

NAZARETH CARE CHARITABLE TRUST

England & Wales · Charity number 1113666

Details

Other names VICTOIRE LARMENIER FOUNDATION

Status Registered

Legal form Charitable company

Company number [05518564](#)

Registered 2006-04-06

Register [View on the Charity Commission register](#)

Contact

Address Larmenier Centre
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London
N2 0RU

Phone 02084444427

Email uk.administration@nazarethcare.com

Website <https://www.nazarethcare.org>

Activities

Objects: THE OBJECTS OF THE CHARITY ARE:(3.1) TO PROVIDE RESIDENTIAL ACCOMMODATION FOR THE ELDERLY, POOR, DISABLED, SICK AND DYING;(3.2) TO PROVIDE FOR THE CARE, ASSISTANCE AND SUPPORT OF ALL SUCH PEOPLE IN TERMS OF THEIR MEDICAL PHYSICAL, SPIRITUAL AND EMOTIONAL NEEDS;(3.3) TO PROVIDE FOR THE CARE AND SUPPORT OF CHILDREN IN NEED;(3.4) TO SUPPORT THE CHARITABLE PURPOSES OF THE CONGREGATION OF THE SISTERS OF NAZARETH INCLUDING THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION; AND (3.5) TO PROVIDE ASSISTANCE TO MEMBERS OF THE CONGREGATION OF THE SISTERS OF NAZARETH IN NEED OF SUCH ASSISTANCE ("THE OBJECTS").

Activities: Development of assisted living accommodation. Provision of residential care. Provision of Mission services

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing, Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Defined Groups

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£43,277,144	£39,511,428	£5,157,013	1002
2024-03-31	£37,475,273	£36,383,679	£2,253,252	978
2023-03-31	£31,848,042	£33,805,101	£1,161,655	863
2022-03-31	£28,773,897	£34,124,088	£3,118,714	885
2021-03-31	£29,200,309	£28,826,189	£8,468,906	895

Trustees

Name	Role	Appointed
Don West		2018-09-02
Edward Caddle		2025-08-08
Edward Norton		2025-08-08
James McAleenan		2023-08-07
Nigel Mapp		2025-08-08
Peter Lovell		2025-08-08
Rev John Martin		2021-07-29
Sister Bernadette McCall		2025-10-07
Sister Celine Marie Donnelly		2022-10-17
Sister Viva Margaret Fidow		2025-12-04

NAZARETH CARE CHARITABLE TRUST

England & Wales - Charity number 1113666

Accounts

NAZARETH CARE CHARITABLE TRUST

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2025

**Charity Registration Numbers
England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee
Registration Number: 05518564**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

Sister Bernadette Teresa McCall – Chair (appointed 07/10/2025)
 Sister Lilian Bashford (appointed 07/10/2025)
 Sister Celine Donnelly
 Mr. Donald West
 Father John Martin
 Mr. James McAleenan
 Mr. Eddie Norton (appointed 08/08/2025)
 Mr. Edward Caddle (appointed 08/08/2025)
 Mr. Nigel Mapp (appointed 08/08/2025)
 Mr. Peter Lovell (appointed 08/08/2025)
 Sister Doreen Cunningham – Chair (resigned 07/10/2025)
 Sister Teresa Bernadette Fallon (resigned 07/10/2025)
 Sister Rose Ita Doody (resigned 07/10/2025)
 Sister Anastasia Lenihan (resigned 01/08/2025)

Senior Management - (SMT)

Regional Superior	Sister Bernadette Teresa McCall (appointed 07/10/2025)
Regional Superior	Sister Doreen Cunningham (resigned 07/10/2025)
Chief Executive Officer	Mr. Douglas Webb (appointed 04/04/2024)
Finance Director and Company Secretary	Ms. Fiona Russell (appointed 19/08/2024)
Head of Risk & Deputy CEO	Mr. Mike Anderson
Head of Corporate Services	Miss Alexandra Ispas
Director of Operations	Mrs. Rita Asamoah (appointed 09/12/2024)
Head of HR	Mrs. Louise Graham (resigned 21/02/2025)

Administrative Details

Registered Office	Larmenier Centre 162 East End Road London N2 0RU
Telephone	020 8444 4427
Email	uk.administration@nazarethcare.com
Website	www.nazarethcare.org
Company Registration Number	05518564 (England & Wales)
Charity Registration Numbers	1113666 (England & Wales), SCO42374 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill, London, EC4M 7JW
Bankers	Barclays Bank plc Acorn House, 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP Upper Borough Court, Upper Borough Walls, Bath BA1 1RG

HERITAGE

The Congregation of the Sisters of Nazareth (“the Congregation”) is an international Roman Catholic religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) and Nazareth House, Hammersmith care home are still located. It is divided into five Regions across the world: America, Australasia, Ireland, Africa and the United Kingdom (UK Region).

Victoire and five companions came to London in April 1851. At that time England was predominantly Protestant. Catholics, for the most part, were in a state of extreme poverty and the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green, and the first resident was received on 14 April 1851. From there, the Sisters collected alms and food around London to care for the old and young who they took into their Home.

As the number of people requiring care and shelter increased each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857, the first group of elderly people and children were moved into the new building, which was named Nazareth House. From this beginning, the Congregation spread around the world. Most of the work of the Congregation takes place within “Nazareth Houses” which are substantial buildings operated mainly as care homes for older people.

Nazareth Care Charitable Trust (NCCT or the Trust) is a charitable company limited by guarantee. It is the operational arm of the Congregation working in partnership with The Congregation of the Sisters of Nazareth Charitable Trust, providing care for the older people, disabled and terminally ill in 12 care homes throughout England, Scotland and Wales.

The Charity also provides nursery school education in Lancaster and retirement villages situated in Glasgow, Blackburn and Plymouth, and supports other religious orders in caring for their older sisters.

MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER

The hard work undertaken by staff and Trustees at the Nazareth Care Charitable Trust during the year has seen the charity turn a corner in terms of regulatory and financial performance. In particular, the challenging recruitment environment has been addressed, and this has led to a significant reduction in the expenditure on agency staffing, which has flowed through into the financial results for the year. In addition, occupancy in care homes has risen to pre-pandemic levels, and this is a welcome sign of the faith our residents and their families have in us.


The work continues to develop our regional team based in Finchley, so that we can provide the houses with effective and efficient management support and leadership. The plan for new IT systems will be rolled out across 2025/26, and this will see further improvements in administration and customer service. We have continued to see improvements in our regulatory ratings at several of our care home locations, as well as advances in our online presence, especially in relation to our residents and family feedback via Carehome.co.uk.

We are committed to all our staff, residents, friends and volunteers in our endeavours to place the charity in a stronger financial position, through hard work and dedication, while ensuring our core values are at the forefront of everything we do.

The sector continued to face challenges in the post-pandemic period, particularly in the funding available from statutory authorities and as such, the charity expected the operating environment to remain testing in 2024/25. However, the Board of Trustees felt confident that the work and dedication of staff would lead to better outcomes, and that was the case. The charity has recorded an improvement in financial results for the year compared with the previous year and continues to make a strong recovery.

The hope and optimism expressed last year have been justified, and the transition period continues. We are pleased with the successful recruitment of staff at our various locations in recent months and are seeing improved retention of staff across the organisation. The Senior Management Team and Trustees are working hard to build on the firm foundations established in the year, focusing on sustaining quality within our services, further reducing reliance on temporary workers, and continuing to improve our occupancy levels. The planned major refurbishment of our Hammersmith home is well underway, and additional improvements to our other homes have been carried out. Plans to make our care home in Manchester more dementia-friendly have been supported by the Albert Gubay Charitable Foundation.

The continued investment in our facilities and staff should enable us to continue our progress and allow us to be successful in subsequent years.



SISTER BERNADETTE MCCALL
Chair of the Board of Trustees



MR DOUGLAS WEBB
Chief Executive Officer

INTRODUCTION

Following the 2006 General Chapter of The Congregation of the Sisters of Nazareth, the concept of Nazareth Care Charitable Trust began to take shape. The purpose of the Trust was to carry out the mission of the Sisters of Nazareth into the future, even if there were fewer Sisters in active service. To successfully achieve this, all staff need to have a clear understanding of the mission and the values of the Sisters, which have made the organisation the success it has been for the past 160 years.

The core values of the Sisters: **Patience, Hospitality, Love, Respect, Compassion** and **Justice** are practised by both Sisters and staff alike in everything they do and set the bar for the excellent quality of care provided to both children and older people. Each house strives to incorporate these six values in simple, different, and creative ways.

The facilities operated and managed by the Nazareth Care Charitable Trust include care homes, retirement villages and a nursery. All our services are genuinely an integral part of the community in which they operate. Whether it is a young child or an older person, we actively encourage everyone to live their lives to their full potential, both within our facilities and in the broader community. Every Nazareth House encourages members of the wider local community to participate as either a “Friend of Nazareth House”, a volunteer or as a parishioner using the church facilities.

Many of the buildings operated by the Nazareth Care Charitable Trust on behalf of the Congregation of the Sisters of Nazareth are original Victorian buildings, established either by the foundress or very early in the Sisters of Nazareth's history. To provide high-quality care in the best possible environment, we continue to invest in property upgrades. The planned major upgrade of the site at Hammersmith, which started in 2023, continues.

REVIEW OF THE YEAR

The 2024/25 financial year represents an improvement from the previous financial year. The Charity has posted a surplus, and trends in maintaining high occupancy and reducing agency expenditure are improving. The operating team work closely together to monitor quality and financial management, which has helped in achieving the results this year. We are blessed to work amongst a large family of committed and caring people.

Occupancy

Welcoming more residents to our Homes has been a significant concern following the pandemic. Thankfully, by the end of the financial year, the number of older people in our Homes had risen again, and our Houses are their usual, busy, joyful selves.

Infrastructure

The migration to new care management systems, staff roster, time & attendance, income processing & finance, payroll & compliance system, and telecommunication upgrade that commenced in 2021 continues. Valuable experience with these new systems has encouraged the Board and senior management team to seek further improvements through integrated IT solutions. As such, we will implement new IT systems over the next few years. The staff, Senior Management Team and Trustees are committed to ensuring that as many people as possible are involved in the implementation of the system choices made.

Regulatory

The Core Values of the organisation distinguish the ethos of Nazareth Care Charitable Trust: Justice, Patience,
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Hospitality, Compassion, Love and Respect. This philosophy of care involves every member of the team working with a common aim to improve the quality of life of each of our service users. By putting our values into practice, we also aim to provide a safe, supportive and stimulating place to work.

Nazareth Care Charitable Trust aims to provide settings where people are cared for, supported and valued within an environment that promotes the health and well-being of our service users. We strive to provide all our service users with a safe place to be cared for.

We strive to promote an environment where people feel secure, comfortable, and valued. We aim to provide care that meets the needs of each person as an individual, and the best available evidence-based research always informs our care. All parties involved in a person's care are consulted where possible or applicable.

Regulatory inspections in England, Wales & Scotland continue, and we are pleased to note improvements at all services that have had inspections. The improvements in rating are a testament to the hard work and dedication of home managers and their teams over the past year.

Our Staff and Volunteers

We are proud of our staff and volunteers in this, as in all other years. We are grateful for the many staff who have given long service. Every year, the Chief Executive and Chair attend every home, village and nursery to present staff long service awards, and this included someone who completed 50 years' service. We strive to provide an excellent working environment for our staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference. As an employer, we acknowledge that our staff are the biggest asset to the Charity. We continue to review our pay rates and benefits, as we recognise that the health and well-being of our staff are paramount to our future success.

This year, we have continued with the Government Apprenticeship Levy. As we strive to improve the skills of our staff, we have rolled out role-specific training for every job role in our care homes. Many of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to several causes within each home. Volunteers can be fundraisers or visitors. The Trust recognises that, to continue providing excellent service to our residents amid financial demands, we must expand the use of volunteers to raise funds to meet the additional needs of our elderly and children.

TRUSTEES' REPORT 31 March 2025 (INCORPORATING A STRATEGIC REPORT)

The Trustees, who are the trustees of the charitable company for charity law and directors for company law, present their statutory report together with the financial statements of Nazareth Care Charitable Trust ('the Charity') for the year ended 31 March 2025.

This report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for company law.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 26 to 30 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

The Charity was established by the Congregation of the Sisters of Nazareth to assist the Sisters to maintain their mission, which principally today sits with the care of older people through the provision of care homes and retirement villages in the United Kingdom. The Charity also manages a day nursery in Lancaster. The Trustees intend that the work of the Charity will enhance the quality of life of those who live in their homes whilst

enabling them to retain to the maximum their dignity and independence.

For the Congregation of the Sisters of Nazareth Charitable Trust and the Nazareth Care Charitable Trust, working together is all about people. The Sisters, the residents, their families, and our staff together make a true Nazareth family. The Congregation of the Sisters of Nazareth Charitable Trust owns the estate, and the Sisters provide spiritual and pastoral support, whilst Nazareth Care Charitable Trust operates the care homes and villages, and a day nursery.

When setting the objectives and planning the work of the Charity for the year, the Trustees have considered The Charity Commission's general guidance on public benefit.

Objectives

Financial Stability: The Charity performed much better in 2024/25 in economic terms than in the previous financial year. The key factors influencing this have been increased occupancy and decreased reliance on temporary agency staff within our services. The charity is focused on building this firm foundation and will be seeking further improvements in the coming year. Developing a dynamic and effective senior management team and targeting further reductions in agency expenditure are central to this.

Quality: The short-term goal of the charity was that the regulated inspection gradings would improve in 2024/25, and in many instances, this has been achieved. The long-term goal is for all the Care Homes to sustain gradings of Good or better.

Care homes

There are twelve care homes operated by the Nazareth Care Charitable Trust within England, Scotland, and Wales (together forming the UK Region), some of which provide nursing care for older people with complex needs, while all offer support to those requiring social care. We provide accommodation for older adults with residential and nursing needs, including those living with a disability and those who are terminally ill. All our rooms are for single occupancy; however, some rooms are spacious in size and can accommodate couples if requested. Most of our current residents receive state funding to cover the cost of care. At 31 March 2025, the Charity operated care homes in the following locations:

Location	Principal activities	Category	Number of registered beds
<i>England and Wales</i>			
Birkenhead	Care home with nursing facilities	Residential Nursing	33 24
Cardiff	Care home with nursing facilities	Residential Nursing	27 27
Cheltenham	Care home	Residential	63
Crosby, Liverpool	Care home	Residential	66
Finchley, London	Care home	Residential	84
Hammersmith, London	Care home with nursing facilities	Residential Nursing	28 67
Lancaster	Care home	Residential	43
Manchester	Care home with nursing facilities	Residential Nursing	26 40
Northampton	Care home	Residential	50
Plymouth	Care home	Residential	46
<i>Scotland</i>			
Edinburgh, Bonnyrigg	Care home	Residential	37
Glasgow	Care home	Residential	70

The care homes aim always to provide excellent standards of care, and this is key to ensuring that the charity moves forward in a stable and strong manner.

STRATEGIC REPORT

In Our Care Homes

We have secured a central agency to support us with all our agency staff requirements. The benefit is lower agency costs and more efficient time management, with simpler booking processes and a single invoice for all homes rather than multiple invoices. The agency also offers an easier and more cost-effective way of recruiting temporary staff into permanent positions.

We have also invested in our apprenticeship programmes which our own existing employees and new recruits into Nazareth Care are taking up. We now have programmes offering accredited qualifications in care, administration, catering, housekeeping and other key roles.

Subsidiaries

Two of the Charity's wholly owned subsidiaries, NRV Development (Blackburn) Limited and NRV Development (Plymouth) Limited, are development companies providing retirement village apartments for sale at the respective sites. To provide a management and service company for each of our villages, we established three individual companies: NRV (Management) Plymouth Limited, NRV Blackburn Limited and NRV (Management) Glasgow Limited. In addition, we set up Nazareth Care Contract Limited to claim VAT and Nazareth Catering Limited to supply catering services to the retirement village in Blackburn. A further subsidiary, Nazareth Homecare Limited, was dissolved in the year.

The Future of Nazareth Care Charitable Trust

The charity has continued to progress in the face of challenges within the social care sector. We have invested in quality improvements, and the Senior Management team has worked closely with the Trustees to ensure they are aware of ongoing financial issues. We have continued to focus on attaining financial sustainability and quality improvements.

Our future aims include sustainable improvement of regulatory ratings, maximising service-level occupancy, and reducing reliance on temporary workers. This, in turn, will improve our financial performance and allow us to grow as an organisation. We aim to continue recruiting overseas staff through sponsorships and provide them with three months' accommodation upon arrival. This should significantly reduce our staffing costs while also ensuring continuity of care for those we care for.

FINANCIAL REVIEW OF THE YEAR

A summary of the results is available on page 22 of the attached financial statements.

Financial Position

The Group's income increased from £37.5 million to £43.3 million. Within this total, £36.0 million represents the income in connection with the provision of residential and care services for older people (2024 - £30.7 million) and £0.7 million represents the income from the provision of nursery services (2024 - £0.6 million). Income from commercial trading through subsidiaries amounts to £1.4 million (2024 - £1.3 million).

During the year the Charity received £5.0 million in grants. £4.4 million was from the Congregation of the Sisters of Nazareth Generalate: £3.9 million as a capital grant for the refurbishment of the Hammersmith

Care Home (2024 - £1.9 million) and a £0.5 million grant (2024 - £2.2 million). In addition, the Charity received a £0.4 million grant from the Albert Gubay Foundation to develop a dementia unit in the Manchester Care Home and £0.2 million to cover the costs of a dementia nurse.

Expenditure increased to £39.5 million from £36.5 million at the Group level. Within this total, £37.6 million represents expenditure in connection with the provision of residential and care services for older people (2024 - £34.6 million), and £0.6 million represents expenditure on the provision of nursery services (2024 - £0.5 million). £1.3 million represents expenditure on the subsidiaries' commercial trading operations (2024 - £1.3 million).

The day-to-day operations of the Group, excluding the Hammersmith refurbishment, the Albert Gubay grant and a donation from the Congregation of the Sisters of Nazareth Generalate, resulted in a deficit of £1.1 million for the year (2024 - £3.1 million deficit) and the Charity operations resulted in a deficit of £1.1 million (2024 - £3.1 million deficit). The Group's total net income was £3.8 million of which there was net unrestricted expenditure of £0.6 million and restricted net income of £4.4 million. £4.0 million of restricted net income was transferred to unrestricted funds as it related to the capital spend on the Hammersmith refurbishment. The total net assets of the Group at 31 March 2025 amounted to £5.2 million (2024 - £1.4 million) whilst those of the Charity totalled £5.4 million (2024 - £1.6 million).

The Group's and Charity's fixed assets have increased by £3.7 million due to a capital refurbishment project at Hammersmith Care Home. Group debtors have reduced by £1.3 million with the write-off or recovery of older debts, and the Charity's debtors have reduced by £0.9 million. Group cash has increased by £1.5 million and Charity cash by £1.3 million due to better profits and debt collection. Group creditors have increased by £0.1 million and Charity creditors by £0.3 million due to increased costs.

Two of the subsidiary companies are in deficit.

NRV Development (Blackburn) Limited

NRV Development (Blackburn) is the company responsible for developing the site at Blackburn and the sale of its properties. The company has accumulated losses of £113k due to the number of vacant properties and the time it is taking to sell these. Efforts have been made to better market all available properties and sales are improving.

It is anticipated that the project will break even at the end of the sales process.

NRV Development (Plymouth) Limited

NRV Development (Plymouth) is the development company responsible for developing the site in Plymouth and selling its properties. The company has accumulated losses of £52k. Development was completed on this site during 2015/16, and the final apartment was sold in September 2017. There are ongoing construction issues with one of the apartments, resulting in the entity still being active.

NRV Blackburn Limited

NRV Blackburn Limited is the company responsible for managing the site at Blackburn. The company has a retained surplus of £1.

NRV Management Plymouth Limited

NRV Management Plymouth Limited is the company responsible for managing the site at Plymouth. The company has a retained surplus of £1.

NRV Management Glasgow Limited

NRV Management Glasgow Limited is the company responsible for managing the site at Glasgow. The company has a retained surplus of £1.

Nazareth Catering Limited

Nazareth Catering Limited is the company responsible for managing catering at Blackburn. The directors have determined that this entity is no longer required, and plans are in place to dissolve the company in 2025. The company has a retained surplus of £1,685. Any retained surplus at the time of dissolution will be transferred to NRV Blackburn Limited.

Nazareth Care Contracts Limited

Nazareth Care Contracts Limited was established as the group VAT entity for Nazareth Care Charitable Trust.

Reserves Policy

Total group reserves at 31 March 2025 were £5.2 million, comprising a fixed asset designated fund of £8.0 million, restricted reserves of £0.4 million and unrestricted free reserves of -£3.2 million. The tangible fixed assets fund represents the net book value of the Group's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include improvements to care homes and the furniture and equipment used in those care establishments.

The general fund comprises those assets not designated by the Trustees or restricted in their application as at 31 March 2025. At 31 March 2025, the fund remained at -£3.2 million. This is below the target of £20 million which represents six months' operating expenditure.

The Trustees have agreed to work towards a reserve of funds equivalent to six months of operating costs in the knowledge that a larger positive reserve balance needs to be built up in due course. The restructuring that has occurred over the past few years now needs to be consolidated and a period of reflection is required so that the Trustees may assess the future needs of the Group and Charity in the light of their mission and plans. Any surplus taxable funds arising in the subsidiaries may, from time to time, be donated to the Charity by Gift Aid.

The Trustees recognise that measuring total unrestricted funds is only one indicator and includes fixed assets that cannot be easily converted into cash. Hence, the Board of Trustees focuses much of its effort on monitoring the group's financial position, including its current assets and liabilities. The continued emphasis on cash management and improving the current asset position will remain a key feature in the coming period. This is further considered in the 'Going Concern' section below.

Going Concern

The Trustees have assessed whether the going concern assumption is appropriate for the preparation of these financial statements. The Trustees have made this assessment in respect of a period of sixteen months from the date of approval of these financial statements to March 2027. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 31 March 2027, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

The group reports an unrestricted net expenditure of £612k (2024 – deficit of £788k) and an unrestricted surplus after fund transfers of £3.4 million for the year ending 31 March 2025 (2024 – surplus of £1.0 million). Reserves were severely impacted over the last few years, with free reserves on 31 March 2025 being a deficit of £3.2 million and (2024: deficit of £3.0 million).

The funding to support NCCT comprised a £5 million grant from CSNG, issued initially in November 2022, and a £1 million loan from CSNCT, repayable over 10 years. At year-end, NCCT had a remaining grant of £0.3 million to draw down. The charity is not forecast to draw down this final amount. Additionally, CSNCT has provided a repayable overdraft facility of up to £0.5 million until 31 July 2027 to support NCCT in

meeting its liabilities as they fall due, should this be required. It is not expected that the overdraft facility will be used given the improved position to date, the cashflow forecast and scenarios modelled.

The Trustees have prepared a forecast and a monthly cash flow forecast to 31 March 2027, with a base case and two additional scenarios modelled with variations in cost and income assumptions.

The key areas of uncertainty outlined below have improved over 2024 but are still issues:

- There has been a significant increase in occupancy levels in the homes, and the forecast assumes the occupancy levels are maintained. Still, occupancy remains a key focus for management and the Trustees.
- Agency costs have continued to reduce since 31 March 2025 and maintaining these at the budgeted level remains a challenge for management. There continue to be significant challenges in the recruitment market. As detailed below, NCCT has taken steps to mitigate this risk, reflected in the budgets and forecasts produced. However, there is a risk that the reduced level of agency spend may not be sustained if challenges in recruiting staff increase or if the level of overseas staff is not maintained.
- The ability to attract private fee-paying residents whilst also increasing fees in line with costs is uncertain, particularly following the National Insurance and minimum wages increases that came into effect in April 2025. The level of fee increase has been modelled in the cash flow scenarios, and an assumption has been made that the private resident percentage remains unchanged. Additional fee-paying residents would positively impact cash flow.
- Not all local authority funding for care home fees has been increased in line with the higher cost of running the care homes due to the impact of the National Insurance and Minimum Wage increases implemented in April 2025. The effect of this has been included in the local authority's cashflow forecasts, and increases in local authority assumptions have been modelled in the scenarios.

The forecasts and cash flows remain highly sensitive to changes in the timing of income receipt, occupancy levels, and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that, despite the support from CSNG and CSNCT and the improvements in performance over the last two years, there is still limited headroom to absorb the impact of uncertainties.

The Board has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions, including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown and the impact of inflationary pressures.
- Cash management controls are in place to always ensure sufficient working capital. Cashflow forecasts have been completed to March 2027 with weekly cash checks in place. Credit controls are in place, and regular meetings are held to address current debt. Group aged debtors totalled £1.4 million, of which £1.0 million is provided for.
- At the time of signing these financial statements, £0.25 million of the CSNG credit facility remains available for drawdown.
- A letter of support has been provided by CSNCT, providing an overdraft facility of up to £0.5 million to July 2026.
- High occupancy levels and low agency costs have been maintained from April to October 2025.
- There continues to be close monitoring of budgets and cash flows with regular reporting to the Board.

After considering these factors, the Board has concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and has therefore prepared the accounts on a going concern basis; however, there are material uncertainties as discussed above.

Risk Management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks to which the Charity and its subsidiaries might be exposed, and which are captured in a risk register. The risks include both those relating to the operation of the care homes and nursery and those relating to the development of retirement villages and the sale and subsequent resale of apartments, etc. Actions have been agreed to monitor and mitigate the identified risks. At each Trustee meeting, the Trustees and management discuss the latest view of the risk landscape to ensure that, as far as possible, all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are four key risk factors faced by the Charity and how the risks are managed.

1. Financial Stability

Action we have taken to mitigate the risks:

Occupancy levels average over 90% across the Homes, ensuring that we are maximising available resources. This has significantly improved the organisation's finances. In addition, revised Terms and Conditions have been issued to all residents to improve debt recovery.

2. IT system refinement, including evaluation of the implementation of software solutions

Action we have taken to mitigate the risk:

The Charity is investing in a new payroll and rostering system to integrate all care systems. This will reduce the administrative burden on the Homes, allowing staff to focus more on providing care and interacting with residents. Cyber security risk mitigation remains a key area of focus, with regular vulnerability assessments to identify and address security weaknesses.

3. High Agency Usage

Actions we have taken to mitigate the risks:

The ability to recruit and retain staff remains a key risk for the Charity. The Executive Team have invested in a suite of measures to reduce the requirement for agency staff. Each home actively recruits for their vacant positions and there are plans in place for the recruitment of workers requiring visas.

4. Care Quality

Action we have taken to mitigate the risks:

The Charity is committed to ensuring it provides services that are safe and support a positive resident experience. It is recognised that other risks can impact on care delivery and quality, such as an inability to recruit staff and reliance on agency staff to support our services. Regional support has been established to collaborate with general managers to monitor service quality, including daily walk-arounds, weekly quality reviews, and regular staff forums. The Charity works to deliver the highest possible standards consistently, so staff are supported to be "inspection ready" for impending visits from regulators and commissioners who will want to see the quality of service delivered. The residents in each Nazareth House deserve nothing less.

To continually improve, we are committed to listening to the feedback from residents, staff, and relatives about the service we deliver. Feedback is captured and shared either via our website or via CareHome.co.uk. The feedback is also used as a training resource to help staff understand how residents experience their care.

MANAGEMENT AND TRUSTEES

Trustees Responsibilities

The Trustees (who are also directors of the Charity for company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give an accurate and fair view of the state of affairs of the charitable company and the Group and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The Charity is governed by its Trustees. The Superior General of the Congregation appoints the Trustees.

The principal property assets of the Congregation in England, Wales, Scotland and Northern Ireland are held on charitable trust by The Congregation of the Sisters of Nazareth Charitable Trust and by The Congregation of the Sisters of Nazareth Generalate. With effect from 1 April 2012, the Regional Superior of the Congregation's UK region became the Chair of Trustees ex officio. The Regional Councillors of the Congregation's UK region also became ex officio trustees.

The Superior General may appoint additional Sisters and Trustees who are not members of the Congregation to ensure that the necessary breadth of skills and experience is available to the Charity's

governing body. Details of the trustees can be found in the Reference and Administrative Details on page 2 of the Annual Report and Audited Financial Statements and below.

Newly appointed Trustees are given induction training that includes meetings with staff, meetings with representatives of partner organisations and visits to our houses, nurseries and retirement villages. Ongoing training opportunities will be provided as necessary as the work of the Charity develops.

The Current Trustees

Sister Bernadette Teresa McCall – Chair

Sister Bernadette is a member of the Congregation of the Sisters of Nazareth and committed to a life of service, justice, compassion, and care. She is a Registered Nurse and Care Manager with experience in Ireland and the UK and has worked in nursing management, counselling, and formation. She is guided by her vocation and the principles of servant leadership, she supports individuals and teams with empathy, integrity, and professionalism, encouraging others to be the best they can be while promoting dignity and holistic care.

Sister Lilian Bashford

Sister Lilian is a member of the Congregation of the Sisters of Nazareth since 1966, made Final Profession in 1974. She has wide and varied experience in the field of Residential Care and is a retired Psychoanalytical Psychotherapist. Sister Lilian held management and leadership positions within the Congregation

Sr Celine Donnelly – Trustee

Sr Celine completed her nursing studies at St George's Hospital Medical School and Kingston University in 1998, prior to becoming the Nurse manager in Nazareth House, Hammersmith, from 2001 until 2009. During this time, she completed a BSc in Health and Social Care, a diploma in palliative care and dementia care, and various management courses. Sr Celine has been in leadership positions in Lancaster, Finchley, and Cheltenham and is currently Sister Superior in Finchley.

Edward Norton – Trustee

Eddie holds a degree-level qualification in Banking and has worked for over 40 years in the financial services industry. He has held a variety of executive-level roles, including CEO, in the UK and overseas. He brings deep commercial experience across a broad range of disciplines, including risk management, finance, and corporate governance. Eddie is also an Independent Non-Executive Director and member of the Board, Audit and Risk Committees at National Bank of Egypt UK.

Peter Lovell - Trustee

Peter is a senior business leader with more than four decades of international experience in the growth and transformation of global financial markets, and a wealth of experience in corporate governance, risk management and regulatory compliance. He is a Chartered Director, with a foundation in trading and operations across four continents. He rose to Group Chief Executive of an international financial services company, regulated in multiple jurisdictions. He continues to advise other Charities and NGOs on governance and risk. His knowledge and experience of managing businesses in multiple locations, particularly in a highly regulated environment, will be an asset to Nazareth Cre Charitable Trust.

Edward Caddle - Trustee

Edward is a former Chief Financial Officer and Managing Director of several multinational companies, primarily in the FinTech, Payments, and Data industries. He brings financial and strategic board level experience in both the commercial and charity sectors. Most recently, he was a Trustee of the National Autistic Society, where he chaired the Finance & Resources Committee. A qualified accountant, he also holds postgraduate qualifications in Marketing and Human Resources, an MBA from Cranfield Business

School, and an MA in Philosophy from the University of London.

Nigel Mapp - Trustee

Nigel founded MAPP in 1998 and shaped and grew the business to become the leader in its chosen field. Nigel stepped down as CEO and orchestrated the transfer of the business into an Employee Ownership Trust in 2023. Nigel remains a Trustee of the MAPP Employee Owned Trust as well as several other Director/Trustee roles in the charitable sector including L'Arche, and Oasis. Nigel is an avid traveller with recent visits to Antarctica, Svalbard and The Annapurna, a keen photographer and occasionally swings a golf club.

James McAleenan – Trustee

James qualified as a chartered accountant (SA) and then worked for over 40 years in financial services in the UK and abroad. He has extensive experience in corporate governance, finance and risk and has carried out a variety of roles, including CEO, trustee and independent director. He retired from full-time employment in 2016 and is now a part-time trustee and non-executive director for the Mineworkers' Pension Scheme, Holley Holland financial consultants and Nazareth Care Charitable Trust.

Donald West - Trustee

Don has worked in healthcare management for over 30 years, advising hospitals, community and mental health organisations in the UK, Germany and elsewhere on a range of issues, including capital investment, cost improvement and financial recovery, information technology and business intelligence. Don is active in his parish, with a particular interest in evangelisation and ministry. He has a degree in Geography and Philosophy from the University of Wales and an MBA from the Open University. He is a keen runner and sailor.

Father John Martin – Trustee

Father John Martin has a wide and varied experience in the field of health care and management. He was a Brother of Saint John of God for 33 years. During that time, he has worked in pastoral care, social work, and management, and was Chief Executive of the Hospitaller Order of Saint John of God for 12 years. On leaving the Order, he joined the Priesthood and is now a Priest in the Diocese of Nottingham and previously held the role of the Bishop's Delegate for the Youth of the Diocese as well as managing a Parish. Father John brings with him a vast amount of experience of being a trustee.

Governance Structure and Management Reporting

The Trustees are ultimately responsible for all the policies, activities and assets of the Charity and the Group. They meet regularly, at least four times each year, to review performance, progress against plans and budgets, and to consider broader developments regarding the activities of the Charity and the Group and to make any critical decisions.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, investment managers, solicitors, and accountants. The Trustees delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive.

Engagement with stakeholders

Over the last 12 months, all NCCT businesses have been visited by executive directors. During these visits separate meetings are held with residents, their families, employees and the communities of the Sisters of Nazareth.

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment, the Directors have considered the following.

1. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of Nazareth Care Charitable Trust. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan regularly.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Delegated Responsibilities. This document is reviewed and approved by the Board of Directors annually.

2. Statement of Engagement with Employees

NCCT is an equal opportunity employer, and it is within its policy that all job applicants and employees are treated fairly and equally. Furthermore, the organisation will monitor the composition of its workforce to ensure the policy's effectiveness. NCCT is committed to training and developing its employees to eliminate discrimination and harassment as far as reasonably possible.

In relation to employee engagement, the Directors receive regular reports from management on the satisfaction of staff which is measured through staff engagement surveys. The latest staff survey was completed in July 2023 and revealed an overall satisfaction increase on all key drivers.

The Directors attend the Charity's annual conference, together with all General Managers, Sister Superiors, and the Senior Management Team, where they can discuss and contribute to the Charity's initiatives.

The Directors perform regular site visits according to a pre-agreed rolling schedule that ensures all locations are covered within a period. During such visits, the Directors engage with staff and management and can discuss freely the day-to-day needs and challenges to gain a clear perspective on the business.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The latest report is available on the Nazareth Care UK website.

3. The need to foster the company's business relationships with suppliers, customers, and others

Regarding key stakeholder engagement, the Directors consulted with stakeholders through various channels, including correspondence, webinars, and the annual conference.

Purchases must be made through approved suppliers and group contracts, as per the authority stipulated in the Delegated Responsibility document. Nazareth Care Charitable Trust is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. All national procurements must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms.

Key management personnel

The CEO is responsible for managing the Charity, together with colleagues from the UK Region. The Trustees, who oversee the direction and control of the Group and Charity, delegate the day-to-day running and operation of the Group and Charity to the Chief Executive and the senior management team. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £515,149 (2024 - £414,609).

The performance and pay of the Chief Executive and the senior management team are reviewed periodically and benchmarked against industry rates.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

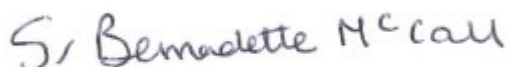
Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties; and
- Friends and supporters can receive updates about the Trust's work by post and email but anyone not wanting to accept these can let the Trust know and such communication will not then be sent
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities
- The Trust does not subscribe to any fundraising standards or schemes; and has not failed to comply with any regulation subscribed to in relation to fundraising
- The Charity has not received any complaints about its fundraising activities (2024 - none)

Stocks and Work in Progress

In the light of the selling price of Blackburn units, the interest shown in the purchase of the remaining apartments at Blackburn and the apartments at Plymouth which were completed in 2015/16, the Trustees believe that the value of stocks and work in progress is not less than the historic cost figure recorded on the Group's balance sheet.

The Trustees' Report, including the Strategic Report, was approved by the Trustees and signed on their behalf by:



SISTER BERNADETTE MCCALL

Chair of the Board of Trustees

Date of approval: November 13, 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST

Opinion

We have audited the financial statements of Nazareth Care Charitable Trust (the 'charitable parent company') and of Nazareth Care Charitable Trust and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the group and charitable parent company statements of financial activities, group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 of the charitable parent company's affairs as of 31 March 2025 and of the group's and charitable parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 related to Going Concern

We draw attention to the accounting policy in relation to going concern on page 26 in the financial statements, which indicates that the Trustees consider there to be material uncertainty in respect of going concern.

During the previous financial period Nazareth Care Charitable Trust faced challenges including agency costs, occupancy rates and the recovery of historic debt as detailed in the accounting policy on going concern. An improved position is reported in the year ended 31 March 2025 but there continues to be ongoing risk as the charity seeks to strengthen its financial position.

Set out in the accounting policy on going concern on page 28 the Trustees have concluded that Nazareth Care Charitable Trust has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but a material uncertainty exists that may cast significant doubt on the charitable 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 the charitable parent company and its environment obtained during the audit; we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes 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's and the charitable parent company'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 group or the charitable parent 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 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 based on these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charitable company were Care quality Regulations (CQC, Ofsted, Care Inspectorate) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the care quality regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Audit and Risk Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



NICOLA MAY (Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date 24 November 2025

GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2025

(Incorporating income and expenditure account)

	Notes	GROUP					
		Unrestricted Funds	Restricted Funds	Total 2025	Unrestricted Funds	Restricted Funds	Total 2024
Income from:							
Donations and legacies	2	500,000	4,501,661	5,001,661	462,456	1,903,535	2,365,991
Charitable activities							
Charges for residential and care services		36,045,606	-	36,045,606	30,668,249	-	30,668,249
Charges for nursery services		712,355	-	712,355	580,701	-	580,701
Other trading activities	3	1,372,492	-	1,372,492	1,276,725	-	1,276,725
Other income		145,030	-	145,030	2,580,608	3,000	2,583,608
Total Income		38,775,483	4,501,661	43,277,144	35,568,739	1,906,535	37,475,274
Expenditure on:							
Raising funds	4	1,305,054	-	1,305,054	1,296,400	-	1,296,400
Charitable activities							
Provision of residential and care services	5	37,494,767	128,067	37,622,834	34,617,175	62,801	34,679,976
Provision of nursery services	6	583,540	-	583,540	530,442	-	530,442
Total expenditure		39,383,361	128,067	39,511,428	36,444,017	62,801	36,506,818
Net income/(expenditure)	8	(607,878)	4,373,594	3,765,716	(875,278)	1,843,734	968,456
Transfers between funds		3,973,594	(3,973,594)	-	1,843,734	(1,843,734)	-
Net movement in funds		3,365,716	400,000	3,765,716	968,456	-	968,456
Reconciliation of funds							
Fund balances brought forward on 1 April 2024		1,391,297	-	1,391,297	422,841	-	422,841
Fund balances carried forward on 31 March 2025		4,757,013	400,000	5,157,013	1,391,297	-	1,391,297

All recognised gains and losses are included in the above statement of financial activities. All activities are derived from continuing operations in each of the above two financial years.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 March 2025

(Incorporating income and expenditure account)

		CHARITY					
Notes	Unrestricted Funds	Restricted Funds	Total 2025	Unrestricted Funds	Restricted Funds	Total 2024	
Income from:							
Donations and legacies	2	500,000	4,501,426	5,001,426	462,456	1,903,535	2,365,991
Charitable activities							
Charges for residential and care services		36,045,606	-	36,045,606	30,668,249	-	30,668,249
Charges for nursery services		712,355	-	712,355	580,701	-	580,701
Other trading activities	3	-	-	-	-	-	-
Other income		157,249	-	157,249	2,585,894	3,000	2,588,894
Total income		37,415,210	4,501,426	41,916,636	34,297,300	1,906,535	36,203,835
Expenditure on:							
Raising funds	4	-	-	-	-	-	-
Charitable activities							
Provision of residential and care services	5	37,444,159	127,832	37,571,991	34,555,184	62,801	34,617,985
Provision of nursery services	6	583,540	0	583,540	530,442	0	530,442
Total expenditure		38,027,699	127,832	38,155,531	35,085,626	62,801	35,148,427
Net income/(expenditure)	8	(612,489)	4,373,594	3,761,105	(788,326)	1,843,734	1,055,408
Transfers between funds		3,973,594	(3,973,594)	-	1,843,734	(1,843,734)	-
Net movement in funds		3,361,105	400,000	3,761,105	1,055,408	-	1,055,408
Reconciliation of funds							
Fund balances brought forward on 1 April 2024		1,546,565	-	1,546,565	491,157	-	491,157
Fund balances carried forward on 31 March 2025		4,907,670	400,000	5,307,670	1,546,565	-	1,546,565

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

BALANCE SHEETS – 31 March 2025

	Notes	GROUP		CHARITY	
		2025	2024	2025	2024
Fixed assets:					
Tangible assets	12	8,016,204	4,363,095	8,016,202	4,363,093
Investments	13	-	-	7	8
Total fixed assets		8,016,204	4,363,095	8,016,209	4,363,101
Current assets:					
Stocks and work in progress	14	355,000	355,000	-	-
Debtors	15	1,381,579	2,684,046	1,545,422	2,483,238
Cash at bank and in hand		3,047,894	1,577,604	2,436,467	1,134,995
Total current assets		4,784,473	4,616,650	3,981,889	3,618,233
Liabilities:					
Creditors: amounts falling due within one year	16	(5,842,234)	(5,764,153)	(5,647,768)	(5,368,109)
Net current liabilities		(1,057,761)	(1,147,503)	(1,665,879)	(1,749,876)
Total assets less current liabilities		6,958,443	3,215,592	6,350,330	2,613,225
Creditors: amounts falling due after one year	17	(1,565,926)	(1,589,926)	(1,042,660)	(1,066,660)
Provision for liabilities	18	(235,504)	(234,369)	-	-
Total net assets		5,157,013	1,391,297	5,307,670	1,546,565
The funds of the charity:					
Restricted funds	19	400,000	-	400,000	-
Unrestricted funds	20	4,757,013	1,391,297	4,907,670	1,546,565
Total funds		5,157,013	1,391,297	5,307,670	1,546,565

Approved by the Trustees on and signed on their behalf by:

S/ Bernadette McCall

SISTER BERNADETTE MCCALL

Chair of the Board of Trustees

Date of approval: November 13, 2025

Charity Registration Numbers England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee Registration Number: 05518564

GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 March 2025

	Notes	2025	2024
Cash flows from operating activities:			
Net cash provided by operating activities	A	5,893,020	3,071,506
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,422,730)	(2,215,901)
Net cash used in investing activities		<u>(4,422,730)</u>	<u>(2,215,901)</u>
Cash flows from financing activities:			
Repayments of borrowing		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		1,470,290	855,605
Cash and cash equivalents at 1 April 2024	B	1,577,604	721,999
Cash and cash equivalents at 31 March 2025	B	<u>3,047,894</u>	<u>1,577,604</u>

A Reconciliation of net movement in funds to net cash provided by operating activities

Net movements in funds (as per statement of financial activities)		3,765,716	968,457
Adjustment for:			
Depreciation charge		769,621	800,754
Provision for doubtful debts		(463,847)	364,373
Decrease in stocks		-	97,349
Decrease in debtors		1,766,314	294,717
Increase in creditors		54,081	547,991
Increase in provision for liabilities		1,135	(2,135)
Net cash provided by operating activities		<u>5,893,020</u>	<u>3,071,506</u>

B Analysis of cash and cash equivalents

Total cash and cash equivalents		<u>3,047,894</u>	<u>1,577,604</u>
Cash at bank and in hand		<u>3,047,894</u>	<u>1,577,604</u>

PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 March 2025

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

Basis of preparation

The charity is a limited by guarantee company (registered number 05518564), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Larmenier Centre, 162 East End Road, London, N2 0RU. These financial statements have been prepared for the year to 31 March 2025 with comparative information provided in respect to the year to 31 March 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects current and future periods. In view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Assessment of going concern

The Trustees have assessed whether the going concern assumption is appropriate for the preparation of these financial statements. The Trustees have made this assessment in respect of a period of sixteen months from the date of approval of these financial statements to March 2027. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 31 March 2027, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

The group reports an unrestricted surplus of £3.4 million for the year ending 31 March 2025, compared with £1.0 million for the year ending 31 March 2024. Reserves were severely impacted over the last few years, with free reserves on 31 March 2025 being a deficit of £3.2 million and (2024 – deficit of £3.0 million).

The funding provided to support NCCT was a £5 million grant from CSNG, issued initially in November 2022, and a loan of £1 million from CSNCT, repayable over ten years. At year-end, NCCT had a remaining grant of £0.3 million to draw down. The charity is not forecast to draw down this final amount. Additionally, CSNCT has provided a repayable overdraft facility of up to £0.5 million until 31 July 2027 to support NCCT in meeting its liabilities as they fall due, should this be required. It is not expected that the overdraft facility will be used given the improved position to date, the cashflow forecast and scenarios modelled.

The Trustees have prepared a forecast and a monthly cashflow forecasts to 31 March 2027 with a base case plus two additional scenarios were modelled with variations on the cost and income.

The key areas of uncertainty outlined below have improved in 2024/25 but are still issues:

- There has been a significant increase in occupancy levels in the homes, and the forecast assumes the occupancy levels are maintained. Still, occupancy remains a key focus for management and the Trustees.
- Agency costs have continued to reduce from 31 March 2025, and maintaining these at the budgeted level remains a challenge for management. There continue to be significant challenges in the recruitment market. As detailed below, NCCT has taken steps to mitigate this risk, reflected in the budgets and forecasts produced. However, there is a risk that the reduced level of agency spend may not be sustained if challenges in recruiting staff increase or if the level of overseas staff is not maintained.
- The ability to attract private fee-paying residents whilst also increasing fees in line with costs is uncertain, particularly following the National Insurance and minimum wages increases that came into effect in April 2025. The level of fee increase has been modelled in the cash flow scenarios, and an assumption has been made that the private resident percentage is not increased. Additional fee-paying residents would have a positive impact on cash flow.
- Not all local authority funding for care home fees has been increased in line with the higher cost of running the care homes due to the impact of the National Insurance and Minimum Wage increases implemented in April 2025. The impact of this has been included within the cashflow forecasts and assumptions of the local authority increases have been modelled in the scenarios.

The forecasts and cash flows remain highly sensitive to changes in the timing of income receipt, occupancy levels, and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that, despite the support from CSNG and CSNCT and the improvements in performance over the last two years, there is still limited headroom to absorb the impact of uncertainties.

The Trustees have considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions, including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown and the impact of inflationary pressures.
- Cash management controls are in place to always ensure sufficient working capital. Cashflow forecasts have been completed to March 2027 with weekly cash checks in place. Credit controls are in place, and regular meetings are held to address current debt. Group aged debtors totaled £1.4 million of which £1.0 million is provided for.
- At the time of signing these financial statements, £0.25 million of the CSNG credit facility remains available for drawdown.
- A letter of support has been provided by CSNCT, providing an overdraft facility of up to £0.5 million to July 2026.
- High occupancy levels and low agency costs have been maintained from April to October 2025.
- There continues to be close monitoring of budgets and cash flows with regular reporting to the Board.

After considering these factors, the Trustees concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and has therefore prepared the accounts on a going concern basis; however, there are material uncertainties as discussed above.

Basis of Consolidation

The Group's statement of financial activities and the Group's balance sheet consolidate the financial statements of the Charity and the following wholly owned subsidiaries:

NRV Development (Blackburn) Limited - Company number 05906057
 NRV Development (Plymouth) Limited - Company number 05940933
 NRV Blackburn Limited - Company number 06297407
 NRV Management (Plymouth) Limited - Company number 08461398
 Nazareth Catering Limited - Company number 06740428
 Nazareth Home Care Limited - Company number 08461286 (dissolved in year)
 NRV Management (Glasgow) Limited - Company number 09382077
 Nazareth Care Contracts Limited – Company number 13724296
 NRV Development (Glasgow) Limited - Company number 09382096 (dormant)

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Income Recognition

Income is recognised in the period in which the Group and/or Charity has entitlement to the income, the amount of income can be measured reliably, and the income will probably be received. Income comprises donations and legacies, charges for residential and care services, charges for nursery services, income from other trading activities and other income.

Donations are reported on a receivable basis. If a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity. Those conditions will likely be met during the reporting period.

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

Legacies are included in the statement of financial activities when the Group and/or Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy and any conditions attached to the legacy are within the control of the Group and/or Charity. Entitlement is taken as the earlier of the date on which either: the Group and/or Charity is aware that probate has been granted, the estate has been finalised, and notification has been made by the executor to the Group and/or Charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the Group and/or Charity, or the Group and/or Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. If the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the Group and/or Charity.

Income derived from the levying of charges for residential, care and nursery services are measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income generated from other trading activities comprises income from the Charity's trading subsidiary companies, details of which are provided in note 1 to the financial statements. Such income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, a transfer of economic benefits will probably be

required in settlement, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accrual basis. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Group and/or Charity. This includes commercial trading operations of the subsidiaries and interest payable. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group and/or Charity through the provision of charitable activities. Such costs include the provision of residential and care services and the provision of nursery services, including governance costs.
- All expenditure is stated inclusive of irrecoverable VAT.
- Governance costs comprise the costs involving the public accountability of the Group and/or Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.
- In allocating expenditure to headings, no significant apportionments have had to be used.

Tangible Fixed Assets

All assets and improvements to existing assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised. The Group and Charity have opted to adopt a policy of not revaluing their tangible fixed assets, which are stated at cost less accumulated depreciation.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Leasehold Interest and Improvements

The leasehold interest comprises two amounts of £1 each and represents the residual investment value of leases in Blackburn and Plymouth. It is not depreciated.

Leasehold improvements are included in the financial statements at cost. They are depreciated at a rate of 10% per annum on a straight-line basis once there are 50 or fewer years of the lease remaining.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates to write them off over their estimated useful lives.

- Furniture and equipment 10% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance.

Assets are depreciated once they are brought into use. A full year's depreciation is applied in the year of addition.

Fixed Asset Investments

Investments in subsidiary companies are included on the balance sheet at cost.

Stocks and Work in Progress

Stocks and work in progress represent land and buildings under development. Work in progress and consumables are valued at the lower of the costs and net realisable value. The land and building costs comprise the costs of the land, materials, directly attributable interest and other services related to the development and construction of the properties.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt

where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when, at the balance sheet date, there is an obligation resulting from a past event, a transfer of economic benefit will probably be required to settle it, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group and/or Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds Structure

Restricted funds represent donations received to the benefit of specific homes or area subject to specific conditions imposed by the donors or when the funds are raised for particular restricted purposes.

The remainder of the Group's and/or Charity's funds are unrestricted. Within the unrestricted funds, the tangible fixed assets fund represents the net book value of the Group and/or Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and/or Charity and include improvements to care homes and the furniture and equipment used in those care establishments.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Group and/or Charity's charitable objects.

Pensions

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

Prior Year Adjustment

During the current financial year, management identified an adjustment relating to prior periods. The comparative figures for the year ended 31 March 2024 have therefore been restated to include this adjustment and to ensure comparability with the current year's financial statements.

The adjustment relates to the accrual of staff costs that should have been recognised. The effect of the restatement on the previously reported figures is as follows:

Description	As previously reported	Adjustment	As restated
Provision of residential and care services	34,556,838	123,138	34,679,976
Net (expenditure)/income	1,091,594	(123,138)	968,456
Fund balances brought forward on 1 April 2023	1,161,658	(738,817)	422,841
Fund balances brought forward on 1 April 2024	2,253,252	(861,955)	1,391,297
Creditors falling due within one year	(4,902,198)	(861,955)	(5,764,153)

The adjustment has no impact on the current year's cash flows. Comparative information has been restated accordingly, and the opening balances at 1 April 2024 have been adjusted to reflect the correction.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 March 2025

1. Activities of the Subsidiary Companies

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2025 is as follows:

	NRV Development Blackburn	NRV Development Plymouth	NRV Blackburn	Nazareth Catering	Nazareth Home Care	NRV Management Plymouth	NRV Management Glasgow	Nazareth Care Contracts	Total
Turnover	43,986	-	614,564	54,269	3,667	581,922	95,520	-	1,393,928
Cost of sales	-	-	(367,830)	(32,903)	-	(382,934)	(46,003)	-	(829,670)
	43,986	-	246,734	21,366	3,667	198,988	49,517	-	564,258
Administrative costs	(30,253)	(9,124)	(246,734)	(12,378)	(436)	(198,988)	(49,517)	-	(547,430)
Gift aid donation	-	-	-	(8,988)	(3,231)	-	-	-	(12,219)
	(30,253)	(9,124)	(246,734)	(21,366)	(3,667)	(198,988)	(49,517)	-	(559,649)
Profit / (loss) before taxation	13,733	(9,124)	-	-	-	-	-	-	4,609
Profit / (loss) for the financial year	13,733	(9,124)	-	-	-	-	-	-	4,609
Capital and reserves									
Called up share capital	1	1	1	1	-	1	1	-	6
Retained earnings/(accumulated losses)	(112,667)	(70,137)	-	1,684	-	-	-	-	(181,120)
Shareholder's funds	(112,666)	(70,136)	1	1,685	-	1	1	-	(181,114)

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2024 is as follows:

	NRV Development Blackburn	NRV Development Plymouth	NRV Blackburn	Nazareth Catering	Nazareth Home Care	NRV Management Plymouth	NRV Management Glasgow	Nazareth Care Contracts	Total
Turnover	42,649	-	522,569	49,087	7,000	567,579	80,545	-	1,269,429
Cost of sales	-	-	(325,381)	(39,948)	-	(362,251)	(23,636)	-	(751,216)
	42,649	-	197,188	9,139	7,000	205,328	56,909	-	518,213
Administrative costs	(136,482)	(7,829)	(197,188)	(15,056)	(6,724)	(205,328)	(56,909)	-	(625,516)
Gift aid donation	-	-	-	-	(276)	-	-	-	(276)
	(136,482)	(7,829)	(197,188)	(15,056)	(7,000)	(205,328)	(56,909)	-	(625,792)
Profit / (loss) before taxation	(93,833)	(7,829)	-	(5,917)	-	-	-	-	(107,579)
Taxation	-	-	-	-	-	-	-	-	0
Profit / (loss) for the financial year	(93,833)	(7,829)	-	(5,917)	-	-	-	-	(107,579)
Capital and reserves									
Called up share capital	1	1	1	1	1	1	1	-	7
Retained earnings/(accumulated losses)	(126,400)	(61,013)	24	1,684	9,807	-	-	-	(175,898)
Shareholder's funds	(126,399)	(61,012)	25	1,685	9,808	1	1	-	(175,891)

A summary of the principal activities of each of the companies which traded is given below:

Company name	Principal activity
NRV Development (Blackburn) Limited	Development of a retirement village in Blackburn
NRV Development (Plymouth) Limited	Development of a retirement village in Plymouth
NRV Blackburn Limited	The property management of Blackburn
Nazareth Catering Limited	The provision of catering services to the villages at Blackburn
NRV Management Plymouth Limited	The property management of Plymouth
NRV Management Glasgow Limited	The property management of Glasgow
Nazareth Home Care Limited (Dissolved)	The provision of care services for other religious organisations.
Nazareth Catering Limited	Following a review of the group structure since the year end, the net assets will be passed to NRV Blackburn, and activity within this company will cease.
Nazareth Care Contracts Limited	Established to enable a group registration for VAT.

Nazareth Catering Limited and Nazareth Home Care Limited pay all their distributable profits to Nazareth Care

Charitable Trust. The amount gifted to the Charity in 2025 was £8,988 (2024 £nil). Nazareth Home Care Limited was dissolved in the year. NRV Blackburn Limited, NRV Management Plymouth Limited and NRV Management Glasgow Limited pay an annual management charge to Nazareth Care Charitable Trust. The amount charged in 2025 was £72,044 (2024 - £80,119).

	2025	2024
	£	£
NRV Blackburn Limited	43,200	43,200
Nazareth Home Care Limited	3,230	276
Nazareth Catering Limited	8,988	-
NRV Management Plymouth Limited	21,244	29,700
NRV Management Glasgow Limited	7,600	7,219
Total	84,262	80,395

NRV Development Glasgow Limited (company number 09382096) was dormant throughout the above two years and at 31 March 2025 had capital and reserves equal to its called-up share capital only i.e. £1.

Financial statements for each company in existence on 31 March 2025 will be filed with the Registrar of Companies in due course. The address of the registered office for all the subsidiary companies is Larmenier Centre, 162 East End Road, London, N2 0RU.

2. Donations and Legacies

Group	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
General donations and legacies	500,000	124,067	624,067	462,456	62,801	525,257
Grants received	—	4,377,594	4,377,594	—	1,840,734	1,840,734
Total	500,000	4,501,661	5,001,661	462,456	1,903,535	2,365,991

Charity	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
General donations and legacies	500,000	123,832	623,832	462,456	62,801	525,257
Grants received	—	4,377,594	4,377,594	—	1,840,734	1,840,734
Total	500,000	4,501,426	5,001,426	462,456	1,903,535	2,365,991

Nazareth Care Charitable Trust received a grant of £3.9m from the Congregation of the Sisters of Nazareth Generalate (CSNG) to enable the refurbishment of the Hammersmith care home. The total of the grant commitment from CSNG is £25m to be paid in arrears of the development costs being incurred

3. Income from Other Trading Activities

	Unrestricted	Restricted	2025	Unrestricted	Restricted	2024
	Funds	Funds	Total funds	Funds	Funds	Total funds
	£	£	£	£	£	£
Income from commercial trading operations of subsidiaries	1,211,294	-	1,211,294	1,149,431	-	1,149,431
Rental income	43,986	-	43,986	42,649	-	42,649
Other operating income	117,212	-	117,212	84,645	-	84,645
	1,372,492	-	1,372,492	1,276,725	-	1,276,725

4. Expenditure on Raising Funds

	Unrestricted Funds £	Restricted Funds £	2025 Total funds £	Unrestricted Funds £	Restricted Funds £	2024 Total funds £
Expenditure on commercial trading operations of subsidiaries	1,305,054	-	1,305,054	1,296,400	-	1,296,400
	1,305,054	-	1,305,054	1,296,400	-	1,296,400

5. Residential and Care Services

Group

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Staff costs	26,880,499	-	26,880,499	24,164,827	-	24,164,827
Premises	2,197,331	128,067	2,325,398	2,081,869	62,801	2,144,670
Care and welfare	6,797,008	-	6,797,008	6,305,929	-	6,305,929
Central management costs	854,346	-	854,346	803,894	-	803,894
Depreciation	756,459	-	756,459	794,184	-	794,184
Doubtful debts	(99,476)	-	(99,476)	364,371	-	364,371
Governance	108,600	-	108,600	102,101	-	102,101
Total	37,494,767	128,067	37,622,834	34,617,175	62,801	34,679,976

Charity

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Staff costs	26,166,067	-	26,166,067	23,502,747	-	23,502,747
Premises	2,197,566	127,832	2,325,398	2,081,869	62,801	2,144,670
Care and welfare	6,770,595	-	6,770,595	6,295,091	-	6,295,091
Central management costs	1,568,777	-	1,568,777	1,465,974	-	1,465,974
Depreciation	756,459	-	756,459	794,184	-	794,184
Doubtful debts	(81,749)	-	(81,749)	355,579	-	355,579
Governance	66,444	-	66,444	59,740	-	59,740
Total	37,444,159	127,832	37,571,991	34,555,184	62,801	34,617,985

Support costs incurred by the charity are included in Care and Welfare and totalled £922,130 (2024 - £854,673). They comprise the support functions of finance and IT expenditure.

6. Provision of Nursery Services

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Staff costs	426,982	-	426,982	391,543	-	391,543
Premises	33,557	-	33,557	10,551	-	10,551
Care and welfare	80,060	-	80,060	90,017	-	90,017
Central management costs	32,683	-	32,683	30,541	-	30,541
Depreciation	8,902	-	8,902	6,571	-	6,571
Governance	1,356	-	1,356	1,219	-	1,219
Total	583,540	-	583,540	530,442	-	530,442

Support costs incurred by the Nursery are included in Care and Welfare and totalled £6,716 (2024- £7,559). They comprise the support functions of finance and IT expenditure.

7. Governance

Group	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in the year	108,600	—	108,600	103,320	—	103,320
Other services: taxation services	6,900	—	6,900	—	—	—
Other service, service charge account	6,300		6,300			
Total	121,800	—	121,800	103,320		103,320

Charity	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in the year	67,800		67,800	60,959		60,959
Other services: taxation services	1,080		1,080			
Total	68,880	—	68,880	60,959		60,959

8. Net Income/(Expenditure) and Net Movement in Funds for the Year

This is stated after charging:

Group	2025	2024
	Total Funds	Total Funds
	£	£
Auditors remuneration	108,600	103,320
Depreciation	769,621	800,754
Charity		
Auditors remuneration	67,800	60,959
Depreciation	769,621	800,754

9. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2025	2024
Group		
Wages and salaries	23,008,980	19,253,899
Social security costs	1,974,377	1,568,755
Other pension costs	433,236	315,098
Redundancy payments	15,000	0
Apprenticeship levy	115,236	96,773
	25,546,829	21,234,525
Payments to agency staff	1,760,652	3,321,845
Total	27,307,481	24,556,370

Charity	2025	2024
Wages and salaries	22,353,816	18,641,018
Social security costs	1,938,337	1,534,538
Other pension costs	424,223	305,707
Redundancy payments	15,000	0
Apprenticeship levy	112,106	93,827
	24,843,482	20,575,090
Payments to agency staff	1,749,569	3,319,200
Total	26,593,051	23,894,290

The average number of employees during the year was:

Group	2025	2024
Provision of residential and care services and nursery services	1,002	978
Charity	2025	2024
Provision of residential and care services and nursery services	961	941

The number of employees earning £60,000 per annum or more (including taxable benefits but excluding redundancy pay and similar payments and employer pension contributions) during the year was as follows:

Group and Charity	2025 Number	2024 Number
£60,001 - £70,000	9	2
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	0
£100,001 - £110,000	2	1

The Group and Charity paid £55,306 (2024 - £13,247) in respect to defined contribution pension plans for the above higher paid employees.

The Trustees, who oversee the Group and Charity, delegate the day-to-day running and operations of the Group and Charity to the Chief Executive and the senior management team. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £515,149 (2024 - £414,609).

10. Trustees' Expenses and Remuneration

The Trustees received £nil remuneration in connection with their duties as trustees during the year (2024 - £nil). Trustees were reimbursed travel and subsistence expenses of £nil during the year (2024 - £nil).

11. Taxation

Nazareth Care Charitable Trust is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation and Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The Charity's trading subsidiaries will pay available profits to the Charity under the Gift Aid scheme, thereby eliminating or reducing their respective corporation tax liabilities.

12. Tangible Fixed Assets

	Leasehold Improvements	Assets under Construction	Furniture & Equipment	Motor vehicles	Charity Total	Leasehold Interest	Group Total
Cost							
At 1 April 2024	5,171,816	2,232,021	4,536,175	230,153	12,170,165	2	12,170,167
Additions	81,279	4,247,927	93,524	0	4,422,730	-	4,422,730
Disposals	(92,695)	-	(2,618,003)	(207,969)	(2,918,667)	-	(2,918,667)
At 31 March 2025	5,160,400	6,479,948	2,011,696	22,184	13,674,228	2	13,674,230
Depreciation							
At 1 April 2024	(3,716,825)	-	(3,862,521)	(227,726)	(7,807,072)	-	(7,807,072)
Depreciation charge	(516,507)	-	(251,936)	(1,178)	(769,621)	-	(769,621)
Disposals	92,695	-	2,618,003	207,969	2,918,667	-	2,918,667
At 31 March 2025	(4,140,637)	-	(1,496,454)	(20,935)	(5,658,026)	-	(5,658,026)
Net book values							
At 31 March 2025	1,019,763	6,479,948	515,242	1,249	8,016,202	2	8,016,204
At 31 March 2024	1,454,991	2,232,021	673,654	2,427	4,363,093	2	4,363,095

The leasehold interest of £2 comprises two amounts of £1 each. £1 represents the residual investment value of a 999-year lease on a site in Blackburn. The development value of the leasehold interest in the site, held by a subsidiary company on a 125-year under-lease, is included in stocks and work in progress. £1 represents the residual investment value of a leasehold property that a subsidiary company holds on a 125-year lease on a site at Plymouth.

13. Investments

Charity	2025	2024
Shares in subsidiary undertakings at cost	£	£
At 1 April 2024	7	8
At 31 March 2025	7	8

Investments represent 100% of the issued share capital of NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, Nazareth Catering Limited, NRV Management (Plymouth) Limited, NRV Development (Glasgow) Limited and NRV Management (Glasgow) Limited. The activities of these companies are summarised in note 1.

14. Stocks and Work in Progress

Included in the Group's cost of stocks and work in progress is the construction cost of £355,000 (2024 - £355,000) in respect to the Blackburn Phase 2A development accounted for within the financial statements of NRV Development (Blackburn) Limited.

15. Debtors

	GROUP		CHARITY	
	2025	2024	2025	2024
	£	£	£	£
Residential and care service fees	1,628,945	2,694,860	1,628,945	2,694,860
Provision for doubtful debts	(1,020,941)	(1,964,197)	(1,000,000)	(1,893,579)
Prepayments and accrued income	239,678	269,440	212,284	255,364
Other debtors	508,095	736,494	143,477	336,161
Amounts due from NRV Blackburn Ltd	-	-	442,125	292,011
Amounts due from NRV Management Plymouth Ltd	-	-	886	16,695
Amounts due from Nazareth Home Care Ltd	-	-	-	15,092
Amounts due from Nazareth Catering Ltd	-	-	8,988	16,560
Amounts due from NRV Management Glasgow	-	-	57,626	74,552
Amounts due from NRV Development Blackburn	-	-	-	21,048
Amounts due from NRV Development Plymouth	-	-	25,289	20,327
Amounts due from CSNCT	25,802	947,449	25,802	634,147
Total	1,381,579	2,684,046	1,545,422	2,483,238

16. Creditors: Amounts Falling Due Within One Year

	GROUP		CHARITY	
	2025	2024	2025	2024
	£	£	£	£
Loans from CSNCT	-	240,106	-	-
Expense creditors	2,124,636	3,205,102	2,108,469	3,091,584
Accruals and deferred income	3,100,009	1,922,592	2,924,291	1,871,939
Other creditors	44,363	4,876	164,094	8,577
Taxes and social security	573,226	391,477	450,914	376,009
Amount due to Nazareth Catering	-	-	-	20,000
Total	5,842,234	5,764,153	5,647,768	5,368,109

The loan from The Congregation of the Sisters of Nazareth Generalate comprises £240,106 to the Group (2024– £240,106) in respect to NRV Development (Plymouth) Limited.

17. Creditors: Amounts Falling Due After One Year

	GROUP		CHARITY	
	2025	2024	2025	2024
Loans from CSNCT	1,042,660	1,066,660	1,042,660	1,066,660
Loans from CSNG	523,266	523,266	-	-
Total	1,565,926	1,589,926	1,042,660	1,066,660

The Congregation of the Sisters of Nazareth Generalate is a loan of £523,266 (2024 –£523,266) advanced to NRV Development (Blackburn) Limited.

18. Provision for liabilities

	GROUP	
	2025	2024
At 1 April 2024	234,369	236,504
Charged / (utilised) for the period	1,135	(2,135)
At 31 March 2025	235,504	234,369

The provision above relates to the sinking funds of the three retirement villages. These have been set up to cover ad hoc maintenance and other specific costs that are not part of the regular operating expenditure.

19. Restricted funds

The funds of the Group and Charity included the following restricted funds:

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Other donations	—	124,067	(124,067)	—	—
Hammersmith refurbishment grant	—	3,973,594	—	(3,973,594)	—
Other grant income	—	404,000	(4,000)	—	400,000
Total	—	4,501,661	(128,067)	(3,973,594)	400,000

Transfers from the restricted fund relates to assets purchased in line with the donor restriction.

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Other donations	—	62,801	(62,801)	—	—
Hammersmith refurbishment grant	—	1,840,734	—	(1,840,734)	—
Other income	—	3,000	—	(3,000)	—
Total	—	1,906,535	(62,801)	(1,843,734)	—

20. Unrestricted Funds

	At April 1 2024	Movement in year	At 31 March 2025
Group			
Tangible Fixed Asset Fund	4,363,095	3,653,109	8,016,204
General Funds	(2,971,798)	(287,393)	(3,259,191)
Total	1,391,297	3,365,716	4,757,013
Charity			
Tangible Fixed Asset Fund	4,363,093	3,653,109	8,016,202
General Funds	(2,816,528)	(292,004)	(3,108,532)
Total	1,546,565	3,361,105	4,907,670

	At April 1 2023	Movement in year	At 31 March 2024
Group			
Tangible Fixed Asset Fund	2,947,948	1,415,147	4,363,095
General Funds	(1,786,290)	(1,185,508)	(2,971,798)
Total	1,161,658	229,639	1,391,297
Charity			
Tangible Fixed Asset Fund	2,947,946	1,415,147	4,363,093
General Funds	(1,717,972)	(1,098,556)	(2,816,528)
Total	1,229,974	316,591	1,546,565

The tangible fixed assets fund represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include improvements to care homes and the furniture and equipment used in those care establishments.

21. Analysis of Net Assets Between Funds

Group	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	—	8,016,204	—	8,016,204
Net current (liabilities)/assets	(1,457,761)	—	400,000	(1,057,761)
Creditors: amounts falling due after one year	(1,565,926)	—	—	(1,565,926)
Provision for liabilities	(235,504)	—	—	(235,504)
Total net assets	(3,259,191)	8,016,204	400,000	5,157,013
Group	General funds £	Tangible Fixed Assets Fund £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	4,363,095	—	4,363,095
Net current (liabilities)/assets	(1,147,503)	—	—	(1,147,503)
Creditors: amounts falling due after one year	(1,589,926)	—	—	(1,589,926)
Provision for liabilities	(234,369)	—	—	(234,369)
Total net assets	(2,971,798)	4,363,095	—	1,391,297
Charity	General funds £	Tangible fixed assets fund £	Restricted Funds £	Total £
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	—	8,016,202	—	8,016,202
Investments	7	—	—	7
Net current liabilities	(2,065,879)	—	400,000	(1,665,879)
Creditors: amounts falling due after one year	(1,042,660)	—	—	(1,042,660)
Total net assets	(3,108,532)	8,016,202	400,000	5,307,670

Nazareth Care Charitable Trust

	General funds	Tangible fixed assets fund	Restricted funds	Total
	£	£	£	£
Charity				
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	4,363,093	—	4,363,093
Investments	8	—	—	8
Net current liabilities	(1,749,876)	—	—	(1,749,876)
Creditors: amounts falling due after one year	(1,066,660)	—	—	(1,066,660)
Total net assets	(2,816,528)	4,363,093	—	1,546,565

22. Capital Commitments

At 31 March 2025 the Group and Charity had capital commitments of £442,700 (2024 – £2,375,000). A grant from The Congregation of the Sisters of Nazareth Generalate supports this commitment.

23. Related Parties and Connected Entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation founded by Victoire Larmenier and recognised by the Vatican. The Superior General of the Congregation appoints the trustees of the Charity.

The Charity is also connected to two other registered charities:

Name	Registration numbers etc.	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876(England and Wales))	The support of the Congregation and its work throughout the world.
The Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)	A registered charity (Charity Registration Nos 228906 (England and Wales) and SC040507 (Scotland))	The support of the religious and other works (or ministries) carried on by members of the Congregation (the Sisters) in the U.K. and the care of those Sisters throughout their lives with the Congregation in the U.K. Ownership of 13 establishments in England, Wales, Scotland and Northern Ireland known as Nazareth Houses within which nursing, residential and care services are provided to older people in need.

In the case of both CSNCT and CSNG the Superior General of the Congregation also appoints the Trustees. Throughout the year, three Charity Trustees were also Trustees of CSNCT; however, none are Trustees of CSNG. At no point during the accounting period did any of the three charities control any of the others. Therefore, accounts consolidating the three charities are not prepared.

During the financial year, there have been transactions between the Charity and/or NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, NRV Management (Plymouth) Limited, and CSNCT, details of which are given in the paragraphs below.

CSNCT and Nazareth Care Charitable Trust

At 31 March 2025, the Group and Charity was owed £25,802 (2024 - £947,449) from The Congregation of the Sisters of Nazareth Charitable Trust being £25,802 (2024 - £634,146) for redevelopment work carried out at Nazareth House Cheltenham, and £nil (2024 - £313,303) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited,

During the year, the Charity incurred £352,121 (2024 - £374,661) of management stipend expenditure which

was paid to the Congregation of the Sisters of Nazareth Charitable Trust. NCCT also incurred expenditure for the rental of care homes and nursery of £1,456,173 (2024 - £1,272,584).

At 31 March 2025, the Group and Charity owed £1,042,660 (2024 - £1,066,660) to The Congregation of the Sisters of Nazareth Charitable Trust. £1 million of the balance sheet relates to a loan agreed in 2022. There is no set term for the loan, and no interest is charged.

CSNG and Nazareth Care Charitable Trust

During the year, CSNG granted £3.9 million (2024 - £2.25 million) to the Charity (see other income) for the redevelopment of the Hammersmith care home

CSNG and NRV Development (Blackburn) Limited

On 7 March 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Blackburn) Limited for an unsecured loan of up to £4.2 million to be used to finance the construction of apartments and bungalows at the Larmenier Retirement Village, Preston New Road, Blackburn. The loan is repayable by the anniversary of the agreement, together with accumulated interest, interest accruing at 5%. Repayments of £nil (2024 - £nil) were made to CSNG during the financial year. At 31 March 2025, the company owed £523,266 (2024 - £523,266) to CSNG, of which £nil (2024 - £nil) was due within one year.

CSNG and NRV Development (Plymouth) Limited

On 19 December 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Plymouth) Limited for an unsecured loan of up to £7.9 million to be used to finance the construction of apartments at Nazareth House, Durnford Street, Plymouth. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at the rate of the Base Rate plus 4% per annum. In the year, the loan was written off against an equal and opposite debt owing to NRV (Development (Plymouth)). Repayments of £nil (2024 - £nil) were made to CSNG during the financial year. At 31 March 2025, the company owed £nil (2024 - £240,106) to CSNG.

CSNCT and NRV Development (Blackburn) – Retirement Villages

Under the terms on which NRV Development (Blackburn) Limited sells certain apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. It is calculated that the maximum liability to NRV Development (Blackburn) Limited if several leaseholders simultaneously exercise the buyback option would be £213,750. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, CSNCT has agreed to meet any shortfall.

24. Liability of the Members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up each of the members would be required to contribute an amount not exceeding £1.

25. Ultimate Control

The Charity is controlled by the Congregation of the Sisters of Nazareth, an international Roman Catholic religious Congregation, as the Superior General of the Congregation appoints the trustees.

26. Custodian Funds

At 31 March 2025 the Group and Charity held £69,093 (2024 - £111,181) being deposits held on behalf of residents in the Charity's care homes. These amounts are not included in these financial statements as the Group and Charity have no control over the monies. The funds are held in a bank account separate from the

cash at bank of the Group and Charity.

27. Post Balance Sheet Event

After the year-end, on May 29, 2025, the Directors of Nazareth Catering Limited resolved to dissolve the company and transfer the remaining assets to NRV Blackburn Limited.

NAZARETH CARE CHARITABLE TRUST

England & Wales - Charity number 1113666

Accounts

NAZARETH CARE CHARITABLE TRUST

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

**Charity Registration Numbers
England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee
Registration Number: 05518564**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

Sister Doreen Cunningham - Chair
Sister Teresa Bernadette Fallon
Sister Rose Ita Doody
Sister Anastasia Lenihan
Sister Celine Donnelly
Mr Donald West
Father John Martin
Mr James McAleenan

appointed 07 August 2023

Senior Management - (SMT)

Regional Superior
Chief Executive Officer
Chief Executive Officer
Finance Director and Company Secretary
Finance Director
Head of Risk & Deputy CEO
Head of HR
Head of Corporate Services

Sister Doreen Cunningham
Mr Douglas Webb (appointed 04/04/2024)
Mrs Angela Dempsey (01/03/2023-06/06/2024)
Ms Fiona Russell (appointed 19/08/2024)
Mrs Alison Mugunthan (12.06.2023 – 04.03.2024)
Mr Mike Anderson
Mrs Louise Graham
Miss Alexandra Ispas

Administrative Details

Registered Office

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162 East End Road
London N2 0RU

Telephone

020 8444 4427

Email

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Website

www.nazarethcare.uk.com

Company Registration Number

05518564 (England & Wales)

Charity Registration Numbers

1113666 (England & Wales)
SCO42374 (Scotland)

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London, EC4M 7JW

Bankers

Barclays Bank plc
Acorn House
36-38 Park Royal Road
London NW10 7JA

Principal Solicitors

Stone King LLP
Upper Borough Court, Upper Borough Walls
Bath BA1 1RG

HERITAGE

The Congregation of the Sisters of Nazareth (“the Congregation”) is an international Roman Catholic religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: America, Australasia, Ireland, Africa and United Kingdom (UK Region).

Victoire and five companions came to London in April 1851. At that time England was predominantly Protestant. Catholics, for the most part, were in a state of extreme poverty and the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there, the Sisters collected alms and food around London in order to care for the old and young who they took into their Home.

As the number of people requiring care and shelter increased each year the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first group of elderly people and children were moved into the new building which was named Nazareth House. From these beginnings the Congregation spread around the world. Most of the work of the Congregation takes place within “Nazareth Houses” which are substantial buildings operated mainly as care homes for older people.

Nazareth Care Charitable Trust (NCCT or the Trust) is a charitable company limited by guarantee and is the operational arm of the Congregation, working in partnership with The Congregation of the Sisters of Nazareth Charitable Trust, providing care for the elderly, disabled and terminally ill in 12 care homes throughout England, Scotland and Wales.

It also provides nursery school education in Lancaster and retirement villages situated in Glasgow, Blackburn and Plymouth, and supports other religious orders in caring for their older sisters.

MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER

The hard work undertaken by staff and Trustees at the Nazareth Care Charitable Trust during the year has seen the charity turn a corner in terms of regulatory and financial performance. In particular, the challenging recruitment environment has been addressed and this has led to a big reduction in the expenditure on agency staffing, which has flowed through into the financial results for the year. In addition, occupancy in the care homes has risen to pre-pandemic levels, and this is a welcome sign of the faith our residents and their families put in us.

The work continues to develop our regional team based in Finchley, so that we can provide the houses with effective and efficient management support and leadership. The new systems that were secured to support financial processes have now bedded in and we are confidently moving on to roll out further systems across the organisation.

We have continued to see improvements in our regulatory ratings at several of our care home locations as well as improvements in our online presence especially in relation to our resident and family feedback via Carehome.co.uk.

We are committed to all our staff, residents, friends and volunteers in our endeavours to place the charity in a stronger financial position, through hard work and dedication, while ensuring our core values are at the forefront of everything we currently do, or plan to do.

The sector continues to face challenges in the post-pandemic period and as such, the charity expected the operating environment to remain challenging in 2023/24. However, the Board of Trustees felt confident that the work and dedication of staff would lead to better outcomes and that has been the case. The charity has thus recorded a significant improvement in financial results at year end.

The hope and optimism expressed last year have been justified and the period of transition continues apace. We are pleased with the successful recruitment of staff at our various locations in recent months and are seeing improved retention of staff across the organisation.

The Senior Management Team and Trustees are working hard to build on the firm foundations established in the year in terms of sustaining quality within our services, further reduction of reliance upon temporary workers and continuing to improve our occupancy levels. The planned major refurbishment of our Hammersmith site has commenced and further improvements to our other homes have been carried out. We are pleased that our plans to make our care home in Manchester more dementia friendly have been supported by the Albert Gubay Charitable Foundation.

The continued investment in our facilities and staff should enable us to continue our progress and allow us to be successful in subsequent years.



SISTER DOREEN CUNNINGHAM
Chair of the Board of Trustees

MR DOUGLAS WEBB
Chief Executive Officer

INTRODUCTION

Following the 2006 General Chapter of The Congregation of the Sisters of Nazareth, the concept of Nazareth Care Charitable Trust began to take shape. The purpose of the Trust was to carry the mission of the Sisters of Nazareth into the future, even if there were fewer Sisters in active service. To successfully achieve this, it was vital that all staff had a clear understanding of the mission and the values of the Sisters, which have made the organisation the success it has been for the past 160 years.

The core values of the Sisters: patience, hospitality, love, respect, compassion and justice are practiced by both Sisters and staff alike in everything they do and set the bar for the excellent quality of care provided to both children and the elderly. Each house strives to incorporate these six values in simple, different, and creative ways.

The facilities operated and managed by Nazareth Care Charitable Trust include care homes, retirement villages and a nursery. All of our services are genuinely an integral part of the community in which they operate. Whether it is a young child or an elderly person we actively encourage everyone to live their lives to their full potential, both within our facilities and in the wider community. Every Nazareth House encourages members of the wider local community to participate as either a “Friend of Nazareth House”, a volunteer or as a parishioner using the church facilities. N T O D U C T I O N

Many of the buildings operated by Nazareth Care Charitable Trust on behalf The Congregation of the Sisters of Nazareth Charitable Trust are the original Victorian buildings, established either by the foundress or very early in the history of the Sisters of Nazareth.

For the Charity to provide high quality care in the best possible environment, we continue to invest in the upgrade of properties. The planned major upgrade of the site at Hammersmith which started in 2023 continues apace.

YEARLY REVIEW

The 2024 fiscal year represents a big turnaround from the previous financial year. The charity has posted a surplus and trends on occupancy and reducing agency expenditure are good and improving. The continued financial support from The Congregation of the Sisters of Nazareth Generalate and The Congregation of the Sisters of Nazareth Charitable Trust has been important in enabling this transformation.

The targets that were set for each Manager of Houses and services to ensure 2023/24 would be a better performing financial year for the NCCT group have proved successful. The SMT now monitors the activities on a weekly and monthly basis against key performance indicators.

Occupancy

Welcoming more residents to our Homes has been a major concern following the pandemic. Thankfully, by the end of the financial year the number of older people in our Homes had risen to pre-pandemic levels. Our Houses are now their usual, busy, joyful selves.

Infrastructure

The migration to a fully integrated care management system, staff roster, time & attendance, income processing & finance, payroll & compliance system, and telecommunication upgrade that commenced in 2021 continues. Valuable experience of using these new systems has encouraged the Board and senior management team to seek further improvements through the use of integrated IT solutions. As such, it is planned that IT systems will be further developed and implemented over the next few years. The staff, Senior Management Team and Trustees are committed to ensuring that as many people as possible are involved in informing the choice and implementation of the system choices we make.

Regulatory

The ethos of Nazareth Care Charitable Trust is distinguished by the Core Values of the organisation: Justice, Patience, Hospitality, Compassion, Love and Respect.

This philosophy of care involves every member of the caring team working with a common aim to improve the quality of life of each of our service users.

The aim of Nazareth Care Charitable Trust is to provide settings where people are cared for, supported and valued within an environment that promotes the health and wellbeing of our service users. Our aim is to provide all our service users with a safe place to be cared for.

We strive to promote an environment where people feel secure, comfortable, and valued. Our aim is to provide care that meets the needs of each person as an individual and our care is always informed by the best available evidence-based research. What this means to us is that all parties involved in a person's care are consulted where possible or applicable.

Regulatory inspections in England, Wales & Scotland returned to pre Covid-19 levels, and we had disappointing results in some of our sites. However, in recent months, and in recent inspections, we have achieved improved gradings that indicate how hard the entire staff teams have worked over the past year. The regulatory body for England, CQC, has openly apologised for the current level of service from their organisation. This has affected us in terms of delaying the much-desired re-inspections at some of our services where we are confident that further improvements have been made

Our Staff and Volunteers

We continue to be very proud of our staff and volunteers in this as in all other years. We are blessed with many staff who have given very long service.

Nazareth Care Charitable Trust strives to provide an excellent working environment for our staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference. As an employer we acknowledge that our staff are the biggest asset to the charity. We continue to review our pay rates and benefits we provide to staff as we are particularly aware that their health and well-being is paramount to our future success.

This year we have continued to implement the Government Apprenticeship levy. As we strive to improve the skills of our staff, we have rolled out role specific training for every job role in our care homes.

The majority of our houses also have a Friends of Nazareth group operating within them which is a team of dedicated volunteers that give their time for a number of causes within each home. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial demands, we need to expand the use of volunteers to raise funds for those extra things that our elderly and children require.

TRUSTEES' REPORT 31 MARCH 2024

(INCORPORATING A STRATEGIC REPORT)

The Trustees, who are the trustees of the charitable company for the purpose of charity law and directors for the purpose of company law, present their statutory report together with the financial statements of Nazareth Care Charitable Trust ('the Charity') for the year ended 31 March 2024.

This report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 27 to 32 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

The Charity was established by the Congregation of The Sisters of Nazareth to assist the Sisters to maintain their mission which principally today sits with the care of older people through the provision of care homes and retirement villages in the United Kingdom. The Charity also manages a day nursery in Lancaster. The Trustees intend that the work of the Charity will enhance the quality of life of those who live in its homes whilst enabling them to retain to the maximum their dignity and independence.

For The Congregation of The Sisters of Nazareth Charitable Trust and Nazareth Care Charitable Trust, working together is all about people. The Sisters, the residents and their families and our staff together make a true Nazareth family. The Congregation of the Sisters of Nazareth Charitable Trust owns the estate, and the Sisters provide spiritual and pastoral support whilst Nazareth Care Charitable Trust operates the care homes and a day nursery.

When setting the objectives and planning the work of the Charity for the year, the Trustees have considered the Charity Commission's general guidance on public benefit.

Objectives

Financial Stability: The Charity has performed much better in 2023/24 in financial terms than the previous financial year. The key factors influencing this have been increased occupancy and decreased reliance on temporary agency staff within our services. The charity is focused on building on this firm foundation and will be seeking further operating improvements in the coming year. Developing a dynamic and effective senior management team and targeting further reductions in agency expenditure are central to this.

Quality: The short-term goal of the charity was that the regulated inspection gradings would improve in 2023/24 and in many instances, this has been achieved. The long-term goal is for all of the businesses to sustain gradings of Good or better.

Care homes

There are 12 care homes operated by Nazareth Care Charitable Trust within England, Scotland and Wales (together forming the Region), some providing nursing care for clients with complex needs, whilst all provide support to those people requiring social care. We provide accommodation for older adults, residential and nursing, disabled and the terminally ill. All of our rooms are single occupancy accommodation; however, some rooms are spacious in size and can accommodate couples if requested. The majority of our current residents receive state funding to pay for care.

At 31 March 2024, the Charity operated care homes in the following locations:

Location	Principal activities	Category	Number of registered beds
England and Wales			
Birkenhead	Care home with nursing facilities	Residential	25
		Nursing	26
Cardiff	Care home with nursing facilities	Residential	27
		Nursing	27
Cheltenham	Care home	Residential	63
Crosby, Liverpool	Care home	Residential	66
Finchley, London	Care home	Residential	84
Hammersmith, London	Care home with nursing facilities	Residential	28
		Nursing	67
Lancaster	Care home	Residential	41
Manchester	Care home with nursing facilities	Residential	26
		Nursing	40
Northampton	Care home	Residential	48
Plymouth	Care home	Residential	44
Scotland			
Edinburgh, Bonnyrigg	Care home	Residential	38
Glasgow	Care home	Residential	70

The care homes aim always to provide excellent standards of care, and this is key to ensuring that the charity moves forward in a stable and strong manner.

STRATEGIC REPORT

In Our Care Homes

We have secured a central agency that is supporting us with all our agency staff requirements. The benefit of this is lower agency costs and more efficient time management as there will be simpler booking processes and one invoice for all homes rather than multiple invoices. The agency also offers an easier and more cost-effective way of recruiting temporary staff into permanent positions.

We have also invested in our apprenticeship programmes which are being taken up by our own existing employees and new recruits into Nazareth Care. We now have programmes offering accredited qualifications in care, administration, catering, housekeeping and other key roles.

Subsidiaries

Two of the Charity's wholly-owned subsidiaries; NRV Development (Blackburn) Limited and NRV Development (Plymouth) Limited are development companies providing retirement village apartments for sale at the respective sites.

To provide a management and service company for each of our villages we have established three individual companies: NRV (Management) Plymouth Limited, NRV Blackburn Limited and NRV (Management) Glasgow Limited.

To enhance the care provided at the care villages in Blackburn and Plymouth through personal care services, the Charity established Nazareth Home Care Limited on 25 March 2013. Currently Nazareth Home Care Limited Company only works with other religious orders to provide management services to those

organisations who did not have sufficient resources to manage care home operations within today's environment. This company currently works with one religious order on two sites.

The Future of Nazareth Care Charitable Trust

The charity has continued to face a challenging year. We have invested in quality improvements and the Senior Management team have worked closely with the Trustees to ensure they are aware of ongoing financial issues. We have increased the frequency of the Trustee Board meetings and have continued to focus on attaining financial sustainability and quality improvements.

Our aims for the future include sustainable improvement of regulatory ratings and maximising both our occupancy at service level and reducing the reliance on temporary workers. This in turn will improve our financial performance and allow us to grow as an organisation.

We hope to continue to recruit overseas staff through sponsorships and providing three months accommodation for them on arrival. This should greatly reduce our staffing costs while also ensuring continuity of care to those we care for.

FINANCIAL REVIEW OF THE YEAR

Income and Expenditure

A summary of the results can be found on page 23 of the attached financial statements.

Financial Position

The Group's income increased from £31.8 million to £37.5 million. Within this total, £30.7 million represents the income in connection with the provision of residential and care services for older people (2023 - £26.8 million) and £0.6 million represents the income from the provision of nursery services (2023 - £0.6 million). Income from commercial trading through subsidiaries amounts to £1.3 million (2023 - £1.2 million).

During the year the Charity received a £2.2 million grant from the Congregation of the Sisters of Nazareth Generalate (2023 - £2 million donation) and a £1.9 million capital grant for the refurbishment of the Hammersmith Care Home (2023 - £nil).

Expenditure increased from £33.8 million to £36.4 million at the Group level. Within this total, £34.6 million represents the expenditure in connection with the provision of residential and care services for older people (2023 - £32.2 million) and £0.5 million represents the expenditure for the provision of nursery services (2023 - £0.5 million). £1.3 million represents expenditure in respect to the commercial trading operations of the subsidiaries (2023 - £1.1 million).

The day-to-day operations of the Group, excluding the Hammersmith refurbishment, resulted in a deficit of £0.3 million for the year (2023 - £2 million) and the Charity operations resulted in a deficit of £0.3 million (2023 - £2 million).

The total net assets of the Group at 31 March 2024 amounted to £2.4 million (2023 - £1.2 million) whilst those of the Charity totalled £2.3 million (2023 - £1.2 million).

Two of the subsidiary companies are in deficit:

NRV (Development) Blackburn Limited

This is the development company responsible for developing the site at Blackburn and the sale of its properties. Currently, the company has a deficit of £94k with £126k due to the number of vacant properties and the time it is taking to sell these.

The sales team continues to work extremely hard to sell the remaining apartments and efforts are being made to better market all available properties.

Whilst all bank loans for this development have been repaid there continues to be a loan outstanding to the Charity from the Congregation of the Sisters of Nazareth Generalate. This charity is the overarching charity for the Congregation and was responsible for the plans and design of the Blackburn site before it was handed over to Nazareth Care Charitable Trust in 2011. This outstanding loan is being paid back as quickly as possible whilst taking into consideration the need to cover expenses which include voids, service charges, standing charges for energy, council tax and sales and marketing.

It is anticipated that the project will break even or make a slight deficit at the end of the sales process.

NRV Development (Plymouth) Limited

This is the development company responsible for developing the site at Plymouth and the sale of its properties. Currently, the company has a deficit of £61,012. Development was completed on this site during 2015/16 and the final apartment was sold in September 2017. The company directors are working hard to close the company as soon as possible.

Reserves Policy

Total group reserves at 31 March 2024 were £2.3 million comprising a fixed asset designated fund of £4.3 million and unrestricted free reserves of -£2.1 million. The tangible fixed assets fund represents the net book value of the Group's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund comprises those assets not designated by the Trustees or restricted in their application as at 31 March 2024. At 31 March 2024, the fund had decreased by £0.3 million from -£1.8 million to -£2.1 million as a result of the operational and financial challenges experienced in the year. This is below the target of six months operating expenditure.

The Trustees have agreed to work towards a reserve of funds equivalent to six months of operating costs in the knowledge that a larger positive reserve balance needs to be built up in due course. The restructure that has occurred over the past few years now needs to be consolidated and a period of reflection is required so that the Trustees may assess the future needs of the Group and Charity in the light of their mission and plans. Any surplus taxable funds arising in the subsidiaries may, from time to time, be donated to the Charity by Gift Aid.

The Trustees recognise that measuring total unrestricted funds is only one indicator and includes fixed assets that could not easily be converted to cash. Hence the Board of Trustees focuses much of its effort on monitoring the group cash and current asset/liability position. The continued emphasis on cash management and improving the current asset position will therefore continue to be a feature in the coming period. This is considered further in the going concern section below.

Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of fourteen months from the date of approval of these financial statements being to March 2026. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 31 March 2026, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

The group reports a surplus of £1.1 million for the year ended 31 March 2024, comprised of an unrestricted deficit of £0.7 million and a restricted surplus of £1.8 million. This is an improvement on the prior year's unrestricted deficit of £2.5 million. Reserves were severely impacted over the last few years, with free reserves on 31 March 2024 being a deficit of £2.1 million and (2023 – deficit of £1.8 million).

The funding provided to support NCCT was a £5 million grant from CSNG originally issued in November 2022 and a loan of £1 million from CSNCT repayable over ten years. At the year-end NCCT had a grant of £0.25 million remaining for draw down. The charity is not forecast to draw down this final amount. Additionally, CSNCT has provided a repayable overdraft facility of up to £0.5 million until 31 July 2026 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a forecast and monthly cashflow forecast to 31 March 2026.

The key areas of uncertainty outlined below have improved over 2023 and 2024 but are still issues:

- There has been a significant increase in occupancy levels and the forecast assumes the occupancy levels are maintained. Any variation from the assumed occupancy levels would present additional risk. There are no embargoes in the homes and the forecasts assume that no embargo will be introduced either voluntarily or resulting from a regulatory inspection.
- Agency costs have continued to reduce from 31 March 2023, but they have not been fully eliminated. There continues to be significant challenges in the recruitment market. As detailed below NCCT has taken steps to mitigate this risk which is reflected in the budgets and forecasts produced. However, there is a risk that the reduced level of agency spend may not be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. The historic debt balance has not significantly changed during 2023, and the debts are getting older and less recoverable. Therefore, the forecast assumes no historical debt recovery.
- The ability to attract private fee-paying residents whilst also increasing fees in line with costs is uncertain, particularly following the National Insurance and minimum wages increases due to come into effect in April 2025.
- We have not started negotiations with Local Authorities on the rates that they will pay for 2025/26.

The forecasts and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown and the impact of inflationary pressures.
- Cash management controls are in place to always ensure sufficient working capital. Cashflow forecasts have been completed to March 2026 with daily cash checks in place.

- Credit controls are in place and there is a debt plan to manage credit control and historic debt. Current debt is demonstrating a significantly improved position. Group aged debtors totalled £2.8 million as at 31 December 2024 of which £2 million is provided for.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5m to NCCT. At the time of signing these financial statements £250K remains available for drawdown.
- A letter of support has been provided by CSNCT providing an overdraft facility of up to £500k to July 2026.
- The budget and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the April to December 2024 monthly results.
- High occupancy levels have been maintained for April to December 2024.
- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis however there are material uncertainties as discussed above.

Risk Management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks to which the Charity and its subsidiaries might be exposed to, and which are captured in a risk register. The risks include both those relating to the operation of the care homes and nursery and those relating to the development of retirement villages and the sale and subsequent resale of apartments et cetera. Actions are agreed to monitor and mitigate the risks identified. At each Trustee meeting, the Trustees and management discuss the latest view of the risk landscape to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are four key risk factors faced by the Charity and the table demonstrates how the risks are managed.

1. Financial Stability

Action we have taken to mitigate the risks:

In 2023/24 there has been a great focus throughout the organisation to market and attract new residents to the homes and this has been successful with occupancy reaching levels not seen since before the pandemic. Furthermore, work to improve the quality of our homes has meant that there are no longer any embargoes on admissions. The Charity also increased fees which takes into consideration inflationary costs.

2. IT system refinement including evaluation of implementation of software solutions

Action we have taken to mitigate the risk:

The Charity invested heavily in IT infrastructure in 2023 with new systems for compliance, care plans and medication management implemented. WIFI and telephone systems across the UK care homes continue to be upgraded. Cyber security risk mitigation remains a key area of focus with regular vulnerability assessments to identify and address security weaknesses.

3. High Agency Usage

Action we have taken to mitigate the risks:

The ability to recruit and retain staff remains a key risk for the Charity. The Executive Team have invested in a suite of measures to reduce the requirement for agency staff. Each home has a plan to recruit to their vacant positions and a benchmarking exercise led to the improvement in wages and terms and conditions

of employment. A commitment has been made to the overseas recruitment of care staff and teams of new staff have been appointed, who have been assigned to homes across the UK.

4. Care Quality

Action we have taken to mitigate the risks:

The Charity is committed to ensuring it provides services that are safe and support a positive resident experience. It is recognised that there are other risks that can impact on care delivery and quality, such as an inability to recruit staff and reliance on agency staff to support our services. Regional support has been put in place to work alongside the general managers to monitor the quality of services, including daily walk arounds, weekly quality monitoring and regular staff forums. The Charity works to always deliver the highest possible standards so staff are supported to always be “inspection ready” for impending visits from regulators and commissioners who will want to see the quality of service that is delivered at all times. The residents in each Nazareth House deserve nothing less.

To constantly improve we are committed to listening to what residents, staff and relatives say about the service delivered. Feedback is captured and shared either via our website or via CareHome.co.uk. The feedback is also used as a training improvement resource for the staff to understand how residents experience their care.

MANAGEMENT AND TRUSTEES

Trustees Responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The Charity is governed by its Trustees. The Trustees are appointed by the Superior General of the Congregation.

The principal property assets of the Congregation in England, Wales, Scotland and Northern Ireland are held on charitable trust by The Congregation of the Sisters of Nazareth Charitable Trust and by The Congregation of the Sisters of Nazareth Generalate. With effect from 1 April 2012, the Regional Superior

of the Congregation's UK region became the Chair of Trustees ex officio. The Regional Councillors of the Congregation's UK region also became ex officio trustees.

Additional Sisters and Trustees who are not members of the Congregation may be appointed by the Superior General to ensure that the necessary breadth of skills and experience is available to the Charity's governing body. Details of the trustees can be found in the Reference and Administrative Details on page 2 of the Annual Report and Audited Financial Statements and below.

Newly appointed Trustees are given induction training that includes meetings with staff, meetings with representatives of partner organisations and visits to our houses, nurseries and retirement villages. Ongoing training opportunities will be provided as necessary as the work of the Charity develops.

The Current Trustees

Sister Doreen Cunningham – Chair

Sister Doreen trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012. She is currently Sister Superior at Nazareth House Finchley.

Sister Rose Ita Doody

Sister Rose Ita trained as a cook in Aberdeen College and worked in a number of houses in the Irish and UK Regions. She completed a Diploma in Counselling and Therapy in South East Essex College in 1998 and was appointed Superior and Care Manager in Lancaster in 2000. Sister has completed Level 5 in Management, Registered Manager (ADULTS) in Lancaster and Morecambe College in 2003 and moved to Crosby in 2006. She completed a Foundation Degree on Vulnerable adults at Edge Hill University in 2008, and more recently completed a Diploma in Leadership and Management at Loughborough University. She is currently Sister Superior at Nazareth House Manchester.

Sr Anastasia Lenihan – Trustee (appointed 05 November 2021)

Sister Anastasia trained as a Registered Nurse in Nottingham and has nursed older adults for many years. She worked in many of our locations in both Ireland and the United Kingdom. She has undertaken many courses throughout her career as a Nurse in keeping up to date with best practices, including palliative care. She was appointed Superior at Southend in 2001, at Derry in 2009, and at Cheltenham in 2019 where she is currently.

Sr Celine Donnelly – Trustee (appointed 17 October 2022)

Sr Celine completed her nursing studies at St Georges hospital medical school and Kingston University in 1998 prior to becoming the Nurse manager in Nazareth House Hammersmith from 2001 until 2009. During this time, she completed a BSc in Health and Social Care, a diploma in palliative care and dementia care, and various management courses. Sr Celine has been in leadership positions in Lancaster, Finchley, and Cheltenham and is currently Sister Superior in Hammersmith.

James McAleenan – Trustee (appointed 7 August 2023)

James qualified as a chartered accountant (SA) and then worked for over 40 years in financial services in the UK and abroad. He has extensive experience of corporate governance, finance and risk and has carried out a variety of roles including CEO, trustee and independent director. He retired from full time employment in 2016 and is now a part time trustee and non-executive director for the Mineworkers' Pension Scheme, Holley Holland financial consultants and Nazareth Care Charitable Trust.

Donald West

Don has worked in healthcare management for over 30 years, advising hospitals, community and mental health organisations in the UK, Germany and elsewhere on a range of issues, including capital investment, cost improvement and financial recovery, information technology and business intelligence. He is a Trustee and team leader of the Winchester Street Pastors, part of a national charitable organisation dedicated to offering practical support, reassurance, and comfort to people in distress on the street at night. Don is active in the life of his parish, with a particular interest in evangelisation and ministry. He has a degree in Geography and Philosophy from the University of Wales and an MBA from the Open University. He is a keen runner and sailor.

Father John Martin – Trustee (appointed 29 July 2021)

Father John Martin has a wide and varied experience in the field of health care and management. He was a Brother of Saint John of God for 33 years. During that time, he has worked in the areas of pastoral care, social work and management and was Chief Executive of the Hospitaller Order of Saint John of God for 12 years. On leaving the Order he joined the Priesthood and is now a Priest in the Diocese of Nottingham and previously held the role of the Bishops Delegate for the Youth of the Diocese as well as managing a Parish. Father John brings with him a vast amount of experience in being a trustee.

Governance Structure and Management Reporting

The Trustees are ultimately responsible for all the policies, activities and assets of the Charity and the Group. They meet regularly, at least four times each year, to review performance, progress against plans and budgets and to consider broader developments regarding the activities of the Charity and the Group and to make any important decisions.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, investment managers, solicitors, and accountants. The Trustees, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive.

Engagement with stakeholders

Over the last 12 months, all NCCT businesses were visited by executive directors. During these visits separate meetings are held with residents, their families, employees and the communities of the Sisters of Nazareth.

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following.

1. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of Nazareth Care Charitable Trust. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan on a regular basis.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Delegated Responsibilities. This document is reviewed and approved by the Board of Directors annually.

2. Statement of Engagement with Employees

NCCT is an equal opportunity employer, and it is within its policy that all job applicants and employees are treated fairly and equally. Furthermore, the organisation will monitor the composition of its workforce to ensure the policy's effectiveness. NCCT is committed to training and developing its employees to eliminate discrimination and harassment as far as reasonably possible.

In relation to employee engagement, the Directors receive regular reports from management on the satisfaction of staff which is measured through staff engagement surveys. The latest staff survey was completed in July 2023 and revealed an overall satisfaction increase on all key drivers.

The Directors attend the Charity's annual conference together with all General Managers, Sister Superiors and Senior Management Team where they can discuss and contribute to the Charity's initiatives.

Regular site visits are performed by the Directors according to a pre agreed rolling schedule that ensures all locations are covered within a period. During such visits, the Directors engage with staff and management and can discuss freely the day-to-day needs and challenges to gain a clear perspective on the business.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The latest report is available on the Nazareth Care UK website.

3. The need to foster the company's business relationships with suppliers, customers, and others

In relation to key stakeholder engagement, the Directors consulted with stakeholders through various channels including correspondence, webinars, and the annual conference.

Purchasing must be done through approved suppliers and group contracts as per the authority stipulated in the Delegated Responsibility document. Nazareth Care Charitable Trust is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. All national procurements must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms.

Key management personnel

The CEO has day-to-day responsibility for managing the Charity together with colleagues from the UK Region. The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive, the senior management team, and the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,766,600 (2023 - £1,562,001).

The performance and pay of the Chief Executive, senior management team, and the General Manager and Deputy General Manager of each Care Home is reviewed periodically and benchmarked against industry rates.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties; and
- Friends and supporters can receive updates about the Trust's work by post and email but anyone not wanting to receive these can let the Trust know and such communication will not then be sent
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities
- The Trust is not subscribed to any fundraising standards or schemes; and has not failed to comply with any regulation subscribed to in relation to fundraising
- The Charity has not received any complaints about its fundraising activities (2023 - none)

Fixed Assets

The acquisition and disposal of tangible fixed assets during the year is recorded in the notes to the financial statements.

Stocks and Work in Progress

In the light of the selling price of Blackburn units, the interest shown in the purchase of the remaining apartments at Blackburn and the apartments at Plymouth which were completed in 2015/16, the Trustees are of the opinion that the value of stocks and work in progress is not less than the historic cost figure recorded on the Group's balance sheet.

The Trustees' Report, including the Strategic Report, was approved by the Trustees and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: January 24, 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST

Opinion

We have audited the financial statements of Nazareth Care Charitable Trust (the 'charitable parent company') and of Nazareth Care Charitable Trust and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the group and charitable parent company statements of financial activities, group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 of the charitable parent company's affairs as of 31 March 2024 and of the group's and charitable parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 related to Going Concern

We draw attention to the accounting policy in relation to going concern on page 28 in the financial statements, which indicates that the Trustees consider there to be material uncertainty in respect of going concern.

During the previous financial period Nazareth Care Charitable Trust faced challenges including agency costs, occupancy rates and the recovery of historic debt as detailed in the accounting policy on going concern. An improved position is reported in the year ended 31 March 2024 but there continues to be ongoing risk as the charity seeks to strengthen its financial position.

After considering the factors as set out in the accounting policy on going concern on page 28 the Trustees have concluded that Nazareth Care Charitable Trust has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties.

Our opinion is not modified in respect of this matter.

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 the charitable parent company and its environment obtained during the audit; we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes 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's and the charitable parent company'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 group or the charitable parent 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 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 based on these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charitable company were Care quality Regulations (CQC, Ofsted, Care Inspectorate) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

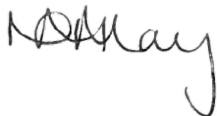
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the care quality regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Audit and Risk Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



NICOLA MAY (Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date 29 January 2025

GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2024

(Incorporating income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	Total 2024 £	Un-restricted funds £	Restricted funds £	Total 2023 £
Income from:							
Donations and legacies							
. Donations and legacies	2	462,456	1,903,535	2,365,991	69,324	62,214	131,538
Charitable activities							
. Charges for residential and care services		30,668,249	—	30,668,249	26,849,935	—	26,849,935
. Charges for nursery services		580,701	—	580,701	565,167	—	565,167
Other trading activities	3	1,276,725	—	1,276,725	1,217,866	—	1,217,866
Other income		2,580,607	3,000	2,583,607	2,575,128	508,408	3,083,536
Total income		35,568,738	1,906,535	37,475,273	31,277,420	570,622	31,848,042
Expenditure on:							
Raising funds	4	1,296,400	—	1,296,400	1,129,909	—	1,129,909
Charitable activities							
. Provision of residential and care services	5	34,494,037	62,801	34,556,838	32,128,458	62,214	32,190,672
. Provision of nursery services	6	530,441	—	530,441	484,518	—	484,518
Total expenditure		36,320,878	62,801	36,383,679	33,742,885	62,214	33,805,099
Net (expenditure)/income	8	(752,140)	1,843,734	1,091,594	(2,465,465)	508,408	(1,957,057)
Transfers between funds		1,843,734	(1,843,734)	—	508,408	(508,408)	—
Net movement in funds		1,091,594	—	1,091,594	(1,957,057)	—	(1,957,057)
Reconciliation of funds							
Fund balances brought forward on 1 April 2023		1,161,658	—	1,161,658	3,118,715	—	3,118,715
Fund balances carried forward on 31 March 2024		2,253,252	—	2,253,252	1,161,658	—	1,161,658

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2024

(Incorporating income and expenditure account) A

	Notes	Un-restricted funds £	Restricted funds £	Total 2024 £	Un-restricted funds £	Restricted funds £	Total 2023 £
Income from:							
Donations and legacies							
. Donations and legacies	2	462,456	1,903,535	2,365,991	69,324	62,214	131,538
Charitable activities							
. Charges for residential and care services		30,668,249	—	30,668,249	26,849,935	—	26,849,935
. Charges for nursery services		580,701	—	580,701	565,167	—	565,167
Other income		2,585,894	3,000	2,588,894	2,670,126	508,408	3,178,534
Total income		34,297,300	1,906,535	36,203,835	30,154,552	570,622	30,725,174
Expenditure on:							
Charitable activities							
. Provision of residential and care services	5	34,432,049	62,801	34,494,850	32,147,634	62,214	32,209,848
. Provision of nursery services	6	530,441	—	530,441	484,518	—	484,518
Total expenditure		34,962,490	62,801	35,025,291	32,632,152	62,214	32,694,366
Net (expenditure)/income	8	(665,190)	1,843,734	1,178,544	(2,477,600)	508,408	(1,969,192)
Transfers between funds							
	8	1,843,734	(1,843,734)	—	508,408	(508,408)	—
Net movement in funds		1,178,544	—	1,178,544	(1,969,192)	—	(1,969,192)
Reconciliation of funds							
Fund balances brought forward on 1 April 2023		1,229,974	—	1,229,974	3,199,166	—	3,199,166
Fund balances carried forward on 31 March 2024		2,408,518	—	2,408,518	1,229,974	—	1,229,974

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

BALANCE SHEETS – 31 MARCH 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		£	£	£	£
Fixed assets:					
Tangible assets	12	4,363,095	2,947,948	4,363,093	2,947,946
Investments	13	—	—	8	8
Total fixed assets		4,363,095	2,947,948	4,363,101	2,947,954
Current assets:					
Stocks and work in progress	14	355,000	452,349	—	—
Debtors	15	2,684,046	3,343,134	2,483,238	3,123,062
Cash at bank and in hand		1,577,604	721,999	1,134,995	297,331
Total current assets		4,616,650	4,517,482	3,618,233	3,420,393
Liabilities:					
Creditors: amounts falling due within one year	16	(4,902,198)	(4,453,343)	(4,506,156)	(4,047,714)
Net current assets / (liabilities)		(285,548)	64,139	(887,923)	(627,321)
Total assets less current liabilities		4,077,547	3,012,087	3,475,178	2,320,633
Creditors: amounts falling due after one year	17	(1,589,926)	(1,613,925)	(1,066,660)	(1,090,659)
Provision for liabilities	18	(234,369)	(236,504)	—	—
Total net assets		2,253,252	1,161,658	2,408,518	1,229,974
The funds of the charity:					
Restricted funds	19	—	—	—	—
Unrestricted funds					
. Tangible fixed assets fund	20	4,363,097	2,947,948	4,363,095	2,947,946
. General fund		(2,109,845)	(1,786,290)	(1,954,577)	(1,717,972)
Total funds	21	2,253,252	1,161,658	2,408,518	1,229,974

Approved by the Trustees on and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: January 24, 2025

Company Registration Number 05517564 | Charity Registration Number 1113666

GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	3,071,506	475,590
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,215,901)	(749,607)
Net cash used in investing activities		(2,215,901)	(749,607)
Cash flows from financing activities:			
Repayments of borrowing		–	–
Net cash used in financing activities		–	–
Change in cash and cash equivalents in the year		855,605	(274,017)
Cash and cash equivalents at 1 April 2023	B	721,999	996,016
Cash and cash equivalents at 31 March 2024	B	1,577,604	721,999

A Reconciliation of net movement in funds to net cash provided by operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	1,091,594	(1,957,059)
Adjustments for:		
Depreciation charge	800,754	798,057
Provision for doubtful debts	364,373	(1,003,744)
Decrease in stocks	97,349	–
Decrease in debtors	294,716	219,211
Increase in creditors	424,855	2,407,762
(Decrease)/increase in provision for liabilities	(2,135)	11,363
Net cash provided by operating activities	3,071,506	475,590

B Analysis of cash and cash equivalents

	2024 £	2023 £
Total cash and cash equivalents		
Cash at bank and in hand	1,577,604	721,999

PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 MARCH 2024

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

Basis of preparation

The charity is a limited by guarantee company (registered number 05518564), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Larmenier Centre, 162 East End Road, London, N2 0RU.

These financial statements have been prepared for the year to 31 March 2024 with comparative information provided in respect to the year to 31 March 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affected current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of sixteen months from the date of approval of these financial statements being to March 2026. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to March 2026, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

NCCT reports a surplus of £1.1 million, for the year ended 31 March 2024 after posting a deficit of £1.9 million for the year ended 31 March 2023 and £5.4 million loss in 2022. Reserves were impacted by the prior year losses, resulting from Covid restrictions and embargoes on two of the homes, with free reserves on 31 March 2024 being a deficit of £2.3 million (2023 – deficit of £1.8 million).

The funding provided to support NCCT was a £5 million grant from CSNG originally issued in November 2022. At the year-end NCCT had a grant of £0.25 million remaining for draw down. Additionally, CSNG and CSNCT have provided a repayable overdraft facility of up to £0.5m until 31 July 2026 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a cashflow forecast to 31 March 2026.

The key areas of uncertainty outlined below have improved over 2024 but are still issues:

- While there are no current embargoes in the homes, the forecasts do not adjust for any embargo that may be introduced either voluntarily or as a result of a regulatory inspection.
- Agency costs have continued to reduce from 31 March 2024 but they have not been fully eliminated. As detailed below NCCT has taken steps to mitigate the risk of recruitment which is reflected in the budgets and forecasts produced. However, there remains a risk that the reduced level of agency spend may not be able to be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. The historic debt balance has not changed significantly in 2024, and the debts are getting older and less recoverable. There is a risk that the rate and/or level of historic debt recovery is out of line with the forecasts. This could impact in terms of the amount of debt recovered, or the forecast phasing of income receipts which may impact cashflow projections negatively.

Therefore, the budgets and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown, recovery of historic debt and the impact of inflationary pressures.
- Cash management controls are in place to always ensure sufficient working capital. Cashflow forecasts have been completed to March 2026 with weekly cash checks in place.
- Credit controls are in place and there is a debt plan to manage credit control and historic debt. Current debt is demonstrating a significantly improved position and there is a continued focus on the recovery of aged and historic debt. Group aged debtors totalled £2.8 million as at 31 December 2024 of which £2 million is provided for.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5 million to NCCT. At the time of signing these financial statements £0.25 million remains available for drawdown.
- A letter of support has been provided by CSNCT to 31 July 2026 for an overdraft facility up to £0.5 million.
- The budget for the current financial year and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the current monthly results.
- The budget and cashflow forecast considers assumptions around occupancy levels and forecasts an improvement over the period to June 2025. Occupancy levels have remained high for 2024.
- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties as discussed above.

Basis of Consolidation

The Group's statement of financial activities and the Group's balance sheet consolidate the financial statements of the Charity and the following wholly owned subsidiaries:

NRV Development (Blackburn) Limited - Company number 05906057
NRV Development (Plymouth) Limited - Company number 05940933
NRV Blackburn Limited - Company number 06297407
NRV Management (Plymouth) Limited - Company number 08461398
Nazareth Catering Limited - Company number 06740428
Nazareth Home Care Limited - Company number 08461286
NRV Management Glasgow Limited - Company number 09382077
NRV Development Glasgow Limited - Company number 09382096

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Income Recognition

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

Income comprises donations and legacies, charges for residential and care services, charges for nursery services, income from other trading activities and other income.

Donations are reported on a receivable basis. In the event that a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled in the reporting period.

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

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

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

Income derived from the levying of charges for residential, care and nursery services are measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income generated from other trading activities comprises income from the Charity's trading subsidiary companies, details of which can be found in note 1 to the financial statements. Such income is measured

at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure associated with raising funds for the Group and/or Charity. This includes commercial trading operations of the subsidiaries and interest payable. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group and/or Charity through the provision of charitable activities. Such costs include provision of residential and care services and provision of nursery services including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

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

In allocating expenditure to headings, no significant apportionments have had to be used.

Tangible Fixed Assets

All assets and improvements to existing assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised. The Group and Charity have opted to adopt a policy of not revaluing their tangible fixed assets, which are stated at cost less accumulated depreciation.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Leasehold Interest and Improvements

The leasehold interest comprises two amounts of £1 each and represents the residual investment value of leases in Blackburn and Plymouth. It is not depreciated.

Leasehold improvements are included in the financial statements at cost. They are depreciated at a rate of 10% per annum on a straight-line basis once there are 50 or fewer years of the lease remaining.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates to write them off over their estimated useful lives.

- Furniture and equipment 10% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance.

Assets are depreciated once they are brought into use. A full year's depreciation is applied in the year of addition.

Fixed Asset Investments

Investments in subsidiary companies are included on the balance sheet at cost.

Stocks and Work in Progress

Stocks and work in progress represent land and buildings under development. Work in progress and consumables are valued at the lower of the costs and net realisable value. The land and building costs comprise the costs of the land, materials, directly attributable interest and other services related to the development and construction of the properties.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group and/or Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds Structure

Restricted funds represent donations received to the benefit of specific homes or area subject to specific conditions imposed by the donors or when the funds are raised for particular restricted purposes.

The remainder of the Group's and/or Charity's funds are unrestricted. Within the unrestricted funds, the tangible fixed assets fund represents the net book value of the Group and/or Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and/or Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Group and/or Charity's charitable objects.

Pensions

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2024

1. Activities of the Subsidiary Companies

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2024 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow Limited	Total
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077	
	£	£	£	£	£	£	£	£
Turnover	42,649	-	522,569	49,087	7,000	567,579	80,545	1,269,429
Cost of sales	-	-	(325,382)	(39,948)	-	(362,251)	(23,636)	(751,217)
	42,649	-	197,187	9,139	7,000	205,328	56,909	518,212
Administrative costs	(136,482)	(7,829)	(197,187)	(15,056)	(6,724)	(205,328)	(56,909)	(625,515)
Gift Aid donation	-	-	-	-	(276)	-	-	(276)
	(136,482)	(7,829)	(197,187)	(15,056)	(7,000)	(205,328)	(56,909)	(625,791)
Profit (loss) before taxation	(93,833)	(7,829)	-	(5,917)	-	-	-	(107,579)
Taxation	-	-	-	-	-	-	-	-
Profit (loss) for the financial year	(93,833)	(7,829)	-	(5,917)	-	-	-	(107,579)
Capital and reserves								
Called up share capital	1	1	1	1	1	1	1	7
Retained earnings	(126,400)	(61,013)	24	1,684	9,807	-	-	(175,898)
Shareholder's funds	(126,399)	(61,012)	25	1,685	9,808	1	1	(175,891)

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2023 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow Limited	Total
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077	
	£	£	£	£	£	£	£	£
Turnover	41,520	-	529,398	102,504	11,991	481,929	69,699	1,237,041
Cost of sales	-	-	(285,329)	(70,921)	-	(264,348)	(20,863)	(641,461)
	41,520	-	244,069	31,583	11,991	217,581	48,836	595,580
Administrative costs	(25,067)	(4,318)	(244,069)	(22,968)	(7,422)	(217,581)	(48,836)	(570,261)
Gift Aid donation	-	-	-	(8,615)	(4,569)	-	-	(13,184)
	(25,067)	(4,318)	(244,069)	(31,583)	(11,991)	(217,581)	(48,836)	(583,445)
Profit (loss) before taxation	16,453	(4,318)	-	-	-	-	-	12,135
Taxation	-	-	-	-	-	-	-	-
Profit (loss) for the financial year	16,453	(4,318)	-	-	-	-	-	12,135
Capital and reserves								
Called up share capital	1	1	1	1	1	1	1	7
Retained earnings	(32,567)	(53,184)	24	7,601	9,805	-	-	(68,321)
Shareholder's funds	(32,566)	(53,183)	25	7,602	9,806	1	1	(68,314)

A summary of the principal activities of each of the companies which traded is given below:

Company name	Principal activity
NRV Development (Blackburn) Limited	Development of a retirement village in Blackburn
NRV Development (Plymouth) Limited	Development of a retirement village in Plymouth

NRV Blackburn Limited	The property management of Blackburn
Nazareth Catering Limited	The provision of catering services to the villages at Blackburn and Plymouth
Nazareth Home Care Limited	The provision of domiciliary care services to residents of a retirement village in Blackburn until February 2018 The provision of care services for other religious organisations from February 2018 Following a review of the group structure since the year end, the net assets will be passed to the parent entity, Nazareth Care Charitable Trust, and activity within this company will cease.
NRV Management Plymouth Limited	The property management of Plymouth
NRV Management Glasgow Limited	The property management of Glasgow

Nazareth Catering Limited and Nazareth Home Care Limited pay all their distributable profits to Nazareth Care Charitable Trust. The amount gifted to the Charity in 2024 was £nil (2023 £nil). Nazareth Home Care Limited, NRV Blackburn Limited, NRV Management Plymouth Limited and NRV Management Glasgow Limited pay an annual management charge to Nazareth Care Charitable Trust. The amount charge in 2024 was £82,619 ((2023 - £81,814).

	2024	2023
	£	£
NRV Blackburn Limited	43,200	43,200
Nazareth Home Care Limited	2,500	5,125
NRV Management Plymouth Limited	29,700	27,000
NRV Management Glasgow Limited	7,219	6,489
Total	82,619	81,814

NRV Development Glasgow Limited (company number 09382096) was dormant throughout the above two years and at 31 March 2024 had capital and reserves equal to its called-up share capital only i.e. £1.

Financial statements for each company in existence on 31 March 2024 will be filed with the Registrar of Companies in due course. The address of the registered office for all the subsidiary companies is Larmenier Centre, 162 East End Road, London, N2 0RU.

2. Donations and Legacies

Group	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
General donations and legacies	462,456	62,801	525,257	69,324	62,214	131,538
Grant received	—	1,840,734	1,840,734	—	—	—
Total	462,456	1,903,535	2,365,991	69,324	62,214	131,538

Charity	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
General donations and legacies	462,456	62,801	525,257	69,324	62,214	131,538
Grant received	—	1,840,734	1,840,734	—	—	—
Total	462,456	1,903,535	2,365,991	69,324	62,214	131,538

Nazareth Care Charitable Trust received a grant of £1.8m from the Congregation of the Sisters of Nazareth Generalate (CSNG) to enable the refurbishment of the Hammersmith care home. The total of the grant commitment from CSNG is £25m to be paid in arrears of the development costs being incurred

3. Income from Other Trading Activities

Group	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Income from commercial trading operations of subsidiaries	1,149,431	—	1,149,431	1,120,600	—	1,120,600
Rental income	42,649	—	42,649	39,175	—	39,175
Other income	84,645	—	84,645	58,091	—	58,091
Total	1,276,725	—	1,276,725	1,217,866	—	1,217,866

4. Expenditure on Raising Funds

Group	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Total: Expenditure on commercial trading operations of subsidiaries	1,296,400	—	1,296,400	1,129,909	—	1,129,909

5. Residential and Care Services

Group	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	24,016,743	—	24,016,743	22,112,505	—	22,112,505
Premises	2,081,869	62,801	2,144,670	1,750,411	—	1,750,411
Care and welfare	6,305,927	—	6,305,927	7,108,817	62,214	7,171,031
Central management staff costs	828,842	—	828,842	1,338,592	—	1,338,592
Depreciation	794,184	—	794,184	789,354	—	789,354
Doubtful debts	364,371	—	364,371	(1,069,621)	—	(1,069,621)
Governance (note 7)	102,101	—	102,101	98,400	—	98,400
Total	34,494,037	62,801	34,556,838	32,128,458	62,214	32,190,672

Nazareth Care Charitable Trust

Charity	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	23,379,611	—	23,379,611	21,565,461	—	21,565,461
Premises	2,081,869	62,801	2,144,670	1,750,410	—	1,750,410
Care and welfare	6,295,091	—	6,295,091	7,712,490	62,214	7,774,704
Central management staff costs	1,465,974	—	1,465,974	1,338,592	—	1,338,592
Depreciation	794,184	—	794,184	789,354	—	789,354
Doubtful debts	355,579	—	355,579	(1,065,569)	—	(1,065,569)
Governance (note 7)	59,740	—	59,740	56,895	—	56,895
Total	34,432,048	62,801	34,494,849	32,147,634	62,214	32,209,848

Support costs incurred by the charity are included in Care and Welfare and totalled £822,863 (2023 - £1,056,546). They comprise the support functions of finance and IT expenditure.

6. Provision of Nursery Services

Group and Charity	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	391,543	—	391,543	349,486	—	349,486
Premises	10,551	—	10,551	8,184	—	8,184
Care and welfare	90,017	—	90,017	89,240	—	89,240
Central management staff costs	30,541	—	30,541	27,887	—	27,887
Depreciation	6,571	—	6,571	8,560	—	8,560
Governance (note 7)	1,219	—	1,219	1,161	—	1,161
Total	530,442	—	530,442	484,518	—	484,518

Support costs incurred by the Nursery are included in Care and Welfare and totalled £7,550 (2023- £7,485). They comprise the support functions of finance and IT expenditure.

7. Governance

Group	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	103,320	—	103,320	98,400	—	98,400
. Other services: taxation services	—	—	—	—	—	—
Total	103,320	—	103,320	98,400	—	98,400

Charity	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	60,959	—	60,959	58,056	—	58,056
Total	60,959	—	60,959	58,056	—	58,056

8. Net Income/(Expenditure) and Net Movement in Funds for the Year

This is stated after charging:

Group	2024	2023
	Total funds	Total funds
	£	£
Staff costs (note 9)	24,408,286	23,849,334
Auditor's remuneration	103,320	98,400
Depreciation	800,754	798,057
<hr/>		
Charity	2024	2023
	Total funds	Total funds
	£	£
Staff costs (note 9)	23,771,154	23,281,427
Auditor's remuneration	60,959	58,056
Depreciation	800,754	798,057

9. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

Group	2024	2023
	£	£
Wages and salaries	19,119,532	15,137,004
Social security costs	1,557,972	1,202,175
Other pension costs	312,837	237,862
Redundancy payments	—	—
Apprenticeship levy	96,100	76,039
	21,086,441	16,653,080
Payments to agency staff	3,321,845	7,196,254
	24,408,286	23,849,334

Charity	2024	2023
	£	£
Wages and salaries	18,529,597	14,614,224
Social security costs	1,525,260	1,170,127
Other pension costs	303,828	230,036
Redundancy payments	—	—
Apprenticeship levy	93,268	73,527
	20,451,953	16,087,914
Payments to agency staff	3,319,200	7,193,513
	23,771,153	23,281,427

The average number of employees during the year was:

Group	2024	2023
Provision of residential and care services and nursery services	978	863

Charity	2024	2023
Provision of residential and care services and nursery services	941	825

The number of employees earning £60,000 per annum or more (including taxable benefits but excluding redundancy pay and similar payments and employer pension contributions) during the year was as follows:

Group and Charity	2024	2023
	Number	Number
£60,001 - £70,000	2	2
£70,001 - £80,000	3	0
£90,001 - £100,000	1	1
£130,001 - £140,000	1	0

The Group and Charity paid £13,247 (2023 - £10,784) in respect to defined contribution pension plans for the above higher paid employees.

The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive, the senior management team, the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,766,600 (2023 - £1,562,001).

10. Trustees' Expenses and Remuneration

The Trustees received £nil remuneration in connection with their duties as trustees during the year (2023 - £nil). Trustee were reimbursed travel and subsistence expenses of £nil during the year (2023 - £nil).

11. Taxation

Nazareth Care Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12. Tangible Fixed Assets

	Leasehold improve- ments £	Assets under construction £	Furniture and equipment £	Motor vehicles £	Charity Total £	Leasehold interest £	Group Total £
Cost							
At 1 April 2023	4,932,025	347,152	4,444,934	230,153	9,954,264	2	9,954,266
Additions	239,791	1,884,869	91,241	—	2,215,901	—	2,215,901
At 31 March 2024	5,171,816	2,232,021	4,536,175	230,153	12,170,165	2	12,170,167
Depreciation							
At 1 April 2023	(3,203,378)	—	(3,576,211)	(226,729)	(7,006,318)	—	(7,006,318)
Depreciation charge	(513,447)	—	(286,310)	(997)	(800,754)	—	(800,754)
At 31 March 2024	(3,716,825)	—	(3,862,521)	(227,726)	(7,807,072)	—	(7,807,072)
Net book values							
At 31 March 2024	1,454,991	2,232,021	673,654	2,427	4,363,093	2	4,363,095
At 31 March 2023	1,728,647	347,152	868,723	3,424	2,947,946	2	2,947,948

The leasehold interest of £2 comprises two amounts of £1 each. £1 represents the residual investment value of a 999-year lease on a site in Blackburn which is being developed into a retirement village. The development value of the leasehold interest in the site, held by a subsidiary company on a 125-year under-lease, is included in stocks and work in progress. £1 represents the residual investment value of a leasehold property that a subsidiary company holds on a 125-year lease on a site at Plymouth.

13. Investments

Charity	2024 £	2023 £
Shares in subsidiary undertakings at cost		
At 1 April 2023	8	8
Larmenier Care Home Management Limited		
At 31 March 2024	8	8

Investments represent 100% of the issued share capital of NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, Nazareth Catering Limited, NRV Management (Plymouth) Limited, Nazareth Home Care Limited, NRV Development (Glasgow) Limited and NRV Management (Glasgow) Limited. The activities of these companies are summarised in note 1.

14. Stocks and Work in Progress

Included in the Group's cost of stocks and work in progress is the construction cost of £355,000 (2023 - £452,349) in respect to the Blackburn Phase 2A development accounted for within the financial statements of NRV Development (Blackburn) Limited.

15. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Residential and care service fees	2,694,860	3,556,235	2,694,860	3,556,235
Provision for doubtful debts	(1,964,197)	(1,599,826)	(1,893,579)	(1,538,000)
Prepayments and accrued income	269,440	158,409	255,364	149,864
Other debtors	736,494	379,865	336,161	48,631
Amounts due from NRV Blackburn Limited	—	—	292,011	140,022
Amounts due from NRV Management Plymouth Limited	—	—	16,695	27,094
Amounts due from Nazareth Home Care Limited	—	—	15,092	18,175
Amounts due from Nazareth Catering Limited	—	—	16,560	18,683
Amounts due from NRV Management Glasgow	—	—	74,552	60,794
Amounts due from NRV Development Blackburn	—	—	21,048	14,129
Amounts due from NRV Development Plymouth	—	—	20,327	19,090
Amounts due from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	947,449	848,451	634,147	608,345
	2,684,046	3,343,134	2,483,238	3,123,062

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Amounts due to The Congregation of the Sisters of Nazareth Charitable Trust (see below)	—	—	—	—
Loans from and contributions due to the Congregation of the Sisters of Nazareth Generalate (see below)	240,106	240,106	—	—
Expense creditors	3,205,100	3,246,237	3,091,584	3,168,453
Accruals and deferred income	1,060,639	590,603	1,009,986	544,784
Other creditors	4,876	88,580	8,577	38,113
Taxes and social security	391,477	287,819	376,009	276,366
Amounts due to Nazareth Catering Ltd	—	—	20,000	20,000
Amounts due to NRV Management Plymouth	—	—	—	—
	4,902,198	4,453,345	4,506,156	4,047,716

At 31 March 2024 the Group owed The Congregation of the Sisters of Nazareth Charitable Trust £nil (2023 - £nil). The loan from The Congregation of the Sisters of Nazareth Generalate comprises £240,106 to the Group (2023- £240,106) in respect to NRV Development (Plymouth) Limited.

17. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Loans from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	1,066,660	1,090,660	1,066,660	1,090,660
Loans from The Congregation of the Sisters of Nazareth Generalate (see below)	523,266	523,266	—	—
	1,589,926	1,613,926	1,066,660	1,090,660

The loan from The Congregation of the Sisters of Nazareth Generalate comprises a loan of £523,266 (2023 – £523,266) advanced to NRV Development (Blackburn) Limited.

18. Provision for liabilities

Group	2024 £	2023 £
At 1 April 2023	236,504	225,141
(Utilised)/ charged for the period	(2,135)	11,363
At 31 March 2024	234,369	236,504

19. Restricted funds

The funds of the Group and Charity included the following restricted funds:

	At 1 April				At 31 March
	2023 £	Income £	Expenditure £	Transfers £	2024 £
Other donations	—	62,801	(62,801)	—	—
Hammersmith refurbishment grant	—	1,840,734	—	(1,840,734)	—
Other income	—	3,000	—	(3,000)	—
Total	—	1,906,535	(62,801)	(1,843,734)	—

Transfers from the restricted fund relates to assets purchased in line with the donor restriction.

	At 1 April				At 31 March
	2022 £	Income £	Expenditure £	Transfers £	2023 £
Other donations	—	62,214	(62,214)	—	—
Hammersmith refurbishment grant	—	508,408	—	(508,408)	—
Total	—	570,622	(62,214)	(508,408)	—

20. Tangible Fixed Assets Fund

Group	2024 £	2023 £
At 1 April 2023	2,947,948	2,996,398
Movement in year	1,415,147	(48,450)
At 31 March 2024	4,363,095	2,947,948

Charity	2024 £	2023 £
At 1 April 2023	2,947,946	2,996,396
Movement in year	1,415,147	(48,450)
At 31 March 2024	4,363,093	2,947,946

The tangible fixed assets fund represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

21. Analysis of Net Assets Between Funds

Group	General	Tangible	Restricted	Total
	funds	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	4,363,095	—	4,363,095
Net current liabilities	(285,548)	—	—	(285,548)
Creditors: amounts falling due after one year	(1,589,926)	—	—	(1,589,926)
Provision for liabilities	(234,369)	—	—	(234,369)
Total net assets	(2,109,843)	4,363,095	—	2,253,252

Group	General	Tangible fixed	Restricted	Total
	funds	assets	funds	
	£	fund	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	2,947,948	—	2,947,948
Net current assets	64,139	—	—	64,139
Creditors: amounts falling due after one year	(1,613,925)	—	—	(1,613,925)
Provision for liabilities	(236,504)	—	—	(236,504)
Total net assets	(1,786,290)	2,947,948	—	1,161,658

Charity	General funds	Tangible	Restricted	Total
	£	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	—	4,363,093	—	4,363,093
Investments	8	—	—	8
Net current liabilities	(887,923)	—	—	(887,923)
Creditors: amounts falling due after one year	(1,066,660)	—	—	(1,066,660)
Total net assets	(1,954,575)	4,363,093	—	2,408,518

Charity	General	Tangible	Restricted	Total
	funds	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	2,947,946	—	2,947,946
Investments	8	—	—	8
Net current liabilities	(627,321)	—	—	(627,321)
Creditors: amounts falling due after one year	(1,090,659)	—	—	(1,090,659)
Total net assets	(1,717,972)	2,947,946	—	1,229,974

22. Capital Commitments

At 31 March 2024 the Group and Charity had capital commitments of £2,375,000 (2023 – £696,508). This commitment is supported by a grant from The Congregation of the Sisters of Nazareth Generalate.

23. Related Parties and Connected Entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the trustees of the Charity.

The Charity is connected also to two other registered charities:

Name	Registration numbers etc.	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
The Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)	A registered charity (Charity Registration Nos 228906 (England and Wales) and SC040507 (Scotland))	The support of the religious and other works (or ministries) carried on by members of the Congregation (the Sisters) in the U.K. and the care of those Sisters throughout their lives with the Congregation in the U.K. Ownership of 13 establishments in England, Wales, Scotland and Northern Ireland known as Nazareth Houses within which nursing, residential and care services are provided to older people in need.

In the case of both CSNCT and CSNG the Superior General of the Congregation also appoints the Trustees. Throughout the year, two or more of the three charities had some Trustees in common. With effect from April 2012, the Charity and CSNCT have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. Therefore, accounts consolidating the three charities are not prepared.

During the period there have been several transactions between the Charity and/or NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, NRV Management (Plymouth) Limited, and CSNCT, details of which are given in the paragraphs below.

CSNCT and Nazareth Care Charitable Trust

At 31 March 2024, the Group and Charity was owed £947,449 (2023 - £848,451) from The Congregation of the Sisters of Nazareth Charitable Trust being £634,146 (2023 - £608,345) for redevelopment work carried out at Nazareth House Cheltenham, and £313,303 (2023 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited,

During the year, the Charity incurred £374,661 (2023 - £391,044) of management stipend expenditure which was paid to the Congregation of the Sisters of Nazareth Charitable Trust. NCCT also incurred expenditure for the rental of the care homes and nursery of £1,272,584 (2023 - £1,240,742).

At 31 March 2024, the Group and Charity owed £1,066,660 (2023 - £1,090,660) to The Congregation of the Sisters of Nazareth Charitable Trust. £1 million of the balance relates to a loan agreed in 2022. There is no set term for the loan and no interest is charged.

CSNG and Nazareth Care Charitable Trust

During the year, CSNG granted £2.25m (2023 - £2m) to the Charity (see other income) for the redevelopment of the Hammersmith care home.

CSNG and NRV Development (Blackburn) Limited

On 7 March 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Blackburn) Limited for an unsecured loan of up to £4.2 million to be used to finance the construction of apartments and bungalows at the Larmenier Retirement Village, Preston New Road, Blackburn. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at 5%. At 31 March 2024 £3,181,280 (2023 – £3,181,280) (including accrued interest of £631,143 (2023 - £631,143)) of the loan had been drawn down. Repayments of £nil (2023 - £nil) were made to CSNG during the financial year. At 31 March 2024, the company owed £523,266 (2023 - £523,266) to CSNG, of which £nil (2023 - £nil) was due within one year.

CSNG and NRV Development (Plymouth) Limited

On 19 December 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Plymouth) Limited for an unsecured loan of up to £7.9 million to be used to finance the construction of apartments at Nazareth House, Durnford Street, Plymouth. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at the rate of the Base Rate plus 4% per annum. At 31 March 2024, £6,140,106 (2023 – £6,140,106) (including accrued interest of £809,949 (2023 - £809,949)) of the loan had been drawn down. Repayments of £nil (2023 - £nil) were made to CSNG during the financial year. At 31 March 2024, the company owed £240,106 (2023 - £240,106) to CSNG, of which £240,106 (2023 - £240,106) was due within one year.

CSNCT and NRV Development (Blackburn) – Retirement Villages

Under the terms on which NRV Development (Blackburn) Limited sells certain apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. It is calculated that the maximum liability to NRV Development (Blackburn) Limited if several leaseholders simultaneously exercise the buyback option would be £213,750. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, CSNCT has agreed to meet any shortfall.

24. Other Related Party Transactions

Other than as disclosed above, there were no other related party transactions requiring disclosure (2023 – none).

25. Liability of the Members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up each of the members would be required to contribute an amount not exceeding £1.

26. Ultimate Control

The Charity is controlled by the Congregation, an international Roman Catholic religious Congregation, by the fact that the Superior General of the Congregation appoints the trustees.

27. Custodian Funds

At 31 March 2024 the Group and Charity held £111,181 (2023 - £91,052) being deposits held on behalf of residents in the Charity's care homes. These amounts are not included in these financial statements as the Group and Charity have no control over the monies. The funds are held in a bank account separate from the cash at bank of the Group and Charity.

NAZARETH CARE CHARITABLE TRUST

England & Wales - Charity number 1113666

Accounts

NAZARETH CARE CHARITABLE TRUST

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

**Charity Registration Numbers
England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee
Registration Number: 05518564**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

Sister Doreen Cunningham Chair	
Sister Rose Ita Doody	
Sister Teresa Bernadette Fallon	
Ms Margot Cronin	resigned 30 May 2022
Sister Madeleine Merriman	resigned 17 October 2022
Mr Donald West	
Sister Anastasia Lenihan	
Father John Martin	
Sister Celine Donnelly	appointed 17 October 2022
Mr James McAleenan	appointed 07 August 2023

Senior Management - (SMT)

Regional Superior	Sister Doreen Cunningham
Chief Executive Officer	Mrs Angela Demsey (appointed 01.03.2023)
Chief Executive Officer (Interim)	Mr Mike Anderson (10.05.2022 to 28.02.2023)
Company Secretary	Mr Mike Anderson (appointed 17.05.2022)
Chief Executive Officer and Company Secretary	Mr Richard Whitby (until 17.05.2022)
Finance Director	Mrs Alison Mugunthan (appointed 12.06.2023)
Head of Finance	Mr Ahmed Bangura (01.11.2021 to 11.11.2022)
Director of Operations	Mr Mike Anderson (12.07.21 to 10.05.22)
Head of HR	Mrs Louise Graham
Head of Corporate Services	Miss Alexandra Ispas

Administrative Details

Registered Office	Larmenier Centre 162 East End Road London N2 0RU 020 8444 4427 uk.administration@nazarethcare.com www.nazarethcare.uk.com
Telephone	
Email	
Website	
Company Registration Number	05518564 (England & Wales)
Charity Registration Numbers	1113666 (England & Wales) SCO42374 (Scotland)

Auditor	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW
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Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
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Principal Solicitors	Stone King LLP Upper Borough Court, Upper Borough Walls Bath BA1 1RG
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HERITAGE

The Congregation of the Sisters of Nazareth (“the Congregation”) is an international Roman Catholic religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: America, Australasia, Ireland, Africa and United Kingdom (UK Region).

Victoire and five companions came to London in April 1851. At that time England was predominantly Protestant. Catholics, for the most part, were in a state of extreme poverty and the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there, the Sisters collected alms and food around London in order to care for the old and young who they took into their Home.

As the number of people requiring care and shelter increased each year the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first group of elderly people and children were moved into the new building which was named Nazareth House. From these beginnings the Congregation spread around the world. Most of the work of the Congregation takes place within “Nazareth Houses” which are substantial buildings operated mainly as care homes for older people.

Nazareth Care Charitable Trust (NCCT or the Trust) is a charitable company limited by guarantee and is the operational arm of the Congregation, working in partnership with The Congregation of the Sisters of Nazareth Charitable Trust, providing care for the elderly, disabled and terminally ill in 12 care homes throughout England, Scotland and Wales.

It also provides nursery school education in Lancaster and retirement villages situated in Glasgow, Blackburn and Plymouth, and supports other religious orders in caring for their older sisters.

MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER

Nazareth Care Charitable Trust has continued to face challenges over the past financial year. The organisation has worked hard to address pressures, for example, around staff recruitment, retention, and the significant impact of the cost-of-living crisis. We know we are not alone as other providers in the social care sector have experienced similar challenges.

We are pleased to have secured new staff in our finance department. The new systems that were procured to support financial processes proved more difficult to implement than was initially thought causing delays in fully rolling out their integrated functions. We have partnered with an agency broker to reduce the rates we are charged as well as to reduce our reliance on temporary staff.

We have continued to see improvements in our regulatory ratings at a number of our care home locations as well as improvements in our online presence especially in relation to our resident and family feedback via Carehome.co.uk.

We are committed to all our staff, residents, friends and volunteers in our endeavours to place the charity in a stronger financial position, through hard work and dedication while ensuring our core values are at the forefront of everything we currently do, or plan to do.

The charity expected the fiscal year 2022/23 to be a challenging one with the removal of Government financial support in the form of grants, however the recruitment and retention of staff, reduced levels of occupancy, and latterly the cost-of-living crisis have led to the charity posting disappointing financial results at the year end.

We have sought and secured advisors and advice from industry experts and our partners in both the health & social care and charitable sectors to assist with solutions for the challenges we have faced and are facing. While we remain in a period of transition, there is optimism and hope for a brighter future. We are pleased with the successful recruitment of overseas staff at our various locations in recent months and are seeing improved retention of staff across the organisation.

The Senior Management Team and Trustees are working hard to stabilise the charity in terms of sustaining quality within our services, the reduction of reliance upon temporary workers, improving our occupancy levels, and the successful completion of the systems upgrade. This, along with the planned major refurbishment of our Hammersmith site, along with smaller projects to improve our facilities in sites such as Bonnyrigg and Cardiff should aid our recovery and allow us to be successful in subsequent years. We are pleased to see our Birkenhead project completed, despite some delays, and are pleased to see the new wing with full occupancy.



SISTER DOREEN CUNNINGHAM
Chair of the Board of Trustees



MRS ANGELA DEMPSEY
Chief Executive Officer

INTRODUCTION

Following the 2006 General Chapter of The Congregation of the Sisters of Nazareth, the concept of Nazareth Care Charitable Trust began to take shape. The purpose of the Trust was to carry the mission of the Sisters of Nazareth into the future, even if there were fewer Sisters in active service. To successfully achieve this, it was vital that all staff had a clear understanding of the mission and the values of the Sisters, which have made the organisation the success it has been for the past 160 years.

The core values of the Sisters: patience, hospitality, love, respect, compassion and justice are practiced by both Sisters and staff alike in everything they do and set the bar for the excellent quality of care provided to both children and the elderly. Each house strives to incorporate these six values in simple, different, and creative ways.

The facilities operated and managed by Nazareth Care Charitable Trust include care homes, retirement villages and nurseries. All of our services are genuinely an integral part of the community in which they operate. Whether it is a young child or an elderly person we actively encourage everyone to live their lives to their full potential, both within our facilities and in the wider community. Every Nazareth House encourages members of the wider local community to participate as either a “Friend of Nazareth House”, a volunteer or as a parishioner using the church facilities.

Many of the buildings operated by Nazareth Care Charitable Trust on behalf The Congregation of the Sisters of Nazareth Charitable Trust are the original Victorian buildings, established either by the foundress or very early in the history of the Sisters of Nazareth.

For the Charity to provide high quality care in the best possible environment, we continue to invest in the upgrade of properties.

The planned upgrade of the site at Hammersmith started in 2023 following an intensive planning phase in 2022.

YEARLY REVIEW

The 2022/23 fiscal year proved difficult in relation to the charity’s financial performance. The charity posted a significant deficit and required financial assistance from The Congregation of the Sisters of Nazareth Generalate and The Congregation of the Sisters of Nazareth Charitable Trust.

The SMT of NCCT carried out a financial stress test of businesses within the NCCT group from which actions and targets were set for each Manager of those businesses to ensure 2023/24 would be a better performing financial year for the NCCT group. The SMT now monitors the activities on a weekly and monthly basis against key performance indicators.

Occupancy

Occupancy continued to be of concern during the 2022/23 fiscal year, as we continued to see periods of homes remaining closed to new admissions due to some of our homes requiring extensive refurbishment. This meant that occupancy needed to be reduced while the necessary work took place. In some locations this work is still in progress.

Infrastructure

In 2021 we started the migration to a fully integrated care management system, staff roster, time & attendance, income processing & finance, payroll & compliance system, and telecommunication upgrade.

The new systems integration has proved challenging both in its adoption and in relation to the migration of information from previous systems. That work remains ongoing, and the staff, Senior Management Team and Trustees are committed to ensuring that it will provide improvements in our reporting, governance and analysis of trends as well as providing all of our staff and residents with a secure and safe working and living environment.

Regulatory

The ethos of Nazareth Care Charitable Trust is distinguished by the Core Values of the organisation: Justice, Patience, Hospitality, Compassion, Love and Respect.

This philosophy of care involves every member of the caring team working with a common aim to improve the quality of life of each of our service users.

The aim of Nazareth Care Charitable Trust is to provide settings where people are cared for, supported and valued within an environment that promotes the health and wellbeing of our service users. Our aim is to provide all our service users with a safe place to be cared for.

We strive to promote an environment where people feel secure, comfortable, and valued. Our aim is to provide care that meets the needs of each person as an individual and our care is always informed by the best available evidence-based research. What this means to us is that all parties involved in a person's care are consulted where possible or applicable.

Regulatory inspections in England, Wales & Scotland returned to pre Covid-19 levels and we had disappointing results in some of our sites. However, in recent months, we have had re-inspections at three of our sites and have achieved improved gradings that indicate how hard the entire staff teams have worked over the past year. We have celebrated these achievements with staff and residents. We are delighted that our staff team have been recognised for their quality care, especially after the very difficult time they endured during Covid-19.

Our Staff and Volunteers

We continue to be very proud of our staff and volunteers in this as in all other years.

Nazareth Care Charitable Trust strives to provide an excellent working environment for our staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference. As an employer we acknowledge that our staff are the biggest asset to the charity. We continue to review our pay rates and benefits we provide to staff as we are particularly aware that their health and well being is paramount to our future success.

This year we have continued to implement the Government Apprenticeship levy. As we strive to improve the skills of our staff, we have rolled out role specific training for every job role in our care homes.

The majority of our houses also have a Friends of Nazareth group operating within them which is a team of dedicated volunteers that give their time for a number of causes within each home. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial demands, we need to expand the use of volunteers to raise funds for those extra things that our elderly and children require.

TRUSTEES' REPORT 31 MARCH 2023

(INCORPORATING A STRATEGIC REPORT)

The Trustees, who are the trustees of the charitable company for the purpose of charity law and directors for the purpose of company law, present their statutory report together with the financial statements of Nazareth Care Charitable Trust ('the Charity') for the year ended 31 March 2023.

This report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 29 to 34 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

The Charity was established by the Congregation of The Sisters of Nazareth to assist the Sisters to maintain their mission which principally today sits with the care of older people through the provision of care homes and retirement villages in the United Kingdom. The Charity also manages a day nursery in Lancaster. The Trustees intend that the work of the Charity will enhance the quality of life of those who live in its homes whilst enabling them to retain to the maximum their dignity and independence.

For The Congregation of The Sisters of Nazareth Charitable Trust and Nazareth Care Charitable Trust, working together is all about people. The Sisters, the residents and their families and our staff together make a true Nazareth family. The Congregation of the Sisters of Nazareth Charitable Trust owns the estate, and the Sisters provide spiritual and pastoral support whilst Nazareth Care Charitable Trust operates the care homes and a day nursery.

When setting the objectives and planning the work of the Charity for the year, the Trustees have considered the Charity Commission's general guidance on public benefit.

Objectives

Financial Stability: The Charity has performed poorly in 2022/23 in financial terms and the key factors influencing this have been reduced occupancy, an increased reliance on temporary agency staff within our services and difficulties with the integration and adoption of a new suite of management systems. The charity is focused on achieving financial stability and will be looking at both its senior management structure and targeting agency reduction and increased occupancy as key to this.

Quality: The short-term goal of the charity was that the regulated inspection gradings will improve in 2023 and in many instances, this has been achieved. The long-term goal is for all of the businesses to sustain gradings of Good or better and that the service settings reflect this in terms of environment.

The Board and Senior Management Team of Nazareth Care acknowledge that the adoption of new systems, Covid-19 and latterly the cost-of-living crisis may have an impact on achieving the objectives in the short term but are seeing the quality in many of our services improve and sustain.

Care homes

There are 12 care homes operated by Nazareth Care Charitable Trust within England, Scotland and Wales (together forming the Region), some providing nursing care for clients with complex needs, whilst all provide support to those people requiring social care. We provide accommodation for older adults, residential and nursing, disabled and the terminally ill. All of our rooms are single occupancy

accommodation; however, some rooms are spacious in size and can accommodate couples if requested. The majority of our current residents receive state funding to pay for care.

At 31 March 2023, the Charity operated care homes in the following locations:

Table 1			
Location	Principal activities	Category	Number of registered beds
<i>England and Wales</i>			
Birkenhead	Care home with nursing facilities	Residential	25
		Nursing	26
Cardiff	Care home with nursing facilities	Residential	27
		Nursing	27
Cheltenham	Care home	Residential	63
Crosby, Liverpool	Care home	Residential	66
Finchley, London	Care home	Residential	84
Hammersmith, London	Care home with nursing facilities	Residential	28
		Nursing	67
Lancaster	Care home with nursing facilities (Nursing unit closed 30 November 2017)	Residential	26
		Nursing	15
Manchester	Care home with nursing facilities	Residential	24
		Nursing	40
Northampton	Care home	Residential	48
Plymouth	Care home with nursing facilities (Nursing unit closed 30 January 2018)	Residential	29
		Nursing	15
<i>Scotland</i>			
Edinburgh, Bonnyrigg	Care home	Residential	38
Glasgow	Care home	Residential	70

The care homes aim always to provide excellent standards of care, and this is key to ensuring that the charity moves forward in a stable and strong manner.

STRATEGIC REPORT

In Our Care Homes

We have successfully secured a central agency that is supporting us with all of our agency staff requirements. The benefit of this is lower agency costs and more efficient time management as there will be simpler booking processes and one invoice for all homes rather than multiple invoices. The agency also offers an easier and more cost-effective way of recruiting temporary staff into permanent positions.

We have also invested in our apprenticeship programmes which are being taken up by our own existing employees and new recruits into Nazareth Care. We now have programmes offering accredited qualifications in care, administration, catering, housekeeping and other key roles.

Subsidiaries

Two of the Charity's wholly-owned subsidiaries; NRV Development (Blackburn) Limited and NRV Development (Plymouth) Limited are development companies providing retirement village apartments for sale at the respective sites.

In order to provide a management and service company for each of our villages we have established three individual companies: NRV (Management) Plymouth Limited, NRV Blackburn Limited and NRV (Management) Glasgow Limited.

The Charity established Nazareth Catering Limited in 2012 and this has been used to produce food in bulk for sale in the restaurants of the retirement villages.

In order to enhance the care provided at the care villages in Blackburn and Plymouth through personal care services, the Charity established Nazareth Home Care Limited on 25 March 2013. Currently Nazareth Home Care Limited Company only works with other religious orders to provide management services to those organisations who did not have sufficient resources to manage care home operations within today's environment. This company currently works with one religious order on two sites.

The Future of Nazareth Care Charitable Trust

The charity has continued to face a challenging 2022/2023. We have invested in quality improvements and the Senior Management team have worked closely with the Trustees to ensure they are aware of ongoing financial issues. We have increased the frequency of the Trustee Board meetings and have continued to focus on attaining financial sustainability.

Our aims for the future include sustainable improvement of regulatory ratings and maximising both our occupancy at service level and reducing the reliance on temporary workers. This in turn will improve our financial performance and allow us to grow as an organisation.

We hope to continue to recruit overseas staff through sponsorships and providing three months accommodation for them on arrival. This should greatly reduce our staffing costs while also ensuring continuity of care to those we care for.

FINANCIAL REVIEW OF THE YEAR

Income and Expenditure

A summary of the results can be found on page 25 of the attached financial statements.

Financial Position

The Group's income increased from £28.8 million to £31.8 million. Within this total, £26.8 million represents the income in connection with the provision of residential and care services for older people and £0.6 million represents the income from the provision of nursery services. Income from commercial trading through subsidiaries amounts to £1.2 million.

During the year the Charity received a £2 million grant from the Congregation of the Sisters of Nazareth Generalate and a £1 million loan from the Congregation of the Sisters of Nazareth Charitable Trust.

Expenditure decreased from £34.1 million to £33.8 million at the Group level. Within this total, £32.2 million represents the expenditure in connection with the provision of residential and care services for older people and £0.5 million represents the expenditure for the provision of nursery services. £1.1 million represents expenditure in respect to the commercial trading operations of the subsidiaries.

At year end the Charity released £1.1 million from the provision for doubtful debts as the amounts were either received or no longer considered doubtful. This amount is included in the expenditure figures.

The day-to-day operations of the Charity resulted in a deficit of £2 million for the year and the Group operations resulted in a deficit of £2 million.

The total net assets of the Group at 31 March 2023 amounted to £1.2 million whilst those of the Charity totalled £1.2 million.

Two of the subsidiary companies are in deficit:

NRV (Development) Blackburn Limited

This is the development company responsible for developing the site at Blackburn and the sale of its properties. Currently, the company is in deficit by approximately £32,567 due largely to the time it is taking to sell the properties.

The sales team continues to work extremely hard to sell the remaining apartments. However, this has not been an easy process with many flats reserved but potential buyers are experiencing difficulties in selling their existing properties.

Whilst all bank loans for this development have been repaid there continues to be a loan outstanding to the Charity from the Congregation of the Sisters of Nazareth Generalate. This charity is the overarching charity for the Congregation and was responsible for the plans and design of the Blackburn site before it was handed over to Nazareth Care Charitable Trust in 2011. This outstanding loan is being paid back as quickly as possible whilst taking into consideration the need to cover expenses which include voids, service charges, standing charges for energy, council tax and sales and marketing.

It is anticipated that the project will at best break even or make a slight deficit at the end of the sales process.

NRV Development (Plymouth) Limited

This is the development company responsible for developing the site at Plymouth and the sale of its properties. Currently, the company is in deficit by approximately £53,184. Development was completed on this site during 2015/16 and the final apartment was sold in September 2017. The company directors are working hard to close the company as soon as possible.

Reserves Policy

Total group reserves at 31 March 2023 were £1.2 million comprising a fixed asset designated fund of £2.9 million and unrestricted free reserves of -£1.8 million. The tangible fixed assets fund represents the net book value of the Group's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund comprises those assets not designated by the Trustees or restricted in their application as at 31 March 2023. At 31 March 2023, the fund had decreased by £1.9 million to -£1.8 million as a result of the operational and financial challenges experienced in the year. This is below the target of six months operating expenditure.

The Trustees have agreed to work towards a reserve of funds equivalent to six months of operating costs in the knowledge that a larger positive reserve balance needs to be built up in due course. The restructure that has occurred over the past few years now needs to be consolidated and a period of reflection is required so that the Trustees may assess the future needs of the Group and Charity in the light of their mission and plans. This continues to be considered an appropriate target in light of the new environment the charity is operating in as a result of covid-19. Any surplus taxable funds arising in the subsidiaries may, from time to time, be donated to the Charity by Gift Aid.

The Trustees recognise that measuring total unrestricted funds is only one indicator and includes fixed assets that could not easily be converted to cash. Hence the Board of Trustees focuses much of its effort on monitoring the group cash and current asset/liability position. The continued emphasis on cash management and improving the current asset position will therefore continue to be a feature in the coming period. This is considered further in the going concern section below.

Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of eighteen months from the date of approval of these financial statements being to June 2025. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 30 June 2025, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT).

NCCT reports a deficit of £2m, including a provision release of £1.1m from doubtful debts, for the year ended 31 March 2023 after posting a deficit of £5.4m in the prior year. Prior to the last financial year, the charity had one year where they made a small surplus and endured several loss-making years. Reserves were also severely impacted during this time, with free reserves on 31 March 2023 being -£1.8m and £122k on 31 March 2022.

The funding provided to support NCCT was a £5million grant from CSNG originally issued in November 2022 and a loan of £1million from CSNCT repayable over ten years. At the year end NCCT had a grant of

£3million remaining for draw down. At the time of signing these accounts, a further £2.25million had been drawn down. The charity is not forecast to draw down the final £750k until December 2024. Additionally, CSNG and CSNCT have provided a repayable overdraft facility of up to £1m until 31 July 2024 which is reduced to £500k from 1 August 2024 until 31 July 2025 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a forecast to 31 March 2024 and a monthly cashflow forecast to 30 June 2025. The key areas of uncertainty outlined below have improved over 2023 but are still issues:

- While there has been some increase in occupancy levels, the charity is not operating at full capacity. The forecast includes assumptions around the rate at which occupancy levels can be increased and/or maintained across the homes. Any variation from the budget or the timing of the achievement of improvements would present additional risk. While there are no current embargoes in the homes, the forecasts do not adjust for any embargo that may be introduced either voluntarily or as a result of a regulatory inspection.
- Agency costs have continued to reduce from 31 March 2023 but they have not been fully eliminated. There continues to be significant challenges in the recruitment market. As detailed below NCCT has taken steps to mitigate this risk which is reflected in the budgets and forecasts produced. However, there is a risk that the reduced level of agency spend may not be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. The historic debt balance has not significantly changed during 2023 and the debts are getting older and less recoverable. There is a risk that the rate and/or level of historic debt recovery is out of line with the forecasts. This could impact in terms of the amount of debt recovered, or the forecast phasing of income receipts which may impact cashflow projections negatively.

Therefore, the budgets and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown, recovery of historic debt and the impact of inflationary pressures.
- Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasts have been completed to June 2025 with daily cash checks in place.
- Credit controls are in place and there is a debt plan to manage credit control and historic debt. Current debt is demonstrating a significantly improved position and there is a continued focus on the recovery of aged and historic debt. Debtors totalled £3.6m at 30 November 2023. An average of 2.9% recovery per month of the historic balance has been incorporated into forecasts.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5m to NCCT. At the time of signing these financial statements £750K remains available for drawdown.
- A letter of support has been provided by CSNCT and CSNG providing an overdraft facility of up to £1m until July 2024. For the period 1 August 2024 to 31 July 2025 a letter of support has been provided by CSNCT for an overdraft facility up to £500k.
- The budget and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the April to October 2023 monthly results.
- The budget and cashflow forecast considers assumptions around occupancy levels and forecasts an improvement over the period to June 2025. Occupancy levels have continued to increase during April to November 2023.

- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties as discussed above.

Risk Management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks to which the Charity and its subsidiaries might be exposed to, and which are captured in a risk register. The risks include both those relating to the operation of the care homes and nursery and those relating to the development of retirement villages and the sale and subsequent resale of apartments et cetera. Actions are agreed to monitor and mitigate the risks identified. At each Trustee meeting, the Trustees and management discuss the latest view of the risk landscape to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are four key risk factors faced by the Charity and the table demonstrates how the risks are managed.

1. Financial Stability

Action we have taken to mitigate the risks:

The Charity has experienced reduced occupancy levels that have impacted on income. Unfortunately, several homes for periods of time had embargoes on admissions. This has now been resolved with the exception of the Cardiff care home which cannot currently take admissions. The Charity has also increased fees which takes into consideration inflationary costs. The Executive Team have invested in care planning and accounting software to increase efficiency, minimise human errors and eliminate duplication in processes. The software has great potential to reduce staff time and staff cost and has been implemented in stages. The final phase which is being implemented in early 2024 is e-rostering and workforce modelling.

2. IT system refinement including evaluation of implementation of software solutions

Action we have taken to mitigate the risk:

The Charity invested heavily in IT infrastructure. New systems for compliance, care plans and medication management were implemented. WIFI and telephone systems across the UK care homes were upgraded. The new systems will offer greater control and consequently improve performance. The rolling out of new systems in 2022 was challenging and teething problems were experienced in ensuring the systems were effective following implementation and staff training. It was therefore decided to phase in the remaining stages of implementation. One final stage will be completed in 2024 which will focus on e-rostering.

3. High Agency Usage

Action we have taken to mitigate the risks:

Since 2020 the Charity has had to increase its usage of agency staff. The recruitment and retention of care staff is a UK wide challenge across the whole sector. The ability to recruit and retain staff remains a key risk for the Charity. The Executive Team have invested in a suite of measures to reduce the requirement for agency staff. Each home has a plan to recruit to their vacant positions. A commitment has been made to the overseas recruitment of care staff and teams of new staff have been appointed, who have been assigned to homes across the UK.

4. Care Quality

Action we have taken to mitigate the risks:

The Charity is committed to ensuring it provides services that are safe and support a positive resident experience. It is recognised that there are other risks that can impact on care delivery and quality, such as an inability to recruit staff and reliance on agency staff to support our services. Regional support has been put in place to work alongside the general managers to monitor the quality of services, including daily walk arounds, weekly quality monitoring and regular staff forums. The Charity works to deliver the highest possible standards at all times so staff are supported to always be “inspection ready” for impending visits from regulators and commissioners who will want to see the quality of service that is delivered at all times. The residents in each Nazareth House deserve nothing less.

To constantly improve we are committed to listening to what residents, staff and relatives say about the service delivered. Feedback is captured and shared either via our website or via CareHome.co.uk. The feedback is also used as a training improvement resource for the staff to understand how residents experience their care.

MANAGEMENT AND TRUSTEES

Trustees Responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The Charity is governed by its Trustees. The Trustees are appointed by the Superior General of the Congregation.

The principal property assets of the Congregation in England, Wales, Scotland and Northern Ireland are held on charitable trust by The Congregation of the Sisters of Nazareth Charitable Trust and by The Congregation of the Sisters of Nazareth Generalate. With effect from 1 April 2012, the Regional Superior

of the Congregation's UK region became the Chair of Trustees ex officio. The Regional Councillors of the Congregation's UK region also became ex officio trustees.

Additional Sisters and Trustees who are not members of the Congregation may be appointed by the Superior General to ensure that the necessary breadth of skills and experience is available to the Charity's governing body. Details of the trustees can be found in the Reference and Administrative Details on page 2 of the Annual Report and Audited Financial Statements and also below.

Newly appointed Trustees are given induction training that includes meetings with staff, meetings with representatives of partner organisations and visits to our houses, nurseries and retirement villages. Ongoing training opportunities will be provided as necessary as the work of the Charity develops.

The Current Trustees

Sister Doreen Cunningham – Chair

Sister Doreen trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019 she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012. She is currently Sister Superior at Nazareth House Finchley.

Sister Madeleine Merriman – Trustee (until 17 October 2022)

Sister Madeleine Carmel Merriman has completed a post graduate diploma in leadership and management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009 and at Crosby in 2013. She became a Regional Councillor in 2014 for the UK Region. She is currently Superior at Nazareth House Cardiff.

Sister Rose Ita Doody

Sister Rose Ita trained as a cook in Aberdeen College and worked in a number of houses in the Irish and UK Regions. She completed a Diploma in Counselling and Therapy in South East Essex College in 1998 and was appointed Superior and Care Manager in Lancaster in 2000. Sister has completed Level 5 in Management, Registered Manager (ADULTS) in Lancaster and Morecambe College in 2003 and moved to Crosby in 2006. She completed a Foundation Degree on Vulnerable adults at Edge Hill University in 2008, and more recently completed a Diploma in Leadership and Management at Loughborough University. She is currently Sister Superior at Nazareth House Manchester.

Sr Anastasia Lenihan – Trustee (appointed 05 November 2021)

Sister Anastasia trained as a Registered Nurse in Nottingham and has nursed older adults for many years. She worked in many of our locations in both Ireland and the United Kingdom. She has undertaken many courses throughout her career as a Nurse in keeping up to date with best practices, including palliative care. She was appointed Superior at Southend in 2001, at Derry in 2009, and at Cheltenham in 2019 where she is currently.

Sr Celine Donnelly – Trustee (appointed 17 October 2022)

Sr Celine completed her nursing studies at St Georges hospital medical school and Kingston University in 1998 prior to becoming the Nurse manager in Nazareth House Hammersmith from 2001 until 2009. During this time she completed a BSc in Health and Social Care, a diploma in palliative care and dementia care, and various management courses. Sr Celine has been in leadership positions in Lancaster, Finchley, and Cheltenham and is currently Sister Superior in Hammersmith.

James McAleenan – Trustee (appointed 7 August 2023)

James qualified as a chartered accountant (SA) and then worked for over 40 years in financial services in the UK and abroad. He has extensive experience of corporate governance, finance and risk and has carried out a variety of roles including CEO, trustee and independent director. He retired from full time employment in 2016 and is now a part time trustee and non-executive director for the Mineworkers' Pension Scheme, Holley Holland financial consultants and Nazareth Care Charitable Trust.

Margot Cronin – Trustee (until 30 May 2022)

Margot has spent over 30 years in the financial services sector. During the course of her career, she held senior management roles including CEO and COO in a number of different countries including UK, US and Hong Kong for Aviva Plc. She is a Chartered Director and holds a Master's degree in Risk Management & Insurance from City University London (2000). She brings significant commercial and board experience to her role as Trustee.

Donald West

Don has worked in healthcare management for over 30 years, advising hospitals, community and mental health organisations in the UK, Germany and elsewhere on a range of issues, including capital investment, cost improvement and financial recovery, information technology and business intelligence. He is a Trustee and team leader of the Winchester Street Pastors, part of a national charitable organisation dedicated to offering practical support, reassurance, and comfort to people in distress on the street at night. Don is active in the life of his parish, with a particular interest in evangelisation and ministry. He has a degree in Geography and Philosophy from the University of Wales and an MBA from the Open University. He is a keen runner and sailor.

Father John Martin – Trustee (appointed 29 July 2021)

Father John Martin has a wide and varied experience in the field of health care and management. He was a Brother of Saint John of God for 33 years. During that time he has worked in the areas of pastoral care, social work and management and was Chief Executive of the Hospitaller Order of Saint John of God for 12 years.

On leaving the Order he joined the Priesthood and is now a Priest in the Diocese of Nottingham and previously held the role of the Bishops Delegate for the Youth of the Diocese as well as managing a Parish. Father John brings with him a vast amount of experience in being a trustee.

Governance Structure and Management Reporting

The Trustees are ultimately responsible for all the policies, activities and assets of the Charity and the Group. They meet regularly, at least four times each year, to review performance, progress against plans and budgets and to consider broader developments with regard to the activities of the Charity and the Group and to make any important decisions.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, investment managers, solicitors, and accountants. The Trustees, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive.

Engagement with stakeholders

Over the last 12 months, all NCCT businesses were visited by Trustees and executive directors. From January 2022 formal executive team visits have been arranged additional to the Regional Superior and CEO visits. During these visits separate meetings are held with residents, their families, employees and the communities of the Sisters of Nazareth.

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following:

1. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short and longer term financial projections and the key risks that could negatively impact the sustainability of Nazareth Care Charitable Trust. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan on a regular basis.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Delegated Responsibilities. This document is reviewed and approved by the Board of Directors annually.

2. Statement of Engagement with Employees

NCCT is an equal opportunity employer and it is within its policy that all job applicants and employees are treated fairly and equally. Furthermore, the organisation will monitor the composition of its workforce to ensure the policy's effectiveness. NCCT is committed to training and developing its employees in order to eliminate discrimination and harassment as far as reasonably possible.

In relation to employee engagement, the Directors receive regular reports from management on the satisfaction of staff which is measured through staff engagement surveys. The latest staff survey was completed in July 2021 and revealed an overall satisfaction decrease on all key drivers.

The Directors attend the Charity's annual conference together with all General Managers, Sister Superiors and Senior Management Team where they can discuss and contribute to the Charity's initiatives.

Regular site visits are performed by the Directors according to a pre agreed rolling schedule that ensures all locations are covered within a period. During such visits, the Directors engage with staff and management and can discuss freely the day to day needs and challenges in order to gain a clear perspective on the business.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The latest report is available on the Nazareth Care UK website.

A global stakeholder review was completed in July 2019 that marked 10 years since Nazareth Care was launched. Its purpose was to review the success of the collaboration between the Sister of Nazareth and Nazareth Care and 9 out of 10 respondents had a positive or neutral view on the relationship. The survey has recently been repeated.

3. The need to foster the company's business relationships with suppliers, customers, and others

In relation to key stakeholder engagement, the Directors consulted with stakeholders through various channels including correspondence, webinars, and the annual conference.

Purchasing must be done through approved suppliers and group contracts as per the authority stipulated in the Delegated Responsibility document. Nazareth Care Charitable Trust is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. All national procurements must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms.

Key management personnel

The CEO has day-to-day responsibility for managing the Charity together with colleagues from the UK Region. The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive, the senior management team, and the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,562,001 (2022 - £1,557,974).

The performance and pay of the Chief Executive, senior management team, and the General Manager and Deputy General Manager of each Care Home is reviewed periodically and benchmarked against industry rates.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties; and
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email but anyone not wanting to receive these can let the Trust know and such communication will not then be sent
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities
- The Trust is not subscribed to any fundraising standards or schemes; and has not failed to comply with any regulation subscribed to in relation to fundraising
- The Charity has not received any complaints about its fundraising activities (2022 - none)

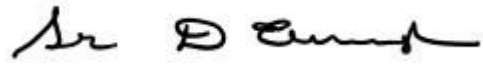
Fixed Assets

The acquisition and disposal of tangible fixed assets during the year is recorded in the notes to the financial statements.

Stocks and Work in Progress

In the light of the selling price of Blackburn units, the interest shown in the purchase of the remaining apartments at Blackburn and the apartments at Plymouth which were completed in 2015/16, the Trustees are of the opinion that the value of stocks and work in progress is not less than the historic cost figure recorded on the Group's balance sheet.

The Trustees' Report, including the Strategic Report, was approved by the Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Sr Doreen Cunningham', written in a cursive style.

SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 07.12.2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST

Opinion

We have audited the financial statements of Nazareth Care Charitable Trust (the 'charitable parent company') and of Nazareth Care Charitable Trust and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group and charitable parent company statements of financial activities, group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 of the charitable parent company's affairs as of 31 March 2023 and of the group's and charitable parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Conclusion relating to going concern

We draw attention to the accounting policy in relation to going concern on page 31 in the financial statements, which indicates that the Trustees consider there to be material uncertainty in respect of going concern.

During this period Nazareth Care Charitable Trust has faced a number of challenges including occupancy levels, agency costs and the recovery of historic debt as detailed in the accounting policy on going concern. During the year to 31 March 2023 Nazareth Care Charitable Trust received £1m by way of a loan repayable over ten years and £5m by way of a grant available to draw down before June 2024. These were received from connected organisations as detailed in the accounting policy on going concern. As at the time of signing these financial statements £750k remains available for drawdown in relation to the grant and an additional line of credit of £1m is in place until 31 July 2024 which reduces to £500k between 1 August 2024 and 31 July 2025, that Nazareth Care Charitable Trust can draw if required to support working capital requirements.

After considering the factors as set out in the accounting policy on going concern on page 31 the Trustees have concluded that Nazareth Care Charitable Trust has a reasonable expectation that there are adequate

resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties.

Our opinion is not modified in respect of this matter.

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 the charitable parent company and its environment obtained during the audit; we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes 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's and the charitable parent company'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 group or the charitable parent 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 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 based on these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charitable company were Care quality Regulations (CQC, Ofsted, Care

Inspectorate) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the care quality regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Audit and Risk Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



NICOLA MAY
SENIOR STATUTORY AUDITOR
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date 14 December 2023

GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2023

(Incorporating income and expenditure account)

	Notes	Un- restricted funds £	Restricted funds £	Total 2023 £	Un- restricted funds £	Restricted funds £	Total 2022 £
Income from:							
Donations and legacies							
. Donations and legacies	2	69,324	62,214	131,538	45,000	22,361	67,361
Charitable activities							
. Charges for residential and care services		26,849,935	—	26,849,935	26,192,200	—	26,192,200
. Charges for nursery services		565,167	—	565,167	510,517	—	510,517
Other trading activities	3	1,217,866	—	1,217,866	1,281,693	—	1,281,693
Other income		2,575,128	508,408	3,083,536	162,147	559,979	722,126
Total income		31,277,419	570,622	31,848,042	28,191,557	582,340	28,773,897
Expenditure on:							
Raising funds							
	4	1,129,909	—	1,129,909	1,293,498	—	1,293,498
Charitable activities							
. Provision of residential and care services	5	31,620,051	570,622	32,190,674	31,783,054	582,340	32,365,394
. Provision of nursery services	6	484,518	—	484,518	465,197	—	465,197
Total expenditure		33,234,478	570,622	33,805,101	33,541,748	582,340	34,124,088
Net income and net movement in funds for the year	8	(1,957,059)	—	(1,957,059)	(5,350,191)	—	(5,350,191)
Reconciliation of funds							
Fund balances brought forward on 1 April 2022		3,118,715	—	3,118,715	8,468,906	—	8,468,906
Fund balances carried forward on 31 March 2023		1,161,656	—	1,161,656	3,118,715	—	3,118,715

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2023

(Incorporating income and expenditure account)

	Notes	Un- restricted funds £	Restricted funds £	Total 2023 £	Un- restricted funds £	Restricted funds £	Total 2022 £
Income from:							
Donations and legacies							
. Donations and legacies	2	69,324	62,214	131,538	45,000	22,361	67,361
Charitable activities							
. Charges for residential and care services		26,849,935	—	26,849,935	26,274,175	—	26,274,175
. Charges for nursery services		565,167	—	565,167	510,517	—	510,517
Other income		2,670,126	508,408	3,178,534	162,147	559,979	722,126
Total income		30,154,551	570,622	30,725,174	26,991,839	582,340	27,574,179
Expenditure on:							
Charitable activities							
. Provision of residential and care services	5	31,639,227	570,622	32,209,850	31,865,029	582,340	32,447,369
. Provision of nursery services	6	484,518	—	484,518	465,197	—	465,197
Total expenditure		32,123,745	570,622	32,694,368	32,330,225	582,340	32,912,565
Net (expenditure) income and net movement in funds for the year	8	(1,969,194)	—	(1,969,194)	(5,338,386)	—	(5,338,386)
Reconciliation of funds							
Fund balances brought forward on 1 April 2022		3,199,166	—	3,199,166	8,537,552	—	8,537,552
Fund balances carried forward on 31 March 2023		1,229,972	—	1,229,972	3,199,166	—	3,199,166

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

BALANCE SHEETS – 31 MARCH 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
Fixed assets:					
Tangible assets	12	2,947,948	2,996,398	2,947,946	2,996,396
Investments	13	—	—	8	8
Total fixed assets		2,947,948	2,996,398	2,947,954	2,996,404
Current assets:					
Stocks and work in progress	14	452,349	452,349	—	—
Debtors	15	3,343,134	2,558,601	3,123,062	2,270,885
Cash at bank and in hand		721,999	996,016	297,331	633,996
Total current assets		4,517,482	4,006,966	3,420,393	2,904,881
Liabilities:					
Creditors: amounts falling due within one year	16	(4,453,345)	(3,017,583)	(4,047,716)	(2,583,460)
Net current assets / (liabilities)		64,137	989,383	(627,323)	321,421
Total assets less current liabilities		3,012,085	3,985,781	2,320,631	3,317,825
Creditors: amounts falling due after one year	17	(1,613,926)	(641,926)	(1,090,660)	(118,660)
Provision for liabilities	18	(236,504)	(225,141)	—	—
Total net assets		1,161,655	3,118,714	1,229,971	3,199,165
The funds of the charity:					
Restricted funds	19	—	—	—	—
Unrestricted funds					
. Tangible fixed assets fund	20	2,947,948	2,996,398	2,947,946	2,996,396
. General fund		(1,786,293)	122,316	(1,717,975)	202,769
Total funds	21	1,161,655	3,118,714	1,229,971	3,199,165

Approved by the Trustees on and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 07.12.2023

GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	475,590	(2,541,178)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(749,607)	(1,034,026)
Net cash used in investing activities		(749,607)	(1,034,026)
Cash flows from financing activities:			
Repayments of borrowing		—	—
Net cash used in financing activities		—	—
Change in cash and cash equivalents in the year		(274,017)	(3,575,204)
Cash and cash equivalents at 1 April 2022	B	996,016	4,571,220
Cash and cash equivalents at 31 March 2023	B	721,999	996,016

A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(1,957,059)	(5,350,191)
Adjustments for:		
Depreciation charge	798,057	762,535
Provision for doubtful debts	(1,003,744)	2,603,569
Decrease in stocks	—	153,883
(Increase) decrease in debtors	219,211	(1,214,257)
Increase (decrease) in creditors	2,407,762	464,283
Increase (decrease) in provision for liabilities	11,363	39,000
Net cash provided by operating activities	475,590	(2,541,178)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Total cash and cash equivalents		
Cash at bank and in hand	721,999	996,016

PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 MARCH 2023

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

Basis of preparation

The charity is a limited by guarantee company (registered number 05518564), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Larmenier Centre, 162 East End Road, London, N2 0RU.

These financial statements have been prepared for the year to 31 March 2023 with comparative information provided in respect to the year to 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affected current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of eighteen months from the date of approval of these financial statements being to June 2025. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 30 June 2025, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

NCCT reports a deficit of £2m, including a provision release of £1.1m from doubtful debts, for the year ended 31 March 2023 after posting a deficit of £5.4m in the prior year. Prior to the last financial year, the charity had one year where they made a small surplus and endured several loss-making years. Reserves were also severely impacted during this time, with free reserves on 31 March 2023 being -£1.8m and £122k on 31 March 2022.

The funding provided to support NCCT was a £5million grant from CSNG originally issued in November 2022 and a loan of £1million from CSNCT repayable over ten years. At the year end NCCT had a grant of £3million remaining for draw down. At the time of signing these accounts, a further £2.25million had been drawn down. The charity is not forecast to draw down the final £750k until December 2024. Additionally, CSNG and CSNCT have provided a repayable overdraft facility of up to £1m until 31 July 2024 which is reduced to £500k from 1 August 2024 until 31 July 2025 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a forecast to 31 March 2024 and a monthly cashflow forecast to 30 June 2025. The key areas of uncertainty outlined below have improved over 2023 but are still issues:

- While there has been some increase in occupancy levels, the charity is not operating at full capacity. The forecast includes assumptions around the rate at which occupancy levels can be increased and/or maintained across the homes. Any variation from the budget or the timing of the achievement of improvements would present additional risk. While there are no current embargoes in the homes, the forecasts do not adjust for any embargo that may be introduced either voluntarily or as a result of a regulatory inspection.
- Agency costs have continued to reduce from 31 March 2023 but they have not been fully eliminated. There continues to be significant challenges in the recruitment market. As detailed below NCCT has taken steps to mitigate this risk which is reflected in the budgets and forecasts produced. However, there is a risk that the reduced level of agency spend may not be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. The historic debt balance has not significantly changed during 2023 and the debts are getting older and less recoverable. There is a risk that the rate and/or level of historic debt recovery is out of line with the forecasts. This could impact in terms of the amount of debt recovered, or the forecast phasing of income receipts which may impact cashflow projections negatively.

Therefore, the budgets and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves, the Trustees continue to focus on the cash position and forecast. However, it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The base cashflow forecast has modelled sensitivities incorporating key assumptions including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown, recovery of historic debt and the impact of inflationary pressures.
- Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasts have been completed to June 2025 with daily cash checks in place.
- Credit controls are in place and there is a debt plan to manage credit control and historic debt. Current debt is demonstrating a significantly improved position and there is a continued focus on the recovery of aged and historic debt. Debtors totalled £3.6m at 30 November 2023. An average of 2.9% recovery per month of the historic balance has been incorporated into forecasts.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5m to NCCT. At the time of signing these financial statements £750K remains available for drawdown.

- A letter of support has been provided by CSNCT and CSNG providing an overdraft facility of up to £1m until July 2024. For the period 1 August 2024 to 31 July 2025 a letter of support has been provided by CSNCT for an overdraft facility up to £500k.
- The budget and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the April to October 2023 monthly results.
- The budget and cashflow forecast considers assumptions around occupancy levels and forecasts an improvement over the period to June 2025. Occupancy levels have continued to increase during April to November 2023.
- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties as discussed above.

Basis of Consolidation

The Group's statement of financial activities and the Group's balance sheet consolidate the financial statements of the Charity and the following wholly owned subsidiaries:

NRV Development (Blackburn) Limited - Company number 05906057
NRV Development (Plymouth) Limited - Company number 05940933
NRV Blackburn Limited - Company number 06297407
NRV Management (Plymouth) Limited - Company number 08461398
Nazareth Catering Limited - Company number 06740428
Nazareth Home Care Limited - Company number 08461286
NRV Management Glasgow Limited - Company number 09382077
NRV Development Glasgow Limited - Company number 09382096

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Income Recognition

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

Income comprises donations and legacies, charges for residential and care services, charges for nursery services, income from other trading activities and other income.

Donations are reported on a receivable basis. In the event that a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled in the reporting period.

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

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

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

Income derived from the levying of charges for residential, care and nursery services are measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income generated from other trading activities comprises income from the Charity's trading subsidiary companies, details of which can be found in note 1 to the financial statements. Such income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure associated with raising funds for the Group and/or Charity. This includes commercial trading operations of the subsidiaries and interest payable. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group and/or Charity through the provision of charitable activities. Such costs include provision of residential and care services and provision of nursery services including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

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

In allocating expenditure to headings, no significant apportionments have had to be used.

Tangible Fixed Assets

All assets and improvements to existing assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised. The Group and Charity have opted to adopt a policy of not revaluing their tangible fixed assets, which are stated at cost less accumulated depreciation.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Leasehold Interest and Improvements

The leasehold interest comprises two amounts of £1 each and represents the residual investment value of leases in Blackburn and Plymouth. It is not depreciated.

Leasehold improvements are included in the financial statements at cost. They are depreciated at a rate of 10% per annum on a straight-line basis once there are 50 or fewer years of the lease remaining.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives.

- Furniture and equipment 10% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance.

Assets are depreciated once they are brought into use. A full year's depreciation is applied in the year of addition.

Fixed Asset Investments

Investments in subsidiary companies are included on the balance sheet at cost.

Stocks and Work in Progress

Stocks and work in progress represent land and buildings under development. Work in progress and consumables are valued at the lower of the costs and net realisable value. The land and building costs comprise the costs of the land, materials, directly attributable interest and other services related to the development and construction of the properties.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group and/or Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds Structure

Restricted funds represent donations received to the benefit of specific homes or area subject to specific conditions imposed by the donors or when the funds are raised for particular restricted purposes.

The remainder of the Group's and/or Charity's funds are unrestricted. Within the unrestricted funds, the tangible fixed assets fund represents the net book value of the Group and/or Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and/or Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Group and/or Charity's charitable objects.

Pensions

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2023

1. Activities of the Subsidiary Companies

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2023 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	—	—	505,158	102,504	11,991	453,973	66,149
Cost of sales	—	—	(285,329)	(70,921)	—	(264,348)	(20,863)
	—	—	219,829	31,583	11,991	189,625	45,286
Administrative costs	(25,067)	(4,318)	(244,069)	(22,968)	(7,422)	(217,581)	(48,836)
Rental income	39,175	—	—	—	—	—	—
Other operating income	2,345	—	24,240	—	—	27,956	3,550
Gift Aid donation	—	—	—	(8,615)	(4,569)	—	—
	16,453	(4,318)	(219,829)	(31,583)	(11,991)	(189,625)	(45,286)
Profit (loss) before taxation	16,453	(4,318)	—	—	—	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	16,453	(4,318)	—	—	—	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(32,567)	(53,184)	24	7,601	9,805	—	—
Shareholder's funds	(32,566)	(53,183)	25	7,602	9,806	1	1

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2022 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	150,500	—	405,438	77,585	17,261	394,775	69,057
Cost of sales	(153,883)	—	(285,484)	(61,582)	—	(243,129)	(19,318)
	(3,383)	—	119,954	16,003	17,261	151,646	49,739
Administrative costs	(57,116)	(4,284)	(231,424)	(8,402)	(7,726)	(171,411)	(49,739)
Rental income	33,472	—	109,588	—	—	—	—
Other operating income	2,370	—	1,882	—	—	19,765	—
Gift Aid donation	—	—	—	—	—	—	—
	(21,274)	(4,284)	(119,954)	(8,402)	(7,726)	(151,646)	(49,739)
Profit (loss) before taxation	(24,657)	(4,284)	—	7,601	9,535	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	(24,657)	(4,284)	—	7,601	9,535	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(49,019)	(48,867)	24	7,601	9,805	—	—
Shareholder's funds	(49,018)	(48,866)	25	7,602	9,806	1	1

A summary of the principal activities of each of the companies which traded is given below:

Company name	Principal activity
NRV Development (Blackburn) Limited	Development of a retirement village in Blackburn
NRV Development (Plymouth) Limited	Development of a retirement village in Plymouth
NRV Blackburn Limited	The property management of Blackburn
Nazareth Catering Limited	The provision of catering services to the villages at Blackburn and Plymouth
Nazareth Home Care Limited	The provision of domiciliary care services to residents of a retirement village in Blackburn until February 2018 The provision of care services for other religious organisations from February 2018
NRV Management Plymouth Limited	The property management of Plymouth
NRV Management Glasgow Limited	The property management of Glasgow

NRV Development Glasgow Limited (company number 09382096) was dormant throughout the above two years and at 31 March 2023 had capital and reserves equal to its called-up share capital only i.e. £1.

Financial statements for each company in existence on 31 March 2023 will be filed with the Registrar of Companies in due course.

The address of the registered office for all the subsidiary companies is Larmenier Centre, 162 East End Road, London, X.

2. Donations and Legacies

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
Group	£	£	£	£	£	£
General donations and legacies	69,324	62,214	131,538	45,000	22,361	67,361
Total	69,324	62,214	131,538	45,000	22,361	67,361

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
Charity	£	£	£	£	£	£
General donations and legacies	69,324	62,214	131,538	45,000	22,361	67,361
Total	69,324	62,214	131,538	45,000	22,361	67,361

The charity had been notified of one legacy with an estimated value of £240,000 which does not satisfy the criteria required by the accounting policy to recognise income during the year. This is therefore disclosed here as a contingent asset.

3. Income from Other Trading Activities

Group	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Income from commercial trading operations of subsidiaries	1,120,600	—	1,120,600	1,114,617	—	1,114,617
Rental income	39,175	—	39,175	143,060	—	143,060
Other income	58,091	—	58,091	24,017	—	24,017
Total	1,217,866	—	1,217,866	1,281,694	—	1,281,694

4. Expenditure on Raising Funds

Group	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Total: Expenditure on commercial trading operations of subsidiaries	1,129,909	—	1,129,909	1,293,498	—	1,293,498

5. Residential and Care Services

Group	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	22,112,505	—	22,112,505	19,588,827	—	19,588,827
Premises	1,750,411	—	1,750,411	1,688,989	—	1,688,989
Care and welfare	6,600,411	570,622	7,171,033	5,922,949	582,340	6,505,289
Central management staff costs	1,338,592	—	1,338,592	1,136,187	—	1,136,187
Depreciation	789,354	—	789,354	756,733	—	756,733
Doubtful debts	(1,069,621)	—	(1,069,621)	2,603,569	—	2,603,569
Governance (note 7)	98,400	—	98,400	85,800	—	85,800
Total	31,620,051	570,622	32,190,674	31,783,054	582,340	32,365,394

Charity	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	21,565,461	—	21,565,461	19,060,214	—	19,060,214
Premises	1,750,410	—	1,750,410	1,688,989	—	1,688,989
Care and welfare	7,204,084	570,622	7,774,706	6,565,750	582,340	7,148,090
Central management staff costs	1,338,592	—	1,338,592	1,136,187	—	1,136,187
Depreciation	789,354	—	789,354	756,733	—	756,733
Doubtful debts	(1,065,569)	—	(1,065,569)	2,603,569	—	2,603,569
Governance (note 7)	56,895	—	56,895	53,587	—	53,587

Nazareth Care Charitable Trust

Total	31,639,227	570,622	32,209,850	31,865,029	582,340	32,447,369
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Support costs incurred by the charity are included in Care and Welfare and totalled £1,056,546 (2022 - £971,392). They comprise the support functions of finance and IT expenditure.

6. Provision of Nursery Services

Group and Charity	Unrestricted funds	Restricted funds	2023 Total funds	Unrestricted funds	Restricted funds	2022 Total funds
		£	£	£	£	£
£						
Staff costs	349,486	—	349,486	325,146	—	325,146
Premises	8,184	—	8,184	8,330	—	8,330
Care and welfare	89,240	—	89,240	101,638	—	101,638
Central management staff costs	27,887	—	27,887	23,187	—	23,187
Depreciation	8,560	—	8,560	5,802	—	5,802
Governance (note 7)	1,161	—	1,161	1,094	—	1,094
Total	484,518	—	484,518	465,197	—	465,197

Support costs incurred by the Nursery are included in Care and Welfare and totalled £7,485 (2022- £8,525). They comprise the support functions of finance and IT expenditure.

7. Governance

Group	Unrestricted funds	Restricted funds	2023 Total funds	Unrestricted funds	Restricted funds	2022 Total funds
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	98,400	—	98,400	85,800	—	85,800
. Other services: taxation services	—	—	—	3,120	—	3,120
Total	98,400	—	98,400	88,920	—	88,920

Charity	Unrestricted funds	Restricted funds	2023 Total funds	Unrestricted funds	Restricted funds	2022 Total funds
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	58,056	—	58,056	54,681	—	54,681
Total	58,056	—	58,056	54,681	—	54,681

8. Net Income/(Expenditure) and Net Movement in Funds for the Year

This is stated after charging:

Group	2023 Total funds £	2022 Total funds £
Staff costs (note 9)	23,849,334	21,073,347
Auditor's remuneration	98,400	85,800
Depreciation	798,057	762,535

Charity	2023 Total funds £	2022 Total funds £
Staff costs (note 9)	23,281,427	20,544,734
Auditor's remuneration	58,056	54,681
Depreciation	798,057	762,535

9. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

Group	2023 £	2022 £
Wages and salaries	15,137,004	14,548,818
Social security costs	1,202,175	1,026,400
Other pension costs	237,862	237,242
Redundancy payments	—	25,962
Apprenticeship levy	76,039	69,919
	16,653,080	15,908,341
Payments to agency staff	7,196,254	5,165,006
	23,849,334	21,073,347

Charity	2023 £	2022 £
Wages and salaries	14,614,224	14,062,990
Social security costs	1,170,127	996,506
Other pension costs	230,036	229,625
Redundancy payments	—	25,962
Apprenticeship levy	73,527	67,597
	16,087,914	15,382,680
Payments to agency staff	7,193,513	5,162,054
	23,281,427	20,544,734

The average number of employees during the year was:

Group	2023	2022
Provision of residential and care services and nursery services	863	885

Charity	2023	2022
Provision of residential and care services and nursery services	825	847

The number of employees earning £60,000 per annum or more (including taxable benefits but excluding redundancy pay and similar payments and employer pension contributions) during the year was as follows:

Group and Charity	2023	2022
	Number	Number
£60,001 - £70,000	2	4
£70,001 - £80,000	0	1
£90,001 - £100,000	1	0
£130,001 - £140,000	0	1

The Group and Charity paid £10,784 (2022 - £6,682) in respect to defined contribution pension plans for the above higher paid employees.

The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive, the senior management team, the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,562,001 (2022 - £1,557,974).

10. Trustees' Expenses and Remuneration

The Trustees received £nil remuneration in connection with their duties as trustees during the year (2022 - £nil).

Trustee were reimbursed travel and subsistence expenses of £nil during the year (2022 - £nil).

11. Taxation

Nazareth Care Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12. Tangible Fixed Assets

	Leasehold improve- ments £	Furniture and equipment £	Motor vehicles £	Charity Total £	Leasehold interest £	Group Total £
Cost						
At 1 April 2022	4,764,509	4,209,995	230,153	9,204,657	2	9,204,659
Additions	514,668	234,938	—	749,606	—	749,606
At 31 March 2023	5,279,177	4,444,933	230,153	9,954,263	2	9,954,266
Depreciation						
At 1 April 2022	(2,713,366)	(3,269,494)	(225,401)	(6,208,261)	—	(6,208,261)
Depreciation charge	(490,012)	(306,717)	(1,328)	(798,057)	—	(798,057)
At 31 March 2023	(3,203,378)	(3,576,211)	(226,729)	(7,006,318)	—	(7,006,318)
Net book values						
At 31 March 2023	2,075,799	868,722	3,424	2,947,946	2	2,947,948
At 31 March 2022	2,051,143	940,501	4,752	2,996,396	2	2,996,398

The leasehold interest of £2 comprises two amounts of £1 each. £1 represents the residual investment value of a 999-year lease on a site in Blackburn which is being developed into a retirement village. The development value of the leasehold interest in the site, held by a subsidiary company on a 125-year under-

lease, is included in stocks and work in progress. £1 represents the residual investment value of a leasehold property that a subsidiary company holds on a 125-year lease on a site at Plymouth.

13. Investments

Charity	2023	2022
	£	£
Shares in subsidiary undertakings at cost		
At 1 April 2022	8	8
Larmenier Care Home Management Limited		
At 31 March 2023	<u>8</u>	<u>8</u>

Investments represent 100% of the issued share capital of NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, Nazareth Catering Limited, NRV Management (Plymouth) Limited, Nazareth Home Care Limited, NRV Development (Glasgow) Limited and NRV Management (Glasgow) Limited. The activities of these companies are summarised in note 1.

14. Stocks and Work in Progress

Included in the Group's cost of stocks and work in progress is the construction cost of £452,349 (2022 - £452,349) in respect to the Blackburn Phase 2A development accounted for within the financial statements of NRV Development (Blackburn) Limited.

15. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Residential and care service fees	3,556,235	3,642,301	3,556,235	3,642,301
Provision for doubtful debts	(1,599,826)	(2,603,569)	(1,538,000)	(2,603,569)
Prepayments and accrued income	158,409	205,611	149,864	180,360
Other debtors	379,865	465,807	48,631	323,693
Amounts due from NRV Blackburn Limited	—	—	140,022	49,434
Amounts due from NRV Management Plymouth Limited	—	—	27,094	11,843
Amounts due from Nazareth Home Care Limited	—	—	18,175	6,479
Amounts due from Nazareth Catering Limited	—	—	18,683	4,061
Amounts due from NRV Management Glasgow	—	—	60,794	34,875
Amounts due from NRV Development Blackburn	—	—	14,129	4,061
Amounts due from NRV Development Plymouth	—	—	19,090	9,002
Amounts due from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	848,451	848,451	608,345	608,345
	<u>3,343,134</u>	<u>2,558,601</u>	<u>3,123,062</u>	<u>2,270,885</u>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Amounts due to The Congregation of the Sisters of Nazareth Charitable Trust (see below)	—	6,000	—	6,000
Loans from and contributions due to the Congregation of the Sisters of Nazareth Generalate (see below)	240,106	240,106	—	—
Expense creditors	3,246,237	1,755,921	3,168,453	1,693,261
Accruals and deferred income	590,603	655,875	544,784	542,757
Other creditors	88,580	137,450	38,113	71,055
Taxes and social security	287,819	222,231	276,366	211,444
Amounts due to Nazareth Catering Ltd	—	—	20,000	—
Amounts due to NRV Management Plymouth	—	—	—	58,943
	4,453,345	3,017,583	4,047,716	2,583,460

At 31 March 2023 the Group owed The Congregation of the Sisters of Nazareth Charitable Trust £nil (2022 - £6,000).

The loan from The Congregation of the Sisters of Nazareth Generalate comprises £240,106 to the Group (2022 - £240,106) in respect to NRV Development (Plymouth) Limited.

17. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Loans from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	1,090,660	118,660	1,090,660	118,660
Loans from The Congregation of the Sisters of Nazareth Generalate (see below)	523,266	523,266	—	—
	1,613,926	641,926	1,090,660	118,660

The loan from The Congregation of the Sisters of Nazareth Generalate comprises a loan of £523,266 (2022 - £523,266) advanced to NRV Development (Blackburn) Limited.

18. Provision for liabilities

Group	2023 £	2022 £
At 1 April 2022	225,141	186,141
Charged (utilised) for the period	11,363	39,000
At 31 March 2023	236,504	225,141

The provision relates to sinking funds in NRV Blackburn Limited, NRV Management Plymouth Limited and NRV Management Glasgow Ltd. There is no provision for liabilities within the Charity.

19. Restricted funds

The funds of the Group and Charity included the following restricted funds:

	At 1 April			At 31
	2022	Income	Expenditure	March
	£	£	£	2023
				£
Other donations	—	62,214	(62,214)	—
Infection control grant	—	508,408	(508,408)	—
Total	—	570,622	(570,622)	—

	At 1 April			At 31
	2021	Income	Expenditure	March
	£	£	£	2022
				£
Other donations	—	22,361	(22,361)	—
Infection control grant	—	559,979	(559,979)	—
Total	—	582,340	(582,340)	—

The above restricted funds were received from the UK Government to be spent on infection control measures.

20. Tangible Fixed Assets Fund

Group	2023	2022
	£	£
At 1 April 2022	2,996,398	2,724,899
Movement in year	(48,450)	271,499
At 31 March 2023	<u>2,947,948</u>	<u>2,996,398</u>

Charity	2023	2022
	£	£
At 1 April 2022	2,996,396	2,724,897
Movement in year	(48,450)	271,499
At 31 March 2023	<u>2,947,946</u>	<u>2,996,396</u>

The tangible fixed assets fund represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

21. Analysis of Net Assets Between Funds

Group	General	Tangible fixed assets	Restricted	Total
	funds	fund	funds	
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	2,947,948	—	2,947,948
Net current assets	64,137	—	—	64,137
Creditors: amounts falling due after one year	(1,613,926)	—	—	(1,613,926)
Provision for liabilities	(236,504)	—	—	(236,504)
Total net assets	(1,786,293)	2,947,948	—	1,161,655

Group	General	Tangible fixed assets	Restricted	Total
	funds	fund	funds	
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	—	2,996,398	—	2,996,398
Net current assets	989,383	—	—	989,383
Creditors: amounts falling due after one year	(641,926)	—	—	(641,926)
Provision for liabilities	(225,141)	—	—	(225,141)
Total net assets	122,316	2,996,398	—	3,118,714

Charity	General funds	Tangible fixed assets fund	Restricted funds	Total
	£	£	£	
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	2,947,946	—	2,947,946
Investments	8	—	—	8
Net current liabilities	(627,323)	—	—	(627,323)
Creditors: amounts falling due after one year	(1,090,660)	—	—	(1,090,660)
Total net assets	(1,717,975)	2,947,946	—	1,229,971

Charity	General	Tangible fixed assets	Restricted	Total
	funds	fund	funds	
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	—	2,996,396	—	2,996,396
Investments	8	—	—	8
Net current assets	321,421	—	—	321,421
Creditors: amounts falling due after one year	(118,660)	—	—	(118,660)
Total net assets	202,769	2,996,396	—	3,199,165

22. Capital Commitments

At 31 March 2023 the Group and Charity had capital commitments of £696,508 (2022 – £223,938).

23. Related Parties and Connected Entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the trustees of the Charity.

The Charity is connected also to two other registered charities:

Name	Registration numbers etc.	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
The Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)	A registered charity (Charity Registration Nos 228906 (England and Wales) and SC040507 (Scotland))	The support of the religious and other works (or ministries) carried on by members of the Congregation (the Sisters) in the U.K. and the care of those Sisters throughout their lives with the Congregation in the U.K. Ownership of 13 establishments in England, Wales, Scotland and Northern Ireland known as Nazareth Houses within which nursing, residential and care services are provided to older people in need.

In the case of both CSNCT and CSNG the Superior General of the Congregation also appoints the Trustees. Throughout the year, two or more of the three charities had some Trustees in common. With effect from April 2012, the Charity and CSNCT have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, accounts consolidating the three charities are not prepared.

During the period there have been a number of transactions between the Charity and/or NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, NRV Management (Plymouth) Limited, and CSNCT, details of which are given in the paragraphs below.

CSNCT and Nazareth Care Charitable Trust

At 31 March 2023, the Group and Charity was owed £848,451 (2022 - £848,451) from The Congregation of the Sisters of Nazareth Charitable Trust being £608,345 (2022 - £608,345) for redevelopment work carried out at Nazareth House Cheltenham, and £240,106 (2022 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited,

During the year, CSNCT donated £nil (2022 - £nil) to the Charity (see note 2).

During the year, the Charity incurred £391,044 (2022 - £426,996) of management stipend expenditure which was paid to the Congregation of the Sisters of Nazareth Charitable Trust. NCCT also incurred expenditure for the rental of the care homes and nursery of £1,240,742 (2022 - £1,253,338).

CSNG and Nazareth Care Charitable Trust

During the year, CSNG granted £2m (2022 - £nil) to the Charity (see other income).

CSNG and NRV Development (Blackburn) Limited

On 7 March 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Blackburn) Limited for an unsecured loan of up to £4.2 million to be used to finance the construction of apartments and bungalows at the Larmenier Retirement Village, Preston New Road, Blackburn. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at 5%. At 31 March 2023 £3,181,280 (2022 – £3,181,280) (including accrued interest of £631,143 (2022 - £631,143)) of the loan had been drawn down. Repayments of £nil (2022 - £160,500) were made to CSNG during the financial year. At 31 March 2023, the company owed £523,266 (2022 - £523,266) to CSNG, of which £nil (2022 - £nil) was due within one year.

CSNG and NRV Development (Plymouth) Limited

On 19 December 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Plymouth) Limited for an unsecured loan of up to £7.9 million to be used to finance the construction of apartments at Nazareth House, Durnford Street, Plymouth. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at the rate of the Base Rate plus 4% per annum. At 31 March 2023, £6,140,106 (2022 – £6,140,106) (including accrued interest of £809,949 (2022 - £809,949)) of the loan had been drawn down. Repayments of £nil (2022 - £nil) were made to CSNG during the financial year. At 31 March 2023, the company owed £240,106 (2022 - £240,106) to CSNG, of which £240,106 (2022 - £240,106) was due within one year.

CSNCT and NRV Development (Blackburn) – Retirement Villages

Under the terms on which NRV Development (Blackburn) Limited sells certain apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. It is calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buyback option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, CSNCT has agreed to meet any shortfall.

24. Other Related Party Transactions

Other than as disclosed above, there were no other related party transactions requiring disclosure (2022 – none).

25. Liability of the Members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up each of the members would be required to contribute an amount not exceeding £1.

26. Post Balance Sheet Events

There were no post balance sheet events.

27. Ultimate Control

The Charity is controlled by the Congregation, an international Roman Catholic religious Congregation, by virtue of the fact that the Superior General of the Congregation appoints the trustees.

28. Custodian Funds

At 31 March 2023 the Group and Charity held £91,052 (2022 - £82,198) being deposits held on behalf of residents in the Charity's care homes. These amounts are not included in these financial statements as the Group and Charity have no control over the monies. The funds are held in a bank account separate from the cash at bank of the Group and Charity.

NAZARETH CARE CHARITABLE TRUST

England & Wales - Charity number 1113666

Accounts

NAZARETH CARE CHARITABLE TRUST

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**Charity Registration Numbers
England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee
Registration Number: 05518564**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

Sister Doreen Cunningham Chair	
Sister Rose Ita Doody	
Sister Teresa Bernadette Fallon	
Sister Madeleine Merriman	resigned 17 October 2022
Mr Paul Williams	resigned 02 November 2021
Mr James McAleenan	resigned 19 May 2021
Ms Margot Cronin	resigned 30 May 2022
Mr Donald West	
Sister Lilian Bashford	resigned 25 October 2021
Sister Anastasia Lenihan	appointed 05 November 2021
Father John Martin	appointed 29 July 2021
Sister Celine Donnelly	appointed 17 October 2022

Senior Management - (SMT)

Regional Superior	Sister Doreen Cunningham
Chief Executive Officer	Mrs Angela Demsey (appointed 01.03.2023)
Chief Executive Officer	Mr Mike Anderson (10.05.2022 to 30.04.2023)
Company Secretary	Mr Mike Anderson (appointed 17.05.2021)
Chief Executive Officer and Company Secretary	Mr Richard Whitby (until 17.05.2022)
Finance Director	Mrs Alison Mugunthan (appointed 12.06.2023)
Head of Finance	Mr Ahmed Bangura (01.11.2021 to 11.11.2022)
Head of Finance	Mrs Samantha Parker (14.04.2021 to 12.10.2021)
Finance Director	John Graham (until 07.05.2021)
Director of Operations	Mr Mike Anderson
Head of HR	Mrs Louise Graham
Head of Corporate Services	Miss Alexandra Ispas

Administrative Details

Registered Office	Larmenier Centre 162 East End Road London N2 0RU 020 8444 4427
Telephone	
Email	uk.administration@nazarethcare.com
Website	www.nazarethcare.uk.com
Company Registration Number	05518564 (England & Wales)
Charity Registration Numbers	1113666 (England & Wales) SCO42374 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW

Bankers

Barclays Bank plc
Acorn House
36-38 Park Royal Road
London NW10 7JA

Principal Solicitors

Stone King LLP
13 Queen Square
Bath BA1 2HJ

HERITAGE

The Congregation of the Sisters of Nazareth (“the Congregation”) is an international Roman Catholic religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: America, Australasia, Ireland, Africa and United Kingdom (UK Region).

Victoire and five companions came to London in April 1851. At that time England was predominantly Protestant. Catholics, for the most part, were in a state of extreme poverty and the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there, the Sisters collected alms and food around London in order to care for the old and young who they took into their Home.

As the number of people requiring care and shelter increased each year the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first group of elderly people and children were moved into the new building which was named Nazareth House. From these beginnings the Congregation spread around the world. Most of the work of the Congregation takes place within “Nazareth Houses” which are substantial buildings operated mainly as care homes for older people.

Nazareth Care Charitable Trust (NCCT or the Trust) is a charitable company limited by guarantee and is the operational arm of the Congregation, working in partnership with The Congregation of the Sisters of Nazareth Charitable Trust, providing care for the elderly, disabled and terminally ill in 12 care homes throughout England, Scotland and Wales.

It also provides nursery school education in Lancaster and retirement villages situated in Glasgow, Blackburn and Plymouth, and supports other religious orders in caring for their older sisters.

MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER

The challenges that Nazareth Care Charitable Trust (NCCT) has faced in recent years have been some of the greatest it has faced in its entire history.

The social care sector in the United Kingdom as a whole is facing challenges around staff recruitment and retention, the continued effects on both its workforce and client group of the Covid-19 pandemic, the cost-of-living crisis, and its associated costs to both the individuals who work for and use their services as well as to organisations as a whole. Nazareth Care Charitable Trust is no different in these respects.

Changes to the Finance Department and the adoption of new systems added to these challenges along with, on occasion, disappointing regulatory reviews and subsequent gradings at a few of our locations, exacerbated the challenges further. We are aware that staff have been through a very difficult couple of years with Covid-19 and the effect that this has had. We are pleased that our regulatory ratings have greatly improved over the past few months in all locations that have been recently inspected.

We are committed to all of our staff, residents, friends and volunteers to place the charity in a stronger financial position, through hard work and dedication while readopting our core values and placing them at the forefront of everything we currently do, or plan to do.

The charity expected the fiscal year 2021/22 to be a challenging one with the removal of Government financial support in the form of grants, however the recruitment and retention of staff, reduced levels of occupancy and latterly the cost-of-living crisis have led to the charity posting disappointing financial results at the year end.

We have sought and secured advisors and advice from industry experts and our partners in both the health & social care and charitable sectors to aid with solutions for the challenges we have faced and are facing and while we remain in a period of transition there is optimism and hope for a brighter future. We are pleased with the successful recruitment of overseas staff at our various locations in recent months.

A special thanks to a member of our Senior Management Team, Mike Anderson, for agreeing to step in as Interim Chief Executive Officer and for bringing some positive changes and outcomes for the organisation while we recruited a new Chief Executive Officer, Angela Dempsey. We wish both continued success into the future.

The Senior Management Team and Trustees are working hard to stabilise the charity in terms of the sustainability of quality within our services, the reduction of reliance upon temporary workers, improving our occupancy levels and the successful completion of the systems upgrade. This along with the planned major refurbishment of our Hammersmith site, along with smaller projects to improve our facilities in sites such as Bonnyrigg and Cardiff should aid our recovery and allow us to be successful in subsequent years. We are pleased to see the Birkenhead project completed despite delays and look forward to receiving the planned admissions to our new wing in the coming weeks.



SISTER DOREEN CUNNINGHAM
Chair of the Board of Trustees



MRS ANGELA DEMPSEY
Chief Executive Officer

INTRODUCTION

Following the 2006 General Chapter of The Congregation of the Sisters of Nazareth, the concept of Nazareth Care Charitable Trust began to take shape. The purpose of the Trust was to carry the mission of the Sisters of Nazareth into the future, even if there were fewer Sisters in active service. To successfully achieve this, it was vital that all staff had a clear understanding of the mission and the values of the Sisters, which have made the organisation the success it has been for the past 160 years.

The core values of the Sisters: patience, hospitality, love, respect, compassion and justice are practiced by both Sisters and staff alike in everything they do and set the bar for the excellent quality of care provided to both children and the elderly. Each house strives to incorporate these six values in simple, different, and creative ways.

The facilities operated and managed by Nazareth Care Charitable Trust include care homes, retirement villages and nurseries. All of our services are genuinely an integral part of the community in which they operate. Whether it is a young child or an elderly person we actively encourage everyone to live their lives to their full potential, both within our facilities and in the wider community. Every Nazareth House encourages members of the wider local community to participate as either a “Friend of Nazareth House”, a volunteer or as a parishioner using the church facilities.

Many of the buildings operated by Nazareth Care Charitable Trust on behalf The Congregation of the Sisters of Nazareth Charitable Trust are the original Victorian buildings, established either by the foundress or very early in the history of the Sisters of Nazareth.

For the Charity to provide high quality care in the best possible environment, we continue to invest in the upgrade of properties.

The Regional Team remain confident the planned upgrade of the site at Hammersmith will start in 2023 following intensive planning in 2022.

YEARLY REVIEW

The 2021/22 fiscal year proved difficult in relation to the charity’s financial performance. The charity posted a significant deficit compared with a surplus during the previous financial year.

The SMT of NCCT carried out a financial stress test of businesses within the NCCT group from which actions and targets were set for each Manager of those businesses to ensure 2022/23 would be a better performing financial year for the NCCT group. The SMT now monitors the activities on a weekly and monthly basis against key performance indicators.

Covid-19

Covid-19 had a huge impact on the running of our care homes. Restricted visiting was very difficult for our residents, their families, and our staff. We are pleased that we are back to near normality with policies and procedures in place should further cases be identified.

Occupancy

Occupancy continued to be of concern during the 2021/22 fiscal year, as we continued to see periods of homes remaining closed to new admissions due to continued Covid-19 outbreaks amongst staff and

clients. Some of our homes required extensive refurbishment which meant that occupancy needed to be reduced while the necessary work took place. In some locations this work is still in progress.

Infrastructure

In 2021 we started the migration to a fully integrated care management system, staff roster, time & attendance, income processing & finance, payroll & compliance system, and telecommunication upgrade. The new systems integration has proved challenging both in its adoption and in relation to the migration of information from previous systems. That work remains ongoing, and the staff, Senior Management Team and Trustees are committed to ensuring that it will provide improvements in our reporting, governance and analysis of trends as well as providing all of our staff and residents with a secure and safe working and living environment.

During the year Nazareth Care Charitable Trust had been notified by the software company that they used had been cyber attacked which resulted in us, as well as all other companies that used the system, not being allowed access to the system until they were satisfied that it was safe to be used again. This was ongoing for several months which placed a high demand on our staff to produce manual records.

Regulatory

The ethos of Nazareth Care Charitable Trust is distinguished by the Core Values of the organisation: Justice, Patience, Hospitality, Compassion, Love and Respect.

This philosophy of care involves every member of the caring team working with a common aim to improve the quality of life of each of our service users.

The aim of Nazareth Care Charitable Trust is to provide settings where people are cared for, supported and valued within an environment that promotes the health and wellbeing of our service users. Our aim is to provide all our service users with a safe place to be cared for.

We strive to promote an environment where people feel secure, comfortable, and valued. Our aim is to provide care that meets the needs of each person as an individual and our care is always informed by the best available evidence-based research. What this means to us is that all parties involved in a person's care are consulted where possible or applicable.

Regulatory inspections in England, Wales & Scotland returned to pre Covid 19 levels and we had disappointing results in some of our sites. However, in recent months, we have had re-inspections at three of our sites and have achieved improved gradings that indicate how hard the entire staff teams have worked over the past year. We have celebrated these achievements with staff and residents. We are delighted that our staff team have been recognised for their quality care, especially after the very difficult time they endured during covid-19.

Our Staff and Volunteers

We continue to be very proud of our staff and volunteers in this as in all other years.

Nazareth Care Charitable Trust strives to provide an excellent working environment for our staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference. As an employer we acknowledge that our staff are the biggest asset to the charity. We continue to review our pay rates and benefits we provide to staff as we are particularly aware that their health and well being is paramount to our future success.

This year we have continued to implement the Government Apprenticeship levy. as we strive to improve the skills of our staff, we have rolled out role specific training for every job role in our care homes.

The majority of our houses also have a Friends of Nazareth group operating within them which is a team of dedicated volunteers that give their time for a number of causes within each home. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial demands, we need to expand the use of volunteers to raise funds for those extra things that our elderly and children require.

TRUSTEES' REPORT 31 MARCH 2022

(INCORPORATING A STRATEGIC REPORT)

The Trustees, who are the trustees of the charitable company for the purpose of charity law and directors for the purpose of company law, present their statutory report together with the financial statements of Nazareth Care Charitable Trust ('the Charity') for the year ended 31 March 2022.

This report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 29 to 34 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

The Charity was established by the Congregation of The Sisters of Nazareth to assist the Sisters to maintain their mission which principally today sits with the care of older people through the provision of care homes and retirement villages in the United Kingdom. The Charity also manages a day nursery in Lancaster. The Trustees intend that the work of the Charity will enhance the quality of life of those who live in its homes whilst enabling them to retain to the maximum their dignity and independence.

For The Congregation of The Sisters of Nazareth Charitable Trust and Nazareth Care Charitable Trust, working together is all about people. The Sisters, the residents and their families and our staff together make a true Nazareth family. The Congregation of the Sisters of Nazareth Charitable Trust owns the estate, and the Sisters provide spiritual and pastoral support whilst Nazareth Care Charitable Trust operates the care homes and a day nursery.

When setting the objectives and planning the work of the Charity for the year, the Trustees have considered the Charity Commission's general guidance on public benefit.

Objectives

Financial Stability: The Charity has performed poorly in 2021/22 in financial terms and the key factors influencing this have been reduced occupancy, an increased reliance on temporary agency staff within our services and difficulties with the integration and adoption of a new suite of management systems. The charity is focused on achieving financial stability and will be looking at both its senior management structure and targeting agency reduction and increased occupancy as key to this.

Quality: The short-term goal of the charity was that the regulated inspection gradings will improve in 2022 and in many instances, this has been achieved. The long-term goal is for all of the businesses to sustain gradings of Good or better and that the service settings reflect this in terms of environment.

The Board and Senior Management Team of Nazareth Care acknowledge that the adoption of new systems, Covid-19 and latterly the cost-of-living crisis may have an impact on achieving the objectives in the short term but are seeing the quality in many of our services improve and sustain.

Care homes

There are 12 care homes operated by Nazareth Care Charitable Trust within England, Scotland and Wales (together forming the Region), some providing nursing care for clients with complex needs, whilst all provide support to those people requiring social care. We provide accommodation for older adults, residential and nursing, disabled and the terminally ill. All of our rooms are single occupancy

accommodation; however, some rooms are spacious in size and can accommodate couples if requested. The majority of our current residents receive state funding to pay for care.

At 31 March 2022, the Charity operated care homes in the following locations:

Table 1			
Location	Principal activities	Category	Number of registered beds
<i>England and Wales</i>			
Birkenhead	Care home with nursing facilities	Residential	25
		Nursing	26
Cardiff	Care home with nursing facilities	Residential	27
		Nursing	27
Cheltenham	Care home	Residential	63
Crosby, Liverpool	Care home	Residential	66
Finchley, London	Care home	Residential	84
Hammersmith, London	Care home with nursing facilities	Residential	28
		Nursing	67
Lancaster	Care home with nursing facilities (Nursing unit closed 30 November 2017)	Residential	26
		Nursing	15
Manchester	Care home with nursing facilities	Residential	24
		Nursing	40
Northampton	Care home	Residential	48
Plymouth	Care home with nursing facilities (Nursing unit closed 30 January 2018)	Residential	29
		Nursing	15
<i>Scotland</i>			
Edinburgh, Bonnyrigg	Care home	Residential	38
Glasgow	Care home	Residential	70

The care homes aim always to provide excellent standards of care, and this is key to ensuring that the charity moves forward in a stable and strong manner.

STRATEGIC REPORT

In Our Care Homes

As the restrictions relating to Covid 19 have been lifted we have seen new challenges around the recruitment and retention of staff, increased competitiveness within the workforce market, low occupancy in some of our houses and the removal of Covid 19 related grants from central government while facing increased costs in most areas in which we operate. Covid 19 restrictions may have reduced but we continue to experience periods of closure in our services relating to it. Our homes have faced the challenge of adopting new care management systems and this has been highlighted as some of the reasons why, on occasion, our regulatory reviews have not been of the expected standard. Remedial work involving training is being adopted to tackle this. Alternative methods of recruitment are also in process. We have obtained a licence to sponsor overseas' staff. We now have overseas staff working in nine of our locations and hope to see a significant reduction in agency staff usage following their induction periods. We have also moved into contract with a central agency that will support us with all out agency staff requirements. The benefit of this will be lower agency costs and more efficient time management as there will be simpler booking processes and one invoice for all homes rather than multiple invoices.

Subsidiaries

Two of the Charity's wholly-owned subsidiaries; NRV Development (Blackburn) Limited and NRV Development (Plymouth) Limited are development companies providing retirement village apartments for sale at the respective sites.

In order to provide a management and service company for each of our villages we have established three individual companies: NRV (Management) Plymouth Limited, NRV Blackburn Limited and NRV (Management) Glasgow Limited.

The Charity established Nazareth Catering Limited in 2012 and this has been used to produce food in bulk for sale in the restaurants of the retirement villages.

In order to enhance the care provided at the care villages in Blackburn and Plymouth through personal care services, the Charity established Nazareth Home Care Limited on 25 March 2013. Currently Nazareth Home Care Limited Company only works with other religious orders to provide management services to those organisations who did not have sufficient resources to manage care home operations within today's environment. This company currently works with one religious order on two sites.

The Future of Nazareth Care Charitable Trust

The charity has faced some extremely challenging times in 2021/22 and will continue to do so for some time. Qualitative improvements at service level are beginning to be sustained and the Senior Management Team and Trustees are aware of the issues affecting our financial position and are enacting processes and policies to improve the financial stability of the charity going forward.

Our aims for the future include sustainable improvement of regulatory ratings and maximising both our occupancy at service level and reducing the reliance on temporary workers. This in turn will improve our financial performance and allow us to grow as an organisation.

We hope to continue to recruit overseas staff through sponsorships and providing three months accommodation for them on arrival. This should greatly reduce our staffing costs while also ensuring continuity of care to those we care for.

FINANCIAL REVIEW OF THE YEAR

Income and Expenditure

A summary of the results can be found on page 27 of the attached financial statements.

Financial Position

The Group's income decreased from £29.2 million to £28.8 million. Within this total, £26.2 million represents the income in connection with the provision of residential and care services for older people and £0.5 million represents the income from the provision of nursery services. Income from commercial trading through subsidiaries amounts to £1.3 million.

Expenditure increased from £28.8 million to £34.1 million at the Group level. Within this total, £32.4 million represents the expenditure in connection with the provision of residential and care services for older people and £0.5 million represents the expenditure for the provision of nursery services. £1.1 million represents expenditure in respect to the commercial trading operations of the subsidiaries.

At year end the Charity raised a provision for doubtful debts of £2.6 million, which is included in the expenditure figures.

The day-to-day operations of the Charity resulted in a deficit of £5.3 million for the year and the Group operations resulted in a deficit of £5.4 million.

The total net assets of the Group at 31 March 2022 amounted to £3.1 million whilst those of the Charity totalled £3.2 million.

Two of the subsidiary companies are in deficit:

NRV (Development) Blackburn Limited

This is the development company responsible for developing the site at Blackburn and the sale of its properties. Currently, the company is in deficit by approximately £49,019 due largely to the time it is taking to sell the properties.

The sales team continues to work extremely hard to sell the remaining apartments. However, this has not been an easy process with many flats reserved but potential buyers are experiencing difficulties in selling their existing properties.

Whilst all bank loans for this development have been repaid there continues to be a loan outstanding to the Charity from the Congregation of the Sisters of Nazareth Generalate. This charity is the overarching charity for the Congregation and was responsible for the plans and design of the Blackburn site before it was handed over to Nazareth Care Charitable Trust in 2011. This outstanding loan is being paid back as quickly as possible whilst taking into consideration the need to cover expenses which include voids, service charges, standing charges for energy, council tax and sales and marketing.

It is anticipated that the project will at best break even or make a slight deficit at the end of the sales process.

NRV Development (Plymouth) Limited

This is the development company responsible for developing the site at Plymouth and the sale of its properties. Currently, the company is in deficit by approximately £48,867. Development was completed on this site during 2015/16 and the final apartment was sold in September 2017. The company directors are working hard to close the company as soon as possible.

Reserves Policy

Total group reserves at 31 March 2022 were £3.1m comprising a fixed asset designated fund of £3m and unrestricted free reserves of £122k. The tangible fixed assets fund represents the net book value of the Group's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund comprises those assets not designated by the Trustees or restricted in their application as at 31 March 2022. At 31 March 2022, the fund had decreased by £5.7m to £122k as a result of the operational and financial challenges experienced in the year alongside the ongoing impact of Covid-19. This is below the target of six months operating expenditure.

The Trustees have agreed to work towards a reserve of funds equivalent to six months of operating costs in the knowledge that a larger positive reserve balance needs to be built up in due course. The restructure that has occurred over the past few years now needs to be consolidated and a period of reflection is required so that the Trustees may assess the future needs of the Group and Charity in the light of their mission and plans. This continues to be considered an appropriate target in light of the new environment the charity is operating in as a result of covid-19. Any surplus taxable funds arising in the subsidiaries may, from time to time, be donated to the Charity by Gift Aid.

The Trustees recognise that measuring total unrestricted funds is only one indicator and includes fixed assets that could not easily be converted to cash. Hence the Board of Trustees focuses much of its effort on monitoring the group cash and current asset/liability position. The continued emphasis on cash management and improving the current asset position will therefore continue to be a feature in the coming period. This is considered further in the going concern section below.

Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements being to June 2024. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 30 June 2024, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

NCCT reports a deficit of £5.4m, including a provision of £2.6m for doubtful debts, for the year ended 31 March 2022 after posting a surplus of £0.4m in the prior year. Prior to last year the Charity endured several loss making years. Reserves were also severely impacted during the 2021/2022 financial year with free reserves at 31 March 2022 being £122k.

During the year to 31 March 2023 NCCT received £1m by way of a loan from CSNCT repayable over ten years. A grant of £5m was also approved from CSNG which is available to draw down between the date of the agreement being November 2022 and June 2024. £2m was drawdown in November 2022 and £0.5m was drawdown in May 2023. At the time of signing these financial statements £2.5m remains available to NCCT. Additionally, CSNG and CSNCT have provided a letter of support to NCCT providing a repayable overdraft facility of up to £1m between the date of signing these financial statements and July 2024 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a budget to 31 March 2024 and a monthly cashflow forecast to 30 June 2024.

The key areas of uncertainty are outlined below:

- Reduced occupancy levels. The forecast includes assumptions around the rate at which occupancy levels can be increased and/or maintained across the homes. Any variation from the budget or the timing of the achievement of improvements would present additional risk. The forecasts do not adjust for any embargo that may be introduced either voluntarily or as a result of a regulatory inspection.
- Increased agency costs. There continue to be significant challenges in the recruitment market. As detailed below NCCT has taken steps to mitigate this risk which is reflected in the budgets and forecasts produced. However there is a risk that the reduced level of agency spend may not be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. There is a risk that the rate and/or level of historic debt recovery is out of line with the forecasts. This could impact in terms of the amount of debt recovered, or the forecast phasing of income receipts which may impact cashflow projections negatively.

Therefore, the budgets and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves the Trustees continue to focus on the cash position and forecast. However it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The cashflow forecast has been modelled on three scenarios being a base case, best case and worst case. These scenarios incorporate key assumptions and sensitivities including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown, recovery of historic debt and the impact of inflationary pressures.
- Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasts have been completed to June 2024 with daily cash checks in place. A 16 week rolling cashflow is updated weekly.
- Credit controls are in place and improved following the appointment of a Head of Credit Control in December 2022. Debtors totalled £3.4m at the end of May 2023. Between October 2022 and June 2023 £1.1m of historic debt was recovered. An average of 3% recovery per month of the historic balance has been incorporated into forecasts.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5m to NCCT. At the time of signing these financial statements £2.5m remains available for drawdown.
- A letter of support has been provided by CSNCT and CSNG providing an overdraft facility of up to £1m until July 2024 should this be required.
- The budget and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the April and May 2023 monthly results.
- The budget and cashflow forecast takes into account assumptions around occupancy levels and forecasts an improvement over the period to June 2024. This has been modelled on the three different scenarios.
- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties as discussed above.

Risk Management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks to which the Charity and its subsidiaries might be exposed to, and which are captured in a risk register. The risks include both those relating to the operation of the care homes and nursery and those relating to the development of retirement villages and the sale and subsequent resale of apartments et cetera. Actions are agreed to monitor and mitigate the risks identified. At each Trustee meeting, the Trustees and management discuss the latest view of the risk landscape to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are four key risk factors faced by the Charity and the table demonstrates how the risks are managed.

1. Financial Stability

Action we have taken to mitigate the risks:

The Charity has experienced reduced occupancy levels that have impacted on income. Unfortunately, several homes for periods of time had embargoes on admissions. This has now been resolved. The Charity has also increased fees which takes into consideration inflationary costs. The Executive Team have invested in care planning and accounting software to increase efficiency, minimise human errors and eliminate duplication in processes. The software has great potential to reduce staff time and staff cost and has been implemented in stages. The final phase which is being implemented in 2023 is e-rostering and workforce modelling.

2. IT system refinement including evaluation of implementation of software solutions

Action we have taken to mitigate the risk:

Last year the Charity invested heavily in IT infrastructure. New systems for compliance, care plans and medication management were implemented. WIFI and telephone systems across the UK care homes were upgraded. It is anticipated that new systems will offer greater control and consequently improve performance. The rolling out of new systems was challenging and teething problems were experienced in ensuring the systems were effective following implementation and staff training. It was therefore decided to phase in the remaining stages of implementation. One final stage is to be completed in 2023 which will focus on e-rostering.

3. High Agency Usage

Action we have taken to mitigate the risks:

Since 2020 the Charity has had to increase its usage of agency staff. The recruitment and retention of care staff is a UK wide challenge across the whole sector. The ability to recruit and retain staff remains a key risk for the Charity. The Executive Team have invested in a suite of measures to reduce the requirement for agency staff. Each home has a plan to recruit to their vacant positions. A commitment has been made to the overseas recruitment of care staff and teams of new staff have been appointed, who have been assigned to homes across the UK.

4. Care Quality

Action we have taken to mitigate the risks:

The Charity is committed to ensuring it provides services that are safe and support a positive resident experience. It is recognised that there are other risks that can impact on care delivery and quality, such as an inability to recruit staff and reliance on agency staff to support our services. Regional support has been put in place to work alongside the general managers to monitor the quality of services, including daily walk arounds, weekly quality monitoring and regular staff forums. The Charity works to deliver the highest possible standards at all times so staff are supported to always be “inspection ready” for impending visits from regulators and commissioners who will want to see the quality of service that is delivered at all times. The residents in each Nazareth House deserve nothing less.

To constantly improve we are committed to listening to what residents, staff and relatives say about the service delivered. Feedback is captured and shared either via our website or via CareHome.co.uk. The feedback is also used as a training improvement resource for the staff to understand how residents experience their care.

MANAGEMENT AND TRUSTEES

Trustees Responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The Charity is governed by its Trustees. The Trustees are appointed by the Superior General of the Congregation.

The principal property assets of the Congregation in England, Wales, Scotland and Northern Ireland are held on charitable trust by The Congregation of the Sisters of Nazareth Charitable Trust and by The Congregation of the Sisters of Nazareth Generalate. With effect from 1 April 2012, the Regional Superior

of the Congregation's UK region became the Chair of Trustees ex officio. The Regional Councillors of the Congregation's UK region also became ex officio trustees.

Additional Sisters and Trustees who are not members of the Congregation may be appointed by the Superior General to ensure that the necessary breadth of skills and experience is available to the Charity's governing body. Details of the trustees can be found in the Reference and Administrative Details on page 2 of the Annual Report and Audited Financial Statements and also below.

Newly appointed Trustees are given induction training that includes meetings with staff, meetings with representatives of partner organisations and visits to our houses, nurseries and retirement villages. Ongoing training opportunities will be provided as necessary as the work of the Charity develops.

The Current Trustees

Sister Doreen Cunningham – Chair

Sister Doreen trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019 she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012. She is currently Sister Superior at Nazareth House Finchley.

Sister Madeleine Merriman – Trustee (until 17 October 2022)

Sister Madeleine Carmel Merriman has completed a post graduate diploma in leadership and management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009 and at Crosby in 2013. She became a Regional Councillor in 2014 for the UK Region. She is currently Superior at Nazareth House Cardiff.

Sister Rose Ita Doody

Sister Rose Ita trained as a cook in Aberdeen College and worked in a number of houses in the Irish and UK Regions. She completed a Diploma in Counselling and Therapy in South East Essex College in 1998 and was appointed Superior and Care Manager in Lancaster in 2000. Sister has completed Level 5 in Management, Registered Manager (ADULTS) in Lancaster and Morecambe College in 2003 and moved to Crosby in 2006. She completed a Foundation Degree on Vulnerable adults at Edge Hill University in 2008, and more recently completed a Diploma in Leadership and Management at Loughborough University. She is currently Sister Superior at Nazareth House Manchester.

Sister Lilian M. B. Bashford – Trustee (until 25 October 2021)

Sister Lilian is a member of the Congregation of the Sisters of Nazareth since 1966, made Final Profession in 1974. She has wide and varied experience in the field of Residential Care and is a retired Psychoanalytical Psychotherapist. Sister Lilian held management and leadership positions within the Congregation.

Sr Anastasia Lenihan – Trustee (appointed 05 November 2021)

Sister Anastasia trained as a Registered Nurse in Nottingham and has nursed older adults for many years. She worked in many of our locations in both Ireland and the United Kingdom. She has undertaken many courses throughout her career as a Nurse in keeping up to date with best practices, including palliative care. She was appointed Superior at Southend in 2001, at Derry in 2009, and at Cheltenham in 2019 where she is currently.

Sr Celine Donnelly – Trustee (appointed 17 October 2022)

Sr Celine completed her nursing studies at St Georges hospital medical school and Kingston University in 1998 prior to becoming the Nurse manager in Nazareth House Hammersmith from 2001 until 2009. During this time she completed a BSc in Health and Social Care, a diploma in palliative care and dementia care, and various management courses. Sr Celine has been in leadership positions in Lancaster, Finchley, and Cheltenham and is currently Sister Superior in Hammersmith.

Paul Williams – Trustee (until 2 November 2021)

Paul is a Chartered Accountant and for over 25 years was a Partner in what is now Deloitte LLP. His client service role included membership for many years of the Firm's Voluntary Sector Group. Paul managed significant parts of the Firm's business in London, Berkshire and Sussex for over 20 years and for 5 years he was National Director of HR on the Firm's Executive Committee. Paul was subsequently elected to the Board of Partners. Following ill-health, he stood down from the Firm in 2008. Paul has held appointments with other Catholic institutions, including 10 years on the Finance Committee of Westminster Archdiocese and 8 years as Chairman of the Ampleforth Lourdes Hospitalité.

James McAleenan – Trustee (until 19 May 2021)

James qualified as a chartered accountant (SA) and then worked for over 40 years in financial services in the UK and abroad. He has extensive experience of corporate governance, finance and risk and has carried out a variety of roles including CEO, trustee and independent director. He retired from full time employment in 2016 and is now a part time trustee and non-executive director for the Mineworkers' Pension Scheme, Holley Holland financial consultants and Nazareth Care Charitable Trust.

Margot Cronin – Trustee (until 30 May 2022)

Margot has spent over 30 years in the financial services sector. During the course of her career, she held senior management roles including CEO and COO in a number of different countries including UK, US and Hong Kong for Aviva Plc. She is a Chartered Director and holds a Master's degree in Risk Management & Insurance from City University London (2000). She brings significant commercial and board experience to her role as Trustee.

Donald West

Don has worked in healthcare management for over 30 years, advising hospitals, community and mental health organisations in the UK, Germany and elsewhere on a range of issues, including capital investment, cost improvement and financial recovery, information technology and business intelligence. He is a Trustee and team leader of the Winchester Street Pastors, part of a national charitable organisation dedicated to offering practical support, reassurance, and comfort to people in distress on the street at night. Don is active in the life of his parish, with a particular interest in evangelisation and ministry. He has a degree in Geography and Philosophy from the University of Wales and an MBA from the Open University. He is a keen runner and sailor.

Father John Martin – Trustee (appointed 29 July 2021)

Father John Martin has a wide and varied experience in the field of health care and management. He was a Brother of Saint John of God for 33 years. During that time he has worked in the areas of pastoral care, social work and management and was Chief Executive of the Hospitaller Order of Saint John of God for 12 years.

On leaving the Order he joined the Priesthood and is now a Priest in the Diocese of Nottingham and previously held the role of the Bishops Delegate for the Youth of the Diocese as well as managing a Parish. Father John brings with him a vast amount of experience in being a trustee.

Governance Structure and Management Reporting

The Trustees are ultimately responsible for all the policies, activities and assets of the Charity and the Group. They meet regularly, at least four times each year, to review performance, progress against plans and budgets and to consider broader developments with regard to the activities of the Charity and the Group and to make any important decisions.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, investment managers, solicitors, and accountants. The Trustees, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive.

Engagement with stakeholders

Over the last 12 months, all NCCT businesses were visited by Trustees and executive directors. From January 2022 formal executive team visits have been arranged additional to the Regional Superior and CEO visits. During these visits separate meetings are held with residents, their families, employees and the communities of the Sisters of Nazareth.

To minimise the risk of Covid-19 infections and ensure prompt communication, the NCCT SMT and Chair of Trustees attend and organise video calls with the stakeholders. The SMT of NCCT hold regular meetings with key suppliers on a quarterly and annual basis.

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following:

1. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short and longer term financial projections and the key risks that could negatively impact the sustainability of Nazareth Care Charitable Trust. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan on a regular basis.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Delegated Responsibilities. This document is reviewed and approved by the Board of Directors annually.

2. Statement of Engagement with Employees

NCCT is an equal opportunity employer and it is within its policy that all job applicants and employees are treated fairly and equally. Furthermore, the organisation will monitor the composition of its workforce to ensure the policy's effectiveness. NCCT is committed to training and developing its employees in order to eliminate discrimination and harassment as far as reasonably possible.

In relation to employee engagement, the Directors receive regular reports from management on the satisfaction of staff which is measured through staff engagement surveys. The latest staff survey was completed in July 2021 and revealed an overall satisfaction decrease on all key drivers.

The Directors attend the Charity's annual conference together with all General Managers, Sister Superiors and Senior Management Team where they can discuss and contribute to the Charity's initiatives.

Regular site visits are performed by the Directors according to a pre agreed rolling schedule that ensures all locations are covered within a period. During such visits, the Directors engage with staff and management and can discuss freely the day to day needs and challenges in order to gain a clear perspective on the business.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The latest report is available on the Nazareth Care UK website.

A global stakeholder review was completed in July 2019 that marked 10 years since Nazareth Care was launched. Its purpose was to review the success of the collaboration between the Sister of Nazareth and Nazareth Care and 9 out of 10 respondents had a positive or neutral view on the relationship. The survey has recently been repeated.

3. The need to foster the company's business relationships with suppliers, customers, and others

In relation to key stakeholder engagement, the Directors consulted with stakeholders through various channels including correspondence, webinars, and the annual conference.

Purchasing must be done through approved suppliers and group contracts as per the authority stipulated in the Delegated Responsibility document. Nazareth Care Charitable Trust is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. All national procurements must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms.

Key management personnel

The CEO has day-to-day responsibility for managing the Charity together with colleagues from the UK Region. The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive, the senior management team, and the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,557,974 (2021 - £1,579,857).

The performance and pay of the Chief Executive, senior management team, and the General Manager and Deputy General Manager of each Care Home is reviewed periodically and benchmarked against industry rates.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties; and

- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email but anyone not wanting to receive these can let the Trust know and such communication will not then be sent
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities
- The Trust is not subscribed to any fundraising standards or schemes; and has not failed to comply with any regulation subscribed to in relation to fundraising
- The Charity has not received any complaints about its fundraising activities (2021 - none)

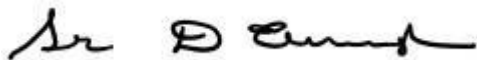
Fixed Assets

The acquisition and disposal of tangible fixed assets during the year is recorded in the notes to the financial statements.

Stocks and Work in Progress

In the light of the selling price of Blackburn units, the interest shown in the purchase of the remaining apartments at Blackburn and the apartments at Plymouth which were completed in 2015/16, the Trustees are of the opinion that the value of stocks and work in progress is not less than the historic cost figure recorded on the Group's balance sheet.

The Trustees' Report, including the Strategic Report, was approved by the Trustees and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 27.06.2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST

Opinion

We have audited the financial statements of Nazareth Care Charitable Trust (the 'charitable parent company') and of Nazareth Care Charitable Trust and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group and charitable parent company statements of financial activities, group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 of the charitable parent company's affairs as of 31 March 2022 and of the group's and charitable parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Conclusion relating to going concern

We draw attention to the accounting policy in relation to going concern on page 31 in the financial statements, which indicates that the Trustee's consider there to be material uncertainty in respect of going concern.

During this period Nazareth Care Charitable Trust has faced a number of challenges including occupancy levels, agency costs and the recovery of historic debt as detailed in the accounting policy on going concern. During the year to 31 March 2023 Nazareth Care Charitable Trust received £1m by way of a loan repayable over ten years and £5m by way of a grant available to draw down before June 2024. These were received from connected organisations as detailed in the accounting policy on going concern. As at the time of signing these financial statements £2.5m remains available for drawdown in relation to the grant and an additional line of credit of £1m is in place, that Nazareth Care Charitable Trust can draw on before July 2024 if required to support working capital requirements.

After considering the factors as set out in the accounting policy on going concern on page 31 the Trustees have concluded that Nazareth Care Charitable Trust has a reasonable expectation that there are adequate

resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties.

Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 the charitable parent company and its environment obtained during the audit; we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes 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's and the charitable parent company'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 group or the charitable parent 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 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 based on these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charitable company were Care quality Regulations (CQC, Ofsted, Care Inspectorate) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the care quality regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Audit and Risk Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



NICOLA MAY
SENIOR STATUTORY AUDITOR
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date of approval: 29 June 2023

GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2022

(Incorporating income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Income from:							
Donations and legacies							
. Donation from The Congregation of the Sisters of Nazareth Charitable Trust	2	—	—	—	75,000	—	75,000
. Other donations and legacies	2	45,000	22,361	67,361	—	93,329	93,329
Charitable activities							
. Charges for residential and care services		26,192,200	—	26,192,200	25,151,129	—	25,151,129
. Charges for nursery services		510,517	—	510,517	505,051	—	505,051
Other trading activities	3	1,281,693	—	1,281,693	1,444,134	—	1,444,134
Other income		162,147	559,979	722,126	450,770	1,480,896	1,931,666
Total income		28,191,557	582,340	28,773,897	27,626,084	1,574,225	29,200,309
Expenditure on:							
Raising funds	4	1,293,498	—	1,293,498	1,351,975	—	1,351,975
Charitable activities							
. Provision of residential and care services	5	31,783,054	582,340	32,365,394	25,476,249	1,574,225	27,050,474
. Provision of nursery services	6	465,197	—	465,197	423,740	—	423,740
Total expenditure		33,541,748	582,340	34,124,088	27,251,964	1,574,225	28,826,189
Net income and net movement in funds for the year	8	(5,350,191)	—	(5,350,191)	374,120	—	374,120
Reconciliation of funds							
Fund balances brought forward on 1 April 2021		8,468,906	—	8,468,906	8,094,786	—	8,094,786
Fund balances carried forward on 31 March 2022		3,118,715	—	3,118,715	8,468,906	—	8,468,906

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2022

(Incorporating income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	Total 2022 £	Un-restricted funds £	Restricted funds £	Total 2021 £
Income from:							
Donations and legacies							
. Donation from The Congregation of the Sisters of Nazareth Charitable Trust	2	—	—	—	75,000	—	75,000
. Other donations and legacies	2	45,000	22,361	67,361	—	93,329	93,329
Charitable activities							
. Charges for residential and care services		26,274,175	—	26,274,175	26,508,113	—	26,508,113
. Charges for nursery services		510,517	—	510,517	505,051	—	505,051
Other income		162,147	559,979	722,126	426,042	1,480,896	1,906,938
Total income		26,991,839	582,340	27,574,179	27,514,206	1,574,225	29,088,431
Expenditure on:							
Charitable activities							
. Provision of residential and care services	5	31,865,029	582,340	32,447,369	26,858,922	1,574,225	28,433,147
. Provision of nursery services	6	465,197	—	465,197	423,740	—	423,740
Total expenditure		32,330,225	582,340	32,912,565	27,282,662	1,574,225	28,856,887
Net (expenditure) income and net movement in funds for the year	8	(5,338,386)	—	(5,338,386)	231,544	—	231,544
Reconciliation of funds							
Fund balances brought forward on 1 April 2021		8,537,552	—	8,537,552	8,306,008	—	8,306,008
Fund balances carried forward on 31 March 2022		3,199,166	—	3,199,166	8,537,552	—	8,537,552

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

BALANCE SHEETS – 31 MARCH 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets:					
Tangible assets	12	2,996,398	2,724,899	2,996,396	2,724,897
Investments	13		—	8	8
Total fixed assets		2,996,398	2,724,899	2,996,404	2,724,905
Current assets:					
Stocks and work in progress	14	452,349	606,232	—	—
Debtors	15	2,558,601	3,947,913	2,270,885	3,583,652
Cash at bank and in hand		996,016	4,571,220	633,996	4,242,332
Total current assets		4,006,966	9,125,365	2,904,881	7,825,984
Liabilities:					
Creditors: amounts falling due within one year	16	(3,017,583)	(2,452,791)	(2,583,460)	(1,854,677)
Net current assets		989,383	6,672,574	321,421	5,971,307
Total assets less current liabilities		3,985,781	9,397,473	3,317,825	8,696,212
Creditors: amounts falling due after one year	17	(641,926)	(742,426)	(118,660)	(158,660)
Provision for liabilities	18	(225,141)	(186,141)	—	—
Total net assets		3,118,714	8,468,906	3,199,165	8,537,552
The funds of the charity:					
Restricted funds	19	—	—	—	—
Unrestricted funds					
. Tangible fixed assets fund	20	2,996,398	2,724,899	2,996,396	2,724,987
. General fund		122,316	5,744,007	202,769	5,812,655
Total funds	21	3,118,714	8,468,906	3,199,165	8,537,552

Approved by the Trustees on and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 27.06.2023

GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	(2,541,178)	(62,128)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,034,026)	(218,866)
Net cash used in investing activities		(1,034,026)	(218,866)
Cash flows from financing activities:			
Repayments of borrowing		—	—
Net cash used in financing activities		—	—
Change in cash and cash equivalents in the year		(3,575,204)	(280,994)
Cash and cash equivalents at 1 April 2021	B	4,571,220	4,852,214
Cash and cash equivalents at 31 March 2022	B	996,016	4,571,220

A Reconciliation of net movement in funds to net cash provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(5,350,191)	374,120
Adjustments for:		
Depreciation charge	762,535	682,186
Provision for doubtful debts	2,603,569	
Decrease in stocks	153,883	198,976
(Increase) decrease in debtors	(1,214,257)	(352,517)
Increase (decrease) in creditors	464,284	(1,003,893)
Increase (decrease) in provision for liabilities	39,000	39,000
Net cash provided by operating activities	(2,541,178)	(62,128)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Total cash and cash equivalents		
Cash at bank and in hand	996,016	4,571,220

PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 MARCH 2022

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

Basis of preparation

The charity is a limited by guarantee company (registered number 05518564), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Larmenier Centre, 162 East End Road, London, N2 0RU.

These financial statements have been prepared for the year to 31 March 2022 with comparative information provided in respect to the year to 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affected current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements being to June 2024. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis of preparation is appropriate in preparing these financial statements including a review of forecasts and cashflows to 30 June 2024, a consideration of the key risks that could negatively impact NCCT and the funding agreements in place with connected charities Congregation of the Sisters of Nazareth Generalate (CSNG) and Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)).

NCCT reports a deficit of £5.4m, including a provision of £2.6m for doubtful debts, for the year ended 31 March 2022 after posting a surplus of £0.4m in the prior year. Prior to last year the Charity endured several loss making years. Reserves were also severely impacted during the 2021/2022 financial year with free reserves at 31 March 2022 being £122k.

During the year to 31 March 2023 NCCT received £1m by way of a loan from CSNCT repayable over ten years. A grant of £5m was also approved from CSNG which is available to draw down between the date of the agreement being November 2022 and June 2024. £2m was drawdown in November 2022 and £0.5m was drawdown in May 2023. At the time of signing these financial statements £2.5m remains available to NCCT. Additionally, CSNG and CSNCT have provided a letter of support to NCCT providing a repayable overdraft facility of up to £1m between the date of signing these financial statements and July 2024 to support NCCT in meeting its liabilities as they fall due should this be required.

The Trustees have prepared a budget to 31 March 2024 and a monthly cashflow forecast to 30 June 2024. The key areas of uncertainty are outlined below:

- Reduced occupancy levels. The forecast includes assumptions around the rate at which occupancy levels can be increased and/or maintained across the homes. Any variation from the budget or the timing of the achievement of improvements would present additional risk. The forecasts do not adjust for any embargo that may be introduced either voluntarily or as a result of a regulatory inspection.
- Increased agency costs. There continue to be significant challenges in the recruitment market. As detailed below NCCT has taken steps to mitigate this risk which is reflected in the budgets and forecasts produced. However there is a risk that the reduced level of agency spend may not be maintained if the challenges in recruiting staff increase or the level of overseas staff is not maintained.
- Historical debt recovery. There is a risk that the rate and/or level of historic debt recovery is out of line with the forecasts. This could impact in terms of the amount of debt recovered, or the forecast phasing of income receipts which may impact cashflow projections negatively.

Therefore, the budgets and cashflows remain highly sensitive to changes in the timing of receipt of income, occupancy levels and the management of agency costs. Recognising the reduced level of free reserves the Trustees continue to focus on the cash position and forecast. However it is acknowledged that despite the support in place from CSNG and CSNCT there is reduced headroom to absorb the impact of uncertainties.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate in preparing these financial statements:

- The cashflow forecast has been modelled on three scenarios being a base case, best case and worst case. These scenarios incorporate key assumptions and sensitivities including occupancy levels, day rates on fee income, pay costs, use of agency staff, anticipated timing of grant drawdown, recovery of historic debt and the impact of inflationary pressures.
- Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasts have been completed to June 2024 with daily cash checks in place. A 16 week rolling cashflow is updated weekly.
- Credit controls are in place and improved following the appointment of a Head of Credit Control in December 2022. Debtors totalled £3.4m at the end of May 2023. Between October 2022 and June 2023 £1.1m of historic debt was recovered. An average of 3% recovery per month of the historic balance has been incorporated into forecasts.
- Since 31 March 2022 a grant agreement was put in place with CSNG granting up to £5m to NCCT. At the time of signing these financial statements £2.5m remains available for drawdown.
- A letter of support has been provided by CSNCT and CSNG providing an overdraft facility of up to £1m until July 2024 should this be required.

- The budget and cashflow forecast reflects the actions taken to reduce agency costs which are evidenced in the April and May 2023 monthly results.
- The budget and cashflow forecast takes into account assumptions around occupancy levels and forecasts an improvement over the period to June 2024. This has been modelled on the three different scenarios.
- There continues to be close monitoring of budgets and cashflows with regular reporting to the Board.

After considering these factors the Trustees have concluded that NCCT has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis but there are material uncertainties as discussed above.

Basis of Consolidation

The Group's statement of financial activities and the Group's balance sheet consolidate the financial statements of the Charity and the following wholly owned subsidiaries:

NRV Development (Blackburn) Limited - Company number 05906057
NRV Development (Plymouth) Limited - Company number 05940933
NRV Blackburn Limited - Company number 06297407
NRV Management (Plymouth) Limited - Company number 08461398
Nazareth Catering Limited - Company number 06740428
Nazareth Home Care Limited - Company number 08461286
Larmenier Care Home Management Limited - Company number 09382120
NRV Management Glasgow Limited - Company number 09382077
NRV Development Glasgow Limited - Company number 09382096

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Income Recognition

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

Income comprises donations and legacies, charges for residential and care services, charges for nursery services, income from other trading activities and other income.

Donations are reported on a receivable basis. In the event that a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled in the reporting period.

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

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

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

Income derived from the levying of charges for residential, care and nursery services are measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income generated from other trading activities comprises income from the Charity's trading subsidiary companies, details of which can be found in note 1 to the financial statements. Such income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure associated with raising funds for the Group and/or Charity. This includes commercial trading operations of the subsidiaries and interest payable. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group and/or Charity through the provision of charitable activities. Such costs include provision of residential and care services and provision of nursery services including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

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

In allocating expenditure to headings, no significant apportionments have had to be used.

Tangible Fixed Assets

All assets and improvements to existing assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised. The Group and Charity have opted to adopt a policy of not revaluing their tangible fixed assets, which are stated at cost less accumulated depreciation.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Leasehold Interest and Improvements

The leasehold interest comprises two amounts of £1 each and represents the residual investment value of leases in Blackburn and Plymouth. It is not depreciated.

Leasehold improvements are included in the financial statements at cost. They are depreciated at a rate of 10% per annum on a straight-line basis once there are 50 or fewer years of the lease remaining.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives.

- Furniture and equipment 10% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance.

Assets are depreciated once they are brought into use.

Fixed Asset Investments

Investments in subsidiary companies are included on the balance sheet at cost.

Stocks and Work in Progress

Stocks and work in progress represent land and buildings under development. Work in progress and consumables are valued at the lower of the costs and net realisable value. The land and building costs comprise the costs of the land, materials, directly attributable interest and other services related to the development and construction of the properties.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group and/or Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds Structure

Restricted funds represent donations received to the benefit of specific homes or area subject to specific conditions imposed by the donors or when the funds are raised for particular restricted purposes.

The remainder of the Group's and/or Charity's funds are unrestricted. Within the unrestricted funds, the tangible fixed assets fund represents the net book value of the Group and/or Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and/or Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Group and/or Charity's charitable objects.

Pensions

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022

1. Activities of the Subsidiary Companies

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2022 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	150,500	—	405,438	77,585	17,261	394,775	69,057
Cost of sales	(153,883)	—	(285,484)	(61,582)	—	(243,129)	(19,318)
	(3,383)	—	119,954	16,003	17,261	151,646	49,739
Administrative costs	(57,116)	(4,284)	(231,424)	(8,402)	(7,726)	(171,411)	(49,739)
Rental income	33,472	—	109,588	—	—	—	—
Other operating income	2,370	—	1,882	—	—	19,765	—
Gift Aid donation	—	—	—	—	—	—	—
	(21,274)	(4,284)	(119,954)	(8,402)	(7,726)	(151,646)	(49,739)
Profit (loss) before taxation	(24,657)	(4,284)	—	7,601	9,535	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	(24,657)	(4,284)	—	7,601	9,535	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(49,019)	(48,867)	24	7,601	9,805	—	—
Shareholder's funds	(49,018)	(48,866)	25	7,602	9,806	1	1

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2021 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	360,000	—	404,325	99,945	15,835	394,924	65,203
Cost of sales	(198,977)	—	(278,628)	(51,396)	—	(263,452)	(17,408)
	161,023	—	125,697	48,549	15,835	131,472	47,795
Administrative costs	(66,031)	(5,914)	(230,216)	(7,467)	(6,499)	(152,499)	(47,795)
Rental income	28,395	—	101,692	—	—	19,129	—
Other operating income	376	—	2,827	—	—	1,898	—
Gift Aid donation	—	—	—	(16,354)	(9,336)	—	—
	(37,260)	(5,914)	(125,697)	(23,821)	(15,835)	(131,472)	(47,795)
Profit (loss) before taxation	123,763	(5,914)	—	24,728	—	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	123,763	(5,914)	—	24,728	—	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(24,262)	(44,584)	24	—	270	—	—
Shareholder's funds	(24,261)	(44,583)	25	1	271	1	1

A summary of the principal activities of each of the companies which traded is given below:

Company name	Principal activity
NRV Development (Blackburn) Limited	Development of a retirement village in Blackburn
NRV Development (Plymouth) Limited	Development of a retirement village in Plymouth
NRV Blackburn Limited	The property management of Blackburn
Nazareth Catering Limited	The provision of catering services to the villages at Blackburn and Plymouth
Nazareth Home Care Limited	The provision of domiciliary care services to residents of a retirement village in Blackburn until February 2018 The provision of care services for other religious organisations from February 2018
NRV Management Plymouth Limited	The property management of Plymouth
NRV Management Glasgow Limited	The property management of Glasgow

NRV Development Glasgow Limited (company number 09382096) was dormant throughout the above two years and at 31 March 2021 had capital and reserves equal to it called-up share capital only i.e. £1.

Financial statements for each company in existence on 31 March 2021 will be filed with the Registrar of Companies in due course.

The address of the registered office for all the subsidiary companies is Larmenier Centre, 162 East End Road, London, N2 0RU.

2. Donations and Legacies

Group	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Donation from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	—	—	—	75,000	—	75,000
General donations and legacies	45,000	22,361	67,361	—	93,329	93,329
Total	45,000	22,361	67,361	75,000	93,329	168,329

Charity	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Donation from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	—	—	—	75,000	—	75,000
Other donations and legacies	—	—	—	—	—	—
. Donations from subsidiary companies	—	—	—	—	—	—
. General donations and legacies	45,000	22,361	67,361	—	93,329	93,329
Total	45,000	22,361	67,361	75,000	93,329	168,329

3. Income from Other Trading Activities

Group	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Income from commercial trading operations of subsidiaries	1,114,617	—	1,114,617	1,289,817	—	1,289,817
Rental income	143,060	—	143,060	149,216	—	149,216
Other income	24,017	—	24,017	5,101	—	5,101
Total	1,281,694	—	1,281,694	1,444,134	—	1,444,034

4. Expenditure on Raising Funds

Group	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Total: Expenditure on commercial trading operations of subsidiaries	1,293,498	—	1,293,498	1,351,975	—	1,351,975

5. Residential and Care Services

Group	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	19,588,827	—	19,588,827	18,009,757	—	18,009,757
Premises	1,688,989	—	1,688,989	1,623,326	—	1,623,326
Care and welfare	5,922,949	582,340	6,505,289	3,944,708	1,574,225	5,518,933
Central management staff costs	1,136,187	—	1,136,187	1,146,689	—	1,146,689
Depreciation	756,733	—	756,733	678,569	—	678,569
Doubtful debts	2,603,569	—	2,603,569	—	—	—
Governance (note 7)	85,800	—	85,800	73,200	—	73,200
Total	31,783,054	582,340	32,365,394	25,476,249	1,574,225	27,050,474

Charity	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	19,060,214	—	19,060,214	17,474,004	—	17,474,004
Premises	1,688,989	—	1,688,989	1,623,326	—	1,623,326
Care and welfare	6,565,750	582,340	7,148,090	5,903,119	1,574,225	7,477,344
Central management staff costs	1,136,187	—	1,136,187	1,146,689	—	1,146,689
Depreciation	756,733	—	756,733	678,569	—	678,569
Doubtful debts	2,603,569	—	2,603,569	—	—	—
Governance (note 7)	53,587	—	53,587	33,215	—	33,215
Total	31,865,029	582,340	32,447,369	26,858,922	1,574,225	28,433,147

Support costs incurred by the charity are included in Care and Welfare and totalled £971,392 (2021 - £985,384). They comprise the support functions of finance and IT expenditure.

6. Provision of Nursery Services

Group and Charity	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	325,146	—	325,146	275,500	—	275,500
Premises	8,330	—	8,330	10,919	—	10,919
Care and welfare	101,638	—	101,638	115,360	—	115,360
Central management staff costs	23,187	—	23,187	18,337	—	18,337
Depreciation	5,802	—	5,802	3,624	—	3,624
Governance (note 7)	1,094	—	1,094	—	—	—
Total	465,197	—	465,197	423,740	—	423,740

Support costs incurred by the Nursery are included in Care and Welfare and totalled £8,525 (2021- £8,734). They comprise the support functions of finance and IT expenditure.

7. Governance

Group	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	85,800	—	85,800	73,200	—	73,200
. Other services: taxation services	3,120	—	3,120	—	—	—
Total	88,920	—	88,920	73,200	—	73,200

Charity	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
Statutory audit in year	54,681	—	54,681	33,215	—	33,215
Total	54,681	—	54,681	33,215	—	33,215

8. Net Income/(Expenditure) and Net Movement in Funds for the Year

This is stated after charging:

Group	2022 Total funds £	2021 Total funds £
Staff costs (note 9)	21,073,347	19,480,466
Auditor's remuneration	85,800	73,200
Depreciation	762,535	682,193

Charity	2022 Total funds £	2021 Total funds £
Staff costs (note 9)	20,544,734	18,944,713
Auditor's remuneration	54,681	33,125
Depreciation	762,535	682,193

9. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

Group	2022 £	2021 £
Wages and salaries	14,548,818	15,412,136
Social security costs	1,026,400	1,003,667
Other pension costs	237,242	256,751
Redundancy payments	25,962	11,631
Apprenticeship levy	69,919	60,239
	15,908,341	16,744,424
Payments to agency staff	5,165,006	2,736,042
	21,073,347	19,480,466

Charity	2022 £	2021 £
Wages and salaries	14,062,990	14,913,996
Social security costs	996,506	975,482
Other pension costs	229,625	249,307
Redundancy payments	25,962	11,631
Apprenticeship levy	67,597	58,255
	15,382,680	16,208,671
Payments to agency staff	5,162,054	2,736,042
	20,544,734	18,944,713

The average number of employees during the year was:

Group	2022	2021
Provision of residential and care services and nursery services	885	933

Charity	2022	2021
Provision of residential and care services and nursery services	847	895

The number of employees earning £60,000 per annum or more (including taxable benefits but excluding redundancy pay and similar payments and employer pension contributions) during the year was as follows:

Group and Charity	2022	2021
	Number	Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	2
£120,001- £130,000	0	1
£130,001 - £140,000	1	0

The Group and Charity paid £6,682 (2021 - £6,200) in respect to defined contribution pension plans for the above higher paid employees.

The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive, the senior management team, the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,557,974 (2021 - £1,579,857).

10. Trustees' Expenses and Remuneration

The Trustees received £nil remuneration in connection with their duties as trustees during the year (2021 - £nil).

Trustee were reimbursed travel and subsistence expenses of £nil during the year (2021 - £nil).

11. Taxation

Nazareth Care Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12. Tangible Fixed Assets

	Leasehold improve- ments £	Furniture and equipment £	Motor vehicles £	Charity Total £	Leasehold interest £	Group Total £
Cost						
At 1 April 2021	4,253,781	3,686,689	230,153	8,170,623	2	8,170,625
Additions	510,728	523,306	—	1,034,034	—	1,034,034
Disposals	—	—	—	—	—	—
At 31 March 2022	4,764,509	4,209,995	230,153	9,204,657	2	9,204,659
Depreciation						
At 1 April 2021	(2,241,357)	(2,980,741)	(223,628)	(5,445,726)	—	(5,445,726)
Depreciation charge	(472,009)	(288,753)	(1,773)	(762,535)	—	(762,535)
Disposals	—	—	—	—	—	—
At 31 March 2022	(2,713,366)	(3,269,494)	(225,401)	(6,208,261)	—	(6,208,261)
Net book values						
At 31 March 2022	2,051,143	940,501	4,752	2,996,396	2	2,996,398
At 31 March 2021	2,012,424	705,948	6,525	2,724,897	2	2,724,899

The leasehold interest of £2 comprises two amounts of £1 each. £1 represents the residual investment value of a 999-year lease on a site in Blackburn which is being developed into a retirement village. The

development value of the leasehold interest in the site, held by a subsidiary company on a 125-year under-lease, is included in stocks and work in progress. £1 represents the residual investment value of a leasehold property that a subsidiary company holds on a 125-year lease on a site at Plymouth.

13. Investments

Charity	2022	2021
	£	£
Shares in subsidiary undertakings at cost		
At 1 April 2021	8	8
Larmenier Care Home Management Limited		
At 31 March 2022	<u>8</u>	<u>8</u>

Investments represent 100% of the issued share capital of NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, Nazareth Catering Limited, NRV Management (Plymouth) Limited, Nazareth Home Care Limited, NRV Development (Glasgow) Limited and NRV Management (Glasgow) Limited. The activities of these companies are summarised in note 1.

14. Stocks and Work in Progress

Included in the Group's cost of stocks and work in progress is the construction cost of £452,349 (2021 - £606,209) in respect to the Blackburn Phase 2A development accounted for within the financial statements of NRV Development (Blackburn) Limited.

15. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Residential and care service fees	3,642,301	2,529,250	3,642,301	2,415,299
Provision for doubtful debts	(2,603,569)		(2,603,569)	
Prepayments and accrued income	205,611	420,180	180,360	387,044
Other debtors	465,807	70,260	323,673	43,522
Amounts due from NRV Blackburn Limited			49,434	—
Amounts due from NRV Management Plymouth Limited			11,843	—
Amounts due from Nazareth Home Care Limited			6,479	9,336
Amounts due from Nazareth Catering Limited			4,061	16,354
Amounts due from NRV Management Glasgow			34,875	19,019
Amounts due from NRV Development Blackburn			4,061	—
Amounts due from NRV Development Plymouth			9,002	4,961
Amounts due from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	848,451	928,223	608,345	688,117
	<u>2,558,601</u>	<u>3,947,913</u>	<u>2,270,885</u>	<u>3,583,652</u>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Amounts due to The Congregation of the Sisters of Nazareth Charitable Trust (see below)	6,000	52,463	6,000	—
Loans from and contributions due to the				—
Congregation of the Sisters of Nazareth Generalate (see below)	240,106	340,106		—
Expense creditors	1,755,921	675,881	1,693,261	657,328
Accruals and deferred income	655,875	557,880	542,757	455,905
Amounts due to NCCT				
Other creditors	137,450	581,040	71,055	506,270
Taxes and social security	222,231	245,421	211,444	235,174
Amounts due to NRV Management Plymouth			58,943	—
	3,017,583	2,452,791	2,583,460	1,854,677

At 31 March 2022 the Group owed The Congregation of the Sisters of Nazareth Charitable Trust £6,000 (2021 - £52,463).

The loan from The Congregation of the Sisters of Nazareth Generalate comprises £240,106 to the Group (2021 - £340,106) in respect to NRV Development (Plymouth) Limited.

17. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Loans from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	118,660	132,660	118,660	132,660
Loans from The Congregation of the Sisters of Nazareth Generalate (see below)	523,266	583,767		
Other creditors		26,000		26,000
	641,926	742,427	118,660	158,660

The loan from The Congregation of the Sisters of Nazareth Generalate comprises a loan of £523,266 (2021 - £583,767) advanced to NRV Development (Blackburn) Limited.

18. Provision for liabilities

Group	2022 £	2021 £
At 1 April 2021	186,141	147,141
Charged (utilised) for the period	39,000	39,000
At 31 March 2022	225,141	186,141

The provision relates to sinking funds in NRV Blackburn Limited and NRV Management Plymouth Limited. There is no provision for liabilities within the Charity.

19. Restricted funds

The funds of the Group and Charity included the following restricted funds:

	At 1 April			At 31
	2021 £	Income £	Expenditure £	March 2022 £
Other donations	—	22,361	(22,361)	—
Infection control grant	—	559,979	(559,979)	—
Total	—	582,340	(582,340)	—

	At 1 April			At 31
	2020 £	Income £	Expenditure £	March 2021 £
Other donations	—	93,329	(93,329)	—
Infection control grant	—	1,480,896	(1,480,896)	—
Total	—	1,574,225	(1,574,225)	—

The above restricted funds were received from the UK Government to be spent on infection control measures.

20. Tangible Fixed Assets Fund

Group	2022 £	2021 £
At 1 April 2021	2,724,899	3,188,227
Movement in year	271,499	(463,328)
At 31 March 2022	2,996,398	2,724,899

Charity	2022 £	2021 £
At 1 April 2021	2,724,897	3,188,225
Movement in year	271,499	(463,328)
At 31 March 2022	2,996,396	2,724,897

The tangible fixed assets fund represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

21. Analysis of Net Assets Between Funds

Group	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets		2,996,398		2,996,398
Net current assets	989,383			989,383
Creditors: amounts falling due after one year	(641,926)			(641,926)
Provision for liabilities	(225,141)			(225,141)
Total net assets	122,316	2,996,398		3,118,714

Group	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	2,724,899	—	2,724,899
Net current assets	6,672,574	—	—	6,672,574
Creditors: amounts falling due after one year	(742,426)	—	—	(742,426)
Provision for liabilities	(186,141)	—	—	(186,141)
Total net assets	5,744,007	2,724,899	—	8,468,906

Charity	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets		2,996,396		2,996,396
Investments	8			8
Net current assets	321,421			321,421
Creditors: amounts falling due after one year	(118,660)			(118,660)
Total net assets	202,769	2,996,396		3,199,165

Charity	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets		2,724,897		2,724,897
Investments	8			8
Net current assets	5,971,307			5,971,307
Creditors: amounts falling due after one year	(158,660)			(158,660)
Total net assets	5,812,655	2,724,897		8,537,552

22. Capital Commitments

At 31 March 2022 the Group and Charity had capital commitments of £223,938 (2021 – £336,542).

23. Related Parties and Connected Entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the trustees of the Charity.

The Charity is connected also to two other registered charities:

Name	Registration numbers etc.	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
The Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)	A registered charity (Charity Registration Nos 228906 (England and Wales) and SC040507 (Scotland))	The support of the religious and other works (or ministries) carried on by members of the Congregation (the Sisters) in the U.K. and the care of those Sisters throughout their lives with the Congregation in the U.K. Ownership of 13 establishments in England, Wales, Scotland and Northern Ireland known as Nazareth Houses within which nursing, residential and care services are provided to older people in need.

In the case of both CSNCT and CSNG the Superior General of the Congregation also appoints the Trustees. Throughout the year, two or more of the three charities had some Trustees in common. With effect from April 2012, the Charity and CSNCT have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, accounts consolidating the three charities are not prepared.

During the period there have been a number of transactions between the Charity and/or NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, NRV Management (Plymouth) Limited, and CSNCT, details of which are given in the paragraphs below.

CSNCT and Nazareth Care Charitable Trust

At 31 March 2022, the Group and Charity was owed £848,451 (2021 - £688,117) from The Congregation of the Sisters of Nazareth Charitable Trust being £608,345 (2021 - £608,345) for redevelopment work carried out at Nazareth House Cheltenham. £nil (2021 - £75,000) in respect of donation contribution owing and £nil (2021 - £4,772) for work carried out and paid for by NCCT. In addition, the Group was owed £240,106 (2021 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited,

During the year, CSNCT donated £nil (2021 - £75,000) to the Charity (see note 2).

During the year, the Charity incurred £426,996 (2021 - £475,843) of management stipend expenditure which was paid to the Congregation of the Sisters of Nazareth Charitable Trust. NCCT also incurred expenditure for the rental of the care homes and nursery of £1,253,338 (2021 - £1,245,411).

CSNG and NRV Development (Blackburn) Limited

On 7 March 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Blackburn) Limited for an unsecured loan of up to £4.2 million to be used to finance the construction of apartments and bungalows at the Larmenier Retirement Village, Preston New Road, Blackburn. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at 5%. At 31 March 2022 £3,181,280 (2021 – £3,181,280) (including accrued interest of £631,143 (2021 - £631,143)) of the loan had been drawn down. Repayments of £160,500 (2021 - £496,000) were made to CSNG during the financial year. At 31 March 2022, the company owed £523,266 (2021 - £683,766) to CSNG, of which £nil (2021 - £100,000) was due within one year.

CSNG and NRV Development Development (Plymouth) Limited

On 19 December 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Plymouth) Limited for an unsecured loan of up to £7.9 million to be used to finance the construction of apartments at Nazareth House, Durnford Street, Plymouth. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at the rate of the Base Rate plus 4% per annum. At 31 March 2022, £6,140,106 (2021 – £6,140,106) (including accrued interest of £809,949 (2021 - £809,949)) of the loan had been drawn down. Repayments of £nil (2021 - £nil) were made to CSNG during the financial year. At 31 March 2022, the company owed £240,106 (2021 - £240,106) to CSNG, of which £240,106 (2021 - £240,106) was due within one year.

CSNCT and NRV Development (Blackburn) – Retirement Villages

Under the terms on which NRV Development (Blackburn) Limited sells certain apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. It is calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buyback option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, CSNCT has agreed to meet any shortfall.

24. Other Related Party Transactions

Other than as disclosed above, there were no other related party transactions requiring disclosure (2021 – none).

25. Liability of the Members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up each of the members would be required to contribute an amount not exceeding £1.

26. Post Balance Sheet Events

There were no post balance sheet events.

27. Ultimate Control

The Charity is controlled by the Congregation, an international Roman Catholic religious Congregation, by virtue of the fact that the Superior General of the Congregation appoints the trustees.

28. Custodian Funds

At 31 March 2022 the Group and Charity held £82,198 (2021 - £99,843) being deposits held on behalf of residents in the Charity's care homes. These amounts are not included in these financial statements as the Group and Charity have no control over the monies. The funds are held in a bank account separate from the cash at bank of the Group and Charity.

NAZARETH CARE CHARITABLE TRUST

England & Wales - Charity number 1113666

Accounts



NAZARETH CARE CHARITABLE TRUST

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



Charity Registration Numbers
England & Wales: 1113666 Scotland: SC042374
Company Limited by Guarantee
Registration Number: 05518564

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

Sister Doreen Cunningham Chair	
Sister Rose Ita Doody	
Sister Teresa Bernadette Fallon	
Sister Madeleine Merriman	
Mr Paul Williams	resigned 02 November 2021
Mr James McAleenan	resigned 19 May 2021
Ms Margot Cronin	
Mr Donald West	
Sister Lilian Bashford	resigned 25 October 2021
Sister Anastasia Lenihan	appointed 05 November 2021
Father John Martin	appointed 29 July 2021

Senior Management - (SMT)

Regional Superior	Sister Doreen Cunningham
Chief Executive Officer and Company Secretary	Mr Richard Whitby
Head of Finance	Mr Ahmed Bangura
Head of Finance	Mrs Samantha Parker (14.04.2021 to 12.10.2021)
Finance Director	John Graham (until 07.05.2021)
Director of Operations	Mr Mike Anderson
Head of HR	Mrs Louise Graham
Head of Corporate Services	Miss Alexandra Ispas

Administrative Details

Registered Office	Larmenier Centre 162 East End Road London N2 0RU 020 8444 4427
Telephone	
Email	uk.administration@nazarethcare.com
Website	www.nazarethcare.uk.com
Company Registration Number	05518564 (England & Wales)
Charity Registration Numbers	1113666 (England & Wales) SCO42374 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London, EC4M 7JW
Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

HERITAGE

The Congregation of the Sisters of Nazareth (“the Congregation”) is an international Roman Catholic religious Congregation consisting of 216 Sisters worldwide.

It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and five companions came to London in April 1851. At that time England was predominantly Protestant. Catholics, for the most part, were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home.

As the number of people requiring care and shelter increased each year the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first group of elderly people and children were moved into the new building which was named Nazareth House. From these beginnings the Congregation spread around the world. Most of the work of the Congregation takes place within “Nazareth Houses” which are substantial buildings operated mainly as care homes for older people.

Nazareth Care Charitable Trust (NCCT or the Trust) is a charitable company limited by guarantee and is the operational arm of the Congregation, working in partnership with The Congregation of the Sisters of Nazareth Charitable Trust, providing care for the elderly, disabled and terminally ill in 12 care homes throughout England, Scotland and Wales.

It also provides nursery school education on one site, retirement villages situated in Glasgow, Blackburn and Plymouth and supports other religious orders in caring for their older sisters.

MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER

These are unprecedented times. Humanity will never forget the challenges brought by the Covid-19 pandemic. COVID-19 threatened the lives of our residents & employees and at its peak reduced the ability of our residents to contact their loved ones. Human contact resorted to an image behind a mask or screen. As expected, the financial impact that emerged from the pandemic will continue to be felt well into the 2021/22 fiscal year. The restrictions put in place to stop the spread of the virus meant that many of our homes spent most of 2020/21 unable to admit new residents for long periods of time thus affecting our turnover.

In any case, Nazareth Care Charitable Trust (NCCT) can look back at the last 18 months with pride. This was not the first time we have overcome challenges, but it was certainly the harshest in these over 150 years of existence. We firmly believe that the worst days are behind us. The senior management team under our leadership was able to swiftly adapt and persevered in the face of adversities.

One such example was when our senior management team identified the risk COVID-19 posed to our employees. Therefore, in March 2020, the charity took the strategic view that Personal protective equipment (“PPE”) coupled with strict infection control policies would be the best way to protect residents and employees from infection. The charity then purchased tens of thousands of PPE in stock very early on which meant that when the first COVID-19 wave hit the country, all of our staff had access to the correct PPE throughout the pandemic. Both management and employees had to find innovative ways for our residents to maintain contact with the relatives taking advantage of technology such as setting up Zoom calls, providing visiting cabins and facilitating window visits.

The scientific wonder of the COVID-19 vaccines was celebrated in all of our homes. Our residents and employees were prioritised by the government. The vaccine allowed our homes to allow face to face visits again. As our homes adapted to the new world of living with COVID-19, the government made the decision that all front line care home employees in England must be fully vaccinated by November 2021 or be dismissed. The change in legislation created another problem to all care homes business: lack of available qualified staff. NCCT was fortunate that the number of employees, who opted not to get vaccinated was minimal. However, we have seen, like in many other businesses, a decline in new applications since the new legislation was enacted threatening the viability of the care home sector when it comes to staffing.

Over the last twelve months the charity has invested in its infrastructure. The charity has started a bold plan to update its aging telecommunications systems, as well as replacing its Digital Care system, Finance system & Payroll system. This new infrastructure will improve output and reduce input improving the quality of the service we provide.

The charity expected the fiscal year 2020/21 to be a challenging one before it knew of the COVID-19 pandemic, as the charity had posted a deficit in excess of £1.6m in 2019/20 fiscal year.

However, with strong leadership and strategic planning the charity reached a surplus for the first time in 3 years. The charity’s operating performance improved by almost £2m in the worst financial year of over a century.



SISTER DOREEN CUNNINGHAM
Chair of the Board of Trustees



RICHARD WHITBY
Chief Executive Officer

INTRODUCTION

Following the 2006 General Chapter of The Congregation of the Sisters of Nazareth, the concept of Nazareth Care Charitable Trust began to take shape. The purpose of the Trust was to carry the mission of the Sisters of Nazareth forward into the future, even if there were fewer Sisters in active service. To successfully achieve this, it was vital that all staff had a clear understanding of the mission and the values of the Sisters, which have made the organisation the success it has been for the past 160 years.

The core values of the Sisters: patience, hospitality, love, respect, compassion and justice are practiced by both Sisters and staff alike in everything they do and set the bar for the excellent quality of care provided to both children and the elderly. Each house strives to incorporate these six values in simple, different, and creative ways.

The facilities operated and managed by Nazareth Care Charitable Trust include care homes, retirement villages and nurseries. All of our services are genuinely an integral part of the community in which they operate. Whether it is a young child or an elderly person we actively encourage everyone to live their lives to their full potential, both within our facilities and the wider community. Every Nazareth House encourages members of the wider local community to participate as either a "Friend of Nazareth House", a volunteer or as a parishioner using the church facilities.

Many of the buildings operated by Nazareth Care Charitable Trust on behalf The Congregation of the Sisters of Nazareth Charitable Trust are the original Victorian buildings, established either by the foundress or very early in the history of the Sisters of Nazareth.

For the Charity to provide high quality care in the best possible environment, we continue to invest in the upgrade of properties.

The Regional Team are confident the planned upgrade of the site at Hammersmith will start in 2022 which is an important site for the Sisters as this was the site where the foundress began the Congregation.

YEARLY REVIEW

The 2020/21 fiscal year saw a revival in our charity's financial performance. We posted a surplus of £374,120 which was an improvement above £2m compared to the previous financial year. The strength of the improvement is remarkable as 2020/21 will go down in history as the most challenging year on record for the business.

The SMT of NCCT carried out a financial stress test of businesses within the NCCT group from which actions and targets were set for each Manager of those businesses to ensure 2021/22 would be a better performing financial year for NCCT group. The SMT now monitors the business on a weekly and monthly basis against key performance indicators.

COVID-19

It has been a challenging year for our care homes and nursery. The COVID-19 pandemic meant our nursery was forced to shut for several months. COVID-19 had the biggest impact on the running of our care homes. Under government guidance, we were forced to stop visitors entering the homes for several months. This was a devastating time for our residents, their families, and our staff as we had no idea how long the restrictions would last. Only when the vaccine rollout started that visiting in our homes went back to some sort of normality.

Occupancy

The charity occupancy was impaired during the 2020/21 fiscal year, as we spent many months in lockdown. This meant our occupancy dropped to 618 occupied beds representing 85% of total capacity, levels we have never seen before in our charity history. It was not until the end of Q1 2021/22 that our occupancy started stabilising at 88% capacity. The COVID-19 government grants helped maintain our financial stability during this challenging time.

Infrastructure

In 2021 we started the migration to a fully integrated Staff Roster, Time&Attendance, Income Processing & Finance, Payroll & Compliance system, Care Management system and Telecommunication upgrade. The new systems will bring significant improvements and cost saving opportunities as follows.

Enable significant savings with staff cost using Coldharbour eRoster + T&A

- Ensure optimal staff coverage v resident dependency
- Pay actuals not estimates
- Eliminate “buddy clocking” using biometrics
- KPI & dashboard insights & performance visibility

Increase cash flow & reduce admin overhead using Coldharbour Income Processing

- Automated (from occupancy data), accurate invoices in the correct format
- Direct Debit processing
- Tradeshift integration
- Accounting integration
- Platform for rapid growth

Provide timely BI & data analytics to all levels of the business

- Utilisation of key systems will automatically feed BI without further intervention
- KPI & dashboard insights & performance visibility
- Data refresh appropriate to the context of the data

Reduce costs with Civica Payroll

- Multi company
- Government/HMRC Gateway
- Reduce costs and errors with self service
- Dashboards & key metrics visibility

Provide an integrated audit & compliance framework

- A strategic framework for the next 5-10 years
- Utilise existing business processes if needed, for familiarity and ease of acceptance
- Can be utilised in any area of the business as the requirement arises
- High utilisation, therefore great ROI justification

WIFI-Telephone Upgrade

- Improved internet and WIFI stability
- Improved telephone communication system, which reduces risk of failure

Regulatory

The ethos of Nazareth Care Charitable Trust is distinguished by the Core Values of the organisation: Justice, Patience, Hospitality, Compassion, Love and Respect.

This philosophy of care involves every member of the caring team working with a common aim to improve the quality of life of each of our service users.

The aim of Nazareth Care Charitable Trust is to provide settings where people are cared for, supported and valued within an environment that promotes the health and wellbeing of our service users. Our aim is to provide all our service users with a safe place to be cared for.

We strive to promote an environment where people feel secure, comfortable, and valued. Our aim is to provide care that meets the needs of each person as an individual and our care is always informed by the best available evidence-based research. What this means to us is that all parties involved in a person's care are consulted where possible or applicable.

Regulatory inspections in England, Wales & Scotland stopped visiting homes during the first COVID-19 wave. During the second wave the regulators carried short site visits. It was not until 2021, that inspections went back to pre-pandemic scope.

Our Staff and Volunteers

It goes without saying that we are extremely proud of our employees and how they performed over 2020/21. The care homes' staff faced the greatest crisis ever in history. The pandemic posed a risk to life for them and the residents in our homes. Our staff were creative, brave, resilient and ensured our residents' safety was paramount whilst still finding ways to support them to maintaining relationship with their families.

Nazareth Care Charitable Trust strives to provide an excellent working environment for our staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference. As an employer we acknowledge that our staff are the biggest asset to our charity. Furthermore, 2020/21 has been particularly challenging for the health and wellbeing of our employees. Fulfilling the duties of a good employer, we have continued to invest in our staff taking a series of measures that include: annual uplift to all employees for the second consecutive year; we partnered with a health & wellbeing company to ensure all of our employees and families have access to free counselling. As well as rolling out a new pay system which allows employees early access to their wages.

This year we have continued to implement the Government Apprenticeship levy. We currently have 8% of our workforce completing an apprenticeship and as we strive to improve the skills of our staff, we have rolled out role specific training for every job role in our care homes.

The majority of our houses also have a Friends of Nazareth group operating within them which is a team of dedicated volunteers that give their time for a number of causes within each home. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial demands, we need to expand the use of volunteers to raise funds for those extra things that our elderly and children require.

TRUSTEES' REPORT 31 MARCH 2021

(INCORPORATING A STRATEGIC REPORT)

The Trustees, who are the trustees of the charitable company for the purpose of charity law and directors for the purpose of company law, present their statutory report together with the financial statements of Nazareth Care Charitable Trust ('the Charity') for the year ended 31 March 2021.

This report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 29 to 34 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and Activities

The Charity was established by the Congregation of The Sisters of Nazareth to assist the Sisters to maintain their mission which principally today sits with the care of older people through the provision of care homes and retirement villages in the United Kingdom. The Charity also manages a day nursery in Lancaster. The Trustees intend that the work of the Charity will enhance the quality of life of those who live in its homes whilst enabling them to retain to the maximum their dignity and independence.

For The Congregation of The Sisters of Nazareth Charitable Trust and Nazareth Care Charitable Trust, working together is all about people. The Sisters, the residents and their families and our staff together make a true Nazareth family. The Congregation of the Sisters of Nazareth Charitable Trust owns the estate, and the Sisters provide spiritual and pastoral support whilst Nazareth Care Charitable Trust operates the care homes and a day nursery.

When setting the objectives and planning the work of the Charity for the year, the Trustees have considered the Charity Commission's general guidance on public benefit.

Objectives

Financial Stability: After several years of disappointing financial performances, the charity is focused on achieving financial stability. We have invested in a new care planning and accounting software to increase efficiency, minimise human errors and eliminate duplication in our processes. This will in turn lead to a reduction in staff time and hence staff cost. Budget monitoring is also going to be a key process going forward to ensure our spending is in line with occupancy levels.

Quality: The short-term goal of the charity is that the regulated inspection gradings will improve in 2022. The long term goal is for all of businesses to be graded as good or better within the next 18 months.

The Board and Senior Management team of Nazareth Care acknowledge COVID-19 may have an impact on achieving the objectives in the short term but feel the charity can achieve improvements in these areas in the year ahead.

Care homes

There are 12 care homes operated by Nazareth Care Charitable Trust within England, Scotland and Wales (i.e. the Region), some providing nursing care for clients with complex needs, whilst all provide support to those people requiring social care. We provide accommodation for 726 residents, all single room accommodation 55% of our current residents receive state funding to pay for care.

At 31 March 2021, the Charity operated care homes in the following locations:

Table 1			
Location	Principal activities	Category	Number of registered beds
<i>England and Wales</i>			
Birkenhead	Care home with nursing facilities	Residential	25
		Nursing	26
Cardiff	Care home with nursing facilities	Residential	27
		Nursing	27
Cheltenham	Care home	Residential	63
Crosby, Liverpool	Care home	Residential	66
Finchley, London	Care home	Residential	84
Hammersmith, London	Care home with nursing facilities	Residential	28
		Nursing	67
Lancaster	Care home with nursing facilities (Nursing unit closed 30 November 2017)	Residential	26
		Nursing	15
Manchester	Care home with nursing facilities	Residential	24
		Nursing	40
Northampton	Care home	Residential	48
Plymouth	Care home with nursing facilities (Nursing unit closed 30 January 2018)	Residential	29
		Nursing	15
<i>Scotland</i>			
Edinburgh, Bonnyrigg	Care home	Residential	38
Glasgow	Care home	Residential	70

The care homes aim always to provide excellent standards of care, and this is evident to see when looking at the relationships staff, residents and families have built.

STRATEGIC REPORT

In Our Care Homes

Over the last 2 years our homes have been working extremely hard against COVID-19 getting into our homes. COVID-19 is the biggest risk our care homes have ever faced, and we are extremely proud of the response as an organisation as well as our staff during this unprecedented national crisis. We are proud that by taking early decisions we were able to provide full PPE throughout the pandemic. We feel this had an impact on the level of COVID-19 related deaths that we had experienced, and we were blessed that our homes experienced lower COVID-19 related deaths than the national average.

Subsidiaries

Two of the Charity's wholly-owned subsidiaries; NRV Development (Blackburn) Limited and NRV Development (Plymouth) Limited are development companies providing retirement village apartments for sale at the respective sites.

In order to provide a management and service company for each of our villages we have established three individual companies: NRV (Management) Plymouth Limited, NRV Blackburn Limited and NRV (Management) Glasgow Limited.

The Charity established Nazareth Catering Limited in 2012 and this has been used to produce food in bulk for sale in the restaurants of the retirement villages.

In order to enhance the care provided at the care villages in Blackburn and Plymouth through personal care services, the Charity established Nazareth Home Care Limited on 25 March 2013. Currently Nazareth Home Care Limited Company only works with other religious orders to provide management services to those organisations who did not have sufficient resources to manage care home operations within today's environment. This company currently works with one religious order on two sites.

The Future of Nazareth Care Charitable Trust

The future of Nazareth Care Charitable Trust is bright. The charity made tough decisions in 2020/21 which will ensure the charity is sustainable in the years ahead. The charity has a strong balance sheet and recent regulatory visits now reflect the hard work and positive change that the SMT and General Managers have input.

Our aims for the future include sustainable improvement of regulatory ratings and maximising the building layout in order to increase bed capacity. To that extent we have invested heavily in new quality and compliance systems and have developed 5 year buildings plans to maximise the estate's potential. We are aiming to increase capacity by approximately 8% over the next 5 years as well as upgrading our facilities, equipment and grounds, in line with area demand and operations efficiency.

FINANCIAL REVIEW OF THE YEAR

Income and Expenditure

A summary of the results can be found on page 25 of the attached financial statements.

Financial Position

The Group's income increased from £28.2 million to £29.2 million. Within this total, £25.2 million represents the income in connection with the provision of residential and care services for older people and £0.5 million represents the income from the provision of nursery services. Income from commercial trading through subsidiaries amounts to £1.4 million.

Expenditure decreased from £29.8 million to £28.8 million at the Group level. Within this total, £27 million represents the expenditure in connection with the provision of residential and care services for older people and £0.4 million represents the expenditure for the provision of nursery services. £1.4 million represents expenditure in respect to the commercial trading operations of the subsidiaries.

The day to day operations of the Charity resulted in a surplus of approximately £0.3 million for the year and the Group operations resulted in a surplus of £ 0.4 million. This was made possible through receipt of a government grant of £1.4 million from the furlough and covid grant scheme, including infection control grants from Local Authorities.

The total net assets of the Group at 31 March 2021 amounted to £8.5 million whilst those of the Charity totalled £8.5 million.

Three of our subsidiary companies are in deficit:

NRV (Development) Blackburn Limited

This is the development company responsible for developing the site at Blackburn and the sale of its properties. Currently, the company is in deficit by approximately £24,362 due largely to the time it is taking to sell the properties.

The sales team continues to work extremely hard to sell the remaining apartments. However, this has not been an easy process with many flats reserved but potential buyers are experiencing difficulties in selling their existing properties. However, the company was able, to sell two properties resulting in a profit of £123,763 have helped reduced the cumulative deficit from £148,124 to £24,362.

Whilst all bank loans for this development have been repaid there continues to be a loan outstanding to the Charity from the Congregation of the Sisters of Nazareth Generalate. This charity is the overarching charity for the Congregation and was responsible for the plans and design of the Blackburn site before it was handed over to Nazareth Care Charitable Trust in 2011. This outstanding loan is being paid back as quickly as possible whilst taking into consideration the need to cover expenses which include voids, service charges, standing charges for energy, council tax and sales and marketing.

It is anticipated that the project will at best break even or make a slight deficit at the end of the sales process.

NRV Development (Plymouth) Limited

This is the development company responsible for developing the site at Plymouth and the sale of its properties. Currently, the company is in deficit by approximately £44,584. Development was completed on this site during 2015/16 and the final apartment was sold in September 2017. The company directors are working hard to close the company as soon as possible.

Nazareth Catering Limited

This is a company that produces food for sale in the restaurants of the retirement villages. The company made a profit £41,082 of which £16,353 was donated as gift aid to NCCT and the rest used to cover the deficit of £24,728 from last year.

Reserves Policy

At 31 March 2021, the Charity had free reserves of £5.8 million and the Group had free reserves of £5.7 million. The tangible fixed assets fund of about £2.7 million represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund comprises those assets not designated by the Trustees or restricted in their application as at 31 March 2021. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Group and Charity to cope with unforeseen emergencies. At 31 March 2021, the fund equated to three months' operating costs.

The Trustees have agreed to work towards a reserve of funds equivalent to six months of operating costs in the knowledge that a larger positive reserve balance needs to be built up in due course. The restructure that has occurred over the past few years now needs to be consolidated and a period of reflection is required so that the Trustees may assess the future needs of the Group and Charity in the light of their mission and plans, in particular future refurbishment and development requirements. This continues to be considered an appropriate target in light of the new environment operating in as a result of covid-19. Any surplus taxable funds arising in the subsidiaries may, from time to time, be donated to the Charity by Gift Aid.

Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Accounting standards require the Board of Trustees to consider the appropriateness of the going concern basis when preparing financial statements. Nazareth Care Charitable Trust (NCCT) posted a surplus of £374,120 after enduring several loss making years.

In order to consider the appropriateness of the going concern basis, NCCT management has prepared and reviewed a scenario analysis looking at the worst case, best case and expected case scenarios.

In a worst case scenario, whilst it would seem that the Charity's reserves and cash position impacted significantly, it would not affect the Charity's ability to meet its liabilities over the medium term. With a net cash position of £4,242,332 at 31 March 2021 and forecast gross balance to 31st March 2023 of £2m evidencing that it has adequate resources to continue operational activities for the foreseeable future and that it has sufficient cash to meet all financial commitments.

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above under Critical accounting estimates and areas of judgement heading.

With regard to the next accounting period, the year ending 31 March 2022, the most significant issues that may affect the carrying value of the assets held by the Charity are the level of local and central government

funding for residential and nursing care of older people and the cost of implementing the changes to the regulatory environment affecting care homes generally.

Risk Management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks to which the Charity and its subsidiaries might be exposed to, and which are captured in a risk register. The risks include both those relating to the operation of the care homes and nursery and those relating to the development of retirement villages and the sale and subsequent resale of apartments et cetera. Actions are agreed to monitor and mitigate the risks identified. At each Trustee meeting, the Trustees and management discuss the latest view of the risk landscape to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are three key risk factors faced by the Charity and the table demonstrates how the risks are managed.

1. **COVID-19 poses a risk to our residents and staff safety**

Actions we have taken to mitigate the risk:

Covid-19 is an invisible and deadly virus that poses a risk to both our residents and staff. We cannot remove the risk that the virus presents, however, we have taken every step possible to reduce the exposure of the virus in our homes.

Steps taken:

- All frontline workers will be vaccinated by November 2021.
- Care home employees taking weekly Covid-19 tests.
- Residents being tested for Covid-19 on a monthly basis.
- Visitors are required to show a negative LFD test prior to entry.
- We provide full PPE to our staff.

2. **Financial Stability**

Action we have taken to mitigate the risks:

This year the Charity has taken a major step forward towards financial stability after three years of operating in deficit, I am pleased to report that this year we posted a surplus of £0.4 million. Our occupancy was impacted due to COVID-19 embargoes. However, through strong financial management and strategic planning we were able to finish the financial year in a surplus. We now need to build on the foundations we have established throughout this financial year. We expect 2021/22 to be a challenging period as COVID-19 restrictions have prevented us from fully opening till the end of Q1 in 2021/22. The executive management team is always looking for creative ways to improve our financial performance. We have invested in a new care planning and accounting software to increase efficiency, minimise human errors and eliminate duplication in our processes. This will in turn lead to a reduction in staff time and hence staff cost. Budget monitoring is also going to be a key process going forward to ensure our spending is in line with occupancy levels.

3. IT Infrastructure

Action we have taken to mitigate the risk:

This year we have invested heavily in our IT infrastructure. We have rolled out new systems for: payroll, rostering, compliance, care plans and medication management to name a few. We have also upgraded our WIFI and telephone systems across our portfolio. Our new infrastructure will allow greater control of our business and consequently improving performance. However, the rolling out of new systems bearing in mind the size and scale we have, comes with its challenges. As we move into the new year, we aim to focus on refining our systems and processes to take advantage of their benefits and maximise functionality.

MANAGEMENT AND TRUSTEES

Trustees Responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The Charity is governed by its Trustees. The Trustees are appointed by the Superior General of the Congregation.

The principal property assets of the Congregation in England, Wales, Scotland and Northern Ireland are held on charitable trust by The Congregation of the Sisters of Nazareth Charitable Trust and by The Congregation of the Sisters of Nazareth Generalate. With effect from 1 April 2012, the Regional Superior

of the Congregation's UK region became the Chair of Trustees ex officio. The Regional Councillors of the Congregation's UK region also became ex officio trustees.

Additional Sisters and Trustees who are not members of the Congregation may be appointed by the Superior General to ensure that the necessary breadth of skills and experience is available to the Charity's governing body. Details of all the trustees can be found in the Reference and Administrative Details on page 2 of the Annual Report and Audited Financial Statements and also below.

Newly appointed Trustees are given induction training that includes meetings with staff, meetings with representatives of partner organisations and visits to our houses, nurseries and retirement villages. Ongoing training opportunities will be provided as necessary as the work of the Charity develops.

The Current Trustees

Sister Doreen Cunningham – Chair

Sister Doreen trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019 she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012. She is currently Sister Superior at Nazareth House Finchley.

Sister Madeleine Merriman

Sister Madeleine Carmel Merriman has completed a post graduate diploma in leadership and management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009 and at Crosby in 2013. She became a Regional Councillor in 2014 for the UK Region. She is currently Superior at Nazareth House Cardiff.

Sister Rose Ita Doody

Sister Rose Ita trained as a cook in Aberdeen College and worked in a number of houses in the Irish and UK Regions. She completed a Diploma in Counselling and Therapy in South East Essex College in 1998 and was appointed Superior and Care Manager in Lancaster in 2000. Sister has completed Level 5 in Management, Registered Manager (ADULTS) in Lancaster and Morecambe College in 2003 and moved to Crosby in 2006. She completed a Foundation Degree on Vulnerable adults at Edge Hill University in 2008, and more recently completed a Diploma in Leadership and Management at Loughborough University. She is currently Sister Superior at Nazareth House Manchester.

Sister Lilian M. B. Bashford – Trustee (until 25 October 2021)

Sister Lilian is a member of the Congregation of the Sisters of Nazareth since 1966, made Final Profession in 1974. She has wide and varied experience in the field of Residential Care and is a retired Psychoanalytical Psychotherapist. Sister Lilian held management and leadership positions within the Congregation.

Paul Williams – Trustee (until 2 November 2021)

Paul is a Chartered Accountant and for over 25 years was a Partner in what is now Deloitte LLP. His client service role included membership for many years of the Firm's Voluntary Sector Group. Paul managed significant parts of the Firm's business in London, Berkshire and Sussex for over 20 years and for 5 years he was National Director of HR on the Firm's Executive Committee. Paul was subsequently elected to the Board of Partners. Following ill-health, he stood down from the Firm in 2008. Paul has held appointments with other Catholic institutions, including 10 years on the Finance Committee of Westminster Archdiocese and 8 years as Chairman of the Ampleforth Lourdes Hospitalité.

James McAleenan – Trustee (until 19 May 2021)

James qualified as a chartered accountant (SA) and then worked for over 40 years in financial services in the UK and abroad. He has extensive experience of corporate governance, finance and risk and has carried out a variety of roles including CEO, trustee and independent director. He retired from full time employment in 2016 and is now a part time trustee and non-executive director for the Mineworkers' Pension Scheme, Holley Holland financial consultants and Nazareth Care Charitable Trust.

Margot Cronin

Margot has spent over 30 years in the financial services sector. During the course of her career, she held senior management roles including CEO and COO in a number of different countries including UK, US and Hong Kong for Aviva Plc. She is a Chartered Director and holds a Master's degree in Risk Management & Insurance from City University London (2000). She brings significant commercial and board experience to her role as Trustee.

Donald West

Don has worked in healthcare management for over 30 years, advising hospitals, community and mental health organisations in the UK, Germany and elsewhere on a range of issues, including capital investment, cost improvement and financial recovery, information technology and business intelligence. He is a Trustee and team leader of the Winchester Street Pastors, part of a national charitable organisation dedicated to offering practical support, reassurance, and comfort to people in distress on the street at night. Don is active in the life of his parish, with a particular interest in evangelisation and ministry. He has a degree in Geography and Philosophy from the University of Wales and an MBA from the Open University. He is a keen runner and sailor.

Governance Structure and Management Reporting

The Trustees are ultimately responsible for all the policies, activities and assets of the Charity and the Group. They meet regularly, at least four times each year, to review performance, progress against plans and budgets and to consider broader developments with regard to the activities of the Charity and the Group and to make any important decisions.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, investment managers, solicitors, and accountants. The Trustees, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive.

Engagement with stakeholders

Over the last 12 months, all NCCT businesses were visited by Trustees and executive directors. From January 2022 formal executive team visits have been arranged additional to the Regional Superior and CEO visits. During these visits separate meetings are held with residents/ residents' families, employees and the communities of the Sisters of Nazareth.

To minimise the risk of Covid infections and ensure prompt communication, the NCCT SMT and Chair of Trustees attend and organise video calls with the stakeholders. The SMT of NCCT hold regular meetings with key suppliers on a quarterly and annual basis.

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following:

1. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short and longer term financial projections and the key risks that could negatively impact the sustainability of Nazareth Care Charitable Trust. The Directors review management information, budgets, forecasts, cashflow projections and progress against the financial recovery plan on a regular basis.

Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. The responsibilities of Directors in relation to capital expenditure and investment decisions are set out in the Delegated Responsibilities. This document is reviewed and approved by the Board of Directors annually.

2. Statement of Engagement with Employees

NCCT is an equal opportunity employer and it is within its policy that all job applicants and employees are treated fairly and equally. Furthermore, the organisation will monitor the composition of its workforce to ensure the policy's effectiveness. NCCT is committed to training and developing its employees in order to eliminate discrimination and harassment as far as reasonably possible.

In relation to employee engagement, the Directors receive regular reports from management on the mood of staff which is measured through staff engagement surveys. The latest staff survey was completed in July 2021 and revealed an overall satisfaction decrease on all key drivers.

The Directors attend the Charity's annual conference together with all General Managers, Sisters Superior and Senior Management Team where they can discuss and contribute to the Charity's initiatives.

Regular site visits are performed by the Directors according to a pre agreed rolling schedule that ensures all locations are covered within a period. During such visits, the Directors engage with staff and management and can discuss freely day to day needs and challenges in order to gain a clear perspective on the business.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2019 report is available on the Nazareth Care UK website.

A global stakeholder review was completed in July 2019 that marked 10 years since Nazareth Care was launched. Its purpose was to review the success of the collaboration between the Sister of Nazareth and Nazareth Care and 9 out of 10 respondents had a positive or neutral view on the relationship.

3. The need to foster the company's business relationships with suppliers, customers, and others

In relation to key stakeholder engagement, the Directors consulted with stakeholders through various channels in 2020/21, including correspondence, webinars, and the annual conference.

Purchasing must be done through approved suppliers and group contracts as per the authority stipulated in the Delegated Responsibility document. Nazareth Care Charitable Trust is committed to ensuring that its mission and values are reflected in its approach to buying goods and services. All national procurements

must conclude with a written agreement with the chosen supplier in the form of a contract signed by both parties. In particular, the contract must include a detailed specification of the goods/services to be supplied and a set of clear payment terms.

Key management personnel

The CEO has day-to-day responsibility for managing the Charity together with colleagues from the UK Region. The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day to day basis to the Chief Executive, the senior management team, and the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,579,857 (2020 - £1,531,531).

The performance and pay of the Chief Executive, senior management team, and the General Manager and Deputy General Manager of each Care Home is reviewed periodically and benchmarked against industry rates.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties; and
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email but anyone not wanting to receive these can let the Trust know and such communication will not then be sent
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities
- The Trust is not subscribed to any fundraising standards or schemes; and has not failed to comply with any regulation subscribed to in relation to fundraising
- The Charity has not received any complaints about its fundraising activities (2020 - none)

Communication and Technology

Nazareth Care Charitable Trust has as an in-house comprehensive care management system that has been performing well and is liked by users. It includes integrated modules dealing with financial accounting and asset management and has a project management module that is being used to support the retirement village developments. The management information system produces standard reports but can be flexibly interrogated also by managers at all levels. In addition to this, the region has purchased risk management software to further enhance the organisation's ability to manage risk effectively.

Fixed Assets

The acquisition and disposal of tangible fixed assets during the year is recorded in the notes to the financial statements.

Stocks and Work in Progress

In the light of the selling price of Blackburn units, the interest shown in the purchase of the remaining apartments at Blackburn and the apartments at Plymouth which were completed in 2015/16, the Trustees are of the opinion that the value of stocks and work in progress is not less than the historic cost figure recorded on the Group's balance sheet.

The Trustees' Report, including the Strategic Report, was approved by the Trustees and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 26.04.2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST

Opinion

We have audited the financial statements of Nazareth Care Charitable Trust (the 'charitable parent company') and of Nazareth Care Charitable Trust and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group and charitable parent company statements of financial activities, group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 of the charitable parent company's affairs as of 31 March 2021 and of the group's and charitable parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 the charitable parent company and its environment obtained during the audit; we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes 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's and the charitable parent company'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 group or the charitable parent 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 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 based on these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charitable company were Care quality Regulations (CQC, Ofsted, Care Inspectorate) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

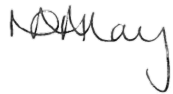
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the care quality regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Audit and Risk Sub-Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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. For example, the further removed non-

compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



NICOLA MAY
STATUTORY AUDITOR
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date: 28th April 2022

GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2021

(Incorporating income and expenditure account)

	Notes	Un- restricted funds £	Restricted funds £	Total 2021 £	Un- restricted funds £	Restricted funds £	Total 2020 £
Income from:							
Donations and legacies							
. Donation from The Congregation of the Sisters of Nazareth Charitable Trust	2	75,000		75,000	75,000	—	75,000
. Other donations and legacies	2	—	93,329	93,329	—	92,982	92,982
Charitable activities							
. Charges for residential and care services		25,151,129	—	25,151,129	26,234,044	—	26,234,044
. Charges for nursery services		505,051	—	505,051	554,579	—	554,579
Other trading activities	3	1,444,134	—	1,444,134	1,004,480	—	1,004,480
Other income		450,770	1,480,896	1,931,666	242,068	—	242,068
Total income		27,626,084	1,574,225	29,200,309	28,110,171	92,982	28,203,153
Expenditure on:							
Raising funds	4	1,351,975	—	1,351,975	1,211,593	—	1,211,593
Charitable activities							
. Provision of residential and care services	5	25,476,249	1,574,225	27,050,474	28,034,266	92,982	28,127,248
. Provision of nursery services	6	423,740	—	423,740	528,454	—	528,454
Total expenditure		27,251,964	1,574,225	28,826,189	29,774,313	92,982	29,867,295
Net income and net movement in funds for the year	8	374,120	—	374,120	(1,664,142)	—	(1,664,142)
Reconciliation of funds							
Fund balances brought forward on 1 April 2020		8,094,786	—	8,094,786	9,758,928	—	9,758,928
Fund balances carried forward on 31 March 2021		8,468,906	—	8,468,906	8,094,786	—	8,094,786

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2021

(Incorporating income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	Total 2021 £	Un-restricted funds £	Restricted funds £	Total 2020 £
Income from:							
Donations and legacies							
. Donation from The Congregation of the Sisters of Nazareth Charitable Trust	2	75,000	—	75,000	75,000	—	75,000
. Other donations and legacies	2	—	93,329	93,329	—	92,982	92,982
Charitable activities							
. Charges for residential and care services		26,508,113	—	26,508,113	26,234,044	—	26,234,044
. Charges for nursery services		505,051	—	505,051	554,579	—	554,579
Other income		426,042	1,480,896	1,906,938	242,068	—	242,068
Total income		27,514,206	1,574,225	29,088,431	27,105,691	92,982	27,198,673
Expenditure on:							
Charitable activities							
. Provision of residential and care services	5	26,858,922	1,574,225	28,433,147	28,133,022	92,982	28,226,004
. Provision of nursery services	6	423,740	—	423,740	528,454	—	528,454
Total expenditure		27,282,662	1,574,225	28,856,887	28,661,476	92,982	28,754,458
Net (expenditure) income and net movement in funds for the year	8	231,544	—	231,544	(1,555,785)	—	(1,555,785)
Reconciliation of funds							
Fund balances brought forward on 1 April 2020		8,306,008	—	8,306,008	9,861,793	—	9,861,793
Fund balances carried forward on 31 March 2021		8,537,552	—	8,537,552	8,306,008	—	8,306,008

All recognised gains and losses are included in the above statement of financial activities. All activities derived from continuing operations in each of the above two financial years.

BALANCE SHEETS – 31 MARCH 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets:					
Tangible assets	12	2,724,899	3,188,227	2,724,897	3,188,225
Investments	13	—	—	8	8
Total fixed assets		2,724,899	3,188,227	2,724,905	3,188,233
Current assets:					
Stocks and work in progress	14	606,232	805,208	—	—
Debtors	15	3,947,913	3,595,396	3,583,652	3,212,146
Cash at bank and in hand		4,571,220	4,852,214	4,242,332	4,303,318
Total current assets		9,125,365	9,252,818	7,825,984	7,515,464
Liabilities:					
Creditors: amounts falling due within one year	16	(2,452,791)	(2,956,692)	(1,854,677)	(2,235,029)
Net current assets		6,672,574	6,296,126	5,971,307	5,280,435
Total assets less current liabilities		9,397,473	9,484,353	8,696,212	8,468,668
Creditors: amounts falling due after one year	17	(742,426)	(1,242,426)	(158,660)	(162,660)
Provision for liabilities	18	(186,141)	(147,141)	—	—
Total net assets		8,468,906	8,094,786	8,537,552	8,306,008
The funds of the charity:					
Restricted funds	19	—	—	—	—
Unrestricted funds					
. Tangible fixed assets fund	20	2,724,899	3,188,227	2,724,897	3,188,225
. General fund		5,744,007	4,906,559	5,812,655	5,117,783
Total funds	21	8,468,906	8,094,786	8,537,552	8,306,008

Approved by the Trustees on and signed on their behalf by:



SISTER DOREEN CUNNINGHAM

Chair of the Board of Trustees

Date of approval: 26.04.2022

GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	(62,128)	(1,298,270)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(218,866)	(391,368)
Net cash used in investing activities		(218,866)	(391,368)
Cash flows from financing activities:			
Repayments of borrowing		—	(24,000)
Net cash used in financing activities		—	(24,000)
Change in cash and cash equivalents in the year		(280,994)	(1,713,638)
Cash and cash equivalents at 1 April 2020	B	4,852,214	6,565,852
Cash and cash equivalents at 31 March 2021	B	4,571,220	4,852,214

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	374,120	(1,664,142)
Adjustments for:		
Depreciation charge\	682,186	728,852
Decrease in stocks	198,976	569,234
(Increase) decrease in debtors	(352,517)	(292,228)
Increase (decrease) in creditors	(1,003,893)	(665,154)
Increase (decrease) in provision for liabilities	39,000	25,168
Net cash provided by operating activities	(62,128)	(1,298,270)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents		
Cash at bank and in hand	4,571,220	4,852,214

PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 MARCH 2021

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

Basis of preparation

The charity is a limited by guarantee company (registered number 05518564), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Larmenier Centre, 162 East End Road, London, N2 0RU.

These financial statements have been prepared for the year to 31 March 2021 with comparative information provided in respect to the year to 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affected current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Accounting standards require the Board of Trustees to consider the appropriateness of the going concern basis when preparing financial statements. Nazareth Care Charitable Trust (NCCT) posted a surplus of £374,120 after enduring several loss making years.

In order to consider the appropriateness of the going concern basis, NCCT management has prepared and reviewed a scenario analysis looking at the worst case, best case and expected case scenarios.

In a worst case scenario, whilst it would seem that the Charity's reserves and cash position impacted significantly, it would not affect the Charity's ability to meet its liabilities over the medium term. With a net cash position of £4,242,332 at 31 March 2021 and forecast gross balance to 31st March 2023 of £606k evidencing that it has adequate resources to continue operational activities for the foreseeable future and that it has sufficient cash to meet all financial commitments.

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above under Critical accounting estimates and areas of judgement heading.

With regard to the next accounting period, the year ending 31 March 2022, the most significant issues that may affect the carrying value of the assets held by the Charity are the level of local and central government funding for residential and nursing care of older people and the cost of implementing the changes to the regulatory environment affecting care homes generally.

Basis of Consolidation

The Group's statement of financial activities and the Group's balance sheet consolidate the financial statements of the Charity and the following wholly owned subsidiaries:

NRV Development (Blackburn) Limited - Company number 05906057
NRV Development (Plymouth) Limited - Company number 05940933
NRV Blackburn Limited - Company number 06297407
NRV Management (Plymouth) Limited - Company number 08461398
Nazareth Catering Limited - Company number 06740428
Nazareth Home Care Limited - Company number 08461286
Larmenier Care Home Management Limited - Company number 09382120
NRV Management Glasgow Limited - Company number 09382077
NRV Development Glasgow Limited - Company number 09382096

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Income Recognition

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

Income comprises donations and legacies, charges for residential and care services, charges for nursery services, income from other trading activities and other income.

Donations are reported on a receivable basis. In the event that a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those

conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled in the reporting period.

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

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

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

Income derived from the levying of charges for residential, care and nursery services are measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Income generated from other trading activities comprises income from the Charity's trading subsidiary companies, details of which can be found in note 1 to the financial statements. Such income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure associated with raising funds for the Group and/or Charity. This includes commercial trading operations of the subsidiaries and interest payable. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group and/or Charity through the provision of charitable activities. Such costs include provision of residential and care services and provision of nursery services including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

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

In allocating expenditure to headings, no significant apportionments have had to be used.

Tangible Fixed Assets

All assets and improvements to existing assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised. The Group and Charity have opted to adopt a policy of not revaluing their tangible fixed assets, which are stated at cost less accumulated depreciation.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Leasehold Interest and Improvements

The leasehold interest comprises two amounts of £1 each and represents the residual investment value of leases in Blackburn and Plymouth. It is not depreciated.

Leasehold improvements are included in the financial statements at cost. They are depreciated at a rate of 10% per annum on a straight-line basis once there are 50 or fewer years of the lease remaining.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives.

- Furniture and equipment 10% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance.

Assets are depreciated once they are brought into use.

Fixed Asset Investments

Investments in subsidiary companies are included on the balance sheet at cost.

Stocks and Work in Progress

Stocks and work in progress represent land and buildings under development. Work in progress and consumables are valued at the lower of the costs and net realisable value. The land and building costs comprise the costs of the land, materials, directly attributable interest and other services related to the development and construction of the properties.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group and/or Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds Structure

Restricted funds represent donations received to the benefit of specific homes or area subject to specific conditions imposed by the donors or when the funds are raised for particular restricted purposes.

The remainder of the Group's and/or Charity's funds are unrestricted. Within the unrestricted funds, the tangible fixed assets fund represents the net book value of the Group and/or Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and/or Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Group and/or Charity's charitable objects.

Pensions

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2021

1. Activities of the Subsidiary Companies

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2021 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	360,000	—	404,325	99,945	15,835	394,924	65,203
Cost of sales	(198,977)	—	(278,628)	(51,396)	—	(263,452)	(17,408)
	161,023	—	125,697	48,549	15,835	131,472	47,795
Administrative costs	(66,031)	(5,914)	(230,216)	(7,467)	(6,499)	(152,499)	(47,795)
Rental income	28,395	—	101,692	—	—	19,129	—
Other operating income	376	—	2,827	—	—	1,898	—
Gift Aid donation	—	—	—	(16,354)	(9,336)	—	—
	(37,260)	(5,914)	(125,697)	(23,821)	(15,835)	(131,472)	(47,795)
Profit (loss) before taxation	123,763	(5,914)	—	24,728	—	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	123,763	(5,914)	—	24,728	—	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(24,262)	(44,584)	24	—	270	—	—
Shareholder's funds	(24,261)	(44,583)	25	1	271	1	1

A summary of the financial statements of those subsidiary companies which traded during the year ended 31 March 2020 is as follows:

	NRV Development (Blackburn) Limited	NRV Development (Plymouth) Limited	NRV Blackburn Limited	Nazareth Catering Limited	Nazareth Home Care Limited	NRV Management Plymouth Limited	NRV Management Glasgow
Company number (England and Wales)	05906057	05940933	06297407	06740428	08461286	08461398	09382077
	£	£	£	£	£	£	
Turnover	31,802	—	103,897	105,576	17,085	7,886	—
Cost of sales	—	—	(266,796)	(65,659)	—	(234,181)	(8,297)
	31,802	—	(162,899)	39,917	17,085	(226,295)	(8,297)
Administrative costs	(95,475)	(12,727)	(231,593)	(71,013)	(10,721)	(187,422)	(20,210)
Rental income	—	—	394,492	—	—	413,717	28,507
Other operating income	395	—	—	—	—	—	—
Gift Aid donation	—	—	—	—	(6,364)	—	—
	(95,080)	(12,727)	162,899	(71,013)	(17,085)	226,295	8,297
Profit (loss) before taxation	(63,278)	(12,727)	—	(31,096)	—	—	—
Taxation	—	—	—	—	—	—	—
Profit (loss) for the financial year	(63,278)	(12,727)	—	(31,096)	—	—	—
Capital and reserves							
Called up share capital	1	1	1	1	1	1	1
Retained earnings	(148,125)	(38,670)	24	(24,728)	270	—	—
Shareholder's funds	(148,124)	(38,669)	25	(24,727)	271	1	1

A summary of the principal activities of each of the companies which traded is given below:

Company name	Principal activity
NRV Development (Blackburn) Limited	Development of a retirement village in Blackburn
NRV Development (Plymouth) Limited	Development of a retirement village in Plymouth
NRV Blackburn Limited	The property management of Blackburn
Nazareth Catering Limited	The provision of catering services to the villages at Blackburn and Plymouth
Nazareth Home Care Limited	The provision of domiciliary care services to residents of a retirement village in Blackburn until February 2018 The provision of care services for other religious organisations from February 2018
NRV Management Plymouth Limited	The property management of Plymouth
NRV Management Glasgow Limited	The property management of Glasgow

NRV Development Glasgow Limited (company number 09382096) was dormant throughout the above two years and at 31 March 2021 had capital and reserves equal to it called-up share capital only i.e. £1.

Financial statements for each company in existence on 31 March 2021 will be filed with the Registrar of Companies in due course.

The address of the registered office for all the subsidiary companies is Larmenier Centre, 162 East End Road, London, N2 0RU.

2. Donations and Legacies

Group	Unrestricted funds	Restricted funds	2021 Total funds	Unrestricted funds	Restricted funds	2020 Total funds
	£	£	£	£	£	£
Donation from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	75,000	—	75,000	75,000	—	75,000
General donations and legacies	—	93,329	93,329	—	92,982	92,982
Total	75,000	93,329	168,329	75,000	92,982	167,982

Charity	Unrestricted funds	Restricted funds	2021 Total funds	Unrestricted funds	Restricted funds	2020 Total funds
	£	£	£	£	£	£
Donation from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	75,000	—	75,000	75,000	—	75,000
General donations and legacies	—	93,329	93,329	—	92,982	92,982
Total	75,000	93,329	168,329	82,500	92,982	167,982

3. Income from Other Trading Activities

Group	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Income from commercial trading operations of subsidiaries	1,289,817	—	1,289,817	167,369	—	167,369
Rental income	149,216	—	149,216	836,716	—	836,716
Other income	5,101	—	5,101	395	—	395
Total	1,444,134	—	1,444,134	1,004,480	—	1,004,480

4. Expenditure on Raising Funds

Group	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Total: Expenditure on commercial trading operations of subsidiaries	1,351,975	—	1,351,975	1,211,593	—	1,211,593

5. Residential and Care Services

Group	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	18,009,757	—	18,009,757	18,647,530	—	18,647,530
Premises	1,623,326	—	1,623,326	1,639,266	—	1,639,266
Care and welfare	3,944,708	1,574,225	5,518,933	5,676,785	92,982	5,769,767
Central management staff costs	1,146,689	—	1,146,689	1,174,190	—	1,174,190
Depreciation	678,569	—	678,569	723,575	—	723,575
Governance (note 7)	73,200	—	73,200	172,920	—	172,920
Total	25,476,249	1,574,225	27,050,474	28,034,266	92,982	28,127,248

Charity	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	17,474,004	—	17,474,004	18,148,828	—	18,148,828
Premises	1,623,326	—	1,623,326	1,639,266	—	1,639,266
Care and welfare	5,903,119	1,574,225	7,477,344	6,353,277	92,982	6,446,259
Central management staff costs	1,146,689	—	1,146,689	1,174,190	—	1,174,190
Depreciation	678,569	—	678,569	723,575	—	723,575
Governance (note 7)	33,215	—	33,215	93,886	—	93,886
Total	26,858,922	1,574,225	28,433,147	28,133,022	92,982	28,226,004

Support costs incurred by the charity are included in Care and Welfare and totalled £985,384 (2020 - £968,368). They comprise the support functions of finance and IT expenditure.

6. Provision of Nursery Services

Group and Charity	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Staff costs	275,500	—	275,500	351,388	—	351,388
Premises	10,919	—	10,919	11,540	—	11,540
Care and welfare	115,360	—	115,360	135,653	—	135,653
Central management staff costs	18,337	—	18,337	22,734	—	22,734
Depreciation	3,624	—	3,624	5,277	—	5,277
Governance (note 7)	—	—	—	1,862	—	1,862
Total	423,740	—	423,740	528,454	—	528,454

Support costs incurred by the Nursery are included in Care and Welfare and totalled £8,734 (2020- £11,736). They comprise the support functions of finance and IT expenditure.

7. Governance

Group	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
. Statutory audit (prior year)				88,350	—	88,350
Statutory audit in year	73,200	—	73,200	71,400	—	71,400
. Other services: taxation services	—	—	—	13,170	—	13,170
Total	73,200	—	73,200	172,920	—	172,920

Charity	Unrestricted	Restricted	2021	Unrestricted	Restricted	2020
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Auditor's remuneration and audit costs, including VAT						
. Statutory audit (prior year)				53,622	—	53,622
Statutory audit in year	33,215	—	33,215	42,126	—	42,126
Total	33,215	—	33,215	95,748	—	95,748

8. Net Income/(Expenditure) and Net Movement in Funds for the Year

This is stated after charging:

Group	2021 Total funds £	2020 Total funds £
Staff costs (note 9)	19,480,466	20,195,842
Auditor's remuneration	73,200	172,920
Depreciation	682,193	728,852

Charity	2021 Total funds £	2020 Total funds £
Staff costs (note 9)	18,944,713	19,697,140
Auditor's remuneration	33,215	95,748
Depreciation	682,193	728,852

9. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

Group	2021 £	2020 £
Wages and salaries	15,412,136	15,764,524
Social security costs	1,003,667	940,886
Other pension costs	256,751	270,667
Redundancy payments	11,631	138,895
Apprenticeship levy	60,239	63,903
	16,744,424	17,178,875
Payments to agency staff	2,736,042	3,016,967
	19,480,466	20,195,842

Charity	2021 £	2020 £
Wages and salaries	14,913,996	15,298,288
Social security costs	975,482	916,734
Other pension costs	249,307	264,250
Redundancy payments	11,631	138,895
Apprenticeship levy	58,255	62,006
	16,208,671	16,680,173
Payments to agency staff	2,736,042	3,016,967
	18,944,713	19,697,140

The average number of employees during the year was:

Group	2021	2020
Provision of residential and care services and nursery services	933	978

Charity	2021	2020
Provision of residential and care services and nursery services	895	936

The number of employees earning £60,000 per annum or more (including taxable benefits but excluding redundancy pay and similar payments and employer pension contributions) during the year was as follows:

Group and Charity	2021	2020
	Number	Number
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£120,001 - £130,000	1	—

The Group and Charity paid £6,200 (2020 - £4,400) in respect to defined contribution pension plans for the above higher paid employees.

The Trustees, who are in charge of directing and controlling the Group and Charity, delegate the running and operating of the Group and Charity on a day-to-day basis to the Chief Executive, the senior management team, the General Manager and Deputy General Manager of each Care Home. They comprise the key management of the Group and Charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £1,579,857 (2020 - £1,531,531).

10. Trustees' Expenses and Remuneration

The Trustees received £nil remuneration in connection with their duties as trustees during the year (2020 - £nil).

Trustee were reimbursed travel and subsistence expenses of £nil during the year (2020 – one Trustee was reimbursed £269).

11. Taxation

Nazareth Care Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12. Tangible Fixed Assets

	Leasehold improve- ments £	Furniture and equipment £	Motor vehicles £	Charity Total £	Leasehold interest £	Group Total £
Cost						
At 1 April 2020	4,096,548	3,625,064	230,153	7,951,765	2	7,951,767
Additions	157,233	61,625	—	218,858	—	218,858
Disposals						
At 31 March 2021	4,253,781	3,686,689	230,153	8,170,623	—	8,170,625
Depreciation						
At 1 April 2020	(1,820,596)	(2,721,679)	(221,265)	(4,763,540)	—	(4,763,540)
Depreciation charge	(420,761)	(259,062)	(2,363)	(682,186)	—	(682,186)
Disposals						
At 31 March 2021	(2,241,357)	(2,980,741)	(223,628)	(5,445,726)	—	(5,445,726)
Net book values						
At 31 March 2021	2,012,424	705,960	6,525	2,724,897	2	2,724,899
At 31 March 2020	2,275,952	903,385	8,888	3,188,225	2	3,188,227

The leasehold interest of £2 comprises two amounts of £1 each. £1 represents the residual investment value of a 999-year lease on a site in Blackburn which is being developed into a retirement village. The development value of the leasehold interest in the site, held by a subsidiary company on a 125-year under-lease, is included in stocks and work in progress. £1 represents the residual investment value of a leasehold property that a subsidiary company holds on a 125-year lease on a site at Plymouth.

13. Investments

Charity	2021	2020
	£	£
Shares in subsidiary undertakings at cost		
At 1 April 2020	8	8
Larmenier Care Home Management Limited		
At 31 March 2021	<u>8</u>	<u>8</u>

Investments represent 100% of the issued share capital of NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, Nazareth Catering Limited, NRV Management (Plymouth) Limited, Nazareth Home Care Limited, NRV Development (Glasgow) Limited and NRV Management (Glasgow) Limited. The activities of these companies are summarised in note 1.

14. Stocks and Work in Progress

Included in the Group's cost of stocks and work in progress is the construction cost of £606,232 (2020 - £805,209) in respect to the Blackburn Phase 2A development accounted for within the financial statements of NRV Development (Blackburn) Limited.

15. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Residential and care service fees	2,529,250	1,913,869	2,415,299	1,823,740
Prepayments and accrued income	420,180	474,587	387,044	418,117
Other debtors	70,260	162,534	43,522	168,417
Amounts due from NRV Blackburn Limited	—	—	—	11,659
Amounts due from NRV Management Plymouth Limited	—	—	—	29,380
Amounts due from Nazareth Home Care Limited	—	—	9,336	15,420
Amounts due from Nazareth Catering Limited	—	—	16,354	7,404
Amounts due from NRV Management Glasgow	—	—	19,019	26,683
Amounts due from NRV Development Blackburn	—	—	—	9,412
Amounts due from NRV Development Plymouth	—	—	4,961	8,272
Amounts due from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	928,223	1,044,406	688,117	693,642
	<u>3,947,913</u>	<u>3,595,396</u>	<u>3,583,652</u>	<u>3,212,146</u>

16. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Amounts due to The Congregation of the Sisters of Nazareth Charitable Trust (see below)	52,463	251,445	—	128,992
Loans from and contributions due to the Congregation of the Sisters of Nazareth Generalate (see below)	340,106	340,106	—	—
Expense creditors	675,881	1,118,935	657,328	1,072,895
Accruals and deferred income	557,880	668,223	455,905	551,290
Amounts due to NCCT				
Other creditors	581,040	301,130	506,270	282,566
Taxes and social security	245,421	206,853	235,174	199,286
Amounts due to Nazareth Home Care Limited				
	2,452,791	2,956,692	1,854,677	2,235,029

At 31 March 2021 the Group owed The Congregation of the Sisters of Nazareth Charitable Trust £52,463 (2020 - £251,445).

The loan from The Congregation of the Sisters of Nazareth Generalate comprises £340,106 to the Group (2020-£340,106) in respect to NRV Development (Plymouth) Limited.

17. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Loans from The Congregation of the Sisters of Nazareth Charitable Trust (note 23)	132,660	132,660	132,660	132,660
Loans from The Congregation of the Sisters of Nazareth Generalate (see below)	583,767	1,079,766	—	—
Other creditors	26,000	30,000	26,000	30,000
	742,426	1,242,426	158,660	162,660

The loan from The Congregation of the Sisters of Nazareth Generalate comprises a loan of £583,767 (2020 - £1,079,766) advanced to NRV Development (Blackburn) Limited.

18. Provision for liabilities

Group	2021 £	2020 £
At 1 April 2020	147,141	121,973
Charged (utilised) for the period	39,000	25,168
At 31 March 2021	186,141	147,141

The provision relates to sinking funds in NRV Blackburn Limited and NRV Management Plymouth Limited. There is no provision for liabilities within the Charity.

19. Restricted funds

The funds of the Group and Charity included the following restricted funds:

	At 1 April			At 31
	2020	Income	Expenditure	March
	£	£	£	2021
				£
Other donations	—	93,329	(93,329)	—
Infection control grant	—	1,480,896	(1,480,896)	—
Total	—	1,574,225	(1,574,225)	—

	At 1 April			At 31
	2019	Income	Expenditure	March
	£	£	£	2020
				£
Other donations	—	92,982	(92,982)	—

The above restricted funds were received from the UK Government to be spent on infection control measures.

20. Tangible Fixed Assets Fund

Group	2021	2020
	£	£
At 1 April 2020	3,188,227	3,525,711
Movement in year	(463,328)	(337,484)
At 31 March 2021	2,724,899	3,188,227

Charity	2021	2020
	£	£
At 1 April 2020	3,188,225	3,525,709
Movement in year	(463,328)	(337,484)
At 31 March 2021	2,724,897	3,188,225

The tangible fixed assets fund represents the net book value of the Group's and Charity's tangible fixed assets. These assets are essential to the continued mission of the Group and Charity and include the improvements to care homes and the furniture and equipment used in those care establishments.

21. Analysis of Net Assets Between Funds

Group	General	Tangible	Restricted	Total
	funds	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	2,724,899	—	2,724,899
Net current assets	6,672,574	—	—	6,672,574
Creditors: amounts falling due after one year	(742,426)	—	—	(742,426)
Provision for liabilities	(186,141)	—	—	(186,141)
Total net assets	5,744,007	2,724,899	—	8,468,906

Group	General	Tangible fixed	Restricted	Total
	funds	assets	funds	
	£	fund	£	£
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	—	3,188,227	—	3,188,227
Net current assets	6,296,126	—	—	6,296,126
Creditors: amounts falling due after one year	(1,242,426)	—	—	(1,242,426)
Provision for liabilities	(147,141)	—	—	(147,141)
Total net assets	4,906,559	3,188,227	—	8,094,786

Charity	General funds	Tangible	Restricted	Total
	£	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	2,724,897	—	2,724,897
Investments	8	—	—	8
Net current assets	5,971,307	—	—	5,971,307
Creditors: amounts falling due after one year	(158,660)	—	—	(158,660)
Total net assets	5,812,655	2,724,897	—	8,537,552

Charity	General	Tangible	Restricted	Total
	funds	fixed assets	funds	
	£	fund	£	£
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	—	3,188,225	—	3,188,225
Investments	8	—	—	8
Net current assets	5,280,435	—	—	5,380,435
Creditors: amounts falling due after one year	(162,660)	—	—	(162,660)
Total net assets	5,117,783	3,188,225	—	8,306,008

22. Capital Commitments

At 31 March 2021 the Group and Charity had capital commitments of £336,542 for new Finance and Residential Care system (2020 – no capital commitments).

23. Related Parties and Connected Entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the trustees of the Charity.

The Charity is connected also to two other registered charities:

Name	Registration numbers etc.	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
The Congregation of the Sisters of Nazareth Charitable Trust (CSNCT)	A registered charity (Charity Registration Nos 228906 (England and Wales) and SC040507 (Scotland))	The support of the religious and other works (or ministries) carried on by members of the Congregation (the Sisters) in the U.K. and the care of those Sisters throughout their lives with the Congregation in the U.K. Ownership of 13 establishments in England, Wales, Scotland and Northern Ireland known as Nazareth Houses within which nursing, residential and care services are provided to older people in need.

In the case of both CSNCT and CSNG the Superior General of the Congregation also appoints the Trustees. Throughout the year, two or more of the three charities had some Trustees in common. With effect from April 2012, the Charity and CSNCT have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, accounts consolidating the three charities are not prepared.

During the period there have been a number of transactions between the Charity and/or NRV Development (Blackburn) Limited, NRV Development (Plymouth) Limited, NRV Blackburn Limited, NRV Management (Plymouth) Limited, and CSNCT, details of which are given in the paragraphs below.

CSNCT and Nazareth Care Charitable Trust

At 31 March 2021, the Group and Charity was owed £688,117 (2020 - £693,642) from The Congregation of the Sisters of Nazareth Charitable Trust being £608,345 (2020 - £608,345) for redevelopment work carried out at Nazareth House Cheltenham, £75,000 (2020 - £75,000) in respect of donation contribution owing and £4,772 (2020 - £10,297) for work carried out and paid for by NCCT. In addition, the Group was owed £240,106 (2020 - £350,764) being £240,106 (2020 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited, nil (2020 - £31,802) in respect of rent to NRV Development (Blackburn) Limited and nil (2020 - £78,856) in respect of services voids due to Management Glasgow Limited and NRV Blackburn Limited

On 31 March 2021, the Charity owed The Congregation of the Sisters of Nazareth Charitable Trust £nil (2020 - £128,992). In addition, the Group owed The Congregation of the Sisters of Nazareth Charitable Trust a further £52,463 (2020 - £251,445), due from NRV Blackburn Limited.

During the year, CSNCT donated £75,000 (2020 - £75,000) to the Charity (see note 2).

During the year, the Charity incurred £475,843 (2020 - £422,930) of management stipend expenditure which was paid to the Congregation of the Sisters of Nazareth Charitable Trust. NCCT also incurred expenditure for the rental of the care homes and nursery of £1,245,411 (2020 - £1,263,981).

CSNG and NRV Development (Blackburn) Limited

On 7 March 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Blackburn) Limited for an unsecured loan of up to £4.2 million to be used to finance the construction of apartments and bungalows at the Larmenier Retirement Village, Preston New Road, Blackburn. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at 5%. At 31 March 2021 £3,181,280 (2020 – £3,181,280) (including accrued interest of £631,143 (2020 - £631,143)) of the loan had been drawn down. Repayments of £496,000 (2020 - £nil) were made to CSNG during the financial year. At 31 March 2021, the company owed £683,766 (2020 - £1,179,000) to CSNG, of which £100,000 (2020 - £100,000) was due within one year.

CSNG and NRV Development Development (Plymouth) Limited

On 19 December 2012, The Congregation of the Sisters of Nazareth Generalate granted a loan facility to NRV Development (Plymouth) Limited for an unsecured loan of up to £7.9 million to be used to finance the construction of apartments at Nazareth House, Durnford Street, Plymouth. The loan is repayable by the anniversary of the agreement together with accumulated interest, interest accruing at the rate of the Base Rate plus 4% per annum. At 31 March 2021, £6,140,106 (2020 – £6,140,106) (including accrued interest of £809,949 (2019 - £809,949)) of the loan had been drawn down. Repayments of £nil (2020 - £nil) were made to CSNG during the financial year. At 31 March 2021, the company owed £240,106 (2020 - £240,106) to CSNG, of which £240,106 (2020 - £240,106) was due within one year.

CSNCT and NRV Development (Blackburn) – Retirement Villages

Under the terms on which NRV Development (Blackburn) Limited sells certain apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. It is calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buyback option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, CSNCT has agreed to meet any shortfall.

24. Other Related Party Transactions

Other than as disclosed above, there were no other related party transactions requiring disclosure (2020 – none).

25. Liability of the Members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up each of the members would be required to contribute an amount not exceeding £1.

26. Post Balance Sheet Events

There were no post balance sheet events.

27. Ultimate Control

The Charity is controlled by the Congregation, an international Roman Catholic religious Congregation, by virtue of the fact that the Superior General of the Congregation appoints the trustees.

28. Custodian Funds

At 31 March 2021 the Group and Charity held £99,843 (2020 - £93,168) being deposits held on behalf of residents in the Charity's care homes. These amounts are not included in these financial statements as the Group and Charity have no control over the monies. The funds are held in a bank account separate from the cash at bank of the Group and Charity.