

Charity Registration No. 1088675

Company Registration No. 04249759 (England and Wales)

Regulator of Social Housing Registration No. LH4338

THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Fr Stephen Beale Fr Philip Kehoe Fr John Perrotta (Deceased 31 May 2023) Mrs Bernadette Griffin (resigned 19 September 2024) Fr Martin Mroz (appointed 17 October 2024) Fr J Simionato Olutade Olalekan (appointed 15 July 2022) Keith Wilson (appointed 27 March 2023)
Secretary	Mr John Clark
Registered Social Housing Provider Number	LH4338
Charity number	1088675
Company number	04249759
Registered office	13 Lower Teddington Road Hampton Wick Kingston Upon Thames Surrey KT1 4EU United Kingdom
Auditor	HW Fisher Audit Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	HSBC Bank Plc 69 Pall Mall London SW1Y 5EY
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE United Kingdom

THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONTENTS

Chairmans’ Report.....1

Trustees’ Report2

Statement of Trustees’ Responsibilities12

Independent Auditor’s Report13

Consolidated Statement of Comprehensive Income and Statement of changes in equity16

Consolidated and Charity Statement of Financial Position20

Group Statement of Cash Flows21

Notes to the financial statements22

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Chairman's Report 2022/23

It is important to begin this report by acknowledging the sad loss of Fr John Perrotta in May 2023, a dedicated member of the Sons of Divine Providence and a key part of the charity in operations and governance for six decades. His presence at the head office is sorely missed.

I should also like to thank Bernadette Griffin for her dedicated support to the Sons of Divine Providence for many years most recently as a Trustee. Bernadette retired as a Trustee in 2024. Her support over this time has helped the charity navigate the many challenges faced and also helped with practical matters to fundraise for the missions.

We have also added strength and experience in Social Housing to our board of trustees to enable us to ensure scrutiny and good governance, we are pleased to welcome Olutade Olalekan and Keith Wilson to our board in July 2022 and March 2023.

As a board I also now welcome Fr Martin Mroz back to the UK after 20 years in the Philippines, he has joined the Charity to support as a trustee and is also the Delegate Superior for the Members in the United Kingdom, Ireland, Jordan and the U.S.A, his presence is greatly welcomed.

The board would also like to acknowledge the hard work of the staff over this period and thank those who left the organisation in this time through retirement and restructuring of services.

There have been many changes in recent years as we look to move forward and navigate the global challenges ahead of us. The charity has made significant changes to its services shifting away from care services and focusing on Social Housing and plans to support the missions more in the future.

The Covid-19 pandemic took its toll on the charity's finances to such an extent that in February 2022 the trustees voted to begin a consultation process to close Cardinal Heenan House in Lancashire. After a rigorous and supportive process for the residents, families, and staff the home was closed in May 2022 with the staff being made redundant. This was a signal shift by the charity as it has slowly withdrawn from care over the last few years seeking a more financially sustainable model to help them maintain their charitable objects. In August 2022 the final care home, Sundial House under the direct management by the charity also began a process of consultation for closure. Similarly, an emphasis on support for the residents, staff and the families has been paramount throughout this process, the home and Horticultural Centre closing in May 2023. We also sold 1 and 7 Ferry Road, Teddington in September 2024, after a rigorous consultation process signalling the end of direct and indirect care provision for the UK charity for the foreseeable future.

The shift in housing has seen John Clark begin a renewed emphasis on long term strategies for the charity to ensure full compliance with the Regulator of Social Housing standards but also to be mindful of the wider charity's mission.

The completion of Mulberry Court in December 2021 was received positively despite the delays caused by the pandemic. Sales are progressing and as I write we have 23 completed sales and 1 exchanged contracts. The charity remains hopeful that this will show a small profit to reinvest in the charity's future plans. We eagerly await the works completion at 29 and 27 Lower Teddington Road soon as part of this investment.

The planning process for the East Molesey site is as we write progressing well with excellent prospects for improving our stock and long-term increasing our income.

It has been a challenging and transformative year but as we look to launch our long-term strategy, we are hopeful for the future in what we feel is a key time for the charity to be able to support the most vulnerable.

Fr Joseph Simionato

Fr. Jose Simionato FDP
Chairman of Trustees

17 Feb 2025

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees' Annual Report contains a Directors' Report as required by company law. The report and financial statements comply with the Financial Reporting Standard FRS102, the Accounting Direction for Private Registered Providers of Social Housing in England – "Accounting by Registered Providers of Social Housing" 2019, the Statement of Recommended Practice (the Housing SORP 2018), the Charities Act 2011 and the Companies Act.

Structure, Governance and Management

History of the Charity

The Sons of Divine Providence is a Roman Catholic religious congregation, founded in Italy in 1893. The Congregation takes inspiration from its founder Saint Luigi Orione, whose motto was: "Do good to all, harm nobody". Saint Luigi Orione is remembered for his commitment to social justice and the service of those in need, a service guided and inspired by the teachings of the Catholic Church.

Saint Luigi Orione began his work with orphans and street children in the city of Tortona in north-west Italy while he was still a student. He was a man of enormous energy and enterprise, and by the time of his death in 1940 Saint Luigi Orione and his followers had established services for the care of elderly, disabled and disadvantaged people all over Italy, as well as in Poland, Brazil, Argentina, and Palestine. Today nearly a thousand priests and brothers of the congregation are working in 33 countries around the world providing services for more than 200,000 people in a variety of health and social care projects.

The Sons of Divine Providence came to England in 1949 when Fr. Paul Bidone arrived from Italy. He spoke no English and carried only a ten-shilling note and the name of one British contact. However, three years later he had opened his first home, Fatima House in South London, for homeless elderly men.

Orione Care

On the 1 April 2009, The Sons of Divine Providence adopted "Orione Care" as a working name for the charity. The charity had operated under the same name as the religious congregation for over 50 years, but it was felt by the trustees that the name did not readily convey to the public the type of work carried out by the charity. The name Orione Care allows the charity to develop its own identity whilst retaining the link with the Congregation using the Founder's name. The charity's registration numbers at the Charity Commission, Companies House and the Regulator of Social Housing were not affected by the adoption of the working name.

Governing Document

At the time Fatima House was opened, in 1952, the religious Congregation established an unincorporated charitable trust as the vehicle for its work in England (registered charity number 220608).

During 2001/02 the Congregation restructured its affairs and founded a charitable limited company to manage and develop its care and housing services in England (The Sons of Divine Providence, company number 4249759, charity number 1088675, registered social landlord number LH4338). With effect from the 1 April 2002 the assets, liabilities, and functions of the 1952 trust were transferred to the new charitable company.

The Memorandum and Articles of Association were amended in March 2007 to take account of changes to the structure of the Congregation at an international level. In August 2006 the Congregation in the United Kingdom had joined with confreres in several other countries to form the English-Speaking Missionary Delegation. The amendments to the Articles of Association of the charity principally concerned changes to company membership and the appointment of Trustees, necessitated by the formation of the new Delegation. The sealed Consent of the Housing Corporation to the amendments was granted on the 8 March 2007.

The current version of the governing document is the Articles of Association of The Sons of Divine Providence as amended by a Special Resolution dated 12 December 2012. This amendment considered the requirements of The Companies Act 2006, it widened the membership to include members of the Congregation from overseas and it reserved some powers to the members in respect of dealings with property, mortgages, and joint venture arrangements.

The Members

The members of the charity are the members of the Congregation who have consented to membership, and who guarantee to contribute £1 in the event of a winding up. There are two classes of members, the ex-officio members, who are the superior general and superior delegate of the Congregation for as long as they hold their office, and the admitted members, who are admitted by written notice from the ex-officio members for a renewable three-year term.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Recruitment, Appointment and Training of Trustees

The charity is governed by a board of trustees, who are also the directors for the purpose of company law. There are two classes of trustee: Congregation Trustees and Independent Trustees. The Board of Trustees comprises a minimum of three and a maximum of nine trustees. Not more than two thirds can be Congregation Trustees. The trustees who served during the year and to the date of signing the accounts are shown on the information page.

As a religious charity it is appropriate that members of the religious congregation are involved in the governance of the charity. Most of the trustees are therefore members of the religious congregation. These are people who have made a life-long commitment to the values of the charity and have great knowledge of its history, works and mission.

The Congregation Trustees are joined on the Board by Independent Trustees. These are not members of the Congregation but are sympathetic to its work and values and bring an objective perspective. Fr. Stephen Beale, Fr. John Perrotta and Fr. Philip Kehoe have all served more than nine years on the board of trustees. This is deemed to be appropriate because they continue to be senior members of The Sons of Divine Providence religious congregation in the UK. It is with great sadness that we advise that Fr John Perrotta passed away in May 2023 after many years of service to the congregation and charity.

Fr. Philip Kehoe stood down as Chairman of the Board of Trustees on the 29 June 2021. He remains a trustee, but he has been succeeded as Chairman by Fr. Jose Simionato. John Clark the Executive Director was appointed in January 2022 reports into Fr. Joseph Simionato.

All the trustees are appointed by the members of the charity and have so far been recruited by word of mouth. Prospective trustees are provided with a copy of the Governing Document and guidance on the duties of charity trustees and company directors published by the Charity Commission and Companies House. Independent Trustees normally attend several meetings as observers before being appointed. This enables them to get to know the other trustees and key members of staff. Congregation Trustees will already have a good knowledge of the charity and its operations because they are professed members of the Congregation.

None of the Trustees has any beneficial interest in the charity, save that the constitution permits the charity to provide accommodation and living expenses to those trustees who are members of the Congregation. None of the trustees receive payment for their work as trustees.

Organisational Structure and Decision Making

A senior management team, comprising the Executive Director, Head of housing and operations, the Head of Finance manage the day-to-day operations of the charity and report to the board of trustees. These officers submit regular written and verbal reports to meetings of the board of trustees. Since the retirement of the Company Secretary and Finance manager in 2022, the senior management team is now an Executive Director, Head of Housing and Operations and a Head of Finance.

The staff structure has evolved over 2022 and early 2023 to reflect the retirement of several key personnel. Several key aspect involve a restructuring of the finance team, closure of Sundial House and restructuring of the maintenance team.

Pay and Remuneration

The pay of all the charity's employees, including key management personnel, is considered by the trustees at their March meeting along with the budget, and any increases in pay are approved by the full board of trustees. The board acknowledges the dedication of staff who have not seen any pay award for several years as the Charity weathers the storm of financial challenges.

The charity operates two defined contribution pension schemes. In the older scheme the charity contributes an amount equal to 5% of gross salary if the employee contributes a minimum of 3%. For staff who have commenced employment since 2014 the charity provides an auto-enrolment scheme, where the charity contributes 3% of gross salary and the employee a minimum of 5%. Key management personnel are members of one of these schemes or have opted out. There are no enhanced or special terms applicable for key management personnel.

Relationships between the Charity and Related Parties

The Congregation Trustees are members of the Congregation of The Little Work of Divine Providence (known in England as The Sons of Divine Providence). The Congregation is a religious congregation established under Canon Law as set out in the Constitution and Norms promulgated by the General Curia in Rome in 1988. The Congregation Trustees consider themselves bound to follow the Congregation's rule of life and abide by its constitution.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Congregation has established charitable organisations in other countries where it works; the English charity has provided support and funding to these charities.

- 3 of the Congregation Trustees sit on the board of The Sons of Divine Providence in Ireland (Irish Charity No. CHY 6038). One of these was Fr John Perrotta who passed away in May 2023.
- Funding is provided to the Congregation's charity in Kenya ("Congregation of The Sons of Divine Providence Registered Trustees")
- Funding is also provided to "The Kripa Trust", the trust through which the Congregation works in India.
- The English charity co-operates with The Sons of Divine Providence Congregation at an international level and contributes to funding for the Congregation's international projects.

Wholly Owned Subsidiary Trading Companies.

The trustees have established two wholly owned subsidiary trading companies:

To take forward the project to re-develop Orione House the trustees established a wholly owned subsidiary trading company called The Sons of Divine Providence Developments Ltd (company number 11393450). This company was incorporated on the 1 June 2018. There were two directors of The Sons of Divine Providence Developments Ltd: Fr. Jose Simionato and Fr. Philip Kehoe throughout the reporting period, who are also members of the board of charity trustees. On 4 July 2022 Mr John Clark was appointed a director.

To take forward the proposed redevelopment of the charity's site and services in East Molesey the trustees established a wholly owned subsidiary trading company called SDP Ventures Ltd (company number 11862222). This company was incorporated on the 5 March 2019. There are three directors of SDP Ventures Ltd: Fr. Jose Simionato, Fr. Philip Kehoe and Mr John Clark (who was appointed on 4 July 2022) of whom Fr. Jose Simionato and Fr. Philip Kehoe are also members of the board of charity trustees. This company is currently dormant.

Both subsidiary trading companies are registered at 13 Lower Teddington Road, Hampton Wick, Kingston upon Thames, which is the head office of the charity. The active trading company uses some of the charity's resources, including staff time. The use of the charity's resources by the subsidiary company is governed by resource sharing agreements which are in place to ensure that the charity is properly compensated for the use of its resources by the subsidiary company.

Related Party Transactions

On the 4 October 2018 the Orione House care home site and the adjacent 29 Lower Teddington Road, both in Hampton Wick, were transferred from the charity to the subsidiary trading company, The Sons of Divine Providence Developments Ltd (company number 11393450). The purchase price was determined by a valuation of the property provided to the trustees in a Qualified Surveyor's Report by Cushman & Wakefield in accordance with The Charities Act 2011 and The Charities (Qualified Surveyor's Reports) Regulations 1992. The transfer was authorised by an Order from the Charity Commission dated the 28 September 2018.

The subsidiary trading company used the property as security to raise a loan, some of which was used to pay the charity a part of the purchase price and some of which was used for the first phase of the redevelopment of the site. The subsidiary trading company has granted the charity a second charge over the property. When the property has been redeveloped the subsidiary trading company will pay the charity the remainder of the purchase price, plus interest, and any surplus made on the leasehold sales of apartments on the site. The subsidiary also intends to transfer the freehold of the property back to the charity.

A further small piece of land was transferred from the charity to the subsidiary trading company to accommodate the footprint of the new building, known as Mulberry Court. This was authorised by an Order from the Charity Commission dated the 16 December 2019.

On the 1 December 2021 the ground floor of 25 Lower Teddington Road was leased by the charity to the subsidiary trading company to serve as the main entrance and reception area for Mulberry Court. This was authorised by an Order from the Charity Commission dated the 26 November 2021.

The trading subsidiary is a "connected person" as defined in section 118 of the Charities Act 2011, so authorisation for the disposals of property, by the charity, to the subsidiary company, was required from The Charity Commission.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Governance

Regulator code of guidance – the charity is working through a full review over the course of 2023 and 2024 of its compliance with the Governance and Viability standards as well as the other regulatory standards as part of the charity improvement plan.

Charity Code of governance – the charity is working through a review to ensure full compliance with the charity code of governance as part of the overall charity improvement plan.

Directors' Strategic Report

Objectives and Activities

The Purposes of the Charity as set out in the Governing Document are:

To advance the Roman Catholic faith by exclusively charitable means and in particular to sanctify all members of the Congregation through the observance of the three simple vows of Obedience, Chastity, and Poverty and the Constitutions of the Congregation. To relieve poverty, sickness, disability and distress, as a way of giving practical expression to the Roman Catholic faith, by providing care, housing, respite and day services to:

- People who are sick
- Young people
- People who are elderly
- People with mental disabilities
- People with physical disabilities
- Homeless people
- People in housing need
- To advance education by providing schools, training centres and other institutes of learning
- To further such other charitable purposes which, in the opinion of the trustees, are demanded by the necessities of the times

The Main Activities of the Charity

The main activities of the charity in relation to its charitable purposes during the year were running Catholic parishes in the UK, providing one care home for older people, two care homes for people with learning disabilities, 19 housing units designated for supported living and 52 units of independent general needs social housing. The charity also provides financial support to the Congregation's missions in Kenya and India, and financial sponsorship to young people in developing countries through its "Bread of Life" programme.

Safeguarding of Adults at Risk

The trustees confirm that policies are in place to ensure high standards of protection of all vulnerable adults who use the services provided by the charity. These include the use of Disclosure and Barring Service (DBS) checks on all prospective staff that are likely to be involved in a regulated activity. The charity's Safeguarding Policy is reviewed regularly and was last reviewed in December 2024.

The Catholic Church in England and Wales set up the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS). This followed the Elliott Review into how to improve safeguarding structures and procedures in the Catholic Church. As a Catholic religious charity, the trustees are committed to implementing any changes which might be required by the CSSA and RLSS. The trustees have signed a letter of intent to join the Catholic Safeguarding Standards Agency with effect from the 1 July 2021 and have resolved to abide by its terms of membership.

Use of Volunteers

Individual services benefit greatly from a small number of dedicated and loyal volunteers. There are also "friends" attached to some services who help with fund-raising activities and social events. Individual service users may have their own voluntary advocates. All volunteers who are involved in a regulated activity undergo Disclosure and Barring Service (DBS) and reference checks.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Public Benefit Statement

The trustees have a duty to report on how the activities of the charity deliver public benefit. The sections of this Report entitled "Objectives and Activities" and "Achievements and Performance" set out the charity's objectives and report on the activity and successes in the year to the 31 March 2022. The section entitled "Plans for the Future" explains the plans for the current financial year and beyond. The work of Orione Care benefits people who are elderly, people who are disabled and people in housing need. The trustees have considered this matter and have concluded:

1. that the aims of the organisation continue to be charitable.
2. that the aims and the work done give identifiable benefits to individuals in need.
3. that the benefits are for the public, are not unreasonably restricted in any way; and
4. that there is no detriment or harm arising from the aims or activities.

Achievements and Performance

The Charity's activities during the year were:

1. Providing financial support for the Congregation's overseas missions and international projects.
2. Providing spiritual and pastoral services to people in England.
3. Providing good quality social care and housing services.
4. Remodelling of the charity's housing and care services.
5. Developing the staff who work in the charity's services.

The Charity's achievements and performance in relation to the above activities were:

1. Financial Support to the Congregation's Overseas Missions and International Projects.

- £52,111 was provided to support the Congregation's missions and overseas projects including "The Bread of Life".

The amount of money that the charity has been able to provide to the overseas missions has declined in recent years, but the trustees would like to increase this when funds allow.

2. Spiritual and Pastoral Services in England

- The Congregation runs a retreat centre in Lancashire.
- Priests of the Congregation run two parishes in Lancashire and two parishes in Middlesex.
- Priests of the Congregation help neighbouring parishes by deputising for local parish clergy.
- Priests of the Congregation provide the Sacraments and spiritual and pastoral support to tenants and residents of the care homes.
- A priest of the Congregation provides an apostolate to the Polish Community in Hampton Wick.

3. Providing Care Homes, Housing, and a Day Centre

- The charity ran a residential care home for older people, Cardinal Heenan House in Roby Mill, Lancashire, providing 32 beds. Given the financial challenges in the sector it was agreed in February 2022 that the consultation process would begin to review future options for closure. Following this the home was closed in May 2022.
- The charity ran a residential care home for people with learning disabilities in East Molesey, Surrey providing care and accommodation for up to seven people. Following a decision in December 2019 the board decided to progress the closure of the home in beginning in August 2022. After a lengthy process to ensure resident welfare, the home was closed in May 2023.
- The charity provides residential accommodation in a care home for up to six people in Teddington. The care and support provision at this home is provided by another charity Walsingham Support (registered charity no. 294832).
- The charity provided 19 units of designated supported housing for people with learning disabilities – these were sold in 2024 as a going concern to protect the position of the tenants.
- The charity provides 51 units of general needs social housing.

4. Improving the Quality of Housing and Care Services

- All repairs were completed within timescale.
- The budget for reactive repairs and maintenance, planned maintenance, furniture fittings and equipment renewals for 2022/2023 was £100,000; the actual expenditure was £116,305.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

5. Developing the Staff who Work in the Charity's Services

- With John Clark joining the Charity in Jan 2022 as an accredited coach and mentor he has also begun a staff development programme and sought a regular 1:1 schedule.
- The Housing and Compliance Manager is undertaking a CIH qualification to support the organisation.

Complaints

There were few complaints, none of which escalated past stage one and were resolved through person centred approach to the issue.

Internal Controls

The charity operates an annual financial planning and budgeting process. The draft budget is prepared by the senior staff team and submitted to the March trustees' meeting for amendment or approval. Written management financial statements, reporting actual performance against budget, are presented through the financial year at trustees' meetings. All major risks to the charity, including cash flow, are continuously monitored by the senior staff team and risk mitigations are developed as necessary.

Financial Review

The events which affect the accounts for the year to March 2022 continues to affect the accounts for the year to March 2023:

- Low occupancy at Cardinal Heenan House; leading to the eventual closure in May 2022
- Slow than expected sales at Mulberry Court
- The greatly reduced donations and legacies

In addition, the following events have also affected the accounts for the year to March 2023:

- The costs of closure of Cardinal Heenan House
- Development planning for Molesey Venture
- Vacancies at St John's
- The sluggish property sales market
- Significant increase in costs of services such as maintenance, materials and consultants
- Value of short term loans taken to fund the Mulberry Court Project and Molesey site planning

We were unable to change the status of St John's from resident to supported living accommodation as planned in previous year. Hence, the operation at St John's continued to be running at a loss as rent received was inadequate to cover the maintenance cost of the property. This led to the decision to sell as a going concern with the property transferring in September 2024.

The sales of Mulberry Court were slower than originally expected due to the rise in interest rate as well as the slowing down of the economy in UK. 23 out of 31 were sold at the time of signing these accounts. This has greatly increased the finance cost for the development and in turn put extra stress on the finance of the Charity. While the delays are disappointing the trustees remain confident of clearing the debts and gaining a modest cash influx once the sales are completed.

The events outlined above have had considerable impact on the year end results as can be seen on the Consolidated Statement of Comprehensive Income. The total operating income for the year to 31 March 2023 is £6,700,136 (2022: £8,669,281) of which £5,621,154 (2022: £6,941,462) is from the sales of apartments in Mulberry Court. After that, all other income is £1,078,982 as compared with the total for March 2022 of £1,727,819.

The total operating expenditure for the year to 31 March 2023 decreased to £5,285,875 from the total of £8,103,527 for the year to 31 March 2022 partly due to lower expenditure relating to the trading activities and also to a reduction in housing and care services costs.

The result of the above was that the surplus before taxation for the year to 31 March 2023 was £741,758 compared with the surplus before tax of the previous year to 31 March 2022 of £469,536.

The Consolidated and Charity Statement of Financial Position shows both the Group position (which includes both the Charity and the Development Company) and the Charity only position as of 31 March 2023 compared with these positions as at 31 March 2022.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Self-Assessment against the Regulator of Social Housing's Value for Money Metrics

<u>Metric</u>	<u>2023</u>	<u>2022</u>	<u>Comment</u>
1. Reinvestment	11.7%	13.5%	The rate of reinvestment has decreased due to the completion of the major part of the redevelopment project by the trading subsidiary
2. New Supply Delivered	0%	0%	No new social housing units or non-social housing units were acquired or developed during 2022/2023
3. Gearing %	86.7%	77.9%	The increase in borrowing during 2022/2023 is due to increase in finance cost due to the slow sales of the redeveloped property by the trading subsidiary
4. Earnings Before Interest, Tax, Depreciation, Amortization, Major Repairs Included, EBITDA MRI Interest Cover.	-114.0%	-54.3%	The Charity continues to make deficit and is incurring interest on the development loan.
5. Headline Social Housing Cost Per Unit	£5,504	£4,723	RSH summary report "Delivering Better Value for Money: Understanding differences in Unit Costs" (June 2016) states that a hypothetical baseline social housing provider would have costs per unit of £3,300 based on 100% general needs housing. The report acknowledges that variations from this figure might be explained by, amongst other things, regional wage differences, housing for older people and supported housing. Our figures are higher than the hypothetical baseline, but our mix of housing is approximately 56% general needs housing, 21% supported housing and 23% residential care.
6. Operating margin % (Social Housing)	33.8%	52.4%	There was an decrease in social housing rental income with the increase of vacancies which has contributed to cover the maintenance expenses
7. Operating Margin % Overall	2.3%	-6.5%	There was an decrease in social housing rental income with the increase of vacancies which has contributed to cover the maintenance expenses
8. Return on capital	3.1%	10.9%	

Reserves Policy

The trustees believe that reserves are required to ensure the continued operation of the charity's care and housing activities. These activities are funded primarily by rental income from tenants, and fees received from local authorities and others under community care arrangements. This income has been relatively secure due to contracts and tenancy agreements in place, although the level of fee income has declined due to reduced care home occupancy. It is the trustees' policy to have freely available funds which equate to about three months' expenditure, which is about £300,000. Total group reserves as at 31 March 2023 were £6.5m, given the fixed assets held of £8.4m the charity does not currently have free reserves.

The trustees are taking steps to build up the charity's reserves to the policy level by developing property for sale through its trading subsidiary company, The Sons of Divine Providence Developments Ltd. The trustees have also instructed the management team in their new strategy of September 2022 to develop long term sources of income and focus on the sustainability of services.

Investments

The charity has a small amount invested in equities. The charity also has some residential property which is viewed as an investment. This property is let to tenants on the open market at market rents in order to generate income for the charity.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Fundraising

The principal sources of funding have been:

- Rents and care home and day centre fees
- Donations and legacies.

No fundraisers have been employed and no fundraising targets were set. A small number of properties are let at market rents to generate funds for the charity. We also make appeals in the Catholic press and our own quarterly magazine "The Bridge". Fundraising costs for the year were £5,470 (2022: £1,827), while donations and grants received reduced to £82,916 from £182,498. The charity is registered with The Fundraising Regulator and subscribes to its code of practice.

Risk Management

A risk register is in place setting out the major risks to which the charity is exposed and the systems in place to mitigate these risks.

This was reviewed by the trustees most recently at their meeting in December 2024. In addition, the trustees regularly review the cash flow forecast at their meetings.

The major risks identified are:

- Disaster scenarios of fire, floods, or other emergencies in one of the properties
- Serious injury or loss of life to a member of staff or member of the public
- Reduced ability to provide services due to depletion of staff, for example in the event of a "flu" epidemic, or loss of key staff
- Depletion of cash resources leaving the charity unable to continue operating due to the costs of the Mulberry Court Development.
- Depletion of the charity's assets due to fraud, reduction in the value of investments and deterioration of the charity's properties
- Safeguarding issues in the charity's care or housing services
- Cyber attack
- Pandemic
- Risks arising from the handling of personal data with the introduction of the General Data Protection Regulations
- Inability to pay loans

The trustees consider that there are policies, procedures, and monitoring systems in place to control the risks identified, and to reduce them to a manageable level. The charity has also purchased insurance policies to mitigate most losses, and these are reviewed annually with the charity's insurance broker.

The charity's subsidiary trading company, The Sons of Divine Providence Developments Ltd, has borrowed money to complete the re-development of the Orione House site. The potential risks to the charity are that the work does not proceed to completion, or that costs exceed the budget or sales revenue are less than expected, putting at risk the charity's investment in the project. The building was substantially completed in November 2021, and sales began to complete in December 2021. At the date these accounts are signed, 23 sales had completed. The trustees are confident that further sales will follow in line with professional valuations.

The Coronavirus pandemic

The Coronavirus pandemic continued to present a risk to health and life of our service users and staff during 2022/23. The pandemic led to a financial risk because it affected occupancy of Cardinal Heenan House, leading to reduced income and strain on cash flow. This led to the decision to close the home the process for which commenced in February 2022 and resulted in the home being closed in May 2022. We are pleased that the operations and need for testing normalised in the reporting period.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Plans for the Future

The re-development of the Orione House site by the charity's wholly owned subsidiary trading company, The Sons of Divine Providence Developments Ltd, was completed with 26 of the 28 apartments ready for sale and the final flats finished in March 2022. The trustees intend to complete the project by developing 29 and 27 Lower Teddington Road for sale in 2023. This was progressed and the works are due to complete April 2025.

The charity has progressed its plans to develop the Molesey site and is expecting planning to be granted in April 2025. When funds allow, the trustees intend to increase their funding of the Congregation's overseas missions. Funding of the overseas missions has been scaled back in recent years due to financial constraints. In September 2022 the Trustees laid out the framework for the long-term plans and strategy of the charity broken down over the next 3 years with aims beyond this for managed growth of the charity's delivery. This strategy was broken down into 3 stages beginning with the 'Stabilise' phase. Given the ongoing challenges to the charity in June 2023 the Trustees elected to extend this stabilise phase until 2025 to focus on core activities and general compliance.

Going concern

The Group made an operating surplus for the year before tax of £741k (2022: £470k); of this surplus, £2.4m (2022: £1.5m) arose on sales from subsidiary's property development. At the year end the Group had net assets of £6.5m (2022: £5.8m) and the parent charity had net assets of £3.5m (2022: £7.2m). The parent company and subsidiary both have loan finance in place; the total of the external loan financing owed by the group at the year end was £16.6m (2022: £17.2m). As at the date these accounts are signed the total group external debt was £13.5m

The key changes in financing arrangements since the year end are as follows:

Parent charity

The Molesey Senior Limited loan of £3.9m as at 31 March 2023 has been refinanced on a number of occasions since the year end including to extend the repayment date ultimately to December 2023. Subsequently the loan was reassigned to GRE Finance Lendco Limited in September 2024. The loan (with a balance of £5.3m at the date the accounts are signed) is repayable on demand as a loan agreement has not been signed; whilst the charity is optimistic that the agreement will be signed, this is dependent on factors not wholly within the charity's control.

The loan from United Trust Bank of £1.3m as at 31 March 2023 was due for repayment in February 2024. This was renegotiated to extend the repayment dates ultimately to October 2024; further amounts were also advanced. The loan (with a balance of £2.9m at the date the accounts are signed) has not been renegotiated or refinanced. Alternative finance is being sought as the current lender does not wish to extend the loan although they do not anticipate demanding immediate repayment whilst new arrangements are being sought. Whilst the charity is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

Two new loans totalling £660k were entered into with Carme Limited in February 2024 and July 2024 both of which were repaid in September 2024.

The loan with Charity Bank of £903k was renegotiated to extend the extend the repayment date from April 2025 to September 2025 or the sale of Pipes Place, if earlier. An amount of £210k has been paid since the year end and thus the loan balance at the date the accounts are signed is £694k.

The CBIL's loan of £280k was repaid in September 2024.

The debt to our sister charity in Dublin was also repaid £290k in November 2024 which is a further sign of intent to clear our existing debts.

Subsidiary company

The subsidiary company renegotiated its bank loans with United Trust Bank which totalled £10,268k as at 31 March 2023 and which were due to be repaid in March 2023 with various amendments and extensions made in respect of the loans. The loans were then due to be repaid in October 2024 but repayment was not made and at the date of signing these accounts, the loans have not been renegotiated or refinanced; the current balance is £4.5m. Alternative finance is being sought as the current lender does not wish to extend the loan although they do not anticipate demanding immediate repayment whilst new arrangements are being sought. Whilst the company is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

The parent company and the subsidiary remain reasonably confident of being able to refinance and thus repay all of its external loans in a timely manner. They recognise that global events have had a significant impact on the pace of sales completion at Mulberry Court, the major development project which has been financed by the subsidiary company loans. Interest in the properties at Mulberry Court remains positive and the sales continue to progress with 12 sales completed as at 31 March 2023 with revenue of £11.7m with a

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

further 11 sales with revenue of £9.3m completed as at the date these accounts are signed. A further 8 properties remain to be sold in Providence House (part of Mulberry Court) with expected revenue in the region of £9.2m; it is anticipated that these properties will be sold within 2 years from the date these accounts are signed. The proceeds of sales are being utilised to settle the subsidiary's loans. In addition, the Parent Charity is expecting to sell certain other property and realise other capital sums over the next six months to enable it to continue to finance its day-to-day operations and to repay its loans with Charity Bank in September 2025, unless new repayment terms are agreed, whilst it brings about the changes required to stabilise its business.

The parent and its trading subsidiary are currently seeking alternative financing for its loans and are reasonably confident that alternative financing will be obtained. In addition, they are reasonably optimistic that the agreement will be signed for its existing loan with GRE Finance Lendco Limited. They are also satisfied that they have sufficient plans in place to manage their day-to-day cashflow needs through realisation of surplus assets and receipt of other one off items. The Trustees accept that the nature of the position on their financing and their cash flow requirements suggests that a material uncertainty exists that may cast significant doubt upon the ability of the group and parent company to continue as a going concern. Nevertheless, the trustees have a reasonable expectation that the group and parent charity will have adequate resources to continue in operational existence for twelve months from the date of approval of these financial statements and thus consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

Asset Cover for Funds

Note 26 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

Disclosure of Information to Auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Report of the Board of Trustees and the Strategic Report are approved on behalf of the Board of Trustees.

Fr Joseph Simionato

Fr. Jose Simionato FDP

Trustee
Dated: 17 Feb 2025

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
TRUSTEES' RESPONSIBILITIES STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2023

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the surplus or deficit of the company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the housing SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF THE SONS OF DIVINE PROVIDENCE

Opinion

We have audited the financial statements of The Sons of Divine Providence (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated and charity statement of financial position, the consolidated statement of cash flows and the 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 group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements which indicates that the group is reliant on support of its external lenders and sales of properties. The parent and its trading subsidiary are currently seeking alternative financing for loans with a balance at the date these accounts are signed of £7.4m; these loans were due to be repaid in October 2024 and are now repayable on demand. Whilst the parent and subsidiary are optimistic that alternative financing will be obtained, the process is at an early stage. In addition, the parent charity has loans with another lender with a balance at the date these accounts are signed of £5.3m where the loan is repayable on demand as a loan agreement has not been signed; again, whilst the charity is optimistic that the agreement will be signed, this is dependent on factors not wholly within the charity's control. In addition, the parent charity is expecting to sell certain property assets and realise other capital sums over the next six months from the date these accounts are signed to enable it to continue to finance its day-to-day operations whilst it brings about the changes required to stabilise its business and to repay certain of its loans unless new repayment terms are agreed. These events or conditions, along with the other matters as set out in note 1.2, indicate that a material uncertainty exists which may cast significant doubt on the group and parent company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

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

We have nothing to report in this regard.

THE SONS OF DIVINE PROVIDENCE (ORIONE CARE) INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SONS OF DIVINE PROVIDENCE

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 charitable company 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.

As part of our planning process:

- We enquired of management the systems and controls the group and charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and charity. We determined that the following were most relevant: the Companies Act 2006, Charities Act 2011 and the Housing SORP. We also considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but with which compliance may be fundamental to the charity's and group's ability to operate.
- We considered the incentives and opportunities that exist in the group and charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group and charity, together with the discussions held with the group and charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF THE SONS OF DIVINE PROVIDENCE

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Review of the costs relating to stock of properties.
- Documenting and verifying all significant related party and intercompany balances and transactions.
- Assessing the validity of the classification of income, expenditure, assets, and liabilities between unrestricted and restricted funds.
- Reviewing key consolidation adjustments.
- Performing a physical verification of key fixed assets.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates and critical judgements in relation to investment properties, finance leases and intercompany debt recoverability.
- Reviewing documentation such as the director's minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge

**Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher Audit**

**Chartered Accountants
Statutory Auditor**

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

17 Feb 2025

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
Turnover				
Housing and care services		849,807	11,752	861,739
Donations, legacies, and grants	3	29,021	53,895	82,916
Religious congregation		52,111	-	52,111
Rent receivable	4	82,396	-	82,396
Other trading activities	30	<u>5,621,154</u>	<u>-</u>	<u>5,621,154</u>
Total operating income	6	<u>6,634,489</u>	<u>65,647</u>	<u>6,700,136</u>
Operating expenditure				
Housing and care services	8	1,861,506	-	1,861,506
Day activities	8	2,386	-	2,386
Religious congregation	8	116,027	-	116,027
Missions	8	14,893	72,693	87,586
Raising funds	7	5,470	-	5,470
Expenditure related to trading activities		<u>3,212,900</u>	<u>-</u>	<u>3,212,900</u>
Total operating expenditure	6	<u>5,213,182</u>	<u>72,693</u>	<u>5,285,875</u>
Operating surplus		1,421,307	(7,046)	1,414,261
Interest payable	13	(422,503)	-	(422,503)
Net gains(losses) on investments	14	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Surplus before tax		748,804	(7,046)	741,758
Taxation	16	(85,651)	-	(85,651)
Total comprehensive income for the year after tax		<u>663,153</u>	<u>(7,046)</u>	<u>656,107</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Total funds brought forward at 1 April 2022	5,825,271	43,954	5,869,225
 Total comprehensive income for the year	 663,153	 (7,046)	 656,107
 Fund balances at 31 March 2023	 <hr/> 6,488,424 <hr/>	 <hr/> 36,908 <hr/>	 <hr/> 6,525,332 <hr/>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Turnover				
Housing and care services		1,413,476	-	1,413,476
Donations, legacies, and grants	3	73,036	109,462	182,498
Religious congregation		50,726	-	50,726
Rent receivable	4	81,119	-	81,119
Other trading activities	30	<u>6,941,462</u>	<u>-</u>	<u>6,941,462</u>
Total operating income	6	<u>8,559,819</u>	<u>109,462</u>	<u>8,669,281</u>
Operating expenditure				
Housing and care services	8	2,345,177	78,380	2,423,557
Day activities	8	4,700	-	4,700
Religious congregation	8	127,097	-	127,097
Missions	8	38,401	29,118	67,519
Raising funds	7	1,827	-	1,827
Expenditure related to trading activities		<u>5,478,827</u>	<u>-</u>	<u>5,478,827</u>
Total operating expenditure	6	<u>7,996,029</u>	<u>107,498</u>	<u>8,103,527</u>
Operating surplus		563,790	1,964	565,754
Interest receivable		336	-	336
Interest payable	13	(156,721)	-	(156,721)
Net gains/(losses) on investments	14	<u>60,167</u>	<u>-</u>	<u>60,167</u>
Surplus before tax		467,572	1,964	469,536
Taxation	16	<u>(114,996)</u>	<u>-</u>	<u>(114,996)</u>
Total comprehensive income for the year after tax		<u>352,576</u>	<u>1,964</u>	<u>354,540</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Total funds brought forward at 1 April 2021	5,472,695	41,990	5,514,685
Total comprehensive income for the year	352,576	1,964	354,540
Fund balances at 31 March 2022	5,825,271	43,954	5,869,225

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2023

		Group 2023	2022	Charity 2023	2022
	Notes	£	£	£	£
Fixed assets					
Tangible assets	17	8,426,551	7,064,317	8,426,551	7,064,317
Investment properties	18	1,140,000	1,390,000	1,140,000	1,390,000
Investments	18	13,387	13,385	13,387	13,387
		<u>9,579,938</u>	<u>8,467,702</u>	<u>9,579,938</u>	<u>8,467,704</u>
Current assets					
Stock	19	13,985,068	15,427,812	-	-
Debtors falling due after more than one year	20	1,000,000	-	-	-
Debtors falling due within one year	20	167,263	343,091	1,058,025	2,793,617
Cash at bank and in hand		208,500	351,858	207,787	351,026
		<u>15,360,831</u>	<u>16,122,764</u>	<u>1,265,812</u>	<u>3,144,643</u>
Creditors: amounts falling due within one year	21	<u>(17,424,117)</u>	<u>(18,633,401)</u>	<u>(6,339,574)</u>	<u>(4,291,010)</u>
Net current liabilities		<u>(2,063,286)</u>	<u>(2,510,637)</u>	<u>(5,073,762)</u>	<u>(1,146,367)</u>
Total assets less current liabilities		<u>7,516,652</u>	<u>5,957,065</u>	<u>5,506,176</u>	<u>7,321,337</u>
Creditors: amounts falling due after more than one year	22	(903,480)	-	(903,480)	-
Provisions for liabilities					
Provisions	23	<u>(87,840)</u>	<u>(87,840)</u>	<u>(87,840)</u>	<u>(87,840)</u>
Net assets		<u>6,525,332</u>	<u>5,869,225</u>	<u>3,514,856</u>	<u>7,233,497</u>
Income funds					
Restricted funds	25	36,908	43,954	36,908	43,954
Unrestricted funds	26	<u>6,488,424</u>	<u>5,825,271</u>	<u>3,477,948</u>	<u>7,189,543</u>
		<u>6,525,332</u>	<u>5,869,225</u>	<u>3,514,856</u>	<u>7,233,497</u>

The charitable company's net deficit for the year was £3,718,641 (2022: deficit of £3,643,610)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes.

17 Feb 2025

The financial statements were approved by the Trustees on _____.

Fr Joseph Simionato

Fr. Jose Simionato FDP
Trustee

Company Registration No. 04249759

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
GROUP STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	31		3,095,924		(2,533,292)
Investing activities					
Purchase of tangible fixed assets		(1,276,414)		2,095,969	
Proceeds on disposal of investments		-		31	
Rental income		82,396		81,455	
Net cash (used in)/provided by investing activities			(1,194,018)		2,177,455
Financing activities					
Repayments of borrowing		(4,650,213)		(10,679,384)	
Cash inflows from new borrowing		2,649,952		10,764,460	
Interest paid		(45,003)		-	
Net cash (used in)/generated from financing			(2,045,264)		85,076
Net (decrease) in cash and cash equivalents			(143,358)		(270,761)
Cash and cash equivalents at beginning of year			351,858		622,622
Cash and cash equivalents at end of year			208,500		351,861

The repayments of borrowing within 2022 has been reanalysed in order to show the non-cash movements on capitalised interest.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

Charity information

The Sons of Divine Providence is a private company limited by guarantee incorporated in England and Wales. The registered office is 13 Lower Teddington Road, Hampton Wick, Kingston Upon Thames, Surrey, KT1 4EU, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The accounts comply with the Financial Reporting Standard FRS102, the Accounting Direction for Private Registered Providers of Social Housing in England – “Accounting by Registered Providers of Social Housing” 2019, the Statement of Recommended Practice (the Housing SORP 2018), the Charities Act 2011 and the Companies Act 2006. The Charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The Group made an operating surplus for the year before tax of £741k (2022: £470k); of this surplus, £2.4m (2022 £1.5m) arose on sales from subsidiary’s property development. At the year end the Group had net assets of £6.5m (2022: £5.8m) and the parent charity had net assets of £3.5m (2022: £7.2m). The parent company and subsidiary both have loan finance in place; the total of the external loan financing owed by the group at the year end was £16.6m (2022: £17.2m). As at the date these accounts are signed the total group external debt was £13.5m.

The key changes in financing arrangements since the year end are as follows:

Parent charity

The Molesey Senior Limited loan of £3.9m as at 31 March 2023 has been refinanced on a number of occasions since the year end including to extend the repayment date ultimately to December 2023. Subsequently the loan was reassigned to GRE Finance Lendco Limited in September 2024. The loan (with a balance of £5.3m at the date the accounts are signed) is repayable on demand as a loan agreement has not been signed; whilst the charity is optimistic that the agreement will be signed, this is dependent on factors not wholly within the charity’s control.

The loan from United Trust Bank of £1.3m as at 31 March 2023 was due for repayment in February 2024. This was renegotiated to extend the repayment dates ultimately to October 2024; further amounts were also advanced. The loan (with a balance of £2.9m at the date the accounts are signed) has not been renegotiated or refinanced. Alternative finance is being sought as the current lender does not wish to extend the loan although they do not anticipate demanding immediate repayment whilst new arrangements are being sought. Whilst the charity is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

Two new loans totalling £660k were entered into with Carme Limited in February 2024 and July 2024 both of which were repaid in September 2024.

The loan with Charity Bank of £903k was renegotiated to extend the extend the repayment date from April 2025 to September 2025 or the sale of Pipes Place, if earlier. An amount of £210k has been paid since the year end and thus the loan balance at the date the accounts are signed is £694k.

The CBIL’s loan of £280k was repaid in September 2024.

Subsidiary company

The subsidiary company renegotiated its bank loans with United Trust Bank which totalled £10,268k as at 31 March 2023 and which were due to be repaid in March 2023 with various amendments and extensions made in respect of the loans. The loans were then due to be repaid in October 2024 but repayment was not made and at the date of signing these accounts, the loans have not been renegotiated or refinanced; the current balance is £4.5m. Alternative finance is being sought as the current lender does not wish to extend the loan although they do not anticipate demanding immediate repayment whilst

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies (continued)

new arrangements are being sought. Whilst the company is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

The parent company and the subsidiary remain reasonably confident of being able to refinance and thus repay all of its external loans in a timely manner. They recognise that global events have had a significant impact on the pace of sales completion at Mulberry Court, the major development project which has been financed by the subsidiary company loans. Interest in the properties at Mulberry Court remains positive and the sales continue to progress with 12 sales completed as at 31 March 2023 with revenue of £11.7m with a further 11 sales with revenue of £9.3m completed as at the date these accounts are signed. A further 8 properties remain to be sold in Providence House (part of Mulberry Court) with expected revenue in the region of £9.2m; it is anticipated that these properties will be sold within 2 years from the date these accounts are signed. The proceeds of sales are being utilised to settle the subsidiary's loans. In addition, the Parent Charity is expecting to sell certain other property and realise other capital sums over the next six months to enable it to continue to finance its day-to-day operations and to repay its loans with Charity Bank in September 2025, unless new repayment terms are agreed, whilst it brings about the changes required to stabilise its business.

The parent and its trading subsidiary are currently seeking alternative financing for its loans and are reasonably confident that alternative financing will be obtained. In addition, they are reasonably optimistic that the agreement will be signed for its existing loan with GRE Finance Lendco Limited. They are also satisfied that they have sufficient plans in place to manage their day-to-day cashflow needs through realisation of surplus assets and receipt of other one off items. The Trustees accept that the nature of the position on their financing and their cash flow requirements suggests that a material uncertainty exists that may cast significant doubt upon the ability of the group and parent company to continue as a going concern. Nevertheless, the trustees have a reasonable expectation that the group and parent charity will have adequate resources to continue in operational existence for twelve months from the date of approval of these financial statements and thus consider it appropriate to continue adopting the going concern basis in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Rent, services and fees for housing related support are recognised in the period to which they relate. Grants received under the Coronavirus Job Retention Scheme are recognised in the income statement as part of the operating income over the same period as the costs to which they relate. Grants are accounted for under the accrual method. Donations are recognised when the group is entitled to the income, the receipt is probable, and the amount can be reliably measured.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset. Revenue from the property sales is recognised when exchange of contracts has taken place. The related cost of sales includes the direct selling costs along with an apportionment of the total construction costs based on the individual property selling price as a proportion of the total selling price of the whole development.

1.5 Expenditure

Expenditure including redundancy and termination payments 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 reliably measured. Expenditure is classified under the following activity headings.

Cost of raising funds comprises those costs associated with attracting voluntary income. Expenditure relating to Housing & Care Services, Day Activities, Religious Delegation and Missions are those elements of expenditure directly incurred in performing these activities. It also includes allocated governance costs relating to this activity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets (including housing properties) are measured at cost net of depreciation and any impairment losses.

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

Freehold land	Not depreciated
Freehold buildings	65 years straight line
Fixtures, fittings, and equipment	10% straight line
Development Expenditure	Not Depreciated
Motor vehicles	25% reducing balance

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Stock

Stock comprises properties under re-development by the subsidiary company, Sons of Divine Providence Developments Limited. Stock comprises redevelopment costs and capitalised interest. Stock is included at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash and cash equivalents include only cash in hand.

1.11 Financial instruments

The Group only has financial assets and 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.

1.12 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, considering the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies (continued)

1.13 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

The company has signed an agreement to lease the land under its properties for 125 years to a third party management company in return for a annual rental sum. The amount receivable is calculated by reference to the discounted value of the future rental income stream and recognised as a debtor based on the discounted value of future lease payments.

1.16 Basis of consolidation

The consolidated financial statements incorporate those of The Sons of Divine Providence and its subsidiaries (i.e., the entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2023.

1.17 Taxation

Current tax is recognised for income tax payable in respect of the taxable surplus for the current reporting period.

1.18 Interest payable

Interest is capitalised on borrowings related to the development of qualifying assets, to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development after deduction of related grants in advance.

1.19 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

2 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

The investment property is included at fair value in accordance with an external valuation carried out by a firm of Chartered Surveyors at 31 March 2023. This is based on an open market value basis by reference to market evidence of transaction prices for similar properties.

The accounts of the trading subsidiary include a debtor in respect of the discounted value of future rents receivable. The directors have determined the discount rate based on a yield of 3% from evidence of other ground rent sales provided by their valuer Gerald Eve LLP.

Critical judgement

At the year end, the charity was owed £6,360,063 from its subsidiary trading company, in respect of loans made for the development of Mulberry Court and which are repayable from the development proceeds. The trustees have assessed the financial forecasts of the subsidiary company and have impaired the recoverable amount of the loans by £5,380,000 to £980,063.

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	21,110	53,895	75,005	11,669	-	11,669
Covid support grants	-	-	-	-	109,462	109,462
CJRS income	-	-	-	2,778	-	2,778
Legacies receivable	7,911	-	7,911	58,589	-	58,589
	<u>29,021</u>	<u>53,895</u>	<u>82,916</u>	<u>73,036</u>	<u>109,462</u>	<u>182,498</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

4 Rent receivable

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income from investment	82,396	81,119
	<u> </u>	<u> </u>

5 Residential units owned and managed

	Number of units 2023	Number of Units 2022
General Needs (Social)	51	51
Specialist Supported Living	3	3
Designated Specialist Supported Living	16	16
Care Homes Providing Personal Care (beds)	21	21
	<u> </u>	<u> </u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

6 Income/Service charges

The total turnover of the group and company for the year has been derived from its principal activity wholly undertaken in England and Wales.

For the year ended 31 March 2023

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	-	-	-
Service charges	-	-	-
<i>Trading income</i>			
Sale of properties	5,621,154	(3,212,900)	2,408,254
<i>Other income</i>			
Other Housing income	861,559	(1,861,506)	(943,676)
Day activities	-	(2,386)	(2,386)
Donations and legacies	82,916	(93,056)	(10,140)
Religious congregation	52,111	(116,027)	(63,916)
Private rental income	82,396	-	82,396
	1,078,982	(2,072,975)	(993,993)
	6,700,136	(5,285,875)	1,414,261

For the year ended 31 March 2022

	Turnover	Operating costs	Operating surplus
<i>Social housing lettings</i>			
Rent	401,930	(147,468)	254,462
Service charges	83,509	(83,509)	-
	485,439	(230,977)	254,462
<i>Trading income</i>			
Sale of properties	6,941,462	(5,478,827)	1,462,635
<i>Other income</i>			
Other Housing income	928,038	(2,148,594)	(1,220,556)
Government Grant - Furlough	2,778	(2,778)	-
Day activities	-	(4,700)	(4,700)
Donations and legacies	179,719	(69,346)	110,373
Religious congregation	50,726	(127,097)	(76,371)
Private rental income	81,119	(41,208)	39,911
	1,242,380	(2,393,723)	(1,151,343)
	8,669,281	(8,103,527)	565,754

Rent void losses are not material and are netted off in the above figures for 2022 and 2023.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

7 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
<u>Fundraising and publicity</u>		
Fundraising events	5,470	1,827
	<u>5,470</u>	<u>1,827</u>

8 Analysis of expenditure

	Housing and care services 2023 £	Day activities 2023 £	Religious congregation 2023 £	Missions & pilgrimages 2023 £	Total 2023 £	Total 2022 £
Staff costs	974,893	-	40,928	-	1,015,821	1,509,602
Depreciation and impairment	96,210	-	5,737	-	101,947	107,984
Rates	49,714	524	5,837	-	56,075	61,538
Insurance	52,082	450	4,385	-	56,917	56,220
Light and heat	55,235	-	6,735	-	61,970	87,525
Repairs, maintenance and equipment	169,586	1,412	3,631	-	174,629	216,597
Postage, stationery and telephone	16,316	-	16,059	-	32,375	26,930
Motor and travel	15,186	-	18,457	-	33,643	31,353
Legal and professional	178,808	-	2,508	-	181,316	97,153
Staff training and recruitment	4,920	-	-	-	4,920	9,149
Food and provisions	11,009	-	8,776	-	19,785	44,658
Other direct costs	(590)	-	2,974	87,586	89,970	218,180
	<u>1,623,369</u>	<u>2,386</u>	<u>116,027</u>	<u>87,586</u>	<u>1,829,368</u>	<u>2,466,889</u>
Share of governance costs	238,137	-	-	-	238,137	155,984
	<u>1,861,506</u>	<u>2,386</u>	<u>116,027</u>	<u>87,586</u>	<u>2,067,505</u>	<u>2,622,873</u>
Analysis by fund						
Unrestricted funds	1,861,506	2,386	116,027	14,893	1,994,813	2,515,375
Restricted funds	-	-	-	72,693	72,693	107,498
	<u>1,861,506</u>	<u>2,386</u>	<u>116,027</u>	<u>87,586</u>	<u>2,067,505</u>	<u>2,622,873</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

8 Analysis of expenditure (continued)

For the year ended 31 March 2022

	Housing and care services	Day activities	Religious congregation	Missions	Total 2022
	£	£	£	£	£
Staff costs	1,486,518	-	23,084	-	1,509,602
Depreciation and impairment	103,803	1,116	3,065	-	107,984
Rates	56,197	-	5,341	-	61,538
Insurance	51,615	560	4,045	-	56,220
Light and heat	74,066	417	13,042	-	87,525
Repairs, maintenance and equipment	198,786	2,092	15,719	-	216,597
Postage, stationery and telephone	12,555	264	14,111	-	26,930
Motor and travel	13,217	-	18,136	-	31,353
Legal and professional	90,793	251	6,109	-	97,153
Staff training and recruitment	9,016	-	133	-	9,149
Food and provisions	36,980	-	7,678	-	44,658
Other direct costs	134,027	-	16,634	67,519	218,180
	<u>2,267,573</u>	<u>4,700</u>	<u>127,097</u>	<u>67,519</u>	<u>2,466,889</u>
Share of governance costs	155,984	-	-	-	155,984
	<u>2,423,557</u>	<u>4,700</u>	<u>127,097</u>	<u>67,519</u>	<u>2,622,873</u>
Analysis by fund					
Unrestricted funds	2,345,177	4,700	127,097	38,401	2,515,375
Restricted funds	78,380	-	-	29,118	107,498
	<u>2,423,557</u>	<u>4,700</u>	<u>127,097</u>	<u>67,519</u>	<u>2,622,873</u>

9 Description of charitable activities

Housing and care services

Housing and care services comprise the provision of care homes and independent housing for those with learning disabilities and the elderly.

Day activities

The day activities are provided by the Molesey Horticultural Day Centre for people with learning disabilities to give them the opportunity to learn horticultural skills, woodwork and other crafts on a day basis. During the year the Day Centre was closed.

Religious congregation

The above costs relate to living expenses of the religious community in the UK.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

10 Auditors' remuneration

	2023	2022
	£	£
Audit fees – parent and subsidiary	251,000	156,679
Audit fees – prior year under accrual – parent and subsidiary	108,000	-
Accountancy	10,000	25,000

Non audit fees include tax compliance and VAT advice. The fees in respect of the parent are included in governance costs.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Religious trustees live in property owned by the charity to enable them to carry out their duties. This is allowed for in the memorandum and articles of the company. Trustees were reimbursed £nil for travel expenses incurred during the year (2022: £nil).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Wardens, cleaners and care staff	13	44
Maintenance	3	4
Administration	14	12
	<hr/> 30	<hr/> 60

Employment costs

	2023	2022
	£	£
Wages and salaries	922,192	1,371,318
Social security costs	71,088	99,178
Other pension costs	22,541	39,106
	<hr/> 1,015,821	<hr/> 1,509,602

Included within wages and salaries are temporary staff of £nil (2022: £25,124), and key management remuneration amounting to £201,455 (2022: £155,181).

Included in the above are termination costs of £74,743 (2022: £193,450). The subsidiary does not have employees, all employees are employed by the parent. Remuneration of the Chief Executive was £73,483 (2022: £8,128). The Chief Executive was appointed in 2022. Pension contributions for the Chief Executive are made to the existing defined contribution scheme for staff at identical rates to other staff. There were no other employees whose annual remuneration exceeded £60,000.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

13 Interest payable

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest payable on Bank Loans	422,503	156,721

14 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investment properties	(250,000)	60,167
	<u>(250,000)</u>	<u>60,167</u>

15 Surplus for the year is stated after charging:

	2023 £	2022 £
Operating leases	6,292	5,943
Depreciation	101,947	107,749

16 Corporation tax

	2023 £	2022 £
Current tax		
UK corporation on profits for the current period	<u>79,479</u>	<u>114,996</u>
Interest on unpaid Corporation tax	<u>6,172</u>	:-

All taxation relates to the profits chargeable in the trading subsidiary.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

17 Tangible fixed assets

Group	Freehold land & Buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	8,149,016	861,246	92,747	9,103,009
Additions	1,455,923	11,995	-	1,467,918
Disposals	-	-	(20,743)	(20,743)
At 31 March 2023	9,604,939	873,201	72,004	10,550,184
Depreciation and impairment				
At 1 April 2022	1,102,330	861,246	75,115	2,038,691
Depreciation charged in the year	94,303	996	6,649	101,947
Eliminated in respect of disposals	-	-	(17,006)	(17,006)
At 31 March 2023	1,196,633	862,242	64,758	2,123,633
Carrying amount				
At 31 March 2023	8,408,306	10,999	7,246	8,426,551
At 31 March 2022	7,046,686	-	17,632	7,064,317
Charity				
Cost				
At 1 April 2022	8,149,016	861,246	92,747	9,103,009
Additions	1,455,923	11,955	-	1,467,918
Disposals	-	-	(20,743)	(20,743)
At 31 March 2023	9,604,939	873,201	72,004	10,550,184
Depreciation and impairment				
At 1 April 2022	1,102,330	861,246	75,115	2,038,691
Depreciation charged in the year	94,303	996	6,649	101,947
Eliminated in respect of disposals	-	-	(17,006)	(17,006)
At 31 March 2023	1,196,633	862,242	64,758	2,123,633
Carrying amount				
At 31 March 2023	8,408,306	10,999	7,246	8,426,551
At 31 March 2022	7,046,686	-	17,632	7,064,317
Social Housing property Group and Charity (included within freehold buildings)				
Cost	£			
At 1 April 2022	5,405,899			
Additions	-			
At 31 March 2023	5,405,899			
Depreciation and impairment				
At 1 April 2022	577,184			
Depreciation charged in the year	83,167			
At 31 March 2023	494,017			
Carrying amount				
At 31 March 2023	4,911,882			
At 31 March 2022	4,828,715			

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

17 Tangible fixed assets (continued)

Included within the Freehold Land and Building costs are costs of £2.5m relating to Development projects. This includes capitalised interest of £196,888.

18 Investments

Investment property

Group and charity	2023 £
Fair value	
At 1 April 2022	1,390,000
Valuation changes	(250,000)
At 31 March 2023	<u>1,140,000</u>

Investment property comprises Pipes Place, Shorne, Kent, DA12 3DP. The fair value of the investment property has been arrived at by a valuation carried out on 29 September 2023 and rolled back to the 31 March 2023 by Gerald Eve LLP Chartered Surveyors, who are not connected with the charity. The historical cost of the property is £375,440 (2022: £375,440).

Fixed asset investments

Group and charity	£
Cost or valuation	
At 1 April 2022	13,387
Disposals	-
At 31 March 2023	<u>13,387</u>

The Charity holds £1 of the share capital in each of Sons of Divine Providence Developments Limited and SDP Ventures Limited. The fixed asset listed investments held by the Charity are £13,387 (2022: £13,387). There were no disposals in the year.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

19 Stock	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Opening stock of development property	15,427,812	12,690,150	-	-
Cost of properties sold	(4,313,519)	(5,416,269)	-	-
Development costs incurred	<u>2,870,775</u>	<u>8,153,931</u>	-	-
Closing stock of development property	<u>13,985,068</u>	<u>15,427,812</u>	-	-

During the year £1,005,068 (2022: £3,555,425) of interest costs directly attributable to stock of property were capitalised. The total capitalised interest at 31 March 2023 was £2,225,134 (2022: £4,969,347).

20 Debtors	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Arrears of local authority and resident contributions	49,573	39,050	44,573	39,050
VAT Recoverable	46,864	57,136	-	-
Other debtors	63,502	45,882	26,065	13,170
Finance Lease receivable	1,000,000	186,846	-	-
Amounts owed by subsidiary undertakings	-	-	6,360,063	5,577,220
Impairment of amounts owed by subsidiary	-	-	(5,380,000)	(2,850,000)
Prepayments and accrued income	<u>7,324</u>	<u>14,177</u>	<u>7,324</u>	<u>14,177</u>
	<u>1,167,263</u>	<u>343,091</u>	<u>1,058,025</u>	<u>2,793,617</u>

The interest charged by the parent charity on the intercompany balance is 5% p.a. above the base rate of Barclays Bank. The parent charity has a fixed and floating charge over the assets of the company. The loan is repayable on demand.

In February 2023, the trustees of the parent charity, because of the pandemic, agreed to forgive the interest which had been charged from 1 April 2020 to 31 December 2021 on the intercompany balance. Furthermore, the interest rate was also adjusted from 5% above base rate to 2% above base rate with effect from 1st January 2022. The interest forgiven was £563,660. The company's debt to the Parent Charity ranks below debts to lenders as set out in a Deed of Priority dated 10th January 2020.

21 Creditors: amounts falling due within one year	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (Note 22)	15,686,594	17,178,069	5,417,671	3,430,853
Other taxation and social security	27,014	53,365	27,014	53,365
Trade creditors	124,833	81,251	124,833	81,251
Other creditors	231,409	293,977	231,409	293,977
Accruals and deferred income	1,153,620	911,743	538,647	431,564
Tax payable	<u>200,647</u>	<u>114,996</u>	-	-
	<u>17,424,117</u>	<u>18,633,401</u>	<u>6,339,574</u>	<u>4,291,010</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

22	Creditors: amounts falling due after one year	Group	Group	Charity	Charity
		2023	2022	2023	2022
		£	£	£	£
		Bank loans	<u>903,480</u>	<u>903,480</u>	<u>-</u>

As at 31 March 2023, the parent charity had four loans:

- 1) Coronavirus Business Interruption loan with an outstanding amount of £280,000 (2022: £280,000) secured against assets of the Charity and bearing interest at 3.49% above the Bank of England Base Rate.
- 2) A loan from Molesey Senior Limited with an outstanding balance of £3,875,411 (2022: £3,150,853) bearing interest of 0.85% per month. The borrowing is secured over freehold property of the Sons of Divine Providence. The loan was repayable in October 2023.
- 3) A loan with United Trust Bank with an outstanding amount of £1,262,260 (2022: £nil); the repayment date was February 2024. The security includes 27 and 29 Lower Teddington Road. The interest rate is 6.1% above the Bank of England Base Rate.
- 4) Two Charity Bank loans repayable in April 2025 with an outstanding balance of £903,480 (2022: £nil) bearing interest at 0.67% a month. The security is in respect of Pipes Place.

Subsequent to the year end the, the following events have occurred:

- 1) The Coronavirus Business Interruption loan was fully repaid in September 2024
- 2) The loan from Molesey Senior Limited had various amendments including to extend the repayment date to December 2023. Subsequently it was reassigned to another loan provider, GRE Finance Lendco Limited in September 2024. The loan is repayable on demand as a loan agreement has not been signed. The loan balance at the date the accounts are signed is £5.3m.
- 3) The loan with United Trust included various amendments, with a latest date repayable date of October 2024, which has expired. The loan balance (which is now repayable on demand) at the date the accounts are signed is £2.9m.

See note 33 for details of new loans entered into since the year end.

At 31 March 2023, the subsidiary company had two loans:

- 1) A junior loan from United Trust Bank with a balance outstanding at the year end of £3,478,427 (2022: £3,188,554) bearing interest at 6.43% above base rate per annum. The borrowing is secured over the assets of the company and as at the year end was repayable in March 2023 (2022: repayable 24 March 2023).
- 2) A senior loan from United Trust Bank with a balance outstanding at the year end of £6,790,046 (2022: £ 10,558,662) bearing interest at 6.65% above base rate per annum. The borrowing is secured over the assets of the company and as at the year end was repayable in March 2023 (2022: repayable 24 March 2023).

Since the year end the loan repayment date was extended various times to 31 July 2023 for both loans. Both loans at the time of signing have a repayable date of 1 October 2024, which has expired. The total loans balance (which is now repayable on demand) at the date the accounts are signed is £4.5m.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

23	Provisions for liabilities	2023	2022
		£	£
	Rent overcharge provision	<u>87,840</u>	<u>87,840</u>

In 2020 the charity commissioned a review of how it had applied the Rent Standard. The review identified that the charity had not fully complied with the Rent Standard and, over a period of years, had overcharged some tenants in its social housing by £151,343. The charity is implementing the recommendations of the review, including a refund of rent to the affected tenants, some of which was refunded during the year.

24 Retirement benefit schemes

The group operates two defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The charge to the Statement of Comprehensive Income in respect of defined contribution schemes was £22,541 (2022: £39,106).

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

25 Restricted funds – Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at
	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 1 April 2022	Balance at 31 March 2023
	£	£	£	£	£	£	£
Bread of Life (Child Sponsorship)	31,082	(29,118)	25,607	11,662	(10,502)	26,767	
Friends of Don Orione pilgrimages	-	-	18,347	-	-	(35,140)	
Other	78,380	(78,380)	-	53,985	(62,191)	(7,046)	
	109,462	(107,498)	43,954	65,647	(72,693)	36,908	

Bread of Life supports poor children in the developing nations by providing food, water, clothing, medicine, education, and life skill training. The fund supports pilgrimages to either the Holy Land, Rome or the religious sites of Italy.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

26 Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	8,426,551	-	8,426,551	7,064,317	-	7,064,317
Investment properties	1,140,000	-	1,140,000	1,390,000	-	1,390,000
Investments	13,387	-	13,387	13,385	-	13,385
Current assets/(liabilities)	(2,100,174)	36,908	(2,063,266)	(2,554,591)	43,954	(2,510,637)
Long term Liabilities	(903,480)	-	(903,480)	-	-	-
Provisions	(87,840)	-	(87,840)	(87,840)	-	(87,840)
	<u>6,488,444</u>	<u>36,908</u>	<u>6,525,352</u>	<u>5,825,271</u>	<u>43,954</u>	<u>5,869,225</u>
Charity						
Fund balances at 31 March 2023 are represented by:						
Tangible assets	8,246,551	-	8,426,551	7,064,317	-	7,064,317
Investment properties	1,140,000	-	1,140,000	1,390,000	-	1,390,000
Investments	13,387	-	13,387	13,387	-	13,387
Current assets/(liabilities)	(5,110,670)	36,908	(5,073,762)	(1,190,321)	43,954	(1,146,367)
Long Term Liabilities	(903,480)	-	(903,480)	-	-	-
Provisions	(87,840)	-	(87,840)	(87,840)	-	(87,840)
	<u>3,477,948</u>	<u>36,908</u>	<u>3,514,856</u>	<u>7,189,543</u>	<u>43,954</u>	<u>7,233,497</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

27 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	6,292	6,718
Between two and five years	-	6,292
Between two and five years	6,292	13,010

28 Capital commitments

The Sons of Divine Providence Developments Ltd (the Charity's subsidiary trading company) has a contracted commitment to redevelop Number 29 Lower Teddington Road. The estimated amount cost is £754,105 (2022: £500,000).

The Sons of Divine Providence (the Charity) has a commitment to redevelop Number 27 Lower Teddington Road. The estimated cost will be £1,412,500. The Charity also has a commitment under a Section 106 Agreement with the London Borough of Richmond Council to convert Number 13 Lower Teddington Road into social housing by September 2025. The charity has not yet entered a building contract for this work.

The Charity has also agreed the head of terms for the redevelopment of Molesey Venture, Orchard, East Molesey subject to the receipt of planning permission.

29 Related party transactions

During 2020 the Charity received a loan of Euro 236,868 (£208,718) from Orione Care Ireland based in the Republic of Ireland. Fr. John Perrotta (deceased) and Fr. Jose Simionato are also directors of this organisation. The loan bears no interest and has no fixed repayment date and is repayable when the Charity has sufficient funds from the sale of Mulberry Court. This loan has been repaid in October 2024

Transactions with subsidiaries are described in note 30.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

30 Subsidiaries

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held Direct
Sons of Divine Providence Developments Limited	England and Wales	Property development	Ordinary	100
SDP Ventures Limited	England and Wales	Dormant	Ordinary	100

During the period management charges of £47,400 (2022: £47,400) were recharged to Sons of Divine Providence Developments Limited in accordance with the agreement for sharing of head office facilities and staff time. During the year expenditure incurred on behalf of the subsidiary and charged to the intercompany account amounted to £4,058 (2022: £19,394). Sons of Divine Providence Developments Limited repaid the Charity £nil (2022: £380,000) during the year and interest totalling £218,406 (2022: £199,725) was charged on the loan balance. An interest waiver between Sons of Divine Providence Developments and the parent of £598,989 was recognised within the year.

The Charity's subsidiaries are limited companies wholly owned by the parent charity as noted above. The companies are not registered charities, nor are they registered social landlords. The Sons of Divine Providence Developments Ltd was established to redevelop the site of the former Orione House care home and 29 Lower Teddington Road. SDP Ventures Ltd was established to carry out the proposed re-development of the Molesey Venture site to provide improved accommodation for current tenants and residents, plus additional social and market housing. The Registered Office of both subsidiaries is 13 Lower Teddington Road, Hampton Wick, Kingston Upon Thames, Surrey, United Kingdom, KT1 4EU.

The net liabilities of The Sons of Divine Providence Developments Limited at the end of the reporting period were £427,010 (2022: net liabilities £249,720). During the year, The Sons of Divine Providence Developments Limited made an operating loss of £177,290 (2022: deficit £205,335), incorporating turnover of £5,621,154 (2022: £6,941,462) and cost of sales and administrative expenses of £5,453,346 (2022: £7,031,801) together with interest payable of £259,448 (2022: £nil) and tax of £85,651 (2022: £114,996).

The net assets of SDP Ventures Limited at the end of the reporting period are £1 (2022: £1) and made an operating loss of £nil (2022: £nil) with no turnover and expenditure incurred during the year. The company is currently dormant.

Sons of Divine Providence Developments Limited	2023	2022
Current assets	£17,017,596	£19,670,126
Creditors: amounts falling due within one year	(£17,444,606)	(£19,919,846)
Net liabilities	<u>(£427,010)</u>	<u>(£249,720)</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

31	Cash generated from operations	2023	2022
		£	£
	Surplus for the year	656,107	354,540
	Adjustments for:		
	Investment income - Rental income and interest receivable	(82,396)	(81,455)
	Loss on disposal of tangible fixed assets	3,737	702
	Current taxation	85,651	114,996
	Fair value gains and losses on investment properties	250,000	(60,167)
	Depreciation and impairment of tangible fixed assets	101,947	107,749
	Unpaid interest on loans	422,503	156,721
	Movements in working capital:		
	Decrease/(Increase) in stock	2,286,006	(2,737,662)
	(Increase) in debtors	(824,172)	(234,642)
	Increase/(Decrease) in creditors	196,541	(153,054)
	(Decrease) in provisions	-	(1,020)
	Cash generated/(absorbed by) operations	3,095,924	(2,533,292)
32	Analysis of changes in net (debt)/funds		
		At 1 April 2022	Cash flows
		£	£
	Cash at bank and in hand	351,861	(143,361)
	Loans falling due within one year	(17,178,069)	1,491,475
	Loans falling due after more than one year	-	(903,480)
		(16,826,208)	444,634
			(15,478,094)

33 Events after the balance sheet date

Loans

The following sets out the key changes to the Group's loan arrangements since the year end.

Charity:

- **CBILS.** The Coronavirus Business Interruption Loan of £280k as at 31 March 2023 was fully repaid in September 2024.
- **Charity Bank.** The terms of the loan with Charity Bank of £904k as at 31 March 2023 were amended to extend the repayment date to September 2025 from April 2025. An amount of £210k has been paid since the year end and thus the loan balance at the date the accounts are signed is £694k.
- **Molesey Senior and GRE Finance.** The Molesey Senior Limited loan of £3.9m as at 31 March 2023 has been refinanced on a number of occasions since the year end including to extend the repayment date ultimately to December 2023. Subsequently the loan was reassigned to GRE Finance Lendco Limited in September 2024. The loan is currently repayable on demand pending a formal loan agreement being signed. The loan balance at the date the accounts are signed is £5.3m.
- **United Trust Bank.** The loan from United Trust Bank of £1.3m as at 31 March 2023 was due for repayment in February 2024. This was renegotiated to extend the repayment dates ultimately to October 2024; further amounts were also advanced. The loan (with a balance of £2.9m at the date the accounts are signed) has not been renegotiated or refinanced. Alternative finance is being sought as the current lender does not wish to extend the loan although they do not anticipate demanding immediate repayment whilst new arrangements are being sought. Whilst the charity is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

- **Sons of Divine Providence Dublin.** The loan from Sons of Divine Providence Dublin of £192k at 31 March 2023 together with a further loan taken out post year end of approximately £100k was repaid in instalments by December 2024.
- **Carme Limited.** New loans were entered into with Carme Limited for £340k in February 2024 (due for repayment in May 2024) and £320k in July 2024 (due for repayment in October 2024). Both loans were repaid in September 2024.

Subsidiary:

- The subsidiary company renegotiated its bank loans with United Trust Bank which totalled £10,268k as at 31 March 2023 and which were due to be repaid in March 2023 with various amendments and extensions made in respect of the loans. The loans were then due to be repaid in October 2024 but repayment was not made and at the date of signing these accounts, the loans have not been renegotiated or refinanced; the balance at the date the accounts are signed is £4.5m. The company is seeking alternative finance for its two external loans as the current lender does not wish to extend its loan although the lender does not anticipate demanding immediate repayment whilst new arrangements are being sought. Whilst the company is optimistic that alternative sources of finance will be obtained, the process is at an early stage.

Other matters:

Sundial House, the care home in East Molesey, was closed in May 2023. All staff involved in the day-to-day operation of Sundial House were made redundant.

The Charity completed the sale of 1 and 7 Ferry Road on 20 September 2024 for a combined price of £2.3m; the total net book value was £2.8m at 31 March 2023. The sale price for one of the properties was below both book value and open market value as a result of the decisions reached regarding the timing and other related matters connected with the sale.

The Charity has been notified of a legacy with an approximate value of £550k; since the year end an amount of £500k has been received.