

**Providence  
Marian  
Company**

**Report and Financial Statements**

31 December 2022

Company Limited by Guarantee  
Registration Number 6873673  
(England and Wales)

Charity Registration Number 1133491

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**Reference and administrative details of the charitable company, its trustees and advisers**  
31 December 2022

**Trustees**

Sister Mary Flannigan  
Sister Margaret Cloghessy  
Sister Marthe Marie Dacht  
Sister Genevieve Cecile Defrenne  
Sister Martha Magdalena Geers  
Sister Marie-Jose Herbeuval  
Sister Veronica Maguire  
Sister Patricia Ryan

**Address**

Providence House  
4 Melbourn Road  
Royston  
Hertfordshire  
SG8 7DB

**Charity registration number** 1133491

**Company registration number** 6873673 (England and Wales)

**Auditor**

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Principal bankers**

Barclays Bank plc  
28 Hampstead High Street  
Hampstead  
London  
NW3 1QB

Lloyds Bank plc  
The Cross  
2 - 4 Melbourn Street  
Royston  
Hertfordshire  
SG8 7BL

**Reference and administrative details of the charitable company, its trustees and advisers**  
31 December 2022

**Investment managers**

Barclays Wealth  
1 Churchill Place  
London  
E14 5HP

Rathbone Investment Management Limited  
Port of Liverpool Building  
Pierhead  
Liverpool  
L3 1NW

Evelyn Partners (formerly Smith and Williamson  
Investment Management Limited)  
45 Gresham Street  
London  
EC2V 7BG

**Property advisers**

Gerald Eve LLP  
One Fitzroy  
6 Mortimer Street  
London  
W1T 3JJ

**Solicitors**

Pothecary Witham Weld  
84 Eccleston Square  
Pimlico  
London  
SW1V 1PX

The trustees, who are directors of the company for the purposes of the Companies Act, present their report together with the financial statements of Providence Marian Company (the "charitable company") for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and 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 (FRS 102).

### **Constitution**

Providence Marian Company is a company limited by guarantee, Company Registration No. 6873673 (England and Wales) and a charity registered under the Charities Act 2011, Charity Registration No. 1133491.

### **Introduction**

The Congregation of the Sisters of Providence and of the Immaculate Conception (the Congregation) is an international Roman Catholic religious congregation divided into a number of separate provinces.

The financial statements accompanying this report are the financial statements relating to the Congregation's activities and assets in England.

The objects of the charitable company are to support such charitable purposes which advance the religious and other charitable work, for the time being carried on by, or under, the direction of the Congregation as the trustees, with the approval of the provincial superior, shall from time to time think fit.

The objects of the charitable company are set out in its memorandum of association.

### **Activities, specific objectives, and relevant policies**

#### ***Activities and specific objectives***

The charitable company aims to support the advancement of the charitable works carried on by the Congregation for the advancement of the Roman Catholic religion and the wellbeing of those who benefit from the sisters' ministries. By caring for individual sisters throughout their lives with the Congregation, the charitable company aims to enable and support the sisters to live out their faith and put that faith into practice through a wide variety of religious and other works.

The works or ministries of the sisters fall into the following main areas:

#### ***Social and pastoral work***

Members of the Congregation were involved in various forms of social and pastoral work including support of the bereaved, visiting the sick and parish ministry.

The trustees recognise the absolute necessity of ensuring the protection and safety of all those the charitable company serves. The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Services Agency (CSSA) and Religious Life Safeguarding Services (RLSS).

**Activities, specific objectives, and relevant policies (continued)**

***Activities and specific objectives (continued)***

*Grants, donations, and support of overseas work*

The charitable company's policy throughout the year was to make grants and donations, principally in support of the overseas work of the Congregation of the Sisters of Providence and of the Immaculate Conception and other causes which further the Christian faith and alleviate poverty.

Two of the charitable company's trustees are members of the General Council of the Congregation, Sister Marie-Jose Herbeuval and Sister Marthe Dachet. Those trustees who are members of the General Council withdraw from discussions concerning the awarding of donations to both the Generalate of the Congregation and to the wider Congregation.

***Public benefit***

All the trustees are conversant with the Charity Commission's guidelines concerning charities and public benefit and have given consideration to them when assessing the charitable company's activities. The trustees believe that they have given due regard to the public benefit guidance published by the Commission and have complied fully with the public benefit requirement contained within the Charities Act 2011.

***Investment policy***

During the period, the charitable company's investments comprised listed investments, cash held for investment and bank deposits. The listed investments were managed by investment managers who operated within specific guidelines which are set and regularly reviewed by the trustees whilst bank deposit are held with banks regulated in the United Kingdom.

The overall objective with regard to the charitable company's investments is to maximise total return within acceptable levels of risk.

**Achievements, performance and future plans**

***Review of activities and future plans***

As noted under future plans included in the trustees' report in the financial statements for the year ended 31 December 2021, as members of the Congregation decrease in number, the trustees and the sisters need to discern very carefully which ministries are most required by those to whom the sisters minister and the ministries that are suitable for the aging community.

In the year to 31 December 2022, the sisters continued to reside in a convent in Hertfordshire and the trustees continued to maintain various aspects of activities as were compatible with the age, health and energy of the members. They continued to monitor the needs of the sisters as they grow older, to ensure the provision of care for elderly members and even amidst the limitations that come with ageing, to foster what lies at the heart of the sisters' charism/mission.

## **Achievements, performance and future plans (continued)**

### ***Review of activities and future plans (continued)***

As explained under "Reserves policy and financial position", in the financial statements to December 2021, it was the intention of the trustees to apply the financing and Congregational fund towards the financing of grants and donations, including contributions to the Congregation's work overseas. It was expected that a large proportion of the fund would continue to be invested but it was anticipated also that some of the money would be applied directly towards grants and donations.

In late 2022 the trustees of the charitable company decided that as the sisters in the UK were aging, and as they were finding it more difficult to care for themselves and provide the core activity of social and pastoral work, they should move to Belgium. As a result, once this had been achieved, the need for the charitable company to exist in order to care for the Sisters would no longer exist and in due course the charitable company would be wound up.

During the year to 31 December 2022, and until June 2023, the trustees of the charitable company continued with the activities as noted above. During the first half of 2023, the sisters all relocated to Belgium to be cared for as needed by the Generalate. By late June 2023 work began to realise the charity's remaining assets with a view to the eventual winding up of the charitable company.

Further details about the trustees' plans and actions for winding up the charity are given later within this report.

### ***Social and pastoral work***

The orientation of the sisters' work continued to vary with the needs of people and the ability of the sisters. The sisters endeavour to help all who required assistance.

### ***Support of the Congregation's work overseas***

The charitable company supports the work of the Generalate and overseas provinces of the Sisters of Providence and of the Immaculate Conception. Since 2014, the trustees have been making regular donations to the Generalate to support the Congregation's overseas work in South America and other parts of the world where the need arises. In recent years, donations of up to £1.5 million per annum have been paid. Towards the end of 2022, when the trustees made the decision that the sisters should move overseas, they also decided to liquidate the investments and donate the value realised to support the work of the Generalate and overseas provinces. The expenditure included in the accounts for the year to 31 December 2022 reflects this commitment.

Since the year end, the realised value of the investments has been paid to the Generalate of the Congregation to advance the work of the Congregation, wherever the need arises.

**Achievements, performance and future plans** (continued)

***Review of activities and future plans*** (continued)

*Support of the Congregation's work overseas* (continued)

The following are some examples of how the monies donated by the charitable company to the Generalate have been used on various projects in recent years:

In Congo:

- ◆ Support for an orphanage constructed in 2014 in Congo including the pastoral and educational development of children.
- ◆ Help with purchasing resources required to facilitate the ministries – e.g. purchasing a Jeep to transport people and material required for projects that aid in providing education and ensuring the health of those most in need of it.
- ◆ Constructing a hospital and maternity centre in Kinkole, including ensuring that the foundations are sound and there is an adequate water supply by drilling a water well.
- ◆ Purchasing a plot of land for future construction in Kinkole.
- ◆ Providing aid to those affected by the pandemic and natural disasters.
- ◆ Building accommodation including bedrooms and a kitchen for those in Righini.

In Ecuador:

- ◆ Providing support for the disadvantaged during the recent pandemic.
- ◆ Providing finance to the Hospital San Jose Obero, in Quito (reception of destitute persons) to develop a medical service.
- ◆ Assisting with the schooling for the children at a school in a poorer neighbourhood.

In Haiti:

- ◆ Contributing towards the development of the mission to ensure that those in Cté have access to educational, pastoral and health support.

In Colombia-Peru:

- ◆ Supporting the underprivileged during the Covid-19 pandemic.
- ◆ Participating in the Yacopi project starting a social project in a poor rural environment.
- ◆ Providing further aid to families experiencing hardship.



## **Financial review**

### ***Income and expenditure***

A summary of the year's results can be found on page 19 of the attached financial statements.

Income for the year totalled £524,701 (2021: £699,506) and includes salaries and pensions donated by the sisters of £62,443 (2021: £62,634), donations and legacies receivable of £6,471 (2021: £2,738) and investment income and interest receivable of £454,783 (2021: £395,688).

Total expenditure for the year amounted to £14,401,201 (2021: £4,098,830). £212,396 (2021: £214,560) was expended on supporting sisters and enabling them to carry out their work. Grants and donations amounted to £14,067,023 (2021: £3,740,546) and include provision for donating the investment proceeds to the Congregation's generalate as explained above. Further details of the donations payable during the year are given in note 3 to the financial statements. £121,782 (2021: £143,724) was incurred on investment management fees.

Net expenditure for the year before investment losses, therefore, was £13,928,804 (2021: £3,399,324). Net investment losses of £2,300,525 (2021: £1,897,967) resulted in a net decrease in funds for the year of £16,229,329 (2021: net decrease of £1,501,357).

### ***Investment performance***

Investments at 31 December 2022 had a market value of £18,695,188 (2021: £22,174,167).

At that date, the charitable company had three portfolios of listed investments with a combined market value at 31 December 2022 of £18,113,119 (2021: £21,663,467) and cash awaiting investment of £582,069 (2021: £510,700).

During the year, the charitable company's income from listed investments was £451,569 (2021: £395,609) and losses on disposal and revaluation of investments were £2,300,525 (2021: gains of £1,897,967), equating to an income yield of 1.9% (2021: 1.9%) and a capital yield of minus 10.6% (2021: capital yield of plus 9.9%).

The investment managers invested in accordance with the trustees' investment policy set out elsewhere in this report. Further details of the investment portfolio are included in note 10 to the attached financial statements. The trustees believe their investment policy continued to be appropriate throughout the year.

As noted above, since the year end, the trustees have liquidated their investment portfolios and donated the realised proceeds to the Congregation's Generalate in Belgium.

## **Financial review** (continued)

### ***Reserves policy and financial position***

#### *Reserves policy*

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the decision of the trustees that the Sisters should move to Belgium, an inevitable consequence of that would be that the charitable company would be wound up in due course. The winding up will only be possible following the successful move of the Sisters whereupon the disposal of the charitable company's freehold property can commence. Once this has been achieved, the trustees will, after paying all liabilities, donate the remaining funds of the charitable company to the Generalate of the Congregation, hence ensuring that funds are used for the charitable purposes of the charitable company.

#### *Financial position*

The balance sheet shows total funds of £2,630,243 (2021: £18,807,268).

Of this £870,292 (2021: £896,984) represents the net book value of the charitable company's tangible fixed assets and an equivalent amount has been designated as a tangible fixed assets fund in recognition of the fact that the assets are required for the charitable company's operations and are not available as a reserve to fund activities or meet future contingencies.

The trustees had set aside £1,500,000 to provide for the sisters in their retirement. The value of the fund had been calculated using actuarial principles to provide for the Congregation's sisters resident in England. Following the decision by the trustees to move the sisters to Belgium, the designation has been released in the attached accounts.

The trustees had some years ago established the financing and Congregational fund with the broad intention to use the fund to finance grants and donations, including contributions to the Congregation's work overseas. The balance of the fund was £1,565,000 at 31 December 2022 (2021: £14,308,550). Since the year end this balance has been used to fund further donations to the Generalate. Further details about the movement in the fund are given in note 15 to the financial statements.

Funds which are available, therefore, to further the charitable objectives of the charitable company are those shown on the balance sheet as general funds or "free reserves" and amounted to £194,951 at 31 December 2022 (2021: £2,101,734).

The trustees consider the level of free reserves to be adequate but not excessive given future plans.

#### ***Tangible fixed assets***

Movements in tangible fixed assets during the year are disclosed in the notes to the attached financial statements.

## **Governance, structure and management**

### ***Governance***

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Council.

In terms of civil law, the charitable company is constituted as a company limited by guarantee (Company Registration No. 6873673 (England and Wales)) and is a charity registered for charitable purposes with the Charity Commission (Charity Registration No. 1133491).

The charitable company's members are the trustees of the charitable company. The trustees are nominated by the Regional Superior of the Congregation taking into account their personal qualities, their understanding and experience of the ministries.

### ***Liability of the members***

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.

### ***Organisation***

The trustees are ultimately responsible for the policies, activities and assets of the charitable company. They meet regularly during the year to review developments with regard to the charitable company, its activities and make any important decisions. When necessary, the trustees seek advice and support from the charitable company's professional advisers including investment managers, property experts, solicitors and accountants.

The trustees are nominated by the Regional Superior of the Congregation and are elected by the members at the annual general meeting. At any one time there shall not be less than three nor more than ten trustees.

The trustees may be removed at any time by the Regional Superior by instrument in writing.

The Regional Superior and the Bursar General of the Congregation are ex officio trustees.

### ***Trustees***

The following trustees were in office during the year and up to the date on which this report was approved:

#### **Trustee**

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Sister Mary Flannigan  
Sister Margaret Cloghessy  
Sister Genevieve Defrenne  
Sister Marthe Dacht  
Sister Martha Magdalena Geers  
Sister Marie-Jose Herbeuval  
Sister Veronica Maguire  
Sister Patricia Ryan

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## **Governance, structure and management (continued)**

### ***Trustees (continued)***

No trustee received any remuneration or reimbursed expenses for services as a trustee, nor had any beneficial interest in any contract with the charitable company, during the year.

The day to day management of the charitable company's activities and the implementation of policies is delegated to the appropriate members of the Congregation. Management reporting lines are clearly defined and the trustees receive regular reports to enable them to fulfil their responsibilities.

### ***Statement of trustees' responsibilities***

The trustees (who are also directors of Providence Marian Company 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 of the income and expenditure of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 of 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 (FRS 102);
- ◆ make judgements 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Governance, structure and management** (continued)

### ***Statement of trustees' responsibilities*** (continued)

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of 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.

### ***Key management***

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis.

All trustees are members of the Congregation and whilst the living and personal expenses of those resident in England are borne by the charitable company, none of the trustees receive any remuneration or reimbursement of expenses in connection with their duties as trustees or their work as key management.

### ***Risk management***

The trustees recognise their responsibility for the management of risks faced by the charitable company and the sisters.

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the charitable company currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The key risks for the charitable company, during the year, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

***Governance, structure and management (continued)***

***Risk management (continued)***

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age is 90 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charitable company has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

As noted above, in order to manage this risk, the trustees have decided that the Sisters should move to Belgium and that, as a consequence, the charitable company should be wound up in due course.

- ◆ The charitable company donates monies in support of the wider Congregation and other organisations. Most donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charitable company's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. Throughout the year, the investments were managed by reputable investment managers who adhered to a policy agreed by the trustees. The trustees met with the investment managers and the managers' performance and that of the portfolio were monitored. The investment strategy was assessed regularly to ensure it was appropriate to the charitable company's needs.

As noted above, since the year end, the investments of the charitable company have been realised.

Having assessed the major risks to which the charitable company is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charitable company, they have established effective systems to mitigate those risks.

### **Fundraising policy**

The charitable company receives very little income from donations from members of the public. However, it aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charitable company manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charitable company undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022, the charitable company received no complaints about its fundraising activities.

### **Employees, volunteers, and members of the Congregation**

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

Approved by the trustees of the Providence Marian Company, Company Registration No. 6873673 (England and Wales) and Charity Registration No. 1133491 and signed on their behalf by:

Mary Flannigan

Trustee

Approved by the trustees on: 27/09/2023

**Independent auditor's report to the members of Providence Marian Company**

**Opinion**

We have audited the financial statements of Providence Marian Company (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 December 2022 and of its 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.

**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 charitable company 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.

**Emphasis of Matter – basis of preparation**

We draw attention to the principal accounting policies on pages 22 and 23 which explain that the trustees of the charitable company have resolved that the remaining Sisters here in the UK should move to Belgium in 2023. This will enable the trustees to dispose of the charitable company's freehold property whereupon the remaining net assets of the charitable company will be donated to the Generalate of the Congregation and the company will be wound up. Therefore, the trustees do not consider that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and 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.



**Other information** (continued)

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 in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### ***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charitable company. These included but were not limited to the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and review of minutes of trustees' meetings.

**Auditor's responsibilities for the audit of the financial statements** (continued)

***How the audit was considered capable of detecting irregularities including fraud***  
(continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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.

**Use of our report**

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

Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

28 September 2023

**Statement of financial activities** Year to 31 December 2022

		Unrestricted funds	
	Notes	2022 £	2021 £
<b>Income and expenditure</b>			
<b>Income from:</b>			
Donations	1	<b>68,914</b>	65,372
Investments and interest receivable	2	<b>455,568</b>	395,688
Surplus on the disposal of tangible fixed assets (freehold property)		—	238,439
Other sources		<b>219</b>	7
<b>Total income</b>		<b>524,701</b>	699,506
<b>Expenditure on:</b>			
Raising funds			
. Investment management fees		<b>121,782</b>	143,724
Charitable activities			
. Charitable grants and donations	3	<b>14,067,023</b>	3,740,546
. Support of members of the Congregation and their ministry	4	<b>212,396</b>	214,560
<b>Total expenditure</b>		<b>14,401,201</b>	4,098,830
<b>Net expenditure for the year</b>	6	<b>(13,876,500)</b>	(3,399,324)
Net investment (losses) gains	10	<b>(2,300,525)</b>	1,897,967
<b>Net movement in funds for the year</b>		<b>(16,177,025)</b>	(1,501,357)
<b>Reconciliation of funds:</b>			
Fund balances brought forward at 1 January 2022		<b>18,807,268</b>	20,308,625
<b>Fund balances carried forward at 31 December 2022</b>		<b>2,630,243</b>	18,807,268

The trustees of the charitable company have resolved that the remaining Sisters here in the UK should move to Belgium in 2023. This will enable the trustees to dispose of the charitable company's freehold property whereupon the remaining net assets of the charitable company will be donated to the Generalate of the Congregation, all activities will discontinue and the company will be wound up.

All recognised gains and losses are included in the statement of financial activities.

**Balance sheet** 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	9		<b>870,292</b>		896,984
Investments	10		<b>—</b>		<u>22,174,167</u>
			<b>870,292</b>		<u>23,071,151</u>
<b>Current assets</b>					
Investments	10	<b>18,695,188</b>		<b>—</b>	
Debtors	11	<b>16,126</b>		10,397	
Cash at bank and in hand		<b>2,549,905</b>		<u>2,665,680</u>	
		<b>21,261,219</b>		<u>2,676,077</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	<b>(19,501,268)</b>		<u>(1,548,210)</u>	
<b>Net current assets</b>			<b>1,759,951</b>		<u>1,127,867</u>
<b>Total assets less current liabilities</b>			<b>2,630,243</b>		24,199,018
<b>Creditors:</b> amounts falling due after one year	13		<b>—</b>		<u>(5,391,750)</u>
<b>Total net assets</b>			<b>2,630,243</b>		<u>18,807,268</u>
<b>The funds of the charitable company:</b>					
Unrestricted funds					
. Tangible fixed assets fund	14		<b>870,292</b>		896,984
. Designated funds	15		<b>1,565,000</b>		15,808,550
. General funds			<b>194,951</b>		<u>2,101,734</u>
			<b>2,630,243</b>		<u>18,807,268</u>

Approved by the trustees of the Providence Marian Company, Company Registration No. 6873673 (England and Wales) and Charity Registration No. 1133491 and signed on their behalf by:

Mary Flannigan

Trustee

Approved on: 27/09/2023

## Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,743,423)</b>	(1,832,002)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>449,194</b>	393,428
Proceeds from the disposal of tangible fixed assets		—	596,678
Proceeds from the disposal of listed investments		<b>3,953,411</b>	4,961,691
Purchase of listed investments		<b>(2,703,588)</b>	(5,452,892)
Cash withdrawn from bank deposits held as fixed asset investments		—	2,189,259
<b>Net cash provided by investing activities</b>		<b>1,699,017</b>	2,688,164
<b>Change in cash and cash equivalents in the year</b>		<b>(44,406)</b>	856,162
<b>Cash and cash equivalents at 1 January 2022</b>	B	<b>3,176,380</b>	2,320,218
<b>Cash and cash equivalents at 31 December 2022</b>	B	<b>3,131,974</b>	3,176,380

### Notes to the statement of cash flows for the year to 31 December 2022

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

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(16,177,025)</b>	(1,501,357)
<b>Adjustments for:</b>		
Depreciation charge	<b>26,692</b>	30,808
Surplus on disposal of tangible fixed assets	—	(238,439)
Losses (gains) on listed investments	<b>2,300,525</b>	(1,897,967)
Investment income and interest receivable	<b>(455,568)</b>	(395,688)
Decrease in debtors	<b>645</b>	63,541
Increase in creditors	<b>12,561,308</b>	2,107,100
<b>Net cash used in operating activities</b>	<b>(1,743,423)</b>	(1,832,002)

#### B Analysis of cash and cash equivalents

	As at 1 January 2022 £	Cash flows £	As at 31 December 2022 £
Cash at bank and in hand	2,665,680	(115,775)	<b>2,549,905</b>
Cash held by investment managers	510,700	71,369	<b>582,069</b>
<b>Total cash and cash equivalents</b>	<b>3,176,380</b>	<b>(44,406)</b>	<b>3,131,974</b>

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

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**

These financial statements have been prepared for the year to 31 December 2022 with comparative figures given in respect to the year to 31 December 2021.

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

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

The charitable company 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**

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ determining the discount rate to be applied to future donations when accounting for them within creditors;
- ◆ assessing the useful economic lives attributed to tangible fixed assets and used to determine the annual depreciation charge;
- ◆ the assumptions applied in determining designated funds; and
- ◆ estimating future income and expenditure flows and the charitable company's financial position (see "assessment of going concern" below).

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.



**Assessment of going concern** (continued)

The trustees of the charitable company have resolved that the remaining Sisters here in the UK should move to Belgium in 2023. This will enable the trustees to dispose of the charitable company's freehold property whereupon the remaining net assets of the charitable company will be donated to the Generalate of the Congregation and the company will be wound up. Therefore, the trustees do not consider that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than that of going concern.

**Income recognition**

Income is recognised in the period in which the charitable company 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, income from investments, bank interest and income from other sources.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company 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 charitable company and it is probably that those conditions will be fulfilled in the reporting period.

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

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable.

Income from other sources is recognised in the period in which the charitable company is entitled to receipt, the amount can be measured reliably and receipt is probable.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company 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.

**Expenditure recognition** (continued)

All expenditure is accounted for on an accruals basis. The majority of expenditure is directly attributable to specific activities and any apportionment between headings is negligible. All expenditure is applied towards charitable activities and the classification between activities is as follows:

- ◆ The provision of charitable grants and donations relate, in the main, to the support of the Congregation's own work and the support of other Roman Catholic charitable organisations to relieve poverty, suffering and promotion of education or religion in connection with the Roman Catholic faith. Charitable grants and donations are made where the trustees believe there is a real need following a review of the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for any material grants and donations approved but unpaid at the end of the financial year.

The unwinding of any discount factor in respect to donations payable is included within grants, donations and support of missionary work and ministry and is described as a financing cost.

- ◆ Expenditure on the support of members of the Congregation and their ministry comprises those costs which support the members of the Congregation and which enable those members to carry out their individual ministry, the work of the charitable company in the areas of the advancement of the Roman Catholic faith and the provision of social and pastoral work.

All expenditure is stated inclusive of irrecoverable VAT.

**Governance costs**

Governance costs comprise the costs involving the public accountability of the charitable company (including audit costs) and costs in respect to its compliance with regulation and good practice. All expenditure on governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry as any costs in relation to donations payable is considered to be negligible.

**Tangible fixed assets**

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

- ◆ Freehold land and buildings  
Freehold land and buildings are included on the balance sheet stated at cost, or where cost is not available then at 1997 or 1998 valuations which were determined by the trustees on the basis of replacement cost for existing use with additions since those dates included at cost.

**Tangible fixed assets** (continued)

As permitted by FRS 102, with effect from 1 January 2014 the value assigned to these properties is now deemed to be cost. Additions subsequent to 31 December 1998 are stated at cost.

Specialised buildings comprise the large residential convent. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charitable company.

- ◆ Furniture, fixtures, plant and equipment  
Expenditure on the purchase and replacement of furniture, plant and equipment is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis. Items classified as fixtures or plant are capitalised and depreciated over a fifteen year period on a straight line basis, in order to write the assets off over their estimated useful life.
- ◆ Motor vehicles  
Motor vehicles are capitalised and depreciated over a four-year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

**Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investments are classified as fixed assets unless there is an intention is to divest funds within twelve months of the balance sheet date and not reinvest them in which case investments are classified as current assets.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **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. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **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 charitable company 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.

### **Fund structure**

The funds of the charitable company are unrestricted and therefore are available for use in furtherance of the charitable company's objectives at the discretion of the trustees. Within the total unrestricted funds of the charitable company are amounts representing tangible fixed assets and funds the trustees have designated for specific purposes. Details of these are provided in notes 14 and 15 respectively.

### **Services provided by members of the Congregation**

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

### **Pensions**

The charitable company offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

# 1 Income from: Donations

	2022 £	2021 £
Salaries and pensions of individual religious received under Gift Aid or Deed of Covenant	62,443	62,634
General donations	6,471	2,738
	<b>68,914</b>	<b>65,372</b>

General donations include restricted donations of £1,500 (2021: £1,200) (see note 3).

# 2 Income from: Investments and interest receivable

	2022 £	2021 £
Income from listed investments		
. UK fixed interest stocks	62,243	48,489
. Overseas fixed interest stocks	16,015	6,890
. UK equities	155,810	143,035
. Overseas equities	87,888	60,565
. UK unitised funds	54,553	62,315
. Overseas unitised funds	75,060	74,315
	<b>451,569</b>	<b>395,609</b>
Interest receivable		
. Interest on money held by investment managers	3,214	—
. Bank interest receivable	785	79
	<b>455,568</b>	<b>395,688</b>

# 3 Expenditure on: Grants and donations

The charitable company makes grants and donations, principally in support of the overseas work of the Sisters of Providence and of the Immaculate Conception and other causes, which further the Christian faith and alleviate poverty.

	2022 £	2021 £
Generalate and overseas provinces of the Sisters of Providence and of the Immaculate Conception		
. In support of the Congregation's overseas work in South America and the Caribbean	—	3,088,800
. In support of the Congregation's overseas work in the Congo	1,500	1,300
. In support of the Congregation's overseas work generally	14,043,250	640,000
Financing cost – Unwinding of discount factor on donations committed	14,600	4,900
Church of St Thomas of Canterbury and the English Martyrs	2,000	—
Aid to the Church in Need	660	780
Other grants and donations	5,013	4,766
	<b>14,067,023</b>	<b>3,740,546</b>

The donation of £1,500 (2021: £1,200) to support the Congregation's overseas work in the Congo has been financed from a restricted donation received in the year (see note 1).

### 3 Expenditure on: Grants and donations (continued)

Two of the charitable company's trustees (Sister Marie-Jose Herbeuval and Sister Marthe Dachet) are members of the General Council of the Congregation. Those trustees withdraw from discussions concerning the awarding of donations to both the Generalate of the Congregation and to the wider Congregation.

Further details of the donations payable to the Congregation's Generalate are shown in notes 12 and 13 to the financial statements.

Other grants and donations include a donation of £2,400 (2021 - £2,400) to a former member of the Congregation to supplement her living expenses. The charitable company had agreed to supplement this former member's living expenses for the immediate future given her financial position. Following the decision move the Sisters to Belgium and then to commence winding up the charitable company, the trustees have agreed subsequent to the year end to pay a final donation of £5,000 to the former member in 2023.

### 4 Expenditure on: Support of members of the Congregation and their ministry

	2022 £	2021 £
Staff wages (note 7)	97,364	89,079
Premises	49,177	53,093
Sisters' personal expenses	22,968	33,181
Education, training and spiritual renewal	1,180	1,365
Other expenses	4,977	9,290
Professional fees	3,300	—
Governance costs (note 5)	33,430	28,552
	<b>212,396</b>	<b>214,560</b>

### 5 Governance costs

	2022 £	2021 £
Legal and professional fees	33,430	28,552

### 6 Net expenditure for the year before net investment (losses) gains

This is stated after charging:

	2022 £	2021 £
Staff costs (note 7)	97,364	89,079
Auditor's remuneration		
. Statutory audit services		
.. Current year	20,050	13,600
.. Previous year	400	500
. Other accountancy related services	12,500	10,600
. Company secretarial services	480	360
. Other advice re NEST pension scheme	—	1,512
. Taxation related services	—	1,980
Depreciation	26,692	30,808

## 7 Staff costs, key management and trustees' remuneration

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	92,989	85,222
Social security costs	2,566	2,236
Pension contributions	1,809	1,621
	<b>97,364</b>	<b>89,079</b>

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2021 – none).

All staff costs relate to support of members of the Congregation.

There were 5 part time employees during the year (2021 – five).

### **Key management**

The trustees consider that they comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

All trustees are members of the Congregation and whilst the living and personal expenses in respect to those resident in England are borne by the charitable company, none of the trustees receive any remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management (2021 - £nil).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charitable company under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charitable company was £62,073 (2021 - £60,980).

## 8 Taxation

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

**9 Tangible fixed assets**

	Specialised land and buildings £	Furniture, fixtures plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2022 and at 31 December 2022	1,011,817	96,847	24,699	<b>1,133,363</b>
Cost	561,817	96,847	24,699	<b>683,363</b>
Deemed cost: 1997 and 1998 valuation	450,000	—	—	<b>450,000</b>
At 31 December 2022	1,011,817	96,847	24,699	<b>1,133,363</b>
<b>Depreciation</b>				
At 1 January 2022	161,888	49,792	24,699	<b>236,379</b>
Charge for the period	20,236	6,456	—	<b>26,692</b>
At 31 December 2022	182,124	56,248	24,699	<b>263,071</b>
<b>Net book values</b>				
At 31 December 2022	829,693	40,599	—	<b>870,292</b>
At 31 December 2021	849,929	47,055	—	<b>896,984</b>

All land and buildings are freehold.

As permitted by FRS 102, with effect from 1 January 2014 the value assigned to land and buildings owned as at that date is now deemed to be cost. Additions subsequent to 1 January 2014 are stated at cost. Other tangible fixed assets are stated at cost.

Following the decision to move the Sisters to Belgium, the freehold property is being marketed for sale together with the above plant and equipment. Net disposal proceeds of tangible fixed assets are expected to be in excess of the net book value above. Hence no provision for impairment is considered necessary.

**10 Investments**

	2022 £	2021 £
<b>Listed investments</b>		
Fair (market) value at 1 January 2022	<b>21,663,467</b>	19,274,299
Additions at cost	<b>2,703,588</b>	5,452,892
Disposals at book value (see below)	<b>(4,168,448)</b>	(4,834,375)
Net unrealised investment (losses) gains	<b>(2,085,488)</b>	1,770,651
Fair (market) value at 31 December 2022	<b>18,113,119</b>	21,663,467
<b>Cash held by investment managers</b>	<b>582,069</b>	510,700
	<b>18,695,188</b>	22,174,167
Cost of listed investments at 31 December 2022	<b>15,343,910</b>	16,233,154



## 10 Investments (continued)

Disposals at book value included above are made up of the following:

	2022 £	2021 £
Proceeds	3,953,411	4,961,691
Realised losses (gains)	215,037	(127,316)
Disposals at book value	4,168,448	4,834,375

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
UK fixed Interest stocks and bonds	2,075,464	2,166,852
Overseas fixed interest stocks and bonds	887,511	746,467
UK equities	5,093,312	5,813,104
Overseas equities	4,355,581	5,271,991
UK unitised funds	2,008,392	2,795,343
Overseas unitised funds	3,692,859	4,869,710
	18,113,119	21,663,467

At 31 December 2022, no individual listed investment holdings were deemed material when compared with the overall portfolio valuation at that date.

All listed investments were dealt in on a recognised stock exchange.

Following the decision by the trustees to dispose of the charitable company's listed investments, the listed investments previously classified as fixed assets have been reclassified as current assets as at 31 December 2022,

## 11 Debtors

	2022 £	2021 £
Interest and investment income receivable	15,391	9,017
Other debtors and prepayments	735	1,380
	16,126	10,397

## 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Donation payable to the Generalate of the Congregation (note 13)	19,435,000	1,485,400
Monies administered on behalf of individual religious	7,573	7,573
Social security and other taxes	2,009	1,823
Accruals	56,686	53,414
	19,501,268	1,548,210

**13 Creditors: amounts falling due after one year**

	2022 £	2021 £
Donations payable	—	5,391,750

In 2021 the charity increased and extended its commitment to donating £1,500,000 per annum for each of the years 2022 to 2026 inclusive. The liability at 31 December 2021 in notes 12 and 13 represented those donations which the trustees had committed to paying discounted to present value using a discount rate of 4% per annum, the rate of return expected to be earned by the charitable company on its investments and cash holdings. The notional interest was debited to the statement of financial activities as the discount was “unwound”. In the current year the trustees paid the donation of £1,500,000 as planned. During December 2022, the trustees made a decision to wind down the operations of the charity and to achieve this they decided to realise the investments and donate the proceeds to the Generalate.

The donations payable are as follows:

	Discounted amounts		Gross amounts	
	2022 £	2021 £	2022 £	2021 £
Creditor payable as follows:				
Within one year (note 12)	<b>19,435,000</b>	1,485,400	<b>19,435,000</b>	1,500,000
After more than one year				
· Between one and two years	—	1,428,250	—	1,500,000
· Between two and five years	—	3,963,500	—	4,500,000
	—	5,391,750	—	6,000,000
	<b>19,435,000</b>	<b>6,877,150</b>	<b>19,435,000</b>	<b>7,500,000</b>

The movement in the creditor for the donations is as follows:

	2022 £	2021 £
Total donations payable at 1 January 2022	<b>6,877,150</b>	4,783,450
Donations committed during the year	<b>14,043,250</b>	3,088,800
Donations paid during the year	<b>(1,485,400)</b>	(995,100)
Total donations payable at 31 December 2022	<b>19,435,000</b>	6,877,150

**14 Tangible fixed assets fund**

	2022 £	2021 £
At 1 January 2022	<b>896,984</b>	1,286,031
Net movement in year	<b>(26,692)</b>	(389,047)
At 31 December 2022	<b>870,292</b>	896,984

The tangible fixed assets fund represents the net book value of the charitable company's tangible fixed assets. A decision was made to separate this fund from the general fund and other designated funds of the charitable company in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charitable company and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

**15 Designated funds**

The income funds of the charitable company included the following designated funds set aside out of unrestricted funds by the trustees for specific purposes:

	2022			2021		
	Sisters' retirement fund £	Financing and Congregational fund £	Total £	Sisters' retirement fund £	Financing and Congregational fund £	Total £
At 1 January 2022	1,500,000	14,308,550	15,808,550	1,600,000	15,768,950	17,368,950
Designated in the year	—	—	—	—	1,628,400	1,628,400
Released/utilised in the year	(1,500,000)	(12,743,550)	(14,243,550)	(100,000)	(3,088,800)	(3,188,800)
At 31 December 2022	—	1,565,000	1,565,000	1,500,000	14,308,550	15,808,550

***Sisters' retirement fund***

The sisters' retirement fund comprised money which the trustees had set aside in order to provide for the sisters in their retirement. The amount of the fund had been calculated using actuarial principles. The funds have been released following the decision to move the sisters to Belgium.

***Financing and Congregational fund***

This fund has been established to finance grants and donations including contributions to the Congregation's work overseas.

**16 Analysis of net assets between funds**

	General fund £	Tangible fixed assets fund £	Sisters' retirement fund £	Financing and Congregational fund £	Total 2022 £
<b>Fund balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	—	870,292	—	—	870,292
Investments	—	—	—	—	—
Net current assets (liabilities)	194,951	—	—	1,565,000	1,759,951
	194,951	870,292	—	1,565,000	2,630,243
	General fund £	Tangible fixed assets fund £	Sisters' retirement fund £	Financing and Congregational fund £	Total 2021 £
<b>Fund balances at 31 December 2021 are represented by:</b>					
Tangible fixed assets	—	896,984	—	—	896,984
Investments	—	—	1,500,000	20,674,167	22,174,167
Net current assets (liabilities)	2,101,734	—	—	(973,867)	1,127,867
Creditors: amounts falling due after one year	—	—	—	(5,391,750)	(5,391,750)
	2,101,734	896,984	1,500,000	14,308,550	18,807,268

## 16 Analysis of net assets between funds (continued)

	2022 £	2021 £
<b>Total unrealised gains on investments included above</b>	<b>2,769,209</b>	5,430,313
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2022	5,430,313	4,438,240
Less: in respect to disposals in year	(575,616)	(778,578)
Add: net gains arising on revaluation in the year	(2,085,488)	1,770,651
<b>Unrealised gains at 31 December 2022</b>	<b>2,769,209</b>	5,430,313

## 17 Ultimate control

The charitable company was controlled throughout the period by the Congregation of the Sisters of Providence and of the Immaculate Conception by virtue of the fact that the members of the charitable company are members of the Congregation. The trustees are nominated by the Regional Superior of the Congregation before being elected by the members at the annual general meeting. The Regional Superior and the Bursar General of the Congregation are ex-officio trustees.

## 18 Related party transactions

Four of the charitable company's trustees are members of the General Council of the Congregation. The charitable company makes donations to both the Generalate of the Congregation and to the wider Congregation to support its overseas work (see note 3). Those trustees who are members of the General Council withdraw from discussions concerning the awarding of such donations.

The amounts due to the Generalate of the Congregation are shown in notes 12 and 13.

Amounts donated to the charitable company by its trustees are disclosed in note 7.

During the year ended 31 December 2021, one of the trustees, Sister Margaret Cloghessy, inherited £487,473 from the estate of a relative. She donated £440,000 to the Generalate of the Congregation and £40,000 to charities in Ireland of her choice. The balance remaining of £7,473 is included within creditors in note 12 as monies administered on behalf of individual religious. There were no such transactions in the year ended 31 December 2022.

There were no other related party transactions during the year (2021 – none).

## 19 Liability of the members

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.