

**Daughters of Mary and  
Joseph Congregation Fund  
CIO**

**Annual Report and Accounts**

31 December 2020

Charity Registration Number  
1163470

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## Reference and administrative details of the charity, its trustees and advisers

<b>Trustees</b>	Sister Helen Lane (Chair) Mr Ronald Huggett Mr Phillip Jukes Sister Annette Lawrence Sister Marie Claire Nakayiza Sister Arlette Ngenzebuhoro (resigned 20 March 2021) Sister Paula Spark
<b>Superior General</b>	Sister Helen Lane
<b>General Bursar</b>	Sister Annette Lawrence
<b>Administrative address</b>	The Regional House Daughters of Mary and Joseph Layhams Road West Wickham BR4 9QJ
<b>Telephone</b>	07790 382386
<b>Charity registration number</b>	1163470
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	The Royal Bank of Scotland plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

## Reference and administrative details of the charity, its trustees and advisers

### Investment managers

BNP Paribas Fortis  
Montagne du Parc  
Warandeborg 3  
B-1000 Brussels  
Belgium

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Epworth Investment Management Limited  
9 Bonhill Street  
London  
EC2A 4PE

The trustees present their annual report together with the accounts of the Daughters of Mary and Joseph Congregation Fund CIO (the charity) for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 30 to 33 of the attached accounts and comply with the charity's constitution, 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).

### **Introduction and mission**

The Daughters of Mary and Joseph ("the Congregation") ("DMJ") is a Roman Catholic Religious Congregation founded in Aalst, Belgium in 1817 by Canon Constant William van Crombrughe. There are currently 165 sisters organised in five Regions (Africa, Belgium, California, England and Ireland). The Congregational Leadership Team (CLT) is the Central Government of the Congregation elected by the sisters. While originally founded for the education of the poor and of middle class girls, the Congregation has adapted over time and now expresses the Charism of being "instruments of mercy" in many and diverse ministries.

The Daughters of Mary and Joseph Congregation Fund CIO administers the international common fund of the Congregation as well as funds held and raised specifically for the support of the sisters and their ministries in Africa. It is a Charitable Incorporated Organisation (CIO), registered with the Charity Commission with Charity Registration Number 1163470 and governed by its constitution dated 8 September 2015.

### **Charitable objects**

The object of the charity, as set out in its constitution, is the advancement of the Roman Catholic religion through the religious and other charitable work of the Congregation as the trustees with the approval of the Superior General shall from time to time think fit.

The principal aims and activities of the charity cover the following:

- ◆ the support of the CLT in the leadership of the Congregation;
- ◆ the support of the international Congregation through international meetings and activities;
- ◆ the support of the sisters in Africa and their ministries; and
- ◆ the support, through grants, of the formation, projects and retirement needs of the Regions where they are not able to be funded by the Regions themselves.

When setting the aims of the charity, the trustees have complied with their duty under section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The trustees believe they have demonstrated in detail throughout this report the ways in which the charity has been faithful to this guidance.

## Activities and achievements

### *CLT visits and ministry*

The Congregational Leadership Team had put in place a plan for visitations to several regions of the Congregation. This included foreseen Religious Profession ceremonies in both Burundi and Ghana as well as the celebration of 90 years' DMJ presence in Burundi. However, the arrival of the global pandemic, together with the travel restrictions, meant that only a small part of this plan could be realised.

#### *Ireland*

The General Chapter of 2019 recognised the need for structural change in the governance of the Congregation. In a response to this, the Irish Region asked that a CLT member be appointed as a link to support and work with the Leadership Team there. Sister Marie Claire was appointed to assist that team and travelled to Ireland for the inauguration of the new team on 2 February 2020. She has since worked with the Ireland team who have met online due to travel restrictions, even within the Country.



Old and New Ireland Teams with Sister Helen



Sister Paula and the novices taking a break between lessons

#### *Kenya*

In February too, Sister Paula visited Kenya for the first time. She joined the community who some months previously had moved into the newly constructed Novitiate building. She became acquainted with the formators, the novices and the other young sisters. Sister Paula was able to offer some input. She was also able to accompany the novices to Chemi-Chemi for the inter-Congregational programme they usually attend.

#### *Uganda*

Sister Arlette represented the Congregational Leader at the hand-over from the out-going Provincial Team of Africa to the in-coming Regional Team – an event which took place in Uganda on 6 March 2020. This structural change was in response to an invitation of the General Chapter of 2019. This event took place close to the lockdown of borders and Sister Arlette was fortunate enough to get home to Burundi just prior to the closure of the borders on 10 March 2020.

## **Activities and achievements (continued)**

### ***CLT visits and ministry (continued)***

#### *Belgium*

Sister Helen flew to Belgium on 6 March 2020 to attend a Regional gathering and to visit the sisters. As the Covid situation escalated she was obliged to cut her visit short and return to Ireland.

Other planned visits could not take place due to the pandemic and meetings of the CLT in person were also impossible with the members living in four different countries on two continents. The CLT has always met regularly online but video calls have now become more regular and been the main channel for team discernment and decision making. Support has also been given to the leadership teams in the different regions by the same means.

#### *Website*

Management of the website ([www.daughtersofmaryandjoseph.org](http://www.daughtersofmaryandjoseph.org)) has been handed over to Sister Pascazia Kinkuhaire in California. Together with a team, she is working to update the site both for the sisters and for the public. At the beginning of the pandemic the CLT invited sisters to share on the site what sustains each one in difficult times and this has been a source of strength and encouragement. On the public site the sharing of memories that began during the bicentenary year has been continued. This is another source of encouragement to sisters, associates and friends.

### ***Life and ministry in Africa***

Much of the funding held by the CIO is for the life and ministry of the sisters in Africa. There are currently 61 sisters spread between Burundi, Cameroon, Uganda, Ghana, and Kenya

#### *Uganda*

Many of the sisters work in Uganda where they are involved in education and healthcare.

On 19 March 2020, the government of Uganda closed down all of the schools, the institutions of learning, and all the places of worship, markets, hotels, bars and various businesses due to Covid-19 pandemic. Only essential services were allowed to operate; health services, security etc. Sister Annonciata

at Rushoroza health centre, Kabale, and Sister Rosemary at Divine Mercy Hospital, Mbarara, continued their ministries.



Needlecraft lessons in Mbarara

## **Activities and achievements (continued)**

### ***Life and ministry in Africa (continued)***

#### ***Uganda (continued)***

Some sisters work with the very poor in Mbarara Parents' School and a vocational college in Mbarara. Another sister works in Saint Helen's school for girls and children with visual impairments. There are also several sisters who are students at university. At the beginning there was no possibility of any outside activity so the time was used for learning within the community context and for praying. In-house classes included knitting, sewing and crochet, sign language, music, and use of ICT for some of the sisters whose skills needed up-dating. Different workshops were followed online; these included Governance and Finance management, project management, local fundraising, and training workshops for the young sisters arranged by ARU, the Association of Religious in Uganda. Some of these focussed on how to use the protective measures to offset Covid-19 infection etc.

Despite the limitations, lockdown has resulted in the discovery of new interests, gifts and creativity among the sisters. For instance, two sisters both of whom are students taking online courses in education have once again taken up music and are playing a keyboard during Mass and community prayers. The temporary professed sisters also attended a three-day workshop offered by the De Montfort fathers. This included different modules e.g. sexuality, leadership and skills relevant to leadership as well as life-style balance involving areas such as apostolate, community life and prayer.

#### ***Farming Activities***

There were many challenges during total lockdown including the high cost of food, since all the national borders were completely closed and the flow of food supplies was cut. Another challenge involved access to medical facilities as Covid-19 patients filled the hospitals. At Nyamitanga farm many sisters have been busy planting and harvesting crops like sweet potatoes, ground nuts, beans and maize to provide food.



#### ***Bisheshe Farm***

The DMJ farm in Bisheshe continued as usual since the lockdown did not affect the agriculture sector. On the left is the green house for sweet peppers. Sister Alice, having studied agriculture and worked for a year in Israel, has introduced new techniques and ideas including greenhouse farming which doesn't need to have a big fertile piece of land and allows production throughout the year regardless of harsh weather conditions and seasons.



## Activities and achievements (continued)

### *Life and ministry in Africa (continued)*

#### *St Francis Family Helper Project*

One sister is the director of the St Francis Family Helper Programme (<http://www.stfrancisuganda.org> registered charity 10781) in Mbarara. The Daughters of Mary and Joseph are now taking a more active role in this project, founded by a former DMJ, Mary Moran. The services provided include counselling training, a tailoring school, child sponsorship and mindfulness courses for teachers. A significant focus of this project is to sensitize and educate teachers and parents in the area of child protection. Corporal punishment is still a common practice in Uganda and programmes have been put in place to address this and raise awareness. Some courses take place in situ and others form part of an out-reach programme. Non-violent communication is a key value that is being fostered.

During the long closure due to Covid-19, Sister Christine, the director, kept the office open for work as usual. She also took the opportunity to renovate some of the buildings which were not in good condition including the tailoring building and guest house.

The biggest challenge here has been for the child sponsorship department where some of the donors were badly affected by Covid-19 and so unable to continue their support.

#### *Maryhill High School*

Maryhill High School ([www.maryhillug.net](http://www.maryhillug.net)) has long been associated with the DMJ. Several sisters are past pupils and/or teachers. The current Congregational Leader was once headmistress there. Funds are raised in England to sponsor children from poor backgrounds in what is a highly ranked school. The current Headmistress, school counsellor and a senior teacher are DMJ. They have



Maryhill High School

followed the directives of the Ministry of Education and Sports to open Schools for Examination classes. The schools were officially opened on 15 October 2020 and closed again on 18 December 2020.

Many preparations had to be made to open the school including providing handwashing facilities, hand sanitizer for the Staff, and Covid-19 messages to create awareness of how to remain safe from infection. There was also daily disinfection of classrooms. Dormitory allocation was rearranged and signs placed in Dining Room and Chapel, reminders to the students to maintain social distancing.

Classes were also split to cater for the smaller numbers. Staff were trained and masks or face shields worn by both staff and students. A procedure for reporting a suspected Covid-19 patient was drawn up by the Health Department of the School. Both staff and students were taken through it before it was displayed. This has helped to avoid stigmatising anyone who has a cough or cold.

## Activities and achievements (continued)

### *Life and ministry in Africa (continued)*

#### *Coloma Primary School*

Coloma School in Nyakisharara, near Mbarara is a primary boarding school built and run by the DMJ. Being a private school, it does not receive any support from government and so all staff salaries have to come from the fees paid by the parents. Also, there are no unemployment benefits for those out of work in Uganda. At the beginning of lockdown, the sisters paid salaries to staff as usual given that the teachers and non-teaching staff remained on site waiting for reopening. As time went on with no sign of the school reopening salaries were reduced to half of the regular amount and staff were sent home except for those essential workers who remained to maintain the place. Finally, as the months went on all salaries had to be stopped because of lack of income. Gifts from donors have allowed for the equivalent of €12 per month to be paid to staff since July. Little though it seems, it is greatly appreciated and a lifeline in this crisis.

As time went on, food stocks bought to feed the whole school had to be sold to prevent them perishing. Again, support from friends allowed the purchase of food as needed, to feed those who remained at school and also to assist the local community and parents in need. Families have been badly impacted. Many lost their jobs and with all the children home from school (families in Uganda are big) food and money became scarce. In many cases this has led to indiscipline and domestic violence. There have been many recorded instances of this social consequence – pregnancies, theft, violence etc. Some donors have given gifts to be used where needed most and this was very helpful for the care of the sick. Many people continued to need help with medical expenses related to childbirth and non-Covid-19 illnesses. Where earned income disappears or diminishes and no State support is available, the experience is of grinding poverty and a struggle to survive. By the end of 2020, families are noticeably poorer and morale is low among many.



P7 pupils in class

The top class/exam class of the school returned in October under very strict operational procedures. For Coloma it involved only 39 pupils. It was a good learning term and the children did well. Having been at home for over six months it required a lot of counselling and guidance and general support and encouragement to prepare them for study and for their future. After Christmas they returned on 4 January 2021 and these girls are now ready and will complete their final state exam on 30 and 31 March 2021. Under normal

circumstances they would have completed by November but this is an extended year. So far they are all healthy and doing well. It is not yet known when the rest of the school will return.

**Activities and achievements** (continued)

***Life and ministry in Africa*** (continued)

*Coloma Primary School* (continued)

There will certainly be financial issues when Coloma Primary School reopens as many parents have lost their jobs and will not be able to pay fees. Again, through the generosity of donors, poor children will be assisted. It is possible that 2021 may be condensed into two terms instead of three. Some children have had access to electricity and devices enabling them to study (TV and radio) while at home. Others have either played in the fields or herded goats. It is not yet known whether a repeat year will be an option for those who have missed out on all school-related learning or if children will have to move ahead to the next class irrespective of the gaps in knowledge. It is not clear if there can be a new intake though over 50 applications have been received. It is clearly a challenging time for school management.

The opportunity was taken during 2020 to continue construction work as accommodation could be offered to the builders. The top floor of the dormitory is presently under construction. The window frames are inserted, the walls and ceiling are plastered. The ablution block still remains to be done, floors cemented and the whole building painted. It will definitely be ready for a new intake in 2022. The whole front compound of the school is getting a new and smarter look.



Dormitory



"Ablution Block"

The sisters in the community have not wasted their time – all have got involved in hand and needle craft and card making. These products are for sale in order to maintain the sisters – a small income-generating project. The younger sisters have worked with the hoe and produced harvests of vegetables and fruits for the community and for sale.

**Activities and achievements** (continued)

***Life and ministry in Africa*** (continued)

*Burundi - Nursery School*



Baby class with Sister Immaculate



Top class with Sister Goreth

In Burundi, Ecole Maternelle Colette de Brandt, opened in Ngozi in September 2018 to allow parents to work and their children to receive the foundations for education. A team of DMJ are working here to provide a good educational foundation for the young pupils. Here teaching has been allowed to continue throughout 2020.

There are now three year groups each with two streams. Construction has begun on a new classroom block which will house the primary school as the pupils graduate from Nursery to Primary School in September.

*Ghana – Padre Pio Rehabilitation Centre (PPRC)*

In Ghana there is only one DMJ community, in Ahotokurom, Cape Coast where the sisters have ministered for several decades. Here, the sisters work in various capacities at the PPRC which helps Leprosy sufferers, their families and children with disabilities ([www.padrepio-rehab.com](http://www.padrepio-rehab.com)). The fundraising group in England, Friends of Ahotokurom ([www.ahoto.org](http://www.ahoto.org)) continues to raise funds for this work although great efforts are being made for the project to become more self-sufficient. The hostel that was supported by the Congregation Fund is now occupied and providing some income to the Centre; the solar energy installed in 2019 and added to in 2020 has reduced electricity bills to practically zero. The farm is also helping to produce food for the community and for sale. A bore-hole is now being planned to provide water for irrigation and drinking. During 2020, the special unit (for children with disabilities) has had to be closed due to Covid, and families have been supported as much as possible in their homes. St Clare's Home for the Elderly has been shielded throughout and the PPRC team has also worked with the local hospital on increasing awareness on Covid-19 prevention.



## Activities and achievements (continued)

### *Life and ministry in Africa (continued)*

#### *Ghana – Padre Pio Rehabilitation Centre (PPRC) (continued)*

One of the ways in which the PPRC works with clients is by setting up livelihood projects to help individuals become independent. One such project is described here:

*“Ms Agatha Pronk is 37 years old and has cerebral palsy. She has nine siblings and has lost both her parents. She came to PPRC when she was just two years old and was supported by us until she completed her vocational training. She then joined our sheltered work programme and was involved in St Elizabeth's training for two years. Then she helped provide a safe and secure learning environment for our special need's children. Agatha was one of the eight people temporarily laid-off due to the closure of St Elizabeth as a result of Covid-19. She was given a one-off payment of GHS 500 to help her set up a sustainable livelihood project, in line with our policy of helping our clients move to independent living, wherever possible.*



Agatha in her container shop

*Agatha is enthusiastic about this project because she believes it can lead her to a long-term sustainable future. She has a five-year-old son, and her neighbour is very supportive in helping to care for her son. She already has a freezer and is running a small grocery business. We hope that providing a steel container store, plus one-off funds to expand her grocery business, will increase her household income and make her business sustainable.”*

#### *Meme North Cameroon*

In September 2017, three sisters were able to return to take up the mission again in North Cameroon. This followed an absence of over two years when Boko Haram incursions called for temporary withdrawal on safety grounds. The sisters work in the parish and run a course for young women during the post-harvest season when they are relieved of farm work at home. In 2020, there were 44 young women on the course which aims to help them develop literacy skills, crafts and general life skills with a focus on income generation and independence. These courses can introduce an element of choice for the young women and help keep them out of early marriages.

They also work with the children and youth of the parish and with the many in need who come for help.

**Activities and achievements (continued)**

***Life and ministry in Africa (continued)***

***Meme North Cameroon (continued)***



Sister Eleonore teaching  
needlecraft



Sister Patricie with the Parish Youth  
Group

As well as the organised programmes there are the daily challenges of being present to the needs that arise and being friends and allies to the local community – as seen below in the small account written by Sister Eleonore.

*“It was 26 September 2020, and I was going to visit some families. On the way I met a girl who was worried because her mother was at the dispensary in Meme, in labour. I went with her and we prayed for her mother. (When she gave birth the next day and all was well, she named the baby Eleonore!)”*



The fallen building



## Activities and achievements (continued)

### *Life and ministry in Africa (continued)*

#### *Meme North Cameroon (continued)*

*At the same time as we were visiting the health centre, there was another mother and her son among the patients who had had an accident due to the torrential rains. This rain had caused a lot of damage, both material and human. The mother had been going to stir the cooking pot and the roof fell in spilling scalding water on her thighs and arms. The child, who was following her, had injuries on his head and arm.*

*I returned to the community to explain the situation and see what we could do. We decided to take him to the hospital in Tokombere (27km away). He was transferred there and I went to the family to organise getting treatment."*

#### *Nairobi, Kenya*

Kenya is the home of the DMJ international novitiate. Here the young sisters receive their basic formation and make their first vows. The new building was completed and five novices moved in September 2019, along with the Novice directress and her assistant.

During the pandemic, the novices have been unable to attend the inter-novitiate course. Planned visits from other DMJ sisters were also cancelled due to travel bans (as mentioned above, Sister Paula did manage to visit just ahead of the lockdown). Sisters Beatrice and Anne Marie had to give as much input as possible themselves teaching cooking, gardening and handcrafts as well as the writings of the Founder and the Constitutions. Eventually online courses were arranged. Sister Annette gave zoom lessons on the Charism, Poverty, Accounting and Congregation Finances. Sister Karen from California gave online input on the vows and the inter-Congregational group had lessons on Scripture, Psychology, Ecumenism, Social Justice and Prayer.



Sisters Lucy, Sister Janviere and Sister Philomena made their first vows

When it came to the time for three of the novices to make their First Vows, the celebration had to take place outside and socially distanced. All of the relevant permissions were granted for this. Sister Grace Asimirwe, Regional Superior for Africa made her way with difficulty to visit the community and officiate at the ceremony. Unfortunately, the families of those who pronounced vows were unable to attend but nonetheless it was a great celebration and a boost to morale at such a difficult time.



### Activities and achievements (continued)

#### Grants

In 2019, a grant (€50,000) was given towards completing the building of a new community house in Kabale where the sisters have been living in Diocesan houses until now. Grants from other sources were also used to buy the land and partly fund the construction of the building. It is now completed and a full report received. The sisters ministering in Kabale have taken up residence and are enjoying making a new home together.



Kabale Community House, December 2020



Staff house and outside kitchen

A grant of €8,000 was given to the DMJ Farm in Bisheshe, Uganda to drill a bore hole to provide clean water for all who live and work there. Drilling began in March and a suitable water source was found by the end of the month. At this point the country went into lockdown and testing of the water, building the powerhouse and putting in the submersible pump could not be completed until May 2020.



**Activities and achievements** (continued)

**Grants** (continued)



Sisters Rosemary and Alice with the workmen



Striking water

In 2020, there was only one application for a relatively small grant of €5,000 to install solar electricity in the community house in Cameroon. This was agreed and the work took place very quickly providing power at a time when the national supply was unreliable due to torrential rain and flash floods having brought down cables.

The installation of solar energy was very important and most appreciated in an area of high insecurity and semi-desert conditions.



Installing solar panels on the roof of the Community House in Meme

### **Grant making policy**

The trustees apply the funds of the charity at their discretion and in accordance with the charitable purposes and objectives of the charity. The amount of work or number of projects that can be supported by the trustees is necessarily limited to the amount of funds that are available for distribution each year.

The trustees have determined that the current priorities for funding are:

- ◆ The advancement of the Catholic faith and the support of the ministries of the Daughters of Mary and Joseph across the world; and
- ◆ Formation, capacity building and support of initiatives which will lead to self-reliance in the Africa Region.

The priorities for support will be reviewed by the trustees annually and may be changed depending upon circumstances and the perceived effectiveness of the application of funds. Any change to these priorities must still fulfil the charitable purpose and objectives of the charity.

In awarding grants, the trustees apply the following principles:

- ◆ The trustees will consider any requests or known situations that are eligible for consideration:
  - from any Region of the DMJ; and
  - from any individual DMJ or DMJ Project approved by their local Region leader.
- ◆ The trustees carry out sufficient due diligence to ensure that the request or situation meets both the charitable purposes, and the priorities for support set out in this policy.

### **Covid-19**

Due to the pandemic the operations of the charity have had to be adapted and some remain on hold. The CLT is unable to travel and so visitations and face to face meetings have moved online including the annual trustees' meeting usually held in England. The International Finance and Leadership meetings will be held online in May 2021 which limits the time available due to widely different time zones. The sisters throughout the Congregation support each other in prayer and through electronic communication.

The effect on ministries is explained above but there is also a financial impact as the cost of living has risen in most places.

The charity's income has not been too badly affected in 2020 as investments have recovered fairly well but there will still be volatility in the markets during 2021. The relatively small amount from fundraising and donations has not been greatly affected as donors have been very generous. The Friends of Ahotokorum, who have some fundraising events and support from parish collections which will not now take place, have seen some decrease. 2021 will still be affected by social distancing and restrictions.

### **Covid-19 (continued)**

In terms of our expenditure, grants, donations and support of missionary work and ministry have continued and will continue through the next year. There is a reasonable amount of cash available in the BNP portfolio which has been put aside to provide for foreseen needs covering a six-month period. This should eliminate the need to withdraw funds from investments during volatile times. The trustees will continue to keep both income and expenditure under review.

Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the charity's financial position.

### **Future plans**

In the future, the charity aims to achieve its objects by providing funds to support the Congregation's projects in Africa; assisting with the funding of the sisters' living and personal expenses, formation and ministry in Africa; and providing finance for Congregational meetings, Chapters and other expenses at a Congregational level

The Vision Statement of the General Chapter of (2018) 2019 said *"Believing that this is a special moment in the life of our Congregation, we affirm that now is the favourable time to let go of all that is no longer life-giving, scanning the horizon to let come what God is making new among us. We hear afresh the call to be a deeply contemplative presence at the heart of today's world. Whatever our milieu, our passionate commitment to our charism impels us to be merciful and compassionate, expressing this in authentic signs and gestures."*

Our Strategic Plan is based on the 5 pillars

- ◆ Provision of Care and Quality of Life;
- ◆ DMJ Mission and Ministry;
- ◆ Formation;
- ◆ Legacy; and
- ◆ Creative response to our current reality.

Along with the Chapter vision and mandate, this will be a guide for the next 5 years.

### **Fundraising policy**

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity 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 charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

## **Financial review**

### ***Results for the period***

A summary of the period's results can be found on page 27 of the accounts.

Total income for the year amounted to £256,851 (2019 – £277,892). Included within this total are donations totalling £131,030 (2019 – £127,130) and investment income totalling £124,561 (2019 – £148,737).

Expenditure in the year totalled £243,699 (2019 – £759,413). Expenditure includes investment management fees of £18,801 (2019 – £20,119), costs in respect to the support of the Congregational Leadership Team and international meetings/administration of £20,320 (2019 – £74,192) and charitable grants, donations and support of missionary work and ministry of £204,578 (2019 – £665,102). Details of charitable grants, donations and support of missionary work and ministry are included in note 5 to the accounts.

Net income for the year before investment gains and foreign exchange gains, therefore, was £13,152 (2019 – net expenditure before investment gains and foreign exchange losses was £481,521). Investment gains amounted to £137,066 (2019 – investment gains amounted to £942,537) and net foreign exchange gains on investments amounted to £121,957 (2019 – net foreign exchange losses on investments of £128,804). Hence, there was a net increase in funds for the year of £272,175 (2019 – net increase in funds of £332,212).

### ***Investment policy***

The charity has three investment managers and investments are held in Belgium (in Euros) and in England (in Sterling). The investment managers work within specific guidelines that are set out and regularly reviewed by the trustees. The investment objectives are to maximise total return through a diversified portfolio and within levels of risk acceptable to the trustees whilst providing a regular level of income advised by the trustees from time to time. The investment managers provide regular reports to the General Treasurer at least bi-annually. These reports confirm also that the ethical requirements stipulated by the trustees have been complied with.

The ethical policy may be summarised as a requirement that funds shall only be invested in companies whose products, services and corporate practices are considered to promote the sanctity and dignity of human life and are not contrary to the Church's teaching.

The performance of the portfolio reflected the condition of the markets generally throughout the period. The net investment gains for the year to 31 December 2020 totalled £137,066 (2019 – net investments gains amounted to £942,537) and there were net foreign exchange gains in respect to the investments of £121,957 (2019 – net foreign exchange losses on investments of £128,804) reflecting the strength of the Euro against Sterling. The trustees remain satisfied that the portfolio is being managed appropriately relative to the investment objectives and they will continue to monitor movements within the portfolio, to ensure their overall policy is being achieved.

## **Financial review (continued)**

### ***Reserves policy***

The trustees are content for the charity to hold several years of anticipated unrestricted fund expenditure as free reserves. The trustees consider this level of free reserves to be acceptable given the charity's responsibilities, where in the event of an urgent need in any region, immediate financial assistance may need to be provided. The trustees will review this policy as time passes as and when the level and pattern of expenditure alters.

### ***Financial position***

The balance sheet shows total funds of £6,577,009 at 31 December 2020 (2019 – £6,304,834). Amounts totalling £6,273,404 (2019 – £6,008,061) are restricted for the purposes explained in note 13 to the accounts.

Funds which are available to support any of the work of the charity in the future (i.e. free reserves) are those shown on the balance sheet as unrestricted funds. These amounted to £303,605 (2019 – £296,773) at 31 December 2020 and represent more than two year's expenditure on unrestricted funds. Given the challenges that will arise in the short to medium term as a result of Covid-19 and in the light of the charity's infancy and the commitment to support the Congregation for the long term, this level of reserves is deemed appropriate and the trustees are content that the charity is a going concern.

## **Governance, structure and management**

### ***Governing document***

Daughters of Mary and Joseph Congregation Fund CIO is an incorporated charitable organisation governed by a constitution dated 8 September 2015. It is a registered charity, Charity Registration Number: 1163470.

### ***Member of the CIO***

The Superior General is automatically, by virtue of holding that office, ex officio the sole member of the CIO.

### ***Trustees***

The charity has seven trustees – the Superior General, the General Bursar, three Congregational Councillors and two lay trustees.

The Superior General and Congregational Councillors shall automatically, ex officio, be trustees for as long as they hold their respective offices. The Superior General may appoint additional trustees by a written resolution with such trustees being appointed for such period of office as the Superior General shall determine. The Provincial Superior of the Africa Region may nominate to the Superior General either one individual to be appointed as a trustee or one of the existing trustees to represent the interests of the Africa Region.

The names of the trustees who served during the period are set out as part of the reference and administrative details on page 1 of this report and accounts.

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

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

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts 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 accounts 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 accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### ***Structure and management reporting***

The trustees are ultimately responsible for the policies, activities and assets of the charity. As a result of the international scope of their work, they meet formally as often as necessary to review developments with regard to the charity or its activities and make any important decisions. The trustees use electronic means to be informed and kept up to date with developments within the Congregation and the charity. When necessary, the trustees seek advice and support from the charity's professional advisers including investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

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

### ***Key management***

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. They receive no remuneration or reimbursement of expenses in connection with their duties as trustees.

### ***Risk management***

With the exception of the challenges faced because of the Covid-19 pandemic (see above), the trustees believe the significant risks facing the charity to be:

- ◆ From time to time, the charity donates significant sums overseas in support of the wider Congregation and other organisations. The vast majority of the donations sent overseas are to fund projects administered directly by members of the Congregation. The trustees always ensure that they are fully briefed about and are familiar with the work of a potential recipient of funds and that they carry out appropriate due diligence before deciding to transfer monies, that proof of receipt is obtained and, wherever possible, a full written report on the use of the funds is received.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in the UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet with the investment managers and the managers' performance and that of the portfolios are monitored. The trustees aim to assess the investment strategy regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ Governance risk – there is a risk that the trustees, being part of the Congregational Leadership team, may have limited knowledge of English charity law and regulations. This is mitigated by the appointment of two experienced lay trustees and the use of advisors. The trustees also attend training online or in person where possible.

The trustees undertook a formal review of risks in June 2020 and updated the risk register accordingly. This continues to be reviewed annually.

Signed on behalf of the trustees:

Helen Lane

Trustee

Approved by the trustees on: 16 June 2021

**Independent auditor's report to the trustees of Daughters of Mary and Joseph Congregation Fund CIO**

**Opinion**

We have audited the accounts of Daughters of Mary and Joseph Congregation Fund CIO (the 'charity') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 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 Charities Act 2011.

**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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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



### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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 charity 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 accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of those charged with governance 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.

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

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;
- ◆ Tested the authorisation 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 charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

20 July 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income from:</b>							
Donations and legacies	1	12,310	118,720	131,030	12,265	114,865	127,130
Investments and interest receivable	2	62,246	62,315	124,561	72,582	76,155	148,737
Other sources							
. Miscellaneous income		—	1,260	1,260	2,025	—	2,025
<b>Total income</b>		<b>74,556</b>	<b>182,295</b>	<b>256,851</b>	<b>86,872</b>	<b>191,020</b>	<b>277,892</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment management fees	3	2,806	15,995	18,801	2,943	17,176	20,119
Charitable activities							
. Support of the Congregational Leadership Team and international meetings/administration	4	20,320	—	20,320	74,192	—	74,192
. Grants, donations and support of missionary work and ministry	5	4,475	200,103	204,578	57,908	607,194	665,102
<b>Total expenditure</b>		<b>27,601</b>	<b>216,098</b>	<b>243,699</b>	<b>135,043</b>	<b>624,370</b>	<b>759,413</b>
<b>Net income (expenditure) for the year</b>	7	<b>46,955</b>	<b>(33,803)</b>	<b>13,152</b>	<b>(48,171)</b>	<b>(433,350)</b>	<b>(481,521)</b>
<b>Other recognised (losses) gains</b>							
Net (losses) gains on investments		(19,651)	156,717	137,066	32,575	909,962	942,537
Foreign exchange (losses) gains on investments		(23,472)	145,429	121,957	23,893	(152,697)	(128,804)
		(43,123)	302,146	259,023	56,468	757,265	813,733
<b>Net income</b>		<b>3,832</b>	<b>268,343</b>	<b>272,175</b>	<b>8,297</b>	<b>323,915</b>	<b>332,212</b>
Transfers between funds	13	3,000	(3,000)	—	3,000	(3,000)	—
<b>Net movement in funds</b>		<b>6,832</b>	<b>265,343</b>	<b>272,175</b>	<b>11,297</b>	<b>320,915</b>	<b>332,212</b>
Balances brought forward at 1 January 2020		296,773	6,008,061	6,304,834	285,476	5,687,146	5,972,622
<b>Balances carried forward at 31 December 2020</b>		<b>303,605</b>	<b>6,273,404</b>	<b>6,577,009</b>	<b>296,773</b>	<b>6,008,061</b>	<b>6,304,834</b>

All of the charity's activities are derived from continuing operations during the above two periods.

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

**Balance sheet** 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	10		<b>6,453,984</b>		6,242,954
<b>Current assets</b>					
Debtors	11	<b>20,459</b>		20,153	
Cash at bank and in hand		<b>118,631</b>		56,504	
		<b>139,090</b>		76,657	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	<b>(16,065)</b>		(14,777)	
<b>Net current assets</b>			<b>123,025</b>		61,880
<b>Total net assets</b>			<b>6,577,009</b>		<b>6,304,834</b>
<b>Represented by:</b>					
<b>The funds of the charity</b>					
Unrestricted funds			<b>303,605</b>		296,773
Restricted funds	13		<b>6,273,404</b>		6,008,061
			<b>6,577,009</b>		<b>6,304,834</b>

Approved by the trustees and signed on their behalf by:

Annette Lawrence

Trustee

Approved by the trustees on: 16 June 2021

# Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	A	<b>(108,759)</b>	(625,571)
<b>Cash flows from investing activities</b>			
Investment income and interest received		<b>124,255</b>	147,507
Payments to acquire investments		<b>(681,247)</b>	(1,951,366)
Receipts from disposals of investments		<b>845,326</b>	2,299,382
<b>Net cash provided by investing activities</b>		<b>288,334</b>	495,523
<b>Change in cash and cash equivalents in the period</b>		<b>179,575</b>	(130,048)
Cash and cash equivalents at 31 December 2020	B	<b>88,871</b>	221,068
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>(1,362)</b>	(2,149)
<b>Cash and cash equivalents at 31 December 2020</b>	B	<b>267,084</b>	88,871

## Notes to the statement of cash flows for the year to 31 December 2020

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

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>272,175</b>	332,212
<b>Adjustments:</b>		
Gains on investments	<b>(137,066)</b>	(942,537)
Exchange rate movements		
. On investments	<b>(121,957)</b>	128,804
. On cash	<b>1,362</b>	2,149
Investment income and interest receivable	<b>(124,561)</b>	(148,737)
Decrease in debtors	—	4,736
Increase (decrease) in creditors	<b>1,288</b>	(2,198)
<b>Net cash used in operating activities</b>	<b>(108,759)</b>	(625,571)

### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<b>118,631</b>	56,504
Cash held by investment managers	<b>148,453</b>	32,367
<b>Total cash and cash equivalents</b>	<b>267,084</b>	88,871

## **Principal accounting policies** Year to 31 December 2020

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

### **Basis of preparation**

These accounts have been prepared for the year to 31 December 2020 with comparative information provided in respect to the year to 31 December 2019.

The accounts have been prepared in accordance with 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 (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts 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 accounts.

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

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

### **Critical accounting estimates and areas of judgement**

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

The key judgement required in preparing these accounts has been the estimation of the impact on the Covid-19 pandemic on the income and expenditure flows of the charity and on its short to medium term financial stability in assessing going concern (see below).

There are no other items in the accounts where key judgements and estimates have been made.

### **Assessment of going concern**

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

With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment market. This is particularly relevant at the current time given the Covid-19 pandemic and its adverse impact on the volatility of world stock markets.



## **Principal accounting policies** Year to 31 December 2020

### **Assessment of going concern** (continued)

Whilst there may be fluctuations in the charity's investment income in 2021 and possibly 2022, the trustees of the charity have concluded that this will not cast any significant doubt on the ability of the charity to continue as a going concern given its reserve levels. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

### **Income recognition**

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

The principal sources of income are donations, legacies, investment income from listed investments and interest receivable.

Donations, including contributions receivable from the Regions and pensions received from individual members of the Congregation, receivable in cash or investments, are recognised when the charity 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 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Donations received in the form of investments are recognised at their market value on the date of the transfer.

Legacies are included in the statement of financial activities when the 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 charity.

Income from listed investments is recognised once the dividend has been declared and notification has been received of dividend due.

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

Other income includes exchange gains on currency conversion. See below for the accounting policy for foreign currencies.

## **Principal accounting policies** Year to 31 December 2020

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the 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 accruals basis. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity. Such costs include grants made in accordance with the charity's objects and costs incurred in support of the Congregational Leadership Team and international meetings/administration.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial period are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support including in the form of financial procedures.

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

Support and governance costs are allocated to the support of the Congregational Leadership Team and international meetings/administration.

### **Fixed asset investments**

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

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

**Fixed asset investments** (continued)

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) in investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period 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 period 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.

**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 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.

**Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net movement in funds.

**Services provided by members of the Congregation**

For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Daughters of Mary and Joseph i.e. the Congregation.

**1 Income from: Donations and legacies**

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds	Restricted funds	Total funds 2019
	£	£	£	£	£	£
Congregational contributions for Congregation Leadership Team and international meetings/administration	12,310	—	12,310	12,265	—	12,265
Other gifts and donations	—	101,302	101,302	—	97,789	97,789
Sisters' pensions donated to the charity	—	17,418	17,418	—	17,076	17,076
<b>Total funds</b>	<b>12,310</b>	<b>118,720</b>	<b>131,030</b>	<b>12,265</b>	<b>114,865</b>	<b>127,130</b>

**2 Income from: Investments and interest receivable**

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds	Restricted funds	Total funds 2019
	£	£	£	£	£	£
Income from listed investments	62,152	62,217	124,369	72,272	74,810	147,082
Interest receivable	94	98	192	310	1,345	1,655
<b>Total funds</b>	<b>62,246</b>	<b>62,315</b>	<b>124,561</b>	<b>72,582</b>	<b>76,155</b>	<b>148,737</b>

**3 Expenditure on: Investment management fees**

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds	Restricted funds	Total funds 2019
	£	£	£	£	£	£
<b>Total funds: Investment management fees</b>	<b>2,806</b>	<b>15,995</b>	<b>18,801</b>	<b>2,943</b>	<b>17,176</b>	<b>20,119</b>

**4 Expenditure on: Support of the Congregational Leadership Team and international meetings/administration**

	Unrestricted funds	
	Total funds 2020	Total funds 2019
	£	£
Congregational Leadership Team expenditure	3,327	16,746
Meetings (including facilitation)	—	36,614
Office and administrative costs	(56)	2,175
Website	401	1,781
Formation	895	—
Support of a sister	3,132	3,071
Subscriptions and fees	197	—
Foreign exchange losses	1,362	2,149
Support and governance costs (note 6)	11,062	11,656
<b>Total funds</b>	<b>20,320</b>	<b>74,192</b>

## 5 Expenditure on: Grants, donations and support of missionary work and ministry

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds	Restricted funds	Total funds 2019
	£	£	£	£	£	£
Support of missionary work and ministry of the Congregation in:						
. Uganda	—	66,811	66,811	50,889	102,679	153,568
. Burundi	—	14,767	14,767	—	35,974	35,974
. Belgium	—	895	895	—	—	—
. Kenya	—	44,749	44,749	—	175,481	175,481
. Ghana	—	34,000	34,000	7,019	141,532	148,551
. Cameroon	4,475	8,950	13,425	—	35,096	35,096
. Ireland (for Africa)	—	4,922	4,922	—	112,045	112,045
. Regions (including sisters' subsistence)	—	25,009	25,009	—	4,387	4,387
<b>Total funds</b>	<b>4,475</b>	<b>200,103</b>	<b>204,578</b>	<b>57,908</b>	<b>607,194</b>	<b>665,102</b>

No grants or donations were made to individuals during either period.

## 6 Support and governance costs

	Unrestricted funds	
	2020	2019
	£	£
Governance costs – Auditor's remuneration	10,200	10,200
Bank charges	862	1,456
	<b>11,062</b>	<b>11,656</b>

## 7 Net income for the year.

This is stated after charging:

	Total funds 2020	Total funds 2019
	£	£
Auditor's remuneration (including VAT)		
. Statutory audit fees	10,200	10,200
Losses on currency conversion	1,362	2,149

## 8 Staff costs and remuneration of key management personnel

The charity did not employ any staff during the year (2019 – none).

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. They received no remuneration or reimbursement of expenses in connection with their duties as trustees (2019 – none).

Five trustees of the charity (2019 – five) are also members of the Congregation and as such have taken vows of poverty under which they have renounced all personal rights to income and capital. The charity may provide for the living and personal needs of such members of the Congregation.

## 9 Taxation

Daughters of Mary and Joseph Congregation Fund CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 10 Investments

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>Listed investments</b>		
Market value at 1 January 2020	<b>6,210,587</b>	5,744,869
Additions at cost	<b>681,247</b>	1,951,367
Disposals at book value (see below)	<b>(800,978)</b>	(2,288,785)
Unrealised gains on revaluation	<b>92,718</b>	931,940
Exchange gains (losses)	<b>121,957</b>	(128,804)
Market value at 31 December 2020	<b>6,305,531</b>	6,210,587
<b>Cash held by investment managers for reinvestment</b>	<b>148,453</b>	32,367
	<b>6,453,984</b>	6,242,954
<b>Cost of listed investments at 31 December 2020</b>	<b>5,497,620</b>	5,416,137

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

	<b>2020 £</b>	<b>2019 £</b>
Proceeds	<b>845,326</b>	2,299,382
Realised gains	<b>(44,348)</b>	(10,597)
Disposals at book value (see above)	<b>800,978</b>	2,288,785

At 31 December 2020, the charity's investment portfolio included the following holdings which represented a material proportion of the total value of the fixed asset investment portfolio at that date:

<b>Investment</b>	<b>Percentage of portfolio %</b>	<b>Market value £</b>
Epworth Affirmative Fund	<b>26.26</b>	<b>1,655,686</b>
COIF Charities Ethical Investment Fund	<b>42.97</b>	<b>2,709,748</b>

Listed investments held at 31 December 2020 comprised the following:

	<b>2020 £</b>	<b>2019 £</b>
UK common investment funds	<b>4,365,434</b>	4,330,869
Overseas equities	<b>1,053,020</b>	996,198
Overseas fixed interest	<b>566,250</b>	583,946
Overseas unit trusts	<b>155,854</b>	191,903
Alternative investments	<b>164,973</b>	107,671
	<b>6,305,531</b>	6,210,587

# 11 Debtors

	2020 £	2019 £
Accrued investment income	20,459	20,153
	<b>20,459</b>	<b>20,153</b>

# 12 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	16,065	14,777

# 13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trusts to be applied for specific purposes:

	At 1 January 2020 £	Income £	Expenditure £	Investment and foreign exchange losses £	Transfers £	At 31 December 2020 £
Africa Fund	3,698,939	182,295	(216,098)	212,827	(3,000)	3,874,963
Congregation Fund	2,309,122	—	—	89,319	—	2,398,441
	<b>6,008,061</b>	<b>182,295</b>	<b>(216,098)</b>	<b>302,146</b>	<b>(3,000)</b>	<b>6,273,404</b>

  

	At 1 January 2019 £	Income £	Expenditure £	Investment and foreign exchange losses £	Transfers £	At 31 December 2019 £
Africa Fund	3,681,237	191,020	(624,370)	454,052	(3,000)	3,698,939
Congregation Fund	2,005,909	—	—	303,213	—	2,309,122
	<b>5,687,146</b>	<b>191,020</b>	<b>(624,370)</b>	<b>757,265</b>	<b>(3,000)</b>	<b>6,008,061</b>

The restricted funds held by the charity comprise:

## ♦ Africa Fund

The funds held for Africa are restricted for the use of the Africa Region. Within this fund there are certain amounts restricted to particular purposes by the wishes of the donors. The purposes include formation/education, Burundi Orphans, Coloma sponsorship, Coloma projects, Friends of Ahotokurum projects and support of sisters' families. The £3,000 transfer from the restricted fund to unrestricted funds represents a contribution towards the expenses of the Congregational Leadership Team (2019 – £3,000).

## ♦ Congregation Fund

The funds within the Congregation Fund comprise the capital given historically by the different areas of the Congregation and held in Europe. This capital is restricted in the original constitution of the Congregation Fund and is to be used in accordance with the decision of a General Chapter of the Congregation. At a General Finance Meeting and Extended General Council Meeting in 2016 it was agreed that the restrictions on the income from these funds should be released and the income should be used for the general purposes of the charity.

#### 14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Fund balances at 31 December 2020 are represented by:</b>						
Investments	259,215	6,194,769	6,453,984	269,820	5,973,134	6,242,954
Current assets	53,702	85,388	139,090	36,304	40,353	76,657
Current liabilities	(9,312)	(6,753)	(16,065)	(9,351)	(5,426)	(14,777)
Total net assets	303,605	6,273,404	6,577,009	296,773	6,008,061	6,304,834

#### 15 Reconciliation of movement in unrealised gains

	2020 £	2019 £
<b>Unrealised gains included above</b>		
On investment assets	807,911	794,450
<b>Reconciliation of movement in unrealised gains on investment assets</b>		
Unrealised gains (losses) at 1 January 2020	794,450	(78,265)
In respect to disposals in the year	(85,913)	33,290
Net gains on revaluations	92,718	1,097,865
Exchange (losses) gains in respect to disposals in the year	(115,302)	124,415
Unrealised exchange gains (losses)	121,958	(382,855)
Unrealised gains at 31 December 2020	807,911	794,450

#### 16 Ultimate control

The charity, which is constituted as a Charitable Incorporated Organisation (CIO), was controlled throughout the period by the Daughters of Mary and Joseph due to the Superior General, by virtue of her office, being ex-officio the sole member of the CIO.

#### 17 Related party transactions

During the year to 31 December 2020, the charity received a contribution of £3,000 (2019 – £3,000) towards the CLT and a contribution of £5,000 (2019 – £5,000) towards the DMJ in Africa from The English Region of the Daughters of Mary and Joseph CIO (Charity Registration Number 1171001). Two of the trustees of The English Region of the Daughters of Mary and Joseph CIO are also trustees of the Daughters of Mary and Joseph Congregation Fund CIO.

During the year to 31 December 2020, the charity received €3,550 (£3,177) (2019 – €3,500 (£3,071)) from the ASBL Insitut des Dames de Marie. One of the trustees of the Daughters of Mary and Joseph Congregation Fund CIO is also a trustee of the ASBL Insitut des Dames de Marie

There were no other related party transactions during the year to 31 December 2020 (2019 – none).