

GRACE AND COMPASSION BENEDICTINES

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Charity Number: 1056064

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

INDEX

Page

1 - 14	Trustees' Report
15 - 16	Auditors' Report
17	Statement of Financial Activities
18	Balance Sheet
19	Cash Flow Statement
20 – 23	Principal Accounting Policies
24– 34	Notes to the Financial Statements

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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
Upper Borough Court
3 Upper Borough Walls
Bath
BA1 1RG

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 2022

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 six years. Three of the Councillors live in England, and 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.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022 (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 2022 (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 the Care team.



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 2022 (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.

Berkeley Court, Bognor Regis

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 and sold in October 2021.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

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 charitable activities are being carried at 9 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 2022 (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. In Vetoornimadam, Nagercoil a few sisters care for retired priests at Clergy House.
8. At St. Scholastica's, Makkiyad in Kerala the sisters run a small clinic and hospital plus a residential home for the elderly.
9. 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 2022 (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 now complete and the new house was blessed and opened in November 2022
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 2022 (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 and in March 2022 work started to provide some dormitory space plus extra classrooms in line with new government regulations for schools. The 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 a new building, St Catherine's was completed for them 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 2022 (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 2022 (continued)

The following table gives details of our overseas mission expenditure.

LOCATION	DATE	REASON	AMOUNT in £s
UGANDA	11/10/2021	Allowance for October & November 2021	7,000
	29/11/2021	Allowance for December 2021 & January 2022	7,000
		Donation for Final Profession	1,200
		Studies and Auditor	2,800
	01/12/2021	Security lights, water tanks and pumps	9,000
	19/01/2022	Allowance for February & March 2022	7,000
		Court fees and Covid extras	2,100
		Furnishings for convent and chapel	6,000
		Holidays 2022 (Sisters)	2,900
	14/02/2022	2 nd payment for convent furnishings	6,000
	30/03/2022	Allowance for April & May 2022 & donation	10,000
	24/05/2022	Allowance for June & July 2022	10,000
		Passport and visa	1,000
	25/07/2022	Allowance for Aug & Sept;2022	10,000
		TOTAL SENT	82,000
KENYA	04/10/20201	Allowance for October & November 2021	23,000
		Fees and courses	4,500
	29/11/2021	Allowance for December & January 2022	23,000
		Final Profession	2,000
	25/01/2022	Allowance for February & March 2022	24,000
		Studies and laptop	2,170
	14/03/2022	Allowance for April & May 2022	24,000
		Expenses for studies	400
		1 st Payment for classrooms	25,600
	30/03/2022	Holiday money	5,500
		Juniorate course	4,250
		2 nd payment for classrooms	10,000
		Sister's course	4,250
	24/05/2022	Allowance for June & July 2022	24,000
		Sister's course & Audit fees	3,300
		3 rd payment for classrooms	17,700
	25 /07/2022	Allowance for Aug & Sept 2022; Building	40,000
		School fees &donation Sirimba	10,000
	12/09/2022	Building project at Mundika school	50,000
		TOTAL SENT	297,670
SRI LANKA	11/10/2021	4 th Payment for Ja-Ela building project	56,000.
	12/12/2021	5 th Payment for Ja-Ela	50,000.
	12/01/2022	6 th Payment for Ja-Ela	51,000
	14/02/2022	7 th Payment for Ja-Ela	60,000
	22/03/2022	8 th Payment for Ja_Ela	50,000
	04/05/2022	9 th Payment for Ja-ela	60,000
	18/07/2022	Inverters, Bio-gas & Furnishings for Ja-Ela	47,500.
	07/09/2022	Solar installation for Ja-Ela	15,000
		TOTAL SENT	389,500
INDIA	24/12/2021	Funding for property	150,000
	07/07/2022	Repairs at Piravom	50,000
	07/07/2022	Students, Travel, visas, laptop	25,000
		TOTAL SENT	225,000
		GRAND TOTAL	994,170

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022 (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 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 2022 (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 £6.09m compared to £5.31m in 2021. This year, income was boosted by the gain on the disposal of a property, in Bognor Regis, of £278.5k. This was included as part of Restricted Funds. Last year all income related to Unrestricted Funds.

Expenditure was lower at £6.45m (2021: £6.71m). Although most costs were broadly similar or higher than in the previous year, payments in support of the overseas missions reduced by £473.3k. There was also a credit of £200k against expenditure arising from the write-back of part of a provision against costs relating to a legal dispute in respect of building works at one of the charity's homes.

The result was a deficit, or net expenditure, before investment gains and losses, for the year of £361.4k (2021: £1.4m). The investment portfolio showed losses of £1.05m, almost wiping out the gains of £1.1m which accrued in the previous year. Thus, there was an overall net decrease in funds of £1.41m (2021: £303.1k).

Within the balance sheet, tangible fixed assets fell with another year's depreciation charge. Investments decreased from just over £8.0m to £7.14m, due to the year's reduction in values. Cash at bank fell to £2.2 from £2.65m.

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 -10.4% (2021: +19.6%). The year's return was broadly in line with the benchmark employed and the averages quoted for charity sector investments for the year. The negative return constitutes a reversal of most of the gains accruing in 2021 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 £18.1m. Of this, some £7.4m is represented by tangible fixed assets, leaving £10.7m 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.

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 transfer will be effected as soon as circumstances permit. 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.

GRACE AND COMPASSION BENEDICTINES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

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 5 July 2023 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 2022 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 2022 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and 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 Act 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

10 Queen Street Place
London
EC4R 1AG

Date: 5 July 2023

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 2022

	Notes	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £ (note 21)
INCOME from					
Donations and Legacies	1	569,242	-	569,242	332,257
Government Grants (re Covid)		71,098	-	71,098	279,228
Charitable activities	2	4,961,924	-	4,961,924	4,472,572
Investments	3	208,009	-	208,009	220,171
Other					
- Gain on disposal of tangible fixed assets	4	-	278,525	278,525	1,200
Total income		5,810,273	278,525	6,088,798	5,305,428
EXPENDITURE on					
Cost of raising funds					
- Investment management fees		44,398	-	44,398	43,780
Charitable activities	5	5,096,726	1,309,071	6,405,797	6,663,114
Total expenditure		5,141,124	1,309,071	6,450,195	6,706,894
Net (expenditure) before gains on investments		669,149	(1,030,546)	(361,397)	(1,401,466)
Net (losses)/gains on investments		(1,045,123)	-	(1,045,123)	1,098,317
Net (expenditure) and movement in funds		(375,974)	(1,030,546)	(1,406,520)	(303,149)
Brought forward at start of year		18,512,575	1,622,307	20,134,882	20,438,031
Carried forward at end of year		£18,136,601	£591,761	£18,728,362	£20,134,882

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 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Tangible Assets	14	9,857,139	10,294,118
Investments	15	7,135,876	8,018,623
		<u>16,993,015</u>	<u>18,312,741</u>
CURRENT ASSETS			
Debtors	16	342,501	129,032
Cash at bank & in hand		2,199,779	2,654,709
		<u>2,542,280</u>	<u>2,783,741</u>
CREDITORS: Amounts falling due within one year	17	(396,933)	(351,600)
NET CURRENT ASSETS		<u>2,145,347</u>	<u>2,432,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,138,362	20,744,882
PROVISIONS FOR LIABILITIES AND CHARGES	18	(410,000)	(610,000)
NET ASSETS		<u><u>£18,728,362</u></u>	<u><u>£20,134,882</u></u>
FUNDS			
Unrestricted Funds		18,136,601	18,512,575
Restricted Funds	19	591,761	1,622,307
		<u><u>£18,728,362</u></u>	<u><u>£20,134,882</u></u>

The financial statements were approved and authorised for issue by the Trustees 5 July 2023 and were signed below on its behalf by:

K. Yeeles

K Yeeles
Trustee

C. Murtagh

C Murtagh
Trustee

The notes form part of these financial statements.

GRACE AND COMPASSION BENEDICTINES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash flows from Operating Activities		
Net cash (outflow)/inflow from operating activities	(776,588)	(1,095,998)
Cash flows from investing activities		
Dividends and interest from investments	208,009	220,171
Receipts from sales of investments	213,946	445,212
Payments to acquire investments	(376,322)	(623,467)
Payments to acquire tangible fixed assets	(2,500)	(12,660)
Receipts from sales of tangible fixed assets	278,525	1,200
Net cash provided by/(used in) investing activities	321,658	30,456
Change in cash and cash equivalents in year	(454,930)	(1,065,542)
Cash and cash equivalents at 1 October 2021	2,654,709	3,720,251
Cash and cash equivalents at 30 September 2022	£2,199,779	£2,654,709

Notes to the Cash Flow Statement

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

	2022 £	2021 £
Net movement in funds (as per the Statement of Financial Activities)	(1,406,520)	(303,149)
Adjustments for		
Dividends and interest from investments	(208,009)	(220,171)
Depreciation	439,479	461,893
(Gains) on disposal of tangible fixed assets	(278,525)	(1,200)
(Decrease) in provision for liabilities and charges	(200,000)	-
Losses/(Gains) on investments assets	1,045,123	(1,098,317)
(Increase)/Decrease in debtors	(213,469)	120,005
Increase/(Decrease) in creditors	45,333	(55,059)
Net cash (used in)/provided by operating activities	(776,588)	(1,095,998)

B. Analysis of cash and cash equivalents

Cash at bank and in hand	2,199,779	2,654,709
Total cash and cash equivalents	£2,199,779	£2,654,709

C. Analysis of changes in net cash funds

	1 October 2021 £	Cashflows £	30 September 2022 £
Cash at bank and in hand	2,654,709	(454,930)	2,199,779
Total cash and cash equivalents	£2,654,709	£(454,930)	£2,199,779

GRACE AND COMPASSION BENEDICTINES

PRINCIPAL ACCOUNTING POLICIES

YEAR ENDED 30 SEPTEMBER 2022

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 2023, 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 2022

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 Retirement Accommodation 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 2022

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.

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 2022

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 2022

1. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2022 £	2021 £
Donations	160,375	-	160,375	304,596
Grants	-	-	-	10,800
Income donated by Sisters	2,707	-	2,707	1,794
Legacies	406,160	-	406,160	15,067
	£569,242	£-	£569,242	£332,257

Year ended 30 September 2021

Donations	304,596	-	304,596
Grants	10,800	-	10,800
Income donated by Sisters	1,794	-	1,794
Legacies	15,067	-	15,067
	£332,257	£-	£332,257

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2022 £	Unrestricted 2021 £
Residential Accommodation and Nursing Homes	4,429,012	4,021,293
Retirement Accommodation	532,912	451,279
	£4,961,924	£4,472,572

3. INVESTMENT INCOME

	Unrestricted £	Restricted £	2022 £	2021 £
From portfolio of investments	£208,009	£-	£208,009	£220,171
	£220,171	£-	£220,171	

Year ended 30 September 2021

From portfolio of investments	£220,171	£-	£220,171
-------------------------------	-----------------	-----------	-----------------

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

4. GAIN ON DISPOSAL OF TANGIBLE FIXED ASSETS

	Unrestricted £	Restricted £	2022 £	2021 £
Properties				
Proceeds (net of costs)	-	278,525	278,525	1,200
Net book value	-	-	-	-
Net Gain on Disposal	£-	£278,525	£278,525	£1,200

Year ended 30 September 2021

Motor vehicles

Proceeds (net of costs)	1,200	-	1,200
Net book value	-	-	-
Net Gain on Disposal	£1,200	£-	£1,200

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Residential Accommodation and Nursing Homes £	Retirement Accommodation £	Support of Sisters / Pastoral Ministry £	Mission Support and Donations £	2022 Total £	2021 Total £
Staff costs	2,507,509	90,563	-	-	2,598,072	2,400,419
Deprecation	144,385	84,461	-	-	228,846	251,260
Other operational costs	781,792	403,885	91,709	-	1,277,386	1,128,309
Administrative expenses	383,866	103,658	-	-	487,524	441,252
Missions support & donations (note 7)	-	-	-	994,170	994,170	1,467,500
	<u>3,817,552</u>	<u>682,567</u>	<u>91,709</u>	<u>994,170</u>	<u>5,585,998</u>	<u>5,688,740</u>
Support costs	472,799	157,600	118,200	39,400	787,999	942,574
Governance costs	19,080	6,360	4,770	1,590	31,800	31,800
	<u>£4,309,431</u>	<u>£846,527</u>	<u>£214,679</u>	<u>£1,035,160</u>	<u>£6,405,797</u>	<u>£6,663,114</u>

Year ended 30 September 2021

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

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	2022	2021
	£	£
Support costs		
Establishment expenses	248,347	162,189
Administrative costs	529,019	569,752
Reduction in provision for liabilities and charges	(200,000)	-
Depreciation	210,633	210,633
	<hr/>	<hr/>
	787,999	942,574
	<hr/>	<hr/>
Governance costs		
Audit fees	23,400	23,400
Other	8,400	8,400
	<hr/>	<hr/>
	31,800	31,800
	<hr/>	<hr/>
	£819,799	£974,374
	<hr/> <hr/>	<hr/> <hr/>
Allocation of Governance & Support Costs		
Residential Accommodation and Nursing Homes	491,879	584,624
Retirement Accommodation	163,960	194,875
Support of Sisters and their ministry	122,970	146,156
Mission Support and Donations	40,990	48,719
	<hr/>	<hr/>
	£819,799	£974,374
	<hr/> <hr/>	<hr/> <hr/>

7. MISSION SUPPORT AND DONATIONS

	2022	2021
	£	£
The direct costs of Overseas Outreach include the payment of grants as follows:		
Support of the Congregation's mission in:		
Uganda	82,000	453,000
Kenya	297,670	420,000
Sri Lanka	389,500	300,000
India	225,000	294,500
	<hr/>	<hr/>
	£994,170	£1,467,500
	<hr/> <hr/>	<hr/> <hr/>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

8. NET EXPENDITURE FOR THE YEAR

	2022 £	2021 £
This is stated after charging:		
Depreciation	439,479	461,893
Auditors remuneration		
- Audit fees (net of VAT)	22,300	19,500

9. STAFF COSTS

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	2,049,144	1,930,205
Social security costs	166,161	144,834
Other pension costs	56,672	52,068
	2,271,977	2,127,107
Other costs (including temporary staff, staff training, subscriptions & uniforms)	326,095	273,312
	£2,598,072	£2,400,419

One employee (2021: Nil) earned between £60,000 and £70,000 during the 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

	2022 No.	2021 No.
The average monthly head count of employees during the year was:	112	115

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

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 5% of pensionable salary.

Employer contributions of £56,672 (2021: £52,068) 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 2022

14. FIXED ASSETS

	Freehold Properties £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
COST				
At 1 October 2021	15,160,036	800,358	76,711	16,037,105
Additions	-	-	2,500	2,500
At 30 September 2022	15,160,036	800,358	79,211	16,039,605
DEPRECIATION				
At 1 October 2021	4,932,499	743,274	67,214	5,742,987
Charge for the year	378,692	57,001	3,786	439,479
At 30 September 2022	5,311,191	800,275	71,000	6,182,466
NET BOOK VALUE				
30 September 2022	£9,848,845	£83	£8,211	£9,857,139
NET BOOK VALUE				
30 September 2021	£10,227,537	£57,084	£9,497	£10,294,118

All fixed assets are used for direct charitable purposes.

15. INVESTMENTS

	2022	2021
	£	£
At 1 October 2021	8,018,623	6,742,051
Additions at cost	376,322	623,467
Disposals (at book value)		
Proceeds	(213,946)	(445,212)
Gains/(Losses) by reference to opening value	35,920	63,896
Net revaluation (losses)/gains	(178,026) (1,081,043)	(381,316) 1,034,421
At 30 September 2022	£7,135,876	£8,018,623
Listed on UK Stock exchange		
Equities	5,553,679	6,415,084
Fixed-interest stocks	1,059,668	1,271,701
	6,613,347	7,686,785
Portfolio bank deposits	522,529	331,838
At 30 September 2022	£7,135,876	£8,018,623
At cost	£7,143,552	£6,910,142

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

16. DEBTORS	2022	2021
	£	£
Fees receivable	117,626	68,367
Prepayments and other debtors	224,875	60,665
	£342,501	£129,032
17. CREDITORS:	2022	2021
	£	£
Amounts falling due within one year		
Trade creditors	133,913	85,307
Accruals and deferred income	263,020	266,293
	£396,933	£351,600
18. PROVISIONS FOR LIABILITIES AND CHARGES	2022	2021
	£	£
Balance 1 October 2021	610,000	610,000
(Decrease)/Increase in provision	(200,000)	-
Balance 30 September 2022	£410,000	£610,000

The provision relates to a legal dispute in respect of building works at one of the charity's homes. The costs relating to this provision were expected to be incurred at some time in the near future. It is hoped that the charity will be reimbursed but no asset has been included in these accounts for this. The potential sum payable has been re-assessed and is now estimated at a lower amount. Therefore, the provision was reduced in the year ended 30 September 2022.

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 SEPTEMBER 2022

19. RESTRICTED FUNDS

Movement in year

	Beginning of year £	Net Income / (Expenditure) £	Gains/ (Losses) on Investments £	End of year £
House of Hospitality Fund	881,822	(881,822)	-	-
Benedictine Sisters Fund	733,485	(146,506)	-	586,979
Friends of Montana Fund	7,000	(2,218)	-	4,782
	<u>£1,622,307</u>	<u>£(1,030,546)</u>	<u>£-</u>	<u>£591,761</u>

Movements in prior 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>

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. These restrictions continue to apply and the residue of the funds taken over from these charities are shown as restricted funds.

The House of Hospitality Fund now only comprises the net book value of fixed assets transferred under the 1996 scheme; the working capital of the Fund having been fully utilised, in the period since 1996, on the stated restricted purposes. As and when any of these fixed assets are disposed of, the proceeds generated will be credited to the Fund and applied against accumulated net expenditure, represented by its current net liabilities in the form of an inter-fund account, or to finance expenditure in accordance with the restrictions of the Fund.

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 2022

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Assets	Investments	Net Current Assets less Provisions	Total
	£	£	£	£
Restricted Funds				
House of Hospitality Fund	2,444,535	-	(2,444,535)	-
Benedictine Sisters Fund	-	-	586,979	586,979
Friends of Montana Fund	-	-	4,782	4,782
	<u>2,444,535</u>	<u>-</u>	<u>(1,852,774)</u>	<u>591,761</u>
Unrestricted Funds	7,412,604	7,135,876	3,588,121	18,136,601
	<u>£9,857,139</u>	<u>£7,135,876</u>	<u>£1,735,347</u>	<u>£18,728,362</u>

Prior year

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
	<u>2,576,292</u>	<u>-</u>	<u>(953,985)</u>	<u>1,622,307</u>
Unrestricted Funds	7,717,826	8,018,623	2,776,126	18,512,575
	<u>£10,294,118</u>	<u>£8,018,623</u>	<u>£1,822,141</u>	<u>£20,134,882</u>

GRACE AND COMPASSION BENEDICTINES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted £	Restricted £	Total 2021 £
INCOME from			
Donations and Legacies	332,257	-	332,257
Government Grants (re Covid)	279,228	-	279,228
Charitable activities	4,472,572	-	4,472,572
Investments	220,171	-	220,171
Other			
- Gain on disposal of tangible fixed assets	1,200	-	1,200
Total income	5,305,428	-	5,305,428
EXPENDITURE on			
Cost of raising funds			
- Investment management fees	43,780	-	43,780
Charitable activities	6,436,146	226,968	6,663,114
Total expenditure	6,479,926	226,968	6,706,894
Net income/(expenditure) and movement in funds	(1,174,498)	(226,968)	(1,401,466)
Net gains on investments	1,098,317	-	1,098,317
Net income/(expenditure) and net movement in funds for the year	(76,181)	(226,968)	(303,149)
Accumulated Funds			
Brought forward at start of year	18,588,756	1,849,275	20,438,031
Carried forward at end of year	£18,512,575	£1,622,307	£20,134,882