

**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

## Contents

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS .....	2
HERITAGE .....	3
MESSAGE FROM THE CHAIR OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE OFFICER .....	4
INTRODUCTION .....	5
YEARLY REVIEW .....	5
TRUSTEES' REPORT 31 MARCH 2023.....	7
STRATEGIC REPORT .....	9
FINANCIAL REVIEW OF THE YEAR .....	10
MANAGEMENT AND TRUSTEES.....	15
<b>INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NAZARETH CARE CHARITABLE TRUST .....</b>	<b>21</b>
GROUP STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2023 .....	25
CHARITY STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2023 .....	26
BALANCE SHEETS – 31 MARCH 2023.....	27
GROUP STATEMENT OF CASH FLOWS – YEAR ENDED 31 MARCH 2023.....	28
PRINCIPAL ACCOUNTING POLICIES – YEAR ENDED 31 MARCH 2023 .....	29
NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2023 .....	35

## 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  
 Sister Madeleine Merriman  
 Mr Donald West  
 Sister Anastasia Lenihan  
 Father John Martin  
 Sister Celine Donnelly  
 Mr James McAleenan

resigned 30 May 2022  
 resigned 17 October 2022

appointed 17 October 2022  
 appointed 07 August 2023

### Senior Management - (SMT)

Regional Superior  
 Chief Executive Officer  
 Chief Executive Officer (Interim)  
 Company Secretary  
 Chief Executive Officer and Company Secretary  
 Finance Director  
 Head of Finance  
 Director of Operations  
 Head of HR  
 Head of Corporate Services

Sister Doreen Cunningham  
 Mrs Angela Demsey (appointed 01.03.2023)  
 Mr Mike Anderson (10.05.2022 to 28.02.2023)  
 Mr Mike Anderson (appointed 17.05.2022)  
 Mr Richard Whitby (until 17.05.2022)  
 Mrs Alison Mugunthan (appointed 12.06.2023)  
 Mr Ahmed Bangura (01.11.2021 to 11.11.2022)  
 Mr Mike Anderson (12.07.21 to 10.05.22)  
 Mrs Louise Graham  
 Miss Alexandra Ispas

### Administrative Details

Registered Office

Larmenier Centre  
 162 East End Road  
 London N2 0RU  
 020 8444 4427  
[uk.administration@nazarethcare.com](mailto:uk.administration@nazarethcare.com)  
[www.nazarethcare.uk.com](http://www.nazarethcare.uk.com)

Telephone

Email

Website

Company Registration Number

Charity Registration Numbers

05518564 (England & Wales)  
 1113666 (England & Wales)  
 SC042374 (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

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
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 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
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 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)

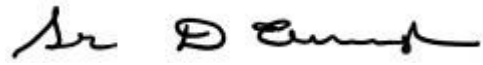
### Fixed Assets

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', with a stylized, cursive script.

**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](http://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.

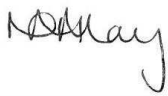
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>31,277,419</b>	<b>570,622</b>	<b>31,848,042</b>	<b>28,191,557</b>	<b>582,340</b>	<b>28,773,897</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>33,234,478</b>	<b>570,622</b>	<b>33,805,101</b>	<b>33,541,748</b>	<b>582,340</b>	<b>34,124,088</b>
<b>Net income and net movement in funds for the year</b>	8	<b>(1,957,059)</b>	<b>—</b>	<b>(1,957,059)</b>	<b>(5,350,191)</b>	<b>—</b>	<b>(5,350,191)</b>
<b>Reconciliation of funds</b>							
<b>Fund balances brought forward on 1 April 2022</b>		<b>3,118,715</b>	<b>—</b>	<b>3,118,715</b>	<b>8,468,906</b>	<b>—</b>	<b>8,468,906</b>
<b>Fund balances carried forward on 31 March 2023</b>		<b>1,161,656</b>	<b>—</b>	<b>1,161,656</b>	<b>3,118,715</b>	<b>—</b>	<b>3,118,715</b>

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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>30,154,551</b>	<b>570,622</b>	<b>30,725,174</b>	<b>26,991,839</b>	<b>582,340</b>	<b>27,574,179</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>32,123,745</b>	<b>570,622</b>	<b>32,694,368</b>	<b>32,330,225</b>	<b>582,340</b>	<b>32,912,565</b>
<b>Net (expenditure) income and net movement in funds for the year</b>	8	<b>(1,969,194)</b>	<b>—</b>	<b>(1,969,194)</b>	<b>(5,338,386)</b>	<b>—</b>	<b>(5,338,386)</b>
<b>Reconciliation of funds</b>							
<b>Fund balances brought forward on 1 April 2022</b>		<b>3,199,166</b>	<b>—</b>	<b>3,199,166</b>	<b>8,537,552</b>	<b>—</b>	<b>8,537,552</b>
<b>Fund balances carried forward on 31 March 2023</b>		<b>1,229,972</b>	<b>—</b>	<b>1,229,972</b>	<b>3,199,166</b>	<b>—</b>	<b>3,199,166</b>

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
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12	2,947,948	2,996,398	2,947,946	2,996,396
Investments	13	—	—	8	8
<b>Total fixed assets</b>		<b>2,947,948</b>	<b>2,996,398</b>	<b>2,947,954</b>	<b>2,996,404</b>
<b>Current assets:</b>					
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
<b>Total current assets</b>		<b>4,517,482</b>	<b>4,006,966</b>	<b>3,420,393</b>	<b>2,904,881</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	(4,453,345)	(3,017,583)	(4,047,716)	(2,583,460)
<b>Net current assets / (liabilities)</b>		<b>64,137</b>	<b>989,383</b>	<b>(627,323)</b>	<b>321,421</b>
<b>Total assets less current liabilities</b>		<b>3,012,085</b>	<b>3,985,781</b>	<b>2,320,631</b>	<b>3,317,825</b>
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)	—	—
<b>Total net assets</b>		<b>1,161,655</b>	<b>3,118,714</b>	<b>1,229,971</b>	<b>3,199,165</b>
<b>The funds of the charity:</b>					
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
<b>Total funds</b>	21	<b>1,161,655</b>	<b>3,118,714</b>	<b>1,229,971</b>	<b>3,199,165</b>

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

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

	2023 £	2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,957,059)</b>	<b>(5,350,191)</b>
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<b>475,590</b>	<b>(2,541,178)</b>

## B Analysis of cash and cash equivalents

	2023 £	2022 £
<b>Total cash and cash equivalents</b>		
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)	—	—	—	—	—
<b>Capital and reserves</b>							
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	—	—
<b>Capital and reserves</b>							
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:

<b>Company name</b>	<b>Principal activity</b>
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

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2023</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2022</b>
	<b>funds</b>	<b>funds</b>	<b>Total</b>	<b>funds</b>	<b>funds</b>	<b>Total</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General donations and legacies	69,324	62,214	131,538	45,000	22,361	67,361
<b>Total</b>	<b>69,324</b>	<b>62,214</b>	<b>131,538</b>	<b>45,000</b>	<b>22,361</b>	<b>67,361</b>

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2023</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2022</b>
	<b>funds</b>	<b>funds</b>	<b>Total</b>	<b>funds</b>	<b>funds</b>	<b>Total</b>
<b>Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General donations and legacies	69,324	62,214	131,538	45,000	22,361	67,361
<b>Total</b>	<b>69,324</b>	<b>62,214</b>	<b>131,538</b>	<b>45,000</b>	<b>22,361</b>	<b>67,361</b>

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

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	funds	funds	funds	funds	funds	funds
Group	£	£	£	£	£	£
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
<b>Total</b>	<b>1,217,866</b>	<b>—</b>	<b>1,217,866</b>	<b>1,281,694</b>	<b>—</b>	<b>1,281,694</b>

### 4. Expenditure on Raising Funds

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	funds	funds	funds	funds	funds	funds
Group	£	£	£	£	£	£
<b>Total: Expenditure on commercial trading operations of subsidiaries</b>	<b>1,129,909</b>	<b>—</b>	<b>1,129,909</b>	<b>1,293,498</b>	<b>—</b>	<b>1,293,498</b>

### 5. Residential and Care Services

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	funds	funds	funds	funds	funds	funds
Group	£	£	£	£	£	£
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
<b>Total</b>	<b>31,620,051</b>	<b>570,622</b>	<b>32,190,674</b>	<b>31,783,054</b>	<b>582,340</b>	<b>32,365,394</b>

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	funds	funds	funds	funds	funds	funds
Charity	£	£	£	£	£	£
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

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
<b>Total</b>	<b>484,518</b>	<b>—</b>	<b>484,518</b>	<b>465,197</b>	<b>—</b>	<b>465,197</b>

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
<b>Total</b>	<b>98,400</b>	<b>—</b>	<b>98,400</b>	<b>88,920</b>	<b>—</b>	<b>88,920</b>

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
<b>Total</b>	<b>58,056</b>	<b>—</b>	<b>58,056</b>	<b>54,681</b>	<b>—</b>	<b>54,681</b>

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

This is stated after charging:

<b>Group</b>	<b>2023 Total funds £</b>	<b>2022 Total funds £</b>
Staff costs (note 9)	23,849,334	21,073,347
Auditor's remuneration	98,400	85,800
Depreciation	798,057	762,535

<b>Charity</b>	<b>2023 Total funds £</b>	<b>2022 Total funds £</b>
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:

<b>Group</b>	<b>2023 £</b>	<b>2022 £</b>
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

<b>Charity</b>	<b>2023 £</b>	<b>2022 £</b>
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:

<b>Group</b>	<b>2023</b>	<b>2022</b>
Provision of residential and care services and nursery services	863	885

<b>Charity</b>	<b>2023</b>	<b>2022</b>
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 £
<b>Cost</b>						
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
<b>Depreciation</b>						
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)
<b>Net book values</b>						
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
	£	£
<b>Shares in subsidiary undertakings at cost</b>		
At 1 April 2022	8	8
Larmenier Care Home Management Limited		
At 31 March 2023	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 £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
	3,343,134	2,558,601	3,123,062	2,270,885

## 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
	<b>4,453,345</b>	<b>3,017,583</b>	<b>4,047,716</b>	<b>2,583,460</b>

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	—	—
	<b>1,613,926</b>	<b>641,926</b>	<b>1,090,660</b>	<b>118,660</b>

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 funds £	Tangible fixed assets fund £	Restricted funds £	Total £
<b>Fund balances at 31 March 2023 are represented by:</b>				
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)
<b>Total net assets</b>	<b>(1,786,293)</b>	<b>2,947,948</b>	<b>—</b>	<b>1,161,655</b>

Group	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
<b>Fund balances at 31 March 2022 are represented by:</b>				
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)
<b>Total net assets</b>	<b>122,316</b>	<b>2,996,398</b>	<b>—</b>	<b>3,118,714</b>

Charity	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
<b>Fund balances at 31 March 2023 are represented by:</b>				
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)
<b>Total net assets</b>	<b>(1,717,975)</b>	<b>2,947,946</b>	<b>—</b>	<b>1,229,971</b>

Charity	General funds £	Tangible fixed assets fund £	Restricted funds £	Total £
<b>Fund balances at 31 March 2022 are represented by:</b>				
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)
<b>Total net assets</b>	<b>202,769</b>	<b>2,996,396</b>	<b>—</b>	<b>3,199,165</b>

## 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.