	-	1,067,837	1,067,837
Net book value	-	(100,392)	(100,392)
Net Gain on Disposal	£-	£967,445	£967,445

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Residential Accommodation and Nursing Homes £	Retirement Accommodation £	Support of Sisters / Pastoral Ministry £	Mission Support and Donations £	2021 Total £	2020 Total £
Staff costs	2,273,622	126,797	-	-	2,400,419	2,281,045
Deprecation	166,795	84,465	-	-	251,260	253,098
Other operational costs	678,569	394,850	54,890	-	1,128,309	1,363,330
Administrative expenses	343,456	97,796	-	-	441,252	423,205
Missions support & donations (note 7)	-	-	-	1,467,500	1,467,500	1,223,500
	<u>3,462,442</u>	<u>703,908</u>	<u>54,890</u>	<u>1,467,500</u>	<u>5,688,740</u>	<u>5,544,178</u>
Support costs	565,544	188,515	141,386	47,129	942,574	1,292,208
Governance costs	19,080	6,360	4,770	1,590	31,800	30,420
	<u>£4,047,066</u>	<u>£898,783</u>	<u>£201,046</u>	<u>£1,516,219</u>	<u>£6,663,114</u>	<u>£6,866,806</u>

Year ended 30 September 2020

	Residential Accommodation and Nursing Homes £	Retirement Accommodation £	Support of Sisters / Pastoral Ministry £	Mission Support and Donations £	2020 Total £
Staff costs	2,050,593	230,452	-	-	2,281,045
Deprecation	168,633	84,465	-	-	253,098
Other operational costs	712,002	585,428	65,900	-	1,363,330
Administrative expenses	310,662	112,543	-	-	423,205
Missions support & donations (note 7)	-	-	-	1,223,500	1,223,500
	<u>3,241,890</u>	<u>1,012,888</u>	<u>65,900</u>	<u>1,223,500</u>	<u>5,544,178</u>
Support costs	775,325	258,442	193,831	64,610	1,292,208
Governance costs	18,252	6,084	4,563	1,521	30,420
	<u>£4,035,467</u>	<u>£1,277,414</u>	<u>£264,294</u>	<u>£1,289,631</u>	<u>£6,866,806</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	2021	2020
	£	£
Support costs		
Establishment expenses	162,189	711,596
Administrative costs	569,752	369,979
Depreciation	210,633	210,633
	<hr/> 942,574	<hr/> 1,292,208
Governance costs		
Audit fees	23,400	21,720
Other	8,400	8,700
	<hr/> 31,800	<hr/> 30,420
	<hr/> £974,374	<hr/> £1,322,628
Allocation of Governance & Support Costs		
Residential Accommodation and Nursing Homes	584,624	793,577
Retirement Accommodation	194,875	264,526
Support of Sisters and their ministry	146,156	198,394
Mission Support and Donations	48,719	66,131
	<hr/> £974,374	<hr/> £1,322,628

7. MISSION SUPPORT AND DONATIONS

	2021	2020
	£	£
The direct costs of Overseas Outreach include the payment of grants as follows:		
Support of the Congregation's mission in:		
Uganda	453,000	145,500
Kenya	420,000	587,000
Sri Lanka	300,000	275,000
India	294,500	216,000
	<hr/> £1,467,500	<hr/> £1,223,500

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

8. NET EXPENDITURE FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Depreciation	461,893	463,731
Auditors remuneration		
- Audit fees (net of VAT)	19,500	19,000

9. STAFF COSTS

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	1,930,205	1,868,662
Social security costs	144,834	119,748
Other pension costs	52,068	44,564
	2,127,107	2,032,974
Other costs (including temporary staff, staff training, subscriptions & uniforms)	273,312	248,071
	£2,400,419	£2,281,045

No employees earned more than £60,000 during the year or the prior year.

The key management personnel of the charity in charge of directing, controlling and operating the charity on a day to day basis comprise the Trustees.

The charity's Trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with amounts paid in respect of other members of the Congregation, are borne by the charity. No Trustee received any remuneration or reimbursement of expenses in connection with their duties as Trustees.

10. STAFF NUMBERS

	2021 No.	2020 No.
The average monthly head count of employees during the year was:	115	108

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

11. PENSIONS

The charity operates a defined contribution Group Personal Pension Plan for its employees. The charity is not liable to finance any shortfall of funding and cannot benefit from over funding. Employer contributions payable into the scheme during the year were at a rate of 3% of pensionable salary and members contributed 2% of pensionable salary.

Employer contributions of £52,068 (2020: £44,564) were paid during the year.

12. TRUSTEE REMUNERATION AND EXPENSES

The Trustees of the Charity are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The Charity provides for the essential needs of all members of the Congregation within the Province.

The living costs of the five Trustees are therefore borne by the Charity.

There were no other related party transactions during the year.

13. TAXATION

As a registered charity the Grace and Compassion Benedictines 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.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

14. FIXED ASSETS

	Freehold Properties £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
COST				
At 1 October 2020	15,160,036	800,358	64,051	16,024,445
Additions	-	-	12,660	12,660
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2021	15,160,036	800,358	76,711	16,037,105
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 October 2020	4,553,807	663,238	64,049	5,281,094
Charge for the year	378,692	80,036	3,165	461,893
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2021	4,932,499	743,274	67,214	5,742,987
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
30 September 2021	£10,227,537	£57,084	£9,497	£10,294,118
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
30 September 2020	£10,606,229	£137,120	£2	£10,743,351
	<hr/>	<hr/>	<hr/>	<hr/>

All fixed assets are used for direct charitable purposes.

15. INVESTMENTS

	2021 £	2020 £
At 1 October 2020	6,742,051	7,036,361
Additions at cost	623,467	340,098
Disposals (at book value)		
Proceeds	(445,212)	(153,749)
Gains/(Losses) by reference to opening value	63,896	(15,729)
	<hr/>	<hr/>
	(381,316)	(169,478)
Net revaluation (losses)/gains	1,034,421	(464,930)
	<hr/>	<hr/>
At 30 September 2021	£8,018,623	£6,742,051
	<hr/>	<hr/>
Listed on UK Stock exchange		
Equities	6,415,084	5,191,697
Fixed-interest stocks	1,271,701	1,149,827
	<hr/>	<hr/>
	7,686,785	6,341,524
Portfolio bank deposits	331,838	400,527
	<hr/>	<hr/>
At 30 September 2021	£8,018,623	£6,742,051
	<hr/>	<hr/>
At cost	£6,910,142	£6,838,933
	<hr/>	<hr/>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

16. DEBTORS	2021	2020
	£	£
Fees receivable	68,367	79,679
Legacies receivable	-	120,000
Prepayments and other debtors	60,665	49,358
	£129,032	£249,037
17. CREDITORS:	2021	2020
	£	£
Amounts falling due within one year		
Trade creditors	85,307	116,107
Accruals and deferred income	266,293	290,552
	£351,600	£406,659
18. PROVISIONS FOR LIABILITIES AND CHARGES	2021	2020
	£	£
Balance 1 October 2020	610,000	100,000
Increase in provision	-	510,000
Balance 30 September 2021	£610,000	£610,000

The provision relates to a legal dispute for building works at one of our homes. The costs relating to this provision are expected to be incurred in 2020/21. It is hoped that the charity will be reimbursed but no asset has been included in these accounts for this.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2021

19. RESTRICTED FUNDS

Movement in year

	Beginning of year £	Net Income / (Expenditure) £	Gains/ (Losses) on Investments £	End of year £
House of Hospitality Fund	1,013,579	(131,757)	-	881,822
Benedictine Sisters Fund	828,696	(95,211)	-	733,485
Friends of Montana Fund	7,000	-	-	7,000
	<u>£1,849,275</u>	<u>£(226,968)</u>	<u>£-</u>	<u>£1,622,307</u>

Movements in prior year

House of Hospitality Fund	177,891	835,688	-	1,013,579
Benedictine Sisters Fund	934,416	(105,720)	-	828,696
Friends of Montana Fund	-	7,000	-	7,000
	<u>£1,112,307</u>	<u>£736,968</u>	<u>£-</u>	<u>£1,849,275</u>

The House of Hospitality and Benedictine Sisters Funds represent the net assets transferred from these charities under a Charity Commission scheme dated 1 October 1996. These assets are applied in accordance with their respective original purposes which were set out in the terms of the Trusts under which these assets were held in the original charities which will continue to apply. Therefore the residual funds taken over from these charities are shown as restricted funds.

Friends of Montana Fund represent funds to be spent on outings, entertainment and treats for the residents of Montana.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Assets	Investments	Net Current Assets less Provisions	Total
	£	£	£	£
Restricted Funds				
House of Hospitality Fund	2,576,292	-	(1,694,470)	881,822
Benedictine Sisters Fund	-	-	733,485	733,485
Friends of Montana Fund	-	-	7,000	7,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,576,292	-	(953,985)	1,622,307
Unrestricted Funds	7,717,826	8,018,623	2,776,126	18,512,575
	<hr/>	<hr/>	<hr/>	<hr/>
	£10,294,118	£8,018,623	£1,822,141	£20,134,882
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Prior year

Restricted Funds

House of Hospitality Fund	2,708,049	-	(1,694,470)	1,013,579
Benedictine Sisters Fund	-	-	828,696	828,696
Friends of Montana Fund	-	-	7,000	7,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,708,049	-	(858,774)	1,849,275
Unrestricted Funds	8,035,302	6,742,051	3,811,403	18,588,756
	<hr/>	<hr/>	<hr/>	<hr/>
	£10,743,351	£6,742,051	£2,952,629	£20,438,031
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GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

21. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted £	Restricted £	Total 2020 £
INCOME from			
Donations and Legacies	458,253	7,000	465,253
Government Grants (re Covid)	199,829	-	199,829
Charitable activities	4,499,617	-	4,499,617
Investments	183,488	-	183,488
Other			
- Gain on disposal of tangible fixed assets	-	967,445	967,445
Total income	5,341,187	974,445	6,315,632
EXPENDITURE on			
Cost of raising funds			
- Investment management fees	39,256	-	39,256
Charitable activities	6,629,329	237,477	6,866,806
Total expenditure	6,668,585	237,477	6,906,062
Net income/(expenditure) and movement in funds	(1,327,398)	736,968	(590,430)
Net gains on investments	(480,659)	-	(480,659)
Net income/(expenditure) and net movement in funds for the year	(1,808,057)	736,968	(1,071,089)
Accumulated Funds			
Brought forward at start of year	20,396,813	1,112,307	21,509,120
Carried forward at end of year	£18,588,756	£1,849,275	£20,438,031