

Euphrasie Barbier Mission CIO

England & Wales · Charity number 1163766

Details

Other names SISTERS OF OUR LADY OF THE MISSIONS CIO

Status Registered

Legal form CIO

Registered 2015-09-29

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

Contact

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Activities

Objects: 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 CONGREGATION LEADER SHALL FROM TIME TO TIME THINK FIT.[THE "CONGREGATION" IS DEFINED AS THE INTERNATIONAL ROMAN CATHOLIC RELIGIOUS ORDER KNOWN AS THE CONGREGATION DE NOTRE DAME DES MISSIONS ESTABLISHED BY DECREE OF THE SACRED CONGREGATION FOR RELIGIOUS AND SECULAR INSTITUTES AT ROME.]

Activities: The advancement of the Roman Catholic Religion through the provision of grants to the international Roman Catholic Religious Order known as the Congregation de Notre Dame des Missions and its members for formation and other purposes

Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Services, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Religious Activities
- **Who:** The General Public/mankind

Geography

- Australia
- Bangladesh
- Bolivia
- Burma
- Canada
- France
- India
- Ireland
- Italy
- Kenya
- Laos
- New Zealand
- Peru
- Philippines
- Senegal
- Sudan
- Taiwan
- Thailand
- Vietnam
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£812,843	£437,338	£8,790,998	0
2023-12-31	£143,931	£422,308	-	-
2022-12-31	£215,675	£288,936	-	-
2021-12-31	£2,374,015	£689,014	£8,419,763	0
2020-12-31	£276,158	£338,182	-	-

Trustees

Name	Role	Appointed
SISTER JOSEPHINE KANE	Chair	2015-09-29
Derek Wilson		2016-06-29
INNO VAN DEN BERG		2015-09-29
SISTER LISSY SEBASTIAN		2016-06-29
Sister Rose Mary Harbinson		2022-04-06

Euphrasie Barbier Mission CIO

England & Wales - Charity number 1163766

Accounts

**Sisters of Our Lady of the
Missions CIO**

Annual Report and Accounts

31 December 2024

Charity Registration Number
1163766

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Reference and administration details of the charity, its trustees and advisers

Trustees	Sister Rose Mary Harbinson Sister Josephine Kane Sister Lissy Sebastian Inno van den Berg Derek Wilson
Registered address	108 Spencer Road London HA3 7AR
Correspondence address	Via di Bravetta 628 00164 Roma Italy
Telephone	+39 333 248 7864
Charity registration number	1163766
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Investment managers	Victoria Private Investment Office 28 Charles Street London W1J 5EN Citi Private Bank Citigroup Centre 33 Canada Square London E14 5LP
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Report of the trustees Year to 31 December 2024

The trustees present their report together with the accounts of the Sisters of Our Lady of the Missions CIO (the “charity”) for the year to 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Sisters of Our Lady of the Missions CIO was established on 29 September 2015 as a charity to separate the restricted “grant making funds” of the Charity for Roman Catholic Purposes Administered in Connection with the Congregation of Our Lady of the Missions (Charity Registration Number 233599) into a separate charity, with separate trustees directly focused on the grant making activities the funds are segregated for.

The charity is governed by a Constitution dated 29 September 2015 and is registered with the Charity Commission, Charity Registration No. 1163766.

Principal activities and aims

The principal aims of the charity are to help support the special aims of the Sisters of the Congregation of Our Lady of the Missions (“the Congregation”, also known as Religieuses de Notre Dame des Missions or RNDM) to extend the Kingdom of God chiefly through the work of Christian education, pastoral care and development of the human person. The particular focus is women and children, especially those who are marginalised by poverty, ill health, unjust social structures and a lack of opportunity to sustain themselves. This has led the Sisters to become involved in health care projects, setting up schools and orphanages and basically responding to the needs of their situation. The project work is always dictated by the needs of local communities.

Our RNDM sisters find mission in many areas but they are broadly defined under education, health care, social development and pastoral work. The essence of the charity is to help the sisters of RNDM continue in their mission and also to help the charism of our foundress Euphrasie Barbier and their communities to continue and thrive.

Today, the Sisters live and work in 21 different countries from the UK and Ireland to New Zealand, India, Myanmar, Vietnam, Bangladesh, South Sudan and Kenya, with many other countries as well. Thanks to the lives and work of the early missionary Sisters, the Sisters are blessed with young, dynamic women from these countries who have become Sisters of Our Lady of the Missions and continue to work among their own people. The aims of the charity are to provide solidarity funding for the Sisters of the Congregation of Our Lady of the Missions, to help finance scholarships for the future education of the Sisters, and to help maintain the charism of the Congregation across its international reach.

Governance, structure and management

Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

The Leader of the Congregation appoints the trustees for a period of three years. At any one time, there must be a minimum of three trustees.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees' responsibilities statement

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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended 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);
- ◆ 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Structure and management reporting (continued)

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

Key management personnel

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

The trustees receive no remuneration in respect of their duties.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. 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 charity, they have established effective systems to mitigate those risks.

The trustees continue to review and update the risks as well as the documents and procedures in place.

The trustees believe that the charity's principal risk will arise from the fact that it donates significant sums in support of the wider Congregation. The vast majority of 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 will 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 full written report of how the monies have been utilised and applied is obtained from the recipient.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in 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 regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

Activities and performance

In the year 2024, the trustees approved grants for Sisters' Living, Formation and International missioning in Davao, Kenya, Myanmar, Philippines and Rome. Several other grants were approved during the year. The details of all the grants given are included in this narrative report.

RNDM International Formation Center, Davao

The Congregation has an International Formation Center in Davao City, southern Philippines. Every year this Center offers a six-month formation program for all members who are preparing for their perpetual profession. This year 13 sisters attended the program from Bangladesh, India, Myanmar and Vietnam. Following this training period, the sisters were missioned to United Kingdom, Canada and France as well as to their own home countries. A grant of US\$ 24,500 (twenty-four thousand five hundred dollars) was given to this Center. The grant covered the cost of the formation program, international home leave, visa renewals and upkeep of the property.

RNDM Region – Philippines

The sisters in the Philippines are engaged in developmental work among the indigenous people of Mindanao, particularly the Menubo tribe in the province of Sultan Kudarat, Mindanao. The sisters are involved in adult education and basic health awareness programs. They also provide accommodation and food for girls from remote villages who attend school. The sisters have an eco-farm to support food needs of the community.

Philippines being the only Christian country in Asia, it is also a suitable place for further education and spiritual formation of our members. This year there were sisters from Bangladesh, India and Myanmar who completed various academic and spiritual formation programs in Manila. The movement of members internationally involves additional costs such as visas, residency permits, language learning, mission orientation programs and medical needs. In 2024, a grant of US\$ 47,500 (forty-seven thousand five hundred dollars) was sent to the Philippines to cover these costs.

RNDM Province – Kenya

The Congregation has been present in Kenya for more than fifty years now. Several young Kenyan women have become members of the Congregation. Their missionary work among the poor includes care of differently abled children and youth, health care and pastoral care in the Diocese of Machakos. In the Diocese of Meru the sisters are involved in education and pastoral care.

In 2024 the congregation decided to bring together the novices of Bangladesh and Kenya for a common formation program. This meant that the accommodation facility needed to be renovated for this program. A grant of US\$ 50,000 (fifty thousand dollars) was given to Kenya for this purpose.

Activities and performance (continued)

Generalate House – Rome

The Generalate House in Rome is the head office of the Congregation. This is the home of the Congregation Leadership Team (CLT), which consists of the Congregation Leader and four councillors. This team has the oversight of all the members and activities of the whole Congregation across the world. Their responsibilities include regular visits to different parts of the Congregation in Asia, Africa, Latin America, the Pacific and Europe for meeting with members as well as for reviewing the missionary activities that they are engaged in. The Congregation Leadership Team appoints leadership teams at intermediate levels and offers training to various groups of members. A team of hired collaborators such as accounting and operations personnel assist the CLT in the administration of the generalate. The trustees approved a grant of €100,000 (one hundred thousand euros) towards the operational cost of the Generalate House.

RNDM Renewal and Pilgrimage 2024

Every year the Congregation Leadership Team organizes a spiritual renewal program for those sisters who have had several years in missionary involvements. This program aims to provide a space for spiritual refreshment and prayer as well as a pilgrimage to the heritage sites of the Congregation in France, England and Rome. In 2024, there were twenty participants from Australia, Bangladesh, India, Kenya, Latin America, Myanmar, Philippines, and Vietnam. The program received a CIO grant of €70,000 (seventy thousand euros) towards the cost of the program.

Enlarged General Council Meeting in France

This year the Congregation Leadership Team organized a ten-day meeting of all the province and region leaders. The venue of the meeting was in St Rambert en Bugey, France. This meeting focused on the ongoing life and mission of the congregation, particularly in view of the upcoming congregation chapter 2026. The trustees approved a grant of € 30,000 (thirty thousand euros) to cover the cost of accommodation, food, fees of the facilitators and travel.

Capacity building for Formation Personnel

The congregation leadership team organized a training program for all formators of the congregation who are responsible for training younger members. The focus of this meeting was the study of congregation documents, policies related to formation and skills in accompaniment of the trainees. The trustees approved a grant of € 30,000 (thirty thousand euros) for this program.

Scholarship for Salota Aimalefoa

Sister Salota Aimalefoa is originally from Samoa, and is missioned to Kenya where she is involved in women's development projects. After a period of more than ten years in this demanding ministry, she requested for an opportunity for spiritual renewal. She participated in a three-month sabbatical session at Shalom Center, Texas, USA. The trustees approved a grant of US\$ 20,000 (twenty thousand dollars) for Salota's sabbatical program.

Activities and performance (continued)

Upkeep of Congregation Heritage site – Sturry

The upkeep of the common heritage site of Sturry is an ongoing project for the congregation. This year a grant of £ 2,376.00 (two thousand three hundred- and seventy-six-pounds sterling) was given to this project.

Future plans

Going forward, the trustees foresee that the usual grants will need to be made available to our members ministering in Latin America and Kenya and in the Philippines in the short term. The international formation centre in Davao will need grants to host the annual formation programs. Two sisters will attend six months' spiritual formation studies in Rome. A grant will be needed to cover their course fees.

The annual "Pilgrimage to our Roots" program for members who have been in ministry for 25 or more years will be continued. The program includes a visit to our heritage sites in Lyon France, Sturry United Kingdom and in Rome.

Rome Generalate House will continue to need an annual grant of € 100,000 (one hundred thousand euros) towards its operational costs.

The congregation has opened a new mission insertion in Lindi, Tanzania with a view to establish a primary school and to be involved in pastoral works of the Diocese. It is expected that this new project will be partially supported by grants from the CIO.

In 2026, the congregation will hold the 29th Ordinary Congregation Chapter in Hua Hin, Thailand. We hope to access a fund to cover the cost of this meeting.

Preservation of Heritage Sites in France and England

The primary heritage sites of the Congregation are in England and France. There is an ongoing cost of upkeep of these sites. There will be an annual grant to these sites depending on the nature of renovation/restoration activities that are approved each year.

"Care of our Common Home" projects

The Congregation has a clear commitment to work towards environmental healing and restoration. Our members around the world are already engaged in actions that help the healing of the planet in the context of where they live and work. A chosen collective action is to plant 500,000 (five hundred thousand) trees between 2022 and 2026. Trustees support this vision and they will be open to give grants to this worthy project.

Financial report for the year

Income and expenditure

In the year to 31 December 2024 total income amounted to £812,843 (2023 – £143,931).

Total expenditure amounted to £437,338 (2023 – £422,308), which included grants of £314,903 (2023 – £292,013) to support the work of the Congregation overseas.

The net income for the period before investment gains was £375,505 (2023 – net expenditure before investment gains of £278,377). Investment gains totalled £540,404 (2023 – gains of £344,655). As a consequence, there was a net increase in funds (or net income) in the period of £915,909 (2023 – net income of £66,278).

Investment policy

The trustees expect that the investments will be managed in accordance to the investment principles that are in line with the teaching of the Catholic Church and with an understanding of the nuances of Catholic Social Teaching. The trustees expect the investment advisors to manage the investments that adhere to the risk tolerances of the charity whilst also looking to optimise return.

Investment Objectives

The objective is for income and capital growth with moderate to high investment risk.

Ethical criteria

The Congregation of Our Lady of the Missions CIO adheres to an ethical policy that seeks not to invest directly in equities that are mainly involved in the manufacture and/or supply of goods and services, which would not be in accordance with social teachings of the Roman Catholic Church and the teachings of the Gospel. The portfolio manager and our advisor understand our policy and give complete co-operation regarding our ethical concerns.

ESG (Environmental, Social and Governance) factors and active stewardship

We expect our investment managers to adhere to the UN Principles for Responsible Investment.

Withdrawals

For the purpose of the charity, the trustees will be making grants each year and the expected level of the grant making will be discussed and made clear to the investment advisors.

Risk

The levels of capital volatility are monitored to ensure that the risk profile of the investments remains appropriate for the needs of the Congregation of Our Lady of the Missions CIO.

Time Horizon

The assets should be invested with a long-term, 5 or more years, time horizon.

Reporting

The manager will report to the trustees at regular agreed intervals as to the progress and relative performance of the Fund.

Financial report for the year (continued)

Investment review

2024 was the year of global political elections, from USA, India, The EU, France and the UK to name only a few. Each had their own effect on the investment markets.

The most prominent revolved around the election of Donald Trump in November and the political and economic landscape that created. Weakness in financial markets that occurred in July were soon reversed and markets rallied strongly after Trump's election. But what has been consistent over the last 3 years or so the returns have remained very concentrated in the largest 7-10 stocks in the world market.

The US was a little uncertain of what to make on a potential Trump tariff regime, its potential effect on global trade and inflation.

In the UK markets struggled with the initial messaging after a landslide Labour victory. The policy decisions and the talk of a tough budget, which was delivered in November, proved a headwind for economic growth.

France was rocked by Macron calling an election before the Olympics, but resulted in a hung parliament and a polarised political landscape.

But in the end Donald Trump has dominated the news cycle and often through contradictory statements – both as a negotiation tactic and a means of keeping global attention focused on him. He appears intent on steering the US and the world in a different direction, involving a rebasing of both domestic and foreign policy. It is based, we think, on 'realpolitik' rather than idealism, a mercantilist trade view, cheap energy and low interest rates. This represents a major change to the world macro-economic framework, and a challenge to conventional economic approaches. Given heightened risks, it is essential that our investment philosophy – grounded in diversification, liquidity, quality at reasonable valuations, and robust risk controls – remains central to an investment portfolio.

Trump has succeeded in galvanising European leaders toward accelerated change – most notably Germany abandoning the debt break and increases in infrastructure and armaments spending. China too has boosted fiscal stimulus, but consumer confidence remains deeply depressed with a 46% savings rate; a slight uptick in the consumer could translate to a meaningful uplift in Chinese equity outlook. It is notable that policy in the US is tightening, while in Europe and China it is easing.

Over the past two years markets have been dominated by AI and the Magnificent 7, which make up 35% of the US market and generated over 50% of returns in both years, on the grounds that these companies could achieve monopolistic profits from AI development. With the advent of Deepseek there is now a suggestion that the AI adopters, rather than AI suppliers, will reap most benefits, raising concerns that much of the vast capital expenditure made by the likes of Microsoft, Amazon and Alphabet may not yield adequate returns on investment.

Report of the trustees Year to 31 December 2024

Financial report for the year (continued)

Investment policy (continued)

The charities investments, as always, are made up of investments in US\$, € and £, to help match the grant making requirements of the charity and as such the investment returns have a significant translation effect on the returns. The funds returned 7.2% for the year but more importantly the returns covered the grant making activity for the year and an adjustment for inflation. This was in line with the trustees' expectations.

Reserves policy

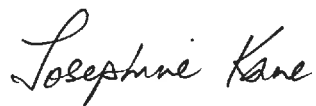
Given that the charity was only established within the past ten years, it is not possible to project its level and pattern of future expenditure with accuracy at the present time. The situation will become clearer as the years pass. In the meantime, the trustees are content for the charity to hold several years of anticipated unrestricted fund expenditure as free reserves. The trustees consider this level of free reserves appropriate in the exceptional circumstances created by both the Covid-19 pandemic and the more recent geopolitical and macroeconomic tensions. In addition, it is important for the charity to have sufficient reserves to enable it to respond to an urgent need in any province/region or to provide immediate financial assistance as necessary. The trustees will review this policy as time passes and the level and pattern of expenditure evolves.

Financial position

The balance sheet shows total funds of £8.79 million at 31 December 2024 (2023 – £7.88 million).

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. These amounted to £ £8.79 million at 31 December 2024 (2023 – £7.88 million) and, in the light of the charity's commitment to support the Congregation for the long term, they are deemed adequate but not excessive.

Signed on behalf of the trustees



Trustee - Sister Josephine Kane

Approved by the trustees on: 14/10/2025

Independent auditor's report to the trustees of the Sisters of Our Lady of the Missions CIO

Opinion

We have audited the accounts of the Sisters of Our Lady of the Missions CIO (the 'charity') for the year ended 31 December 2024 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 2024 and of its incoming resources and application of resources 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 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 the provisions available for small entities, in the circumstances set out in note 5 to the accounts, 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 other information comprises the information included in the Annual Report and Accounts, including the trustees' report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual 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.

Independent auditor's report 31 December 2024

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- ◆ 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 management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ 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 relevant Financial Reporting Standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

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 management and representatives from 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.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

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

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;
- ◆ reviewing the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

20 October 2025

Statement of financial activities Year to 31 December 2024

	Notes	2024 Total funds £	2023 Total funds £
Income from:			
Donations and legacies	1	686,754	10,683
Investments and interest receivable	2	126,089	133,248
Total income		812,843	143,931
Expenditure on:			
Raising funds			
. Investment management fees		91,430	82,862
Charitable activities			
. Grants, donations and support of missionary work and ministry		314,903	292,013
. Administrative expenses	4	16,508	18,506
Losses on currency conversion		14,497	28,927
Total expenditure		437,338	422,308
Net income (expenditure) before gains on investments	5	375,505	(278,377)
Net gains on investments		540,404	344,655
Net income and net movement in funds		915,909	66,278
Reconciliation of funds:			
Fund balances brought forward at 1 January 2024		7,875,089	7,808,811
Fund balances carried forward at 31 December 2024		8,790,998	7,875,089

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

All income, expenditure, gains and losses in the above two financial periods related to unrestricted funds.

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

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	8		8,323,129		7,501,363
Current assets					
Debtors	9	624		4,946	
Cash held by investment managers		485,780		388,980	
		486,404		393,926	
Current liabilities					
Creditors: amounts falling due within one year	10	(18,535)		(20,200)	
Net current assets			467,869		373,726
Total net assets			8,790,998		7,875,089
Represented by:					
The income funds of the charity					
Unrestricted funds			8,790,998		7,875,089
			8,790,998		7,875,089

Approved by the trustees and signed on their behalf by:

Josephine Kane

Trustee - Sister Josephine Kane

Approved by the trustees on: *14/10/2025*

Charity number: 1163766

Statement of cash flows Year to 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	266,570	(368,425)
Cash flows from investing activities			
Investment income and interest received		126,089	133,248
Payments to acquire investments		(978,103)	(607,348)
Receipts from disposals of investments		696,741	113,207
Net cash used in investing activities		(155,273)	(360,893)
Change in cash and cash equivalents in the period		111,297	(729,318)
Cash and cash equivalents at 1 January 2024	B	388,980	1,147,225
Change in cash and cash equivalents due to exchange rate movements		(14,497)	(28,927)
Cash and cash equivalents at 31 December 2024	B	485,780	388,980

Notes to the statement of cash flows for the year to 31 December 2024

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	915,909	66,278
Adjustments:		
Gains on investments	(540,404)	(344,655)
Exchange rate movements on investments and cash	14,497	28,927
Investment income and interest receivable	(126,089)	(133,248)
(Decrease) increase in creditors	(1,665)	14,050
Decrease in debtors	4,322	223
Net cash provided by (used in) operating activities	266,570	(368,425)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Total cash and cash equivalents: Cash held by investment managers	485,780	388,980

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).

Principal accounting policies Year to 31 December 2024

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 2024, with comparatives for the year to 31 December 2023.

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), 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.

Other than the allocation of governance and support costs between the various categories of expenditure, the key area of judgement is estimating future income and expenditure flows for the purpose of assessing going concern (see below and note 8).

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 at least one year from the date of approval of these accounts.

The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets arising from geopolitical events and the macroeconomic climate, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies Year to 31 December 2024

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 Province and Regions, 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.

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.

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

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.

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.

Principal accounting policies Year to 31 December 2024

Expenditure recognition (continued)

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 apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity i.e. the support of the Congregational Leadership Team and international meetings/administration and the support of missionary work and ministry.

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.

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.

Principal accounting policies Year to 31 December 2024

Cash held by investment managers

Cash held by investment managers is classified as a current asset as it is used to fund the ongoing expenditure of the charity.

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

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 Congregation.

Notes to the accounts Year to 31 December 2024

1 Income from: Donations and legacies

	2024 £	2023 £
Legacies	686,754	10,683

2 Income from: Investments and interest receivable

	2024 £	2023 £
Income from listed investments	126,089	133,248

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

	2024 £	2023 £
Contribution to the Generalate of the Congregation	84,053	172,406
RNDM Renewal Programme	61,045	—
RNDM International Formation Center, Davao	44,918	—
Enlarged General Council	24,761	—
Support of missionary work and ministry of the Congregation in:		
. Myanmar	—	23,736
. Kenya	55,579	30,429
. Ireland	7,160	9,959
. The Philippines	37,387	55,483
	314,903	292,013
Allocated support and governance costs (note 4)	16,508	18,506
	331,411	310,519

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

4 Support and governance costs

	2024 £	2023 £
Office and administrative costs	585	456
Governance costs – Auditor’s remuneration		
. Current year	10,000	9,000
. Prior years	—	3,675
Other professional fees	5,923	5,375
Total funds	16,508	18,506

Notes to the accounts Year to 31 December 2024

5 Net expenditure before gains on investments

This is stated after charging:

	2024 £	2023 £
Auditor's remuneration		
. Current year audit fees	7,900	7,000
. Prior years audit fees	—	3,675
. Preparation of financial statements *	2,100	2,000

* In common with many other charities of our size and nature the Sisters of Our Lady of the Missions CIO uses its auditors to assist with the preparation of the financial statements.

6 Staff costs and remuneration of key management personnel

The charity did not employ any staff in either financial period.

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 have received no remuneration or reimbursement of expenses in connection with their duties as trustees in either financial period.

7 Taxation

Sisters of Our Lady of the Missions 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.

8 Investments

	2024 £	2023 £
Listed investments		
At 1 January 2024	7,501,363	6,662,567
Additions at cost	978,103	607,348
Disposals at book value (proceeds: £696,741; losses: £16,887)	(713,628)	(123,457)
Unrealised gains on revaluation	557,291	354,905
Market value at 31 December 2024	8,323,129	7,501,363
Cost of listed investments at 31 December 2024	6,880,579	6,620,116

Investment	2024		2023	
	Percentage of portfolio %	Market value £	Percentage of portfolio %	Market value £
SPDR S&P US Div USD	5.7	475,699	5.9	442,662
iShares MSCI World	10.1	844,733	9.5	709,018
iShares MSCI Wo Mi USD	5.2	431,629	5.1	381,352
3.25 US Treasury Notes 24	—	—	5.3	395,317

Notes to the accounts Year to 31 December 2024

8 Investments (continued)

At 31 December 2024, 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:

Listed investments held at 31 December 2024 comprised the following:

	2024 £	2023 £
UK equities	606,430	560,490
Overseas equities	5,115,172	4,108,399
Fixed interest	2,490,599	2,606,145
Alternative investments	110,928	226,329
	8,323,129	7,501,363

9 Debtors

	2024 £	2023 £
Prepayments and accrued income	624	4,946

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	18,535	20,200

11 Reconciliation of movement in unrealised gains

	2024 £	2023 £
Unrealised gains at 1 January	881,247	533,720
Add/less: in respect to disposals in the year	4,012	(7,378)
Net gains on revaluation in the year	557,291	354,905
Unrealised gains at 31 December	1,442,550	881,247

11 Transactions with connected and related parties

The CIO awards grants to, and receives grants from, other parts of the Congregation, which are considered to be related parties as the Leader of the Congregation appoints the trustees of the CIO.

In the year to 31 December 2024 total expenditure includes grants of £307,743 (2023: £282,054) to support the work of the Congregation in Rome, the Philippines, Myanmar and Kenya, and £7,160 to the Ireland Province for the formation for one of the sisters from India who is training in Ireland (2023: £9,959 for the formation for one of the sisters from Myanmar).

There were no other transactions with connected or related parties during the year (2023 – none).

12 Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Euphrasie Barbier Mission CIO

England & Wales - Charity number 1163766

Accounts

**Sisters of Our Lady of the
Missions CIO**

Annual Report and Accounts

31 December 2023

Charity Registration Number
1163766

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Reference and administration details of the charity, its trustees and advisers

Trustees	Sister Rose Mary Harbinson Sister Josephine Kane Sister Lissy Sebastian Inno van den Berg Derek Wilson
Registered address	108 Spencer Road London HA3 7AR
Correspondence address	Via di Bravetta 628 00164 Roma Italy
Telephone	+39 333 248 7864
Charity registration number	1163766
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Victoria Private Investment Office 28 Charles Street London W1J 5EN Citi Private Bank Citigroup Centre 33 Canada Square London E14 5LP
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

The trustees present their report together with the accounts of the Sisters of Our Lady of the Missions CIO (the “charity”) for the year to 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 19 to 22 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Sisters of Our Lady of the Missions CIO was established on 29 September 2015 as a charity to separate the restricted “grant making funds” of the Charity for Roman Catholic Purposes Administered in Connection with the Congregation of Our Lady of the Missions (Charity Registration Number 233599) into a separate charity, with separate trustees directly focused on the grant making activities the funds are segregated for.

The charity is governed by a Constitution dated 29 September 2015 and is registered with the Charity Commission, Charity Registration No. 1163766.

Principal activities and aims

The principal aims of the charity are to help support the special aims of the Sisters of the Congregation of Our Lady of the Missions (“the Congregation”, also known as Religieuses de Notre Dame des Missions or RNDM) to extend the Kingdom of God chiefly through the work of Christian education, pastoral care and development of the human person. The particular focus is women and children, especially those who are marginalised by poverty, ill health, unjust social structures and a lack of opportunity to sustain themselves. This has led the Sisters to become involved in health care projects, setting up schools and orphanages and basically responding to the needs of their situation. The project work is always dictated by the needs of local communities.

Our RNDM sisters find mission in many areas but they are broadly defined under education, health care, social development and pastoral work. The essence of the charity is to help the sisters of RNDM continue in their mission and also to help the charism of our foundress Euphrasie Barbier and their communities to continue and thrive.

Today, the Sisters live and work in 21 different countries from the UK and Ireland to New Zealand, India, Myanmar, Vietnam, Bangladesh, South Sudan and Kenya, with many other countries as well. Thanks to the lives and work of the early missionary Sisters, the Sisters are blessed with young, dynamic women from these countries who have become Sisters of Our Lady of the Missions and continue to work among their own people. The aims of the charity are to provide solidarity funding for the Sisters of the Congregation of Our Lady of the Missions, to help finance scholarships for the future education of the Sisters, and to help maintain the charism of the Congregation across its international reach.

Governance, structure and management

Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

The Leader of the Congregation appoints the trustees for a period of three years. At any one time, there must be a minimum of three trustees.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees' responsibilities statement

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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended 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);
- ◆ 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Structure and management reporting (continued)

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

Key management personnel

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

The trustees receive no remuneration in respect of their duties.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. 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 charity, they have established effective systems to mitigate those risks.

The trustees continue to review and update the risks as well as the documents and procedures in place.

The trustees believe that the charity's principal risk will arise from the fact that it donates significant sums in support of the wider Congregation. The vast majority of 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 will 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 full written report of how the monies have been utilised and applied is obtained from the recipient.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in 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 regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

Activities and performance

In the year 2023, the trustees approved grants for Sisters' Living, Formation and International missioning in Davao, Kenya, Myanmar, Philippines and Rome. Several other grants were approved during the year. The details of all the grants given are included in this narrative report.

RNDM International Formation Center, Davao

The Congregation has an International Formation Center in Davao City, southern Philippines. Every year this Center offers a six-month formation program for all members who are preparing for their perpetual profession. This year 21 sisters attended the program from Bangladesh, India, Myanmar, Vietnam and the Philippines. Following this training period, the sisters were missioned to United Kingdom, Canada and France as well as to their own home countries. A grant of US\$ 20,000 (twenty thousand dollars) was given to this Center. The grant covered the cost of the formation program, international home leave, visa renewals and upkeep of the property.

RNDM Region – Philippines

The sisters in the Philippines are engaged in developmental work among the indigenous people of Mindanao, particularly the Menubo tribe in the province of Sultan Kudarat, Mindanao. The sisters are involved in adult education and basic health awareness programs. They also provide accommodation and food for girls from remote villages who attend school. The sisters have an eco-farm to support food needs of the community.

Philippines being the only Christian country in Asia, it is also a suitable place for further education and spiritual formation of our members. This year there were sisters from Bangladesh, Vietnam and Myanmar who completed various academic and spiritual formation programs in Manila. The movement of members internationally involves additional costs such as visas, residency permits, language learning, mission orientation programs and medical needs. In 2023, a grant of US\$ 50,000 (fifty thousand dollars) was sent to the Philippines to cover these costs.

RNDM Province – Myanmar

The Congregation has 75 members of Burmese nationality and they live and work among the many rural communities in the country. Their works include education, healthcare and pastoral care. The sisters work with people on the margins, particularly those vulnerable to human trafficking and illegal migration along the Thai-Myanmar border. The trustees approved a grant of US\$ 30,000 (thirty thousand dollars) towards the mission of the sisters in Myanmar.

Activities and performance (continued)

RNDM Province – Kenya

The Congregation has been present in Kenya for more than fifty years now. Several young Kenyan women have become members of the Congregation. Their missionary work among the poor includes care of differently abled children and youth, health care and pastoral care in the Diocese of Machakos. In the Diocese of Meru the sisters are involved in education and pastoral care. The missionary activities of the sisters in Kenya are largely reliant on external sources of donations. A grant of US\$ 37,000 (thirty-seven dollars) was given to them for their living costs and formation.

Generalate House – Rome

The Generalate House in Rome is the head office of the Congregation. This is the home of the Congregation Leadership Team (CLT), which consists of the Congregation Leader and four councilors. This team has the oversight of all the members and activities of the whole Congregation across the world. Their responsibilities include regular visits to different parts of the Congregation in Asia, Africa, Latin America, the Pacific and Europe for meeting with members as well as for reviewing the missionary activities that they are engaged in. The Congregation Leadership Team appoints leadership teams at intermediate levels and offers training to various groups of members. A team of hired collaborators such as accounting and operations personnel assists the CLT. The trustees approved a grant of €100,000 (one hundred thousand euros) towards the operational cost of the Generalate House.

RNDM Renewal and Pilgrimage 2023

Every year the Congregation Leadership Team organizes a spiritual renewal program for those sisters who have had several years in missionary involvements. This program aims to provide a space for spiritual refreshment and prayer as well as a pilgrimage to the heritage sites of the Congregation in France, England and Rome. In 2023, there were twenty participants from Australia, Bangladesh, India, Kenya, Latin America, Myanmar, Philippines, and Vietnam. The program received a CIO grant of €57,000 (fifty seven thousand euros) towards the cost of the program.

Capacity building workshop for Mission Promoters and Bursars – Rome

This year the Congregation Leadership Team organized a two weeks' capacity building training in Rome for sisters from across the congregation. 22 participants upgraded their skills in project management, fund raising, evaluation and monitoring of missionary activities and basic skills in accounting and finance management. The trustees approved a grant of € 25,000 (twenty-five thousand euros) to this project to cover the cost of accommodation, food, fees of resource persons and travel.

Scholarship for Rita Kyi Kyi Aung

Sister Rita Kyi Kyi Aung is a member of our Congregation in Myanmar. After completing six years in the role of province leader, she was given an opportunity for further education. She studied at the Spirituality Institute for Research and Education, which is part of the South East Technological University, Dublin, Ireland. The trustees approved a grant of € 11,500 (eleven thousand five hundred euros) for Rita's course fees.

Activities and performance (continued)

Scholarship for Matta Bich Huyền

Sister Matta Bich Huyền is from Vietnam and she was given the opportunity to complete a Diploma program in Spiritual Direction at Heart of Life Institute, Melbourne, Australia. The trustees approved a grant of US\$ 18,300 (eighteen thousand three hundred dollars) towards her course fees and personal needs. She has returned to Vietnam as a qualified spiritual director. Currently she is involved in parish ministry and the spiritual accompaniment ministry.

Future plans

Going forward, the trustees foresee that the usual grants will need to be made available to our members ministering in Latin America and Kenya and in the Philippines in the short term. The international formation center in Davao will need grants to host the annual formation programs. Two sisters from India will attend six months' spiritual formation studies in Rome. A grant will be needed to cover their course fees.

The annual "Pilgrimage to our Roots" program for members who have been in ministry for 25 or more years will be continued. The program includes a visit to our heritage sites in Lyon France, Sturry United Kingdom and in Rome.

Rome Generalate House will continue to need an annual grant of € 100,000 (one hundred thousand euros) towards its operational costs.

Preservation of Heritage Sites in France and England

The primary heritage sites of the Congregation are in England and France. There is an ongoing cost of upkeep of these sites. There will be an annual grant to these sites depending on the nature of renovation/restoration activities that are approved each year.

"Care of our Common Home" projects

The Congregation has a clear commitment to work towards environmental healing and restoration. Our members around the world are already engaged in actions that help the healing of the planet in the context of where they live and work. A chosen collective action is to plant 500,000 (five hundred thousand) trees between 2022 and 2026. Trustees support this vision and they will be open to give grants to this worthy project.

Financial report for the year

Income and expenditure

In the year to 31 December 2023 total income amounted to £143,931 (2022 – £215,675).

Total expenditure amounted to £422,308 (2022 – £288,936), which included grants of £292,013 (2022 – £192,410) to support the work of the Congregation overseas.

The net expenditure for the period before investment gains was £278,377 (2022 – net expenditure before investment losses of £73,261). Investment gains totalled £344,655 (2022 – losses of £537,691). As a consequence, there was a net increase in funds (or net income) in the period of £66,278 (2022 – net expenditure of £610,952).

Financial report for the year (continued)

Investment policy

The trustees expect that the investments will be managed in accordance to the investment principles that are in line with the teaching of the Catholic Church and with an understanding of the nuances of Catholic Social Teaching. The trustees expect the investment advisors to manage the investments that adhere to the risk tolerances of the charity whilst also looking to optimise return.

Investment Objectives

The objective is for income and capital growth with moderate to high investment risk.

Ethical criteria

The Congregation of Our Lady of the Missions CIO adheres to an ethical policy that seeks not to invest directly in equities that are mainly involved in the manufacture and/or supply of goods and services, which would not be in accordance with social teachings of the Roman Catholic Church and the teachings of the Gospel. The portfolio manager and our advisor understand our policy and give complete co-operation regarding our ethical concerns.

ESG (Environmental, Social and Governance) factors and active stewardship

We expect our investment managers to adhere to the UN Principles for Responsible Investment.

Withdrawals

For the purpose of the charity, the trustees will be making grants each year and the expected level of the grant making will be discussed and made clear to the investment advisors.

Risk

The levels of capital volatility are monitored to ensure that the risk profile of the investments remains appropriate for the needs of the Congregation of Our Lady of the Missions CIO.

Time Horizon

The assets should be invested with a long-term, 5 or more years, time horizon.

Reporting

The manager will report to the trustees at regular agreed intervals as to the progress and relative performance of the Fund.

Investment review

We entered 2023 with talk of most major economies at or near recession and there seemed to be little cause for celebration. But as 2023 came to a close a more optimistic outlook for investors emerged as forecasters who had predicted more gloom, following 2022's successive rate hikes, were proven wrong.

Financial report for the year (continued)

Investment review (continued)

However, it took a few twists and turns to get to this point. Inflation and interest rates. A tug of war between inflation and interest rates played out across continents. Inflationary pressures started to build as economies reopened after the pandemic and supply couldn't keep up with demand. Many central banks had the delicate task of curbing inflation without it stifling the economy. The UK grappled with sticky inflation, and this posed some challenges to both consumers and policymakers.

At the start of the year inflation hit a record 10.7% (Consumer Price Inflation) and Prime Minister Rishi Sunak made it one of his election pledges to halve it. This was achieved in October when it declined from 6.7% to 4.6%,² but it's still higher than the US (3.2%) and the eurozone's (2.9%).

Meanwhile, the US saw CPI inflation easing this year from soaring over 9% in the middle of 2022. While the Fed initially downplayed the possibility of interest rate cuts, it changed its stance in December 2023 with the announcement that the Federal Funds target rate would stay between 5.25% and 5.5% and signalled that it expects to cut interest rates in 2024.

The US stock market performance has been mixed this year as not all sectors enjoyed success. In March, the SVB collapse sent shockwaves through the financial sector and there were concerns of contagion. But this was stopped by the Fed's intervention with the provision of emergency loans for the financial institutions that were in distress.

Despite the rocky start, US stock markets have been one of the better performers overall. However, the S&P 500 has been mainly buoyed by the performance of a group of companies known colloquially as the 'Magnificent 7', which include technology giants Alphabet, Microsoft and Nvidia. These tech stocks captured the interest of investors following rapid progress in Artificial Intelligence (AI).

AI will be an area to watch in 2024, especially given the potential for the technology to deliver economic and productivity growth. However, with recent strong performance, investors could be vulnerable to a correction should sentiment around AI stocks sour.

But the longer the US economy defies pessimistic forecasts there is a good chance there will be a broader lift in performance outside of the 'Magnificent 7'. This broadening out is already occurring as the US is seeing a resurgence in small caps and this could be the light at the end of the tunnel that investors have been hoping for.

Overall, the US economy surprised on the upside in 2023, particularly as there was talk among economists of a potential downturn. However, this didn't happen mainly due to a strong labour market, robust consumer spending and elevated company earnings.

European markets had a stronger period at the start of the year than the US, as they avoided the worst of the energy crisis and was further supported by better company earnings and economic data. They also benefited from the belief of a China resurgence out of the pandemic, which is an important export market for Spain and Germany. However, European stocks have been overshadowed by US equity performance, particularly tech giants, and as sentiment around China grew weaker as its expected comeback didn't materialise.

Financial report for the year (continued)

Investment policy (continued)

China's economy reopened in October 2022 and there were great hopes that it would lead to further global economic growth, but this soon fizzled out due to weaker consumer consumption, which had not returned to pre-pandemic levels.

As disenchantment with China continued investors turned their attention on other emerging markets such as India and Mexico and Asian developed markets including Japan

Bonds are generally viewed as relatively safe, but 2022 was the worst year on record for this asset class as the Fed's aggressive rate hikes impacted on them negatively, with long-term bonds being the hardest hit.

However, 2023 was a better year for bonds. They became more attractive as yields soared to 15-year highs prompting UK investors to return to UK government bonds as their risk/return profile became more attractive.

Meanwhile in the US, restrictive monetary policy and increasing government borrowing drove US Treasury yields (inflation adjusted) up to levels not seen in over a decade. Yields could stay elevated due to high US public debt and an unwillingness by Congress to curb government spending. Bonds also became more attractive when it became more likely that inflation in America had peaked and the Fed wouldn't raise interest rates further.

With interest rates having potentially peaked and some cuts forecast in the US in 2024 the fixed income momentum has remained strong.

As always currency plays a strategically important element to the investment returns. With the majority of grants made in US\$ and in €, the greatest % of the investments are made in these currencies though the accounts are reported in £. In \$ terms the investment portfolio made over 11% for the year and significantly the returns were substantially higher than the grants and expenses of the charity over the year.

Reserves policy

Given that the charity was only established within the past ten years, it is not possible to project its level and pattern of future expenditure with accuracy at the present time. The situation will become clearer as the years pass. In the meantime, 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 appropriate in the exceptional circumstances created by both the Covid-19 pandemic and the more recent geopolitical and macroeconomic tensions. In addition, it is important for the charity to have sufficient reserves to enable it to respond to an urgent need in any province/region or to provide immediate financial assistance as necessary. The trustees will review this policy as time passes and the level and pattern of expenditure evolves.

Report of the trustees Year to 31 December 2023

Financial report for the year (continued)

Financial position

The balance sheet shows total funds of £7.88 million at 31 December 2023 (2022 – £7.81 million).

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. These amounted to £7.88 million at 31 December 2023 (2022 – £7.81 million) and, in the light of the charity's commitment to support the Congregation for the long term, they are deemed adequate but not excessive.

Signed on behalf of the trustees



Trustee - Sister Josephine Kane

Approved by the trustees on: 6/10/2024

Independent auditor's report to the trustees of the Sisters of Our Lady of the Missions CIO

Opinion

We have audited the accounts of the Sisters of Our Lady of the Missions CIO (the 'charity') for the year ended 31 December 2023 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 2023 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' annual 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:

- ◆ 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 management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ 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 relevant Financial Reporting Standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

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 management and representatives from 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.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

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

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;
- ◆ reviewing the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 144 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

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

16 October 2024

Statement of financial activities Year to 31 December 2023

	Notes	2023 Total funds £	2022 Total funds £
Income from:			
Donations and legacies	1	10,683	—
Investments and interest receivable	2	133,248	97,623
Gains on currency conversion		—	118,052
Total income		143,931	215,675
Expenditure on:			
Raising funds			
. Investment management fees		82,862	85,932
Charitable activities			
. Grants, donations and support of missionary work and ministry		292,013	192,410
. Administrative expenses	4	18,506	10,594
Losses on currency conversion		28,927	—
Total expenditure		422,308	288,936
Net expenditure before gains (losses) on investments	5	(278,377)	(73,261)
Net gains (losses) on investments		344,655	(537,691)
Net income (expenditure and net movement in funds)		66,278	(610,952)
Reconciliation of funds:			
Fund balances brought forward at 1 January 2023		7,808,811	8,419,763
Fund balances carried forward at 31 December 2023		7,875,089	7,808,811

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

All income, expenditure, gains and losses in the above two financial periods related to unrestricted funds.

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

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	8		7,501,363		6,662,567
Current assets					
Debtors	9	4,946		5,169	
Cash held by investment managers		<u>388,980</u>		<u>1,147,225</u>	
		393,926		1,152,394	
Current liabilities					
Creditors: amounts falling due within one year	10	<u>(20,200)</u>		<u>(6,150)</u>	
Net current assets			373,726		1,146,244
Total net assets			<u>7,875,089</u>		<u>7,808,811</u>
Represented by:					
The income funds of the charity					
Unrestricted funds			<u>7,875,089</u>		<u>7,808,811</u>
			<u>7,875,089</u>		<u>7,808,811</u>

Approved by the trustees and signed on their behalf by:

Josephine Kane

Trustee - Sister Josephine Kane

Approved by the trustees on: *6/10/2024*

Statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	A	(368,425)	(291,536)
Cash flows from investing activities			
Investment income and interest received		133,248	92,454
Payments to acquire investments		(607,348)	(921,833)
Receipts from disposals of investments		113,207	1,421,689
Net cash (used in) provided by investing activities		(360,893)	592,310
Change in cash and cash equivalents in the period		(729,318)	300,774
Cash and cash equivalents at 1 January 2023	B	1,147,225	728,399
Change in cash and cash equivalents due to exchange rate movements		(28,927)	118,052
Cash and cash equivalents at 31 December 2023	B	388,980	1,147,225

Notes to the statement of cash flows for the year to 31 December 2023

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	66,278	(610,952)
Adjustments:		
(Gains) losses on investments	(344,655)	537,691
Exchange rate movements on investments and cash	28,927	(118,052)
Investment income and interest receivable	(133,248)	(97,623)
Increase (decrease) in creditors	14,050	(2,600)
Decrease in debtors	223	—
Net cash used in operating activities	(368,425)	(291,536)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Total cash and cash equivalents: Cash held by investment managers	388,980	1,147,225

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).

Principal accounting policies Year to 31 December 2023

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 2023, with comparatives for the year to 31 December 2022.

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), 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.

Other than the allocation of governance and support costs between the various categories of expenditure, the key area of judgement is estimating future income and expenditure flows for the purpose of assessing going concern (see below and note 8).

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 at least one year from the date of approval of these accounts.

The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets arising from geopolitical events and the macroeconomic climate, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies Year to 31 December 2023

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 Province and Regions, 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.

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.

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

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.

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.

Principal accounting policies Year to 31 December 2023

Expenditure recognition (continued)

- ◆ 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 apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity i.e. the support of the Congregational Leadership Team and international meetings/administration and the support of missionary work and ministry.

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.

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.

Principal accounting policies Year to 31 December 2023

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 held by investment managers

Cash held by investment managers is classified as a current asset as it is used to fund the ongoing expenditure of the charity.

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

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 Congregation.

Notes to the accounts Year to 31 December 2023

1 Income from: Donations and legacies

	2023 £	2022 £
Legacies	10,683	—

2 Income from: Investments and interest receivable

	2023 £	2022 £
Income from listed investments	133,248	97,623

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

	2023 £	2022 £
Contribution to the Generalate of the Congregation	172,406	25,550
RNDM International Formation Center, Davao	—	34,532
RNDM Renewal Programme	—	43,368
Support of missionary work and ministry of the Congregation in:		
. Myanmar	23,736	29,362
. Kenya	30,429	—
. Ireland	9,959	18,500
. The Philippines	55,483	41,098
	292,013	192,410
Allocated support and governance costs (note 4)	18,506	10,594
	310,519	203,004

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

4 Support and governance costs

	2023 £	2022 £
Office and administrative costs	456	794
Governance costs – Auditor’s remuneration		
. Current year	9,000	4,800
. Prior years	3,675	—
Other professional fees	5,375	5,000
Total funds	18,506	10,594

5 Net expenditure before gains (losses) on investments

This is stated after charging:

	2023 £	2022 £
Auditor’s remuneration		
. Current year	9,000	4,800
. Prior years	3,675	—

Notes to the accounts Year to 31 December 2023

6 Staff costs and remuneration of key management personnel

The charity did not employ any staff in either financial period.

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 have received no remuneration or reimbursement of expenses in connection with their duties as trustees in either financial period.

7 Taxation

Sisters of Our Lady of the Missions 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.

8 Investments

	2023 £	2022 £
Listed investments		
At 1 January 2023	6,662,567	7,700,114
Additions at cost	607,348	921,833
Disposals at book value (proceeds: £113,207; losses: £10,250)	(123,457)	(1,550,675)
Unrealised gains (losses) on revaluation	354,905	(408,705)
Market value at 31 December 2023	7,501,363	6,662,567
Cost of listed investments at 31 December 2023	6,620,116	6,128,847

Investment	2023		2022	
	Percentage of portfolio %	Market value £	Percentage of portfolio %	Market value £
SPDR S&P US Div USD	5.9	442,662	7.1	470,375
iShares MSCI World	9.5	709,018	9.3	617,421
iShares MSCI Wo Mi USD	5.1	381,352	5.7	376,706
3.25 US Treasury Notes 24	5.3	395,317	6.2	415,089

At 31 December 2023, 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:

Listed investments held at 31 December 2023 comprised the following:

	2023 £	2022 £
UK equities	560,490	541,216
Overseas equities	4,108,399	3,758,265
Fixed interest	2,606,145	2,140,222
Alternative investments	226,329	222,864
	7,501,363	6,662,567

Notes to the accounts Year to 31 December 2023

9 Debtors

	2023 £	2022 £
Prepayments and accrued income	4,946	5,169

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	20,200	6,150

11 Reconciliation of movement in unrealised gains

	2023 £	2022 £
Unrealised gains at 1 January	533,720	1,090,074
Add: in respect to disposals in the year	(7,378)	(147,649)
Net gains (losses) on revaluation in the year	354,905	(408,705)
Unrealised gains at 31 December	881,247	533,720

11 Transactions with connected and related parties

The CIO awards grants to, and receives grants from, other parts of the Congregation, which are considered to be related parties as the Leader of the Congregation appoints the trustees of the CIO.

In the year to 31 December 2023 total expenditure includes grants of £282,054 (2022: £173,910) to support the work of the Congregation in Rome, the Philippines, Myanmar and Kenya, and £9,959 (2022: £18,500) to the Ireland Province for the ongoing formation for one of the sisters from Myanmar who is training in Ireland.

There were no other transactions with connected or related parties during the year (2022 – none).

12 Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Euphrasie Barbier Mission CIO

England & Wales - Charity number 1163766

Accounts

**Sisters of Our Lady of the
Missions CIO**

Annual Report and Accounts

31 December 2022

Charity Registration Number
1163766

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Reference and administration details of the charity, its trustees and advisers

Trustees	Sister Rose Mary Harbinson (appointed 6 April 2022) Sister Josephine Kane Sister Lissy Sebastian Inno van den Berg Derek Wilson
Registered address	108 Spencer Road London HA3 7AR
Correspondence address	Via di Bravetta 628 00164 Roma Italy
Telephone	+39 333 248 7864
Charity registration number	1163766
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Victoria Private Investment Office 28 Charles Street London W1J 5EN Citi Private Bank Citigroup Centre 33 Canada Square London E14 5LP
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Report of the trustees Year to 31 December 2022

The trustees present their report together with the accounts of the Sisters of Our Lady of the Missions CIO (the “charity”) for the year to 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Sisters of Our Lady of the Missions CIO was established on 29 September 2015 as a charity to separate the restricted “grant making funds” of the Charity for Roman Catholic Purposes Administered in Connection with the Congregation of Our Lady of the Missions (Charity Registration Number 233599) into a separate charity, with separate trustees directly focused on the grant making activities the funds are segregated for.

The charity is governed by a Constitution dated 29 September 2015 and is registered with the Charity Commission, Charity Registration No. 1163766.

Principal activities and aims

The principal aims of the charity are to help support the special aims of the Sisters of the Congregation of Our Lady of the Missions (“the Congregation”, also known as Religieuses de Notre Dame des Missions or RNDM) to extend the Kingdom of God chiefly through the work of Christian education, pastoral care and development of the human person. The particular focus is women and children, especially those who are marginalised by poverty, ill health, unjust social structures and a lack of opportunity to sustain themselves. This has led the Sisters to become involved in health care projects, setting up schools and orphanages and basically responding to the needs of their situation. The project work is always dictated by the needs of local communities.

Our RNDM sisters find mission in many areas but they are broadly defined under education, health care, social development and pastoral work. The essence of the charity is to help the sisters of RNDM continue in their mission and also to help the charism of our foundress Euphrasie Barbier and their communities to continue and thrive.

Today, the Sisters live and work in 21 different countries from the UK and Ireland to New Zealand, India, Myanmar, Vietnam, Bangladesh, South Sudan and Kenya, with many other countries as well. Thanks to the lives and work of the early missionary Sisters, the Sisters are blessed with young, dynamic women from these countries who have become Sisters of Our Lady of the Missions and continue to work among their own people. The aims of the charity are to provide solidarity funding for the Sisters of the Congregation of Our Lady of the Missions, to help finance scholarships for the future education of the Sisters, and to help maintain the charism of the Congregation across its international reach.

Governance, structure and management

Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

The Leader of the Congregation appoints the trustees for a period of three years. At any one time, there must be a minimum of three trustees.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees' responsibilities statement

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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended 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);
- ◆ 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Structure and management reporting (continued)

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

Key management personnel

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

The trustees receive no remuneration in respect of their duties.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. 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 charity, they have established effective systems to mitigate those risks.

The trustees continue to review and update the risks as well as the documents and procedures in place. This process is deemed particularly important during the current Covid-19 pandemic.

The trustees believe that the charity's principal risk will arise from the fact that it donates significant sums in support of the wider Congregation. The vast majority of 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 will 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 full written report of how the monies have been utilised and applied is obtained from the recipient.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in 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 regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. During the Covid-19 pandemic, the trustees continued to communicate with the charity's investment managers and, whilst there remain concerns over the volatility in world stock markets, the trustees acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Activities and performance

In the year 2022, the trustees approved grants for Sisters' Living, Formation and International missioning in Myanmar, Davao, Philippines and Rome. Additionally, a grant was given to the Sisters in the United Kingdom towards the upkeep of the Congregation's heritage site.

RNDM International Formation Center, Davao

The Congregation has an International Formation Center in Davao City, southern Philippines. Every year this Center offers a six-month-long holistic formation program for all Sisters preparing for their perpetual profession. Following this training period, the Sisters are missioned to various parts of the world to carry out the missionary activities of the Congregation. A grant of US\$ 45,000 (forty-five thousand dollars, equivalent to £34,532) was given to this Center for the running of the formation program, international home leave, visa renewal and upkeep of the property.

RNDM Region – Philippines

The Congregation has been present in the Philippines for the past thirty-three years and the primary mission in this country is among the indigenous people of Mindanao, particularly the Menubo tribe. The Sisters are involved in adult education, basic health awareness programs, a dormitory for girls from remote villages who attend school and an eco-farm to support food needs of the community.

Philippines being the only Christian country in Asia, the Congregation sends Sisters from other parts of Asia for religious formation and professional development, particularly from Bangladesh, India, Myanmar and Vietnam. The movement of members internationally involves additional costs such as visas, residency permits, language learning, mission orientation programs and an increased medical cost, since the country does not offer medical care benefits to foreigners. In 2022 a grant of US\$ 50,000 (fifty thousand dollars, equivalent to £41,098) was sent to the Philippines to cover these costs.

RNDM – Myanmar

The Congregation has 75 members of Burmese nationality and they live and work among the many rural communities in the country. The country has been suffering greatly from the military coup in the past two years. The Sisters have not been able to carry out their usual missionary activities. They run a secondary school in the country, but due to the political situation, the school has not been able to function in full capacity. While all our missionary activities were suspended, the Sisters continue to reach out to as many people as possible, sharing food and other essentials.

A grant of US\$ 35,000 (thirty-five thousand dollars, equivalent to £29,362) was given to Myanmar for the living costs, formation and medical needs of the Sisters.

Activities and performance (continued)

Generalate House, Rome

The Congregation has its head offices in Rome. This is where the members of the General Council reside and the over-all governance of the Congregation is carried out. The Congregation is divided into interdependent units known as provinces or regions, each with its own administrative structures. Every two years the Congregation organises an Enlarged General Council meeting to review its vision and mission according to the directions set out at the Congregation Chapter. In August 2022, an Enlarged General Council meeting was held in France. The participants of this meeting were the leaders of provinces and regions from across the world. The main purpose of this meeting was to evaluate the existing structures of governance in the Congregation and to scrutinise new mission proposals that were presented from different parts of the world. The trustees approved a grant of €30,000 (thirty thousand euros, equivalent to £25,550) towards the cost of this meeting which included accommodation, facilitators' fees and some of the travel costs.

RNDM Renewal and Pilgrimage

Every year the Congregation Leadership Team organises a spiritual renewal program for those Sisters who have had several years in the missionary involvements. This program aims to provide a space for spiritual refreshment and prayer as well as a pilgrimage to the heritage sites of the Congregation in France, England and Rome. In 2022, there were twenty participants from Australia, Bangladesh, India, Myanmar, Philippines, Latin America, Vietnam, Taiwan and Rome. The program received a CIO grant of €50,500 (fifty thousand and five hundred euros, equivalent to £43,368) towards the cost of the program.

Heritage Site - Sturry, England

The Congregation has a very significant heritage site in Sturry, England, where Euphrasie Barbier, our foundress is buried. Over the years it has become a sacred place of spiritual pilgrimage to members of the Congregation as well as our past pupils, benefactors and mission partners. In 2022, a grant of £ 18,500 (eighteen thousand and five hundred pounds) was given to upgrade the display cabinets in the heritage room in Sturry.

Future plans

Going forward, the trustees foresee that the usual grants made available to the Sisters in Myanmar, Philippines, Davao and possibly Kenya for Sisters' living and formation will continue in the medium term.

There will also be a need for grants for two Sisters undergoing ongoing formation in Australia and Jerusalem this year.

In 2023, there will be a capacity-building program for the Mission Promoters and Bursars in provinces and regions. This training will be held in Rome and it is anticipated a grant will be made to help meet the cost.

This year also there will be an on-line capacity building training for new unit leaders. The fees of the facilitators will be accessed from the CIO.

Future plans (continued)

Additionally, it has become necessary for the trustees to consider annual grant giving towards the operational cost of the Generalate in Rome, which is at the service of the whole Congregation. Traditionally it has been funded by the contributions from the units in the northern hemisphere. Going forward, the provinces will transfer their surplus into a CIO fund. A CIO grant will be made available to the Generalate through due processes.

An Annual Spiritual Renewal Program for Sisters who have been in missions for 25 or more years will be continued. These programs offer the Sisters to renew their commitment for service to humanity wherever they are missioned.

Preservation of Heritage Sites in France and England

As in other Congregations, the Sisters of Our Lady of the Missions is experiencing a general decline of membership and missionary activities in the 'global north' while the most significant heritage sites are present in this part of the world. The Congregation has plans to preserve the two major heritage sites – the place of our foundation in Lyon, France and the resting place of our Foundress Euphrasie Barbier in Surry, England - for future generations of Sisters.

“Care of our Common Home” projects

The Congregation has a clear commitment to work towards environmental healing and restoration. Our Sisters around the world are already engaged in actions that help the healing of the planet in the context of where they live and work. A chosen collective action is to plant 500,000 (five hundred thousand) trees between 2022 and 2026. Trustees support this vision and they will be open to give grants to this worthy project.

Financial report for the year

Income and expenditure

In the year to 31 December 2022 total income amounted to £215,675 (2021 – £2,374,015). The figure for 2021 included £2,142,548 donated by the Irish Province of the Congregation.

Total expenditure amounted to £288,936 (2021 – £689,014), which included grants of £192,410 (2021 – £598,756) to support the work of the Congregation in the UK and overseas.

The net expenditure for the period before investment losses was £73,261 (2021 – net income of £1,685,001). Investment losses totalled £537,691 (2021 – gains of £404,279). As a consequence, there was a net decrease in funds (or net expenditure) in the period of £610,952 (2021 – net income of £2,089,280).

Investment policy

The trustees expect that the investments will be managed in accordance to the investment principles that are in line with the teaching of the Catholic Church and with an understanding of the nuances of Catholic Social Teaching. The trustees expect the investment advisors to manage the investments that adhere to the risk tolerances of the charity whilst also looking to optimise return.

Financial report for the year (continued)

Investment policy (continued)

Investment Objectives

The objective is for income and capital growth with moderate to high investment risk.

Ethical criteria

The Congregation of Our Lady of the Missions CIO adheres to an ethical policy that seeks not to invest directly in equities that are mainly involved in the manufacture and/or supply of goods and services, which would not be in accordance with social teachings of the Roman Catholic Church and the teachings of the Gospel. The portfolio manager and our advisor understand our policy and give complete co-operation regarding our ethical concerns.

ESG (Environmental, Social and Governance) factors and active stewardship

We expect our investment managers to adhere to the UN Principles for Responsible Investment.

Withdrawals

For the purpose of the charity, the trustees will be making grants each year and the expected level of the grant making will be discussed and made clear to the investment advisors.

Risk

The levels of capital volatility are monitored to ensure that the risk profile of the investments remains appropriate for the needs of the Congregation of Our Lady of the Missions CIO.

Time Horizon

The assets should be invested with a long-term, 5 or more years, time horizon.

Reporting

The manager will report to the trustees at regular agreed intervals as to the progress and relative performance of the Fund.

Investment review

For much of the past 30 years markets have enjoyed a benign backdrop of low inflation, falling interest rates and sustained economic growth. This has been a supportive environment for both bonds and equity markets.

In 2022, however, this changed. The immediate catalyst was the swift change in central bank monetary policy, as inflation started to bite. Inflationary pressures had started to build as economies reopened after the pandemic. Supply chain disruption during the pandemic created shortages, which collided with a sudden increase in demand.

Financial report for the year (continued)

Investment review (continued)

The war in Ukraine exacerbated the situation, as Russia launched its 'special military operations' in February. Governments around the world – but particularly in Europe - were forced to confront their reliance on Russia for much of their energy needs. Commodity prices soared, creating inflationary pressures across all major markets and forcing central banks to raise borrowing costs.

Areas such as technology, where low interest rates had flattered their valuations, were weak, while investors favoured companies in the energy and materials sectors, which were less sensitive to interest rate movements and inflation.

It was a significant reversal in the market environment that had prevailed for over 30 years. The war in Ukraine shifted an inflation problem, brought about by supply chain disruption and the post Covid recovery, to a full-blown cost-of-living crisis. Central banks were slow to act initially dismissing inflation as transitory – thinking it was all linked to the pandemic, but it soon became clear that rising prices would be considerably more persistent than originally expected. Central banks had no alternative but to raise interest rates, with the commensurate hit to growth.

Where inflation has led, interest rates have followed. For much of the year, financial markets have been watching every move from the Federal Reserve (Fed). It raised interest rates six times in 2022, taking the Fed funds rate to 3.75-4% and pushing mortgage rates in the US to 16-year highs. More interest rate rises are likely in 2023 as the central banks in developed markets looks to curb rising prices.

2022 has been a year most investors would rather forget, with bond and equity markets seeing significant falls and uncomfortable volatility. Importantly, holding a portfolio of bonds and equities provided little protection, as both asset classes proved correlated to high inflation. Investors had to turn elsewhere – infrastructure, for example – to find alternative sources of income and capital growth. Notably, the year also saw a considerable rotation from growth to value, ending the long dominance by the technology sector.

The UK has its own idiosyncratic problems, when an ill judged mini-budget' under new Prime Minister Liz Truss in September 2022 crashed the pound and caused a spike in UK borrowing costs. It prompted her resignation and a hasty reversal of almost all the measures from incoming Chancellor Jeremy Hunt. He announced a range of tax rises and spending cuts to shore the UK's international reputation for fiscal responsibility once again. For the time being, UK gilts have settled at a more normalised level. Rising yields meant significant losses for investors. Most bond investors saw double-digit falls in their bond investments over the year and at points, some, longer dated, UK government bonds were down by as much as 40%. This has been very difficult, with many investors holding bonds as a low risk, 'safe haven' asset class in their portfolio. It may be little reassurance, but bond prices have recovered from those lows and yields are now at more reasonable levels reflecting the interest rate environment more accurately. They may once again be able to fulfil their traditional role in portfolios – as a source of income and a diversifier from equities.

Financial report for the year (continued)

Investment policy (continued)

Investors enter 2023 chastened by a difficult year with most major economies at or near recession, there may seem to be little immediate cause for optimism.

The charity's assets are globally invested with a significant US\$ bias, as most of the grants made are in US\$. The returns of the portfolio are therefore significantly altered by the underlying currency effect when reporting in £ for the accounts. The assets are invested with a balanced investment risk and in US\$ terms the portfolio returns were ahead of the ARC comparators.

The investments are held for the long term with an aim of ensuring that the growth of the assets over the long term should exceed the annualised target return for grant making, though it is fully understood that the level of grants made will inevitably fluctuate.

Reserves policy

The charity was only established within the past ten years, it is not possible to project its level and pattern of future expenditure with accuracy at the present time. The situation will become clearer as the years pass. In the meantime, 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 appropriate in the exceptional circumstances created by both the Covid-19 pandemic and the more recent geopolitical and macroeconomic tensions. In addition, it is important for the charity to have sufficient reserves to enable it to respond to an urgent need in any province/region or to provide immediate financial assistance as necessary. The trustees will review this policy as time passes and the level and pattern of expenditure evolves.

Financial position

The balance sheet shows total funds of £7.81 million at 31 December 2022 (2021 – £8.42 million).

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. These amounted to £7.81 million at 31 December 2022 (2021 – £8.42 million) and, in the light of the charity's commitment to support the Congregation for the long term, they are deemed adequate but not excessive.

Signed on behalf of the trustees

Josephine Kane

Trustee

Approved by the trustees on: 28/09/2023

Independent auditor's report to the trustees of the Sisters of Our Lady of the Missions CIO

Opinion

We have audited the accounts of the Sisters of Our Lady of the Missions CIO (the 'charity') 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 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 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 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.

Independent auditor's report 31 December 2022

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' annual 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:

- ◆ 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 management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ 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 relevant Financial Reporting Standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

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 management and representatives from 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.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

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

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 trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 144 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

12 October 2023

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 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations	1	—	—	—	2,167,875	25,507	2,193,382
Investments and interest receivable	2	97,623	—	97,623	62,755	—	62,755
Gains on currency conversion		118,052	—	118,052	117,878	—	117,878
Total income		215,675	—	215,675	2,348,508	25,507	2,374,015
Expenditure on:							
Raising funds							
. Investment management fees		85,932	—	85,932	74,720	—	74,720
Charitable activities							
. Grants, donations and support of missionary work and ministry	3	192,410	—	192,410	445,649	153,107	598,756
. Administrative expenses	4	10,594	—	10,594	15,538	—	15,538
Total expenditure		288,936	—	288,936	535,907	153,107	689,014
Net (expenditure) income before (losses) gains on investments	5	(73,261)	—	(73,261)	1,812,601	(127,600)	1,685,001
Net (losses) gains on investments		(537,691)	—	(537,691)	404,279	—	404,279
Net (expenditure) income and net movement in funds		(610,952)	—	(610,952)	2,216,880	(127,600)	2,089,280
Reconciliation of funds:							
Fund balances brought forward at 1 January 2022		8,419,763	—	8,419,763	6,202,883	127,600	6,330,483
Fund balances carried forward at 31 December 2022		7,808,811	—	7,808,811	8,419,763	—	8,419,763

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

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

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	8		6,662,567		7,700,114
Current assets					
Debtors	9	5,169		—	
Cash held by investment managers		1,147,225		728,399	
		1,152,394		728,399	
Current liabilities					
Creditors: amounts falling due within one year	10	(6,150)		(8,750)	
Net current assets			1,146,244		719,649
Total net assets			7,808,811		8,419,763
Represented by:					
The income funds of the charity					
Unrestricted funds			7,808,811		8,419,763
			7,808,811		8,419,763

Approved by the trustees and signed on their behalf by:

Josephine Kane

Trustee

Approved by the trustees on: 28/09/2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	(291,536)	1,508,651
Cash flows from investing activities			
Investment income and interest received		92,454	62,755
Payments to acquire investments		(921,833)	(2,797,200)
Receipts from disposals of investments		1,421,689	641,109
Net cash provided by (used in) investing activities		592,310	(2,093,336)
Change in cash and cash equivalents in the period		300,774	(584,685)
Cash and cash equivalents at 1 January 2022	B	728,399	1,195,206
Change in cash and cash equivalents due to exchange rate movements		118,052	117,878
Cash and cash equivalents at 31 December 2022	B	1,147,225	728,399

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) provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(610,952)	2,089,280
Adjustments:		
Losses (gains) on investments	537,691	(404,279)
Exchange rate movements on investments and cash	(118,052)	(117,878)
Investment income and interest receivable	(97,623)	(62,755)
Decrease in creditors	(2,600)	—
Decrease in debtors	—	4,283
Net cash (used in) provided by operating activities	(291,536)	1,508,651

B Analysis of cash and cash equivalents

	2022 £	2021 £
Total cash and cash equivalents: Cash held by investment managers	1,147,225	728,399

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).

Principal accounting policies Year to 31 December 2022

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 2022, with comparatives for the year to 31 December 2021.

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.

Other than the allocation of governance and support costs between the various categories of expenditure, the key area of judgement is estimating future income and expenditure flows for the purpose of assessing going concern (see below and note 8).

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 at least one year from the date of approval of these accounts.

The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets arising from geopolitical events and the macroeconomic climate, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Over the next year, the charity's income may continue to be affected due to the volatility in world stock markets noted above. In terms of expenditure, it is anticipated that grant making may need to increase as needs become more evident. The trustees will continue to keep both income and expenditure under review.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies Year to 31 December 2022

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, investment income from listed investments and interest receivable.

Donations, including contributions receivable from the Province and 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.

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.

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.

Principal accounting policies Year to 31 December 2022

Expenditure recognition (continued)

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 apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity i.e. the support of the Congregational Leadership Team and international meetings/administration and the support of missionary work and ministry.

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.

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.

Principal accounting policies Year to 31 December 2022

Cash held by investment managers

Cash held by investment managers is classified as a current asset as it is used to fund the ongoing expenditure of the charity.

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 Congregation.

Notes to the accounts Year to 31 December 2022

1 Income from: Donations

	Un-restricted funds £	Restricted funds £	2022 £	Un-restricted funds £	Restricted funds £	2021 £
Donation from the Taiwan Province of the Congregation towards the refurbishment of Brooklyn House, UK	—	—	—	—	25,507	25,507
Donation from Irish Province of the Congregation	—	—	—	2,142,548	—	2,142,548
Donation from the Generalate of the Congregation in Rome	—	—	—	25,327	—	25,327
Total funds	—	—	—	2,167,875	25,507	2,193,382

2 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2022 £	Un-restricted funds £	Restricted funds £	2021 £
Income from listed investments	97,623	—	97,623	62,755	—	62,755

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

	Un-restricted funds £	Restricted funds £	2022 £	Un-restricted funds £	Restricted funds £	2021 £
Contribution to the Generalate of the Congregation	25,550	—	25,550	—	—	—
RNDM International Formation Center, Davao	34,532	—	34,532	—	—	—
RNDM Renewal Programme	43,368	—	43,368	295,760	153,107	448,867
Support of missionary work and ministry of the Congregation in:						
. Myanmar	29,362	—	29,362	44,004	—	44,004
. Ireland	18,500	—	18,500	—	—	—
. India	—	—	—	42,857	—	42,857
. St Rambert	—	—	—	35,021	—	35,021
. The Philippines	41,098	—	41,098	28,007	—	28,007
	192,410	—	192,410	445,649	153,107	598,756
Allocated support and governance costs (note 4)	10,594	—	10,594	15,538	—	15,538
	203,004	—	203,004	461,187	153,107	614,294

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

Notes to the accounts Year to 31 December 2022

4 Support and governance costs

	Un- restricted funds £	Restricted funds £	2022 £	Un- restricted funds £	Restricted funds £	2021 £
Office and administrative costs	794	—	794	2,888	—	2,888
Governance costs – Auditor’s remuneration						
· Current year	4,800	—	4,800	7,500	—	7,500
Other professional fees	5,000	—	5,000	5,150	—	5,150
Total funds	10,594	—	10,594	15,538	—	15,538

5 Net (expenditure) income before (losses) gains on investments

This is stated after charging:

	2022 £	2021 £
Auditor’s remuneration (including VAT)	4,800	7,500

6 Staff costs and remuneration of key management personnel

The charity did not employ any staff in either financial period.

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 have received no remuneration or reimbursement of expenses in connection with their duties as trustees in either financial period.

7 Taxation

Sisters of Our Lady of the Missions 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.

8 Investments

	2022 £
Listed investments	
At 1 January 2022	7,700,114
Additions at cost	921,833
Disposals at book value (proceeds: £1,421,689; losses: £128,986)	(1,550,675)
Unrealised (losses) gains on revaluation	(408,705)
Market value at 31 December 2022	6,662,567
Cost of listed investments at 31 December 2022	6,128,848

Notes to the accounts Year to 31 December 2022

8 Investments (continued)

At 31 December 2022, 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:

Investment	2022		2021	
	Percentage of portfolio %	Market value £	Percentage of portfolio %	Market value £
SPDR S&P US Div USD	7.1	470,375	5.6	428,455
iShares MSCI World	9.3	617,421	8.8	679,423
iShares MSCI Wo Mi USD	5.7	376,706	—	—
3.25 US Treasury Notes 24	6.2	415,089	—	—

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
UK equities	541,216	573,193
Overseas equities	3,758,265	4,916,999
Fixed interest	2,140,222	2,001,221
Alternative investments	222,864	208,701
	6,662,567	7,700,114

9 Debtors

	2022 £	2021 £
Prepayments and accrued income	5,169	—

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	6,150	8,750

Notes to the accounts Year to 31 December 2022

11 Restricted funds

The income funds of the charity included restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes.

	At 1 January 2022 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2022 £
Brooklyn House fund	—	—	—	—	—

	At 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2021 £
Brooklyn House fund	127,600	25,507	(153,107)	—	—

◆ *Brooklyn House fund*

These funds represented monies given by the International Congregation to be used to finance the refurbishment of Brooklyn House by the UK Province.

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2022 £
Fund balances at 31 December 2022			
are represented by:			
Fixed asset investments	6,662,567	—	6,662,567
Net current assets	1,146,244	—	1,146,244
Total net assets	7,808,811	—	7,808,811
Unrealised gains included above			
On investment assets	533,719	—	533,719
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2022	1,090,074	—	1,090,074
Less: in respect to disposals in the year	(147,650)	—	(147,650)
Net (losses) gains on revaluation in the year	(408,705)	—	(408,705)
Unrealised gains at 31 December 2022	533,719	—	533,719

12 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:			
Fixed asset investments	7,700,114	—	7,700,114
Net current assets	719,649	—	719,649
Total net assets	<u>8,419,763</u>	<u>—</u>	<u>8,419,763</u>
Unrealised gains included above			
On investment assets	<u>1,090,074</u>	<u>—</u>	<u>1,090,074</u>
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2021	821,133	—	821,133
Less: in respect to disposals in the year	(120,613)	—	(120,613)
Net gains on revaluations in the year	<u>389,554</u>	<u>—</u>	<u>389,554</u>
Unrealised gains at 31 December 2021	<u>1,090,074</u>	<u>—</u>	<u>1,090,074</u>

13 Transactions with connected and related parties

In the year to 31 December 2022 total income amounted to £215,675 (2021: £2,374,015), which included £nil (2021: £25,507) donated from the Taiwan Province of the Congregation towards Brooklyn House, £nil (2021: £2,142,548) donated from the Irish Province of the Congregation and £nil (2021: £25,327) donated from the Generalate of the Congregation.

In the same period total expenditure amounted to £288,936 (2021: £689,014), which includes grants of £173,910 (2021: £149,889) to support the work of the Congregation in Rome, the Philippines and Myanmar, £18,500 (2021: £nil) to the Ireland Province for the purchase of display cabinets, and £nil (2021: £448,867) to the UK Province to support their renovation of Brooklyn House.

Two of the charity's trustees are trustees also of the charity which administers the net assets of the UK Province – the Congregation of Our Lady of the Missions CIO (Charity Registration No. 1189330).

There were no other transactions with connected or related parties during the year (2021 – none).

14 Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Euphrasie Barbier Mission CIO

England & Wales - Charity number 1163766

Accounts

**Sisters of Our Lady of the
Missions CIO**

Annual Report and Accounts

31 December 2021

Charity Registration Number
1163766

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Reference and administration details of the charity, its trustees and advisers

Trustees	Sister Josephine Kane Sister Margo Murphy Sister Lissy Sebastian Inno van den Berg Derek Wilson
Registered address	108 Spencer Road London HA3 7AR
Correspondence address	Via di Bravetta 628 00164 Roma Italy
Telephone	+39 333 248 7864
Charity registration number	1163766
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Victoria Private Investment Office 28 Charles Street London W1J 5EN Citi Private Bank Citigroup Centre 33 Canada Square London E14 5LP
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG

Report of the trustees Year to 31 December 2021

The trustees present their report together with the accounts of the Sisters of Our Lady of the Missions CIO (the “charity”) for the year to 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 21 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Sisters of Our Lady of the Missions CIO was established on 29 September 2015 as a charity to separate the restricted “grant making funds” of the Charity for Roman Catholic Purposes Administered in Connection with the Congregation of Our Lady of the Missions (Charity Registration Number 233599) into a separate charity, with separate trustees directly focused on the grant making activities the funds are segregated for.

The charity is governed by a Constitution dated 29 September 2015 and is registered with the Charity Commission, Charity Registration No. 1163766.

Principal activities and aims

The principal aims of the charity are to help support the special aims of the Sisters of the Congregation of Our Lady of the Missions (“the Congregation”, also known as Religieuses de Notre Dame des Missions or RNDM) to extend the Kingdom of God chiefly through the work of Christian education, pastoral care and development of the human person. The particular focus is women and children, especially those who are marginalised by poverty, ill health, unjust social structures and a lack of opportunity to sustain themselves. This has led the Sisters to become involved in health care projects, setting up schools and orphanages and basically responding to the needs of their situation. The project work is always dictated by the needs of local communities.

Our RNDM sisters find mission in many areas but they are broadly defined under education, health care, social development and pastoral work. The essence of the charity is to help the sisters of RNDM continue in their mission and also to help the charism of our foundress Euphrasie Barbier and their communities to continue and thrive.

Today, the Sisters live and work in 21 different countries from the UK and Ireland to New Zealand, India, Myanmar, Vietnam, Bangladesh, South Sudan and Kenya, with many other countries as well. Thanks to the lives and work of the early missionary Sisters, the Sisters are blessed with young, dynamic women from these countries who have become Sisters of Our Lady of the Missions and continue to work among their own people. The aims of the charity are to provide solidarity funding for the Sisters of the Congregation of Our Lady of the Missions, to help finance scholarships for the future education of the Sisters, and to help maintain the charism of the Congregation across its international reach.

Governance, structure and management

Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

The Leader of the Congregation appoints the trustees for a period of three years. At any one time, there must be a minimum of three trustees.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees' responsibilities statement

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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended 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);
- ◆ 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Structure and management reporting (continued)

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

Key management personnel

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

The trustees receive no remuneration in respect of their duties.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. 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 charity, they have established effective systems to mitigate those risks.

The trustees continue to review and update the risks as well as the documents and procedures in place. This process is deemed particularly important during the current Covid-19 pandemic.

The trustees believe that the charity's principal risk will arise from the fact that it donates significant sums in support of the wider Congregation. The vast majority of 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 will 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 full written report of how the monies have been utilised and applied is obtained from the recipient.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in 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 regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. During the Covid-19 pandemic, the trustees continued to communicate with the charity's investment managers and, whilst there remain concerns over the volatility in world stock markets, the trustees acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Activities and performance

In the year 2021 the trustees approved grants for Sisters' living, formation and international missioning in Kenya, India, Myanmar and the Philippines. The CIO also made a grant to the province of France in support of the hospitality ministry of *Abbaye de St Rambert*. Additionally, the grants approved in September 2020 for the preservation works of the Congregation heritage site in the United Kingdom were paid in this financial year.

RNDM Region – Philippines

The Congregation has been present in the Philippines for the past thirty-two years and the primary mission in this country is among the indigenous communities in Mindanao. The Congregation has a long history of international missioning of members across the world. Philippines being the only Christian country in Asia, the Congregation sends members from other parts of Asia for formation and academic study, particularly for Christian religious studies. Movement of members internationally involves additional costs such as visas, residency permits, language learning, mission orientation programs as well as various living costs. A grant of US\$15,000 (fifteen thousand dollars) was sent to the Philippines in 2021.

The Congregation has an International Formation Centre in Davao City, Mindanao. This is a centre for formation of our younger members who are accepted to perpetual profession in the Congregation. Annually, the centre organises a six months formation program. In the year 2021 there were 20 younger members from five different countries participating in this program. At the end of the training they were missioned to Bangladesh, India, Myanmar, Philippines, Senegal, Kenya, France and Peru. A grant of US\$24,000 (twenty four thousand dollars) was given to Davao international Formation Centre towards travel, visas, course fees and board and lodging.

RNDM – Myanmar

The military coup that started in February 2021 has made the life of the Burmese people unbearable. The Congregation has 75 members of Burmese nationality and they live and work among the many rural communities in the country. The only primary school that the Congregation owned was closed down for the whole academic year. The country continues to suffer under prolonged military regime as people have lost their freedom and livelihood. While all our missionary activities were suspended, the Sisters continue to reach out to as many people as possible, sharing food and other essentials.

A grant of US\$60,000 (sixty thousand dollars) was given to Myanmar for the living costs, formation and medical needs of the Sisters. They continue to reach out and care for the local communities wherever they are present.

Activities and performance (continued)

RNDM Region – India

The trustees approved a one-time grant of US\$60,000 (sixty thousand dollars) to the province of south India in this financial year. The province has 70 RNDM Sisters living and working in the southern states of Karnataka, Kerala and Tamil Nadu and the main ministries are formal and informal education, women's empowerment programs and pastoral care. This province also hosts an initial formation centre where young women joining the Congregation in India undergo training for religious missionary life.

The province generally manages its financial needs from the income generated from its institutions. The Covid-19 pandemic affected the financial sustainability of the province as institutions were shut down for a prolonged period. The grant helps to support the living costs, formation and missionary movements of the province.

L'Abbaye, St Rambert–en-Bugey, France

As predicted in the future plans of the year 2020, the ministry at L'Abbaye de St Rambert needed financial support to meet the shortfall of 2021. On account of the pandemic the hospitality and formation ministries carried out at this centre could not receive many groups. This created a serious reduction of the income generated to cover the cost of running the centre including wages, stipends, and upkeep.

A grant of €40,000 (forty thousand euros) was given to the province of France to help meet the running cost of the Abbaye.

Heritage Site - Sturry, England

The Congregation has a very significant heritage site in Sturry, England where Euphrasie Barbier, our foundress, is buried. Over the years it has become a sacred place of spiritual pilgrimage to members of the Congregation as well as our past pupils, benefactors and mission partners.

A grant of £ 448,867 (four hundred and forty eight thousand eight hundred and sixty seven pounds) was given to this project.

Future plans

Going forward, the trustees foresee that the usual grants made available to the Sisters in Myanmar, Philippines, Latin America and Kenya will need to be continued in the medium term, particularly for international missioning, Sisters' living and formation needs.

The Congregation Leadership Team organises regular meetings of unit leaders to review and refocus the vision and mission of the Congregation. There will be such meetings in the coming years. Finances for this will be sourced from the CIO.

An Annual Spiritual Renewal program for Sisters who have been in missions for 25 or more years will be continued. These programs offer the Sisters an opportunity to renew their commitment for service to humanity wherever they are missioned.

Future plans (continued)

There is a plan to have a conference of all Sisters who are involved in socio-pastoral ministries in developing countries to provide them with better skills and training.

Preservation of Heritage Sites in France and England

As in other Congregations, the Sisters of Our Lady of the Missions experience a general decline of membership and missionary activities in the 'global north' while the most significant heritage sites are present in this part of the world. The Congregation has plans to preserve the two major heritage sites – the place of our foundation in Lyon, France and the resting place of our Foundress Euphrasie Barbier in Sturry, England - for future generations of Sisters. It is foreseen that these centres will present an annual budget and grant request to the CIO, starting in 2023.

“Care of our Common Home” projects

The Congregation has a clear commitment to work towards environmental healing and restoration. Our Sisters around the world are already engaged in actions that help the healing of the planet in the context where they live and work. A chosen collective action is to plant 500,000 (five hundred thousand) trees between 2022 and 2026. Trustees support this vision and they will be open to give grants to this worthy project.

Financial report for the year

Income and expenditure

In the year to 31 December 2021 total income amounted to £2,374,015 (2020 – £276,158), which included £2,142,548 donated by the Irish Province of the Congregation (2020 - £nil).

Total expenditure amounted to £689,014 (2020 – £338,182), which includes grants of £598,756 (2020 – £256,907) to support the work of the Congregation in the UK, the Philippines, Kenya, St Rambert and Myanmar.

The net income for the period before investment gains was £1,685,001 (2020 – net expenditure of £62,024). Investment gains totalled £404,279 (2020 –£125,385). As a consequence, there was a net increase in funds (or net income) in the period of £2,089,280 (2020 – £63,361).

Investment policy

The investments are expected to conform with a balanced global portfolio with a reporting currency to the trustees in American dollars though understanding that the auditing and reporting to the Charity Commission will be in pounds sterling.

The instructions given to the charity's investment managers are to generate approximately 4% over an investment cycle and to always have enough available cash to cover a year's grant making activity as well as the ability to cover unexpected requirements.

Financial report for the year (continued)

Investment policy (continued)

There is an expectation that the investment managers will not generally invest in investment products that do not align themselves with the Catholic ethos.

Investment markets were very positive for 2021, despite worrying headwinds that have begun to build up after the euphoria of the end of lockdown and the effects of the substantial fiscal stimulus governments were required to use to support people through the enforced closing down of the economies.

Inflation remains one of the key metrics we need to be concerned about. If the rate of inflation begins to rise sharply the main tool in the central bank's box to dampen it is to raise interest rates. Higher interest rates would put significant pressure both on domestic household spending but also on government balance sheets as they have had to raise so much debt to pay for the Covid pandemic. Either way neither can easily afford to pay higher interest rate costs.

The central banks are suggested that this spike in inflation was only a phase and that these factors will begin to subside. This has clearly not happened as the escalation of events between Russia and the Ukraine has obviously led to significant spike in energy prices, as Russia weaponised gas prices. Inflation has been driven higher by supply factors rather than demand though we are now seeing wage inflation pick up which "bakes in" these inflationary moves.

2022 has been very challenging for investment markets with few investment assets to hide in. Both fixed interest and equity markets have seen significant falls which has been exasperated by the strengthening of the US\$ against most currencies.

The investments are set for the long term and liquidity remains in place to meet the grant requirement of the charity, taking some timing risk out of the equation. Long term the portfolio remains well placed to continue to meet its required returns.

Reserves policy

The charity was only established within the past ten years, it is not possible to project its level and pattern of future expenditure with accuracy at the present time. The situation will become clearer as the years pass. In the meantime, 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 appropriate in the exceptional circumstances created by both the Covid-19 pandemic and the more recent geopolitical tensions. In addition, it is important for the charity to have sufficient reserves to enable it to respond to an urgent need in any province/region or to provide immediate financial assistance as necessary. The trustees will review this policy as time passes and the level and pattern of expenditure evolves.

Report of the trustees Year to 31 December 2021

Financial report for the year (continued)

Financial position

The balance sheet shows total funds of £8.42 million at 31 December 2021 (2020 – £6.33 million).

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. These amounted to £8.42 million at 31 December 2021 (2020 – £6.20 million) and, in the light of the charity's commitment to support the Congregation for the long term, they are deemed adequate but not excessive.

Signed on behalf of the trustees

Josephine Kane

Trustee

Approved by the trustees on: 6 October 2022

Statement of financial activities Year to 31 December 2021

Independent auditor's report to the trustees of the Sisters of Our Lady of the Missions CIO

Opinion

We have audited the accounts of the Sisters of Our Lady of the Missions CIO (the 'charity') for the year ended 31 December 2021 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 2021 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.

Statement of financial activities Year to 31 December 2021

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' annual 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.

Statement of financial activities Year to 31 December 2021

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:

- ◆ 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 management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ 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 relevant Financial Reporting Standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

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 management and representatives from 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.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

Statement of financial activities Year to 31 December 2021

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

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 trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 144 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

11 October 2022

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 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from:							
Donations	1	2,167,875	25,507	2,193,382	—	190,228	190,228
Investments and interest receivable	2	62,755	—	62,755	76,259	—	76,259
Gains on currency conversion		117,878	—	117,878	8,689	—	8,689
Other sources		—	—	—	982	—	982
Total income		2,348,508	25,507	2,374,015	85,930	190,228	276,158
Expenditure on:							
Raising funds							
. Investment management fees		74,720	—	74,720	68,099	—	68,099
Charitable activities							
. Grants, donations and support of missionary work and ministry	3	445,649	153,107	598,756	194,279	62,628	256,907
. Administrative expenses	4	15,538	—	15,538	13,176	—	13,176
Total expenditure		535,907	153,107	689,014	275,554	62,628	338,182
Net income (expenditure) before gains on investments	5	1,812,601	(127,600)	1,685,001	(189,624)	127,600	(62,024)
Net gains on investments		404,279	—	404,279	125,385	—	125,385
Net income (expenditure) and net movement in funds		2,216,880	(127,600)	2,089,280	(64,239)	127,600	63,361
Reconciliation of funds:							
Fund balances brought forward at 1 January 2021		6,202,883	127,600	6,330,483	6,267,122	—	6,267,122
Fund balances carried forward at 31 December 2021		8,419,763	—	8,419,763	6,202,883	127,600	6,330,483

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

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

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	8		7,700,114		5,139,744
Current assets					
Debtors	9	—		4,283	
Cash held by investment managers		728,399		1,195,206	
		728,399		1,199,489	
Current liabilities					
Creditors: amounts falling due within one year	10	(8,750)		(8,750)	
Net current assets			719,649		1,190,739
Total net assets			8,419,763		6,330,483
Represented by:					
The income funds of the charity					
Unrestricted funds			8,419,763		6,202,883
Restricted funds	11		—		127,600
			8,419,763		6,330,483

Approved by the trustees and signed on their behalf by:

Josephine Kane

Trustee

Approved by the trustees on: 6 October 2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	1,508,651	(146,630)
Cash flows from investing activities			
Investment income and interest received		62,755	76,259
Payments to acquire investments		(2,797,200)	(939,201)
Receipts from disposals of investments		641,109	780,404
Net cash used in investing activities		(2,093,336)	(82,538)
Change in cash and cash equivalents in the period		(584,685)	(229,168)
Cash and cash equivalents at 1 January 2021	B	1,195,206	1,415,685
Change in cash and cash equivalents due to exchange rate movements		117,878	8,689
Cash and cash equivalents at 31 December 2021	B	728,399	1,195,206

Notes to the statement of cash flows for the year to 31 December 2021

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	2,089,280	63,361
Adjustments:		
Gains on investments	(404,279)	(125,385)
Exchange rate movements on investments and cash	(117,878)	(8,689)
Investment income and interest receivable	(62,755)	(76,259)
Decrease in debtors	4,283	342
Net cash provided by (used in) operating activities	1,508,651	(146,630)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: Cash held by investment managers	728,399	1,195,206

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).

Principal accounting policies Year to 31 December 2021

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 2021, with comparatives for the year to 31 December 2020.

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.

Other than the allocation of governance and support costs between the various categories of expenditure, the key area of judgement is estimating future income and expenditure flows for the purpose of assessing going concern (see below and note 8).

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 at least one year from the date of approval of these accounts.

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Along with many other charities, the trustees are continuing to reflect as new needs become clearer and on how the Sisters are able to respond to those needs.

Principal accounting policies Year to 31 December 2021

Assessment of going concern (continued)

The charity's income may continue to be affected because of the volatility in world stock markets arising from the impact of the pandemic and, more recently, geopolitical events. In terms of expenditure, it is anticipated that grant making may be affected as needs become more evident. The trustees will continue to keep both income and expenditure under review.

The trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

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, investment income from listed investments and interest receivable.

Donations, including contributions receivable from the Province and 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.

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 2021

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 apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity i.e. the support of the Congregational Leadership Team and international meetings/administration and the support of missionary work and ministry.

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.

Principal accounting policies Year to 31 December 2021

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 held by investment managers

Cash held by investment managers is classified as a current asset as it is used to fund the ongoing expenditure of the charity.

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.

Principal accounting policies Year to 31 December 2021

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 Congregation.

Notes to the accounts Year to 31 December 2021

1 Income from: Donations

	Un-restricted funds £	Restricted funds £	2021 £	Un-restricted funds £	Restricted funds £	2020 £
Donation from the Australian Province of the Congregation	—	—	—	—	54,679	54,679
Donation from the New Zealand Province of the Congregation	—	—	—	—	128,065	128,065
Donation from the Taiwan Province of the Congregation towards the refurbishment of Brooklyn House, UK	—	25,507	25,507	—	—	—
Donation from Irish Province of the Congregation	2,142,548	—	2,142,548	—	—	—
Donation from the Generalate of the Congregation in Rome	25,327	—	25,327	—	—	—
Other donations	—	—	—	—	7,484	7,484
Total funds	2,167,875	25,507	2,193,382	—	190,228	190,228

2 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2021 £	Un-restricted funds £	Restricted funds £	2020 £
Income from listed investments	62,755	—	62,755	71,256	—	71,256
Interest receivable	—	—	—	5,003	—	5,003
Total funds	62,755	—	62,755	76,259	—	76,259

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

	Un-restricted funds £	Restricted funds £	2021 £	Un-restricted funds £	Restricted funds £	2020 £
Contribution to the Generalate of the Congregation	—	—	—	72,038	—	72,038
RNDM Renewal Programme	—	448,867	448,867	—	62,628	62,628
Emergency Response Mission 2021	—	—	—	8,907	—	8,907
Support of missionary work and ministry of the Congregation in:						
. Kenya	—	—	—	23,330	—	23,330
. Myanmar	44,004	—	44,004	31,876	—	31,876
. India	42,857	—	42,857	—	—	—
. St Rambert	35,021	—	35,021	—	—	—
. Davos - Switzerland	17,099	—	17,099	—	—	—
. The Philippines	10,908	—	10,908	58,128	—	58,128
	149,889	448,867	598,756	194,279	62,628	256,907
Allocated support and governance costs (note 4)	15,538	—	15,538	13,176	—	13,176
	165,427	448,867	614,294	207,455	62,628	270,083

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

Notes to the accounts Year to 31 December 2021

4 Support and governance costs

	Un-restricted funds £	Restricted funds £	2021 £	Un-restricted funds £	Restricted funds £	2020 £
Office and administrative costs	2,888	—	2,888	626	—	626
Governance costs – Auditor’s remuneration						
· Current year	7,500	—	7,500	7,550	—	7,550
Other professional fees	5,150	—	5,150	5,000	—	5,000
Total funds	15,538	—	15,538	13,176	—	13,176

5 Net income (expenditure) before gains on investments

This is stated after charging:

	2021 £	2020 £
Auditor’s remuneration (including VAT)	7,500	7,550

6 Staff costs and remuneration of key management personnel

The charity did not employ any staff in either financial period.

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 have received no remuneration or reimbursement of expenses in connection with their duties as trustees in either financial period.

7 Taxation

Sisters of Our Lady of the Missions 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.

8 Investments

	2021 £	2020 £
Listed investments		
At 1 January 2021	5,139,744	4,855,562
Additions at cost	2,797,200	939,201
Disposals at book value (proceeds: £641,109; gains: £14,725)	(626,384)	(852,926)
Unrealised gains on revaluation	389,554	197,907
Market value at 31 December 2021	7,700,114	5,139,744
Cost of listed investments at 31 December 2021	6,610,040	4,318,611

Notes to the accounts Year to 31 December 2021

8 Investments (continued)

At 31 December 2021, 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:

Investment	2021		2020	
	Percentage of portfolio %	Market value £	Percentage of portfolio %	Market value £
SPDR S&P US Div USD	8.8	679,423	6.8	347,357
iShares MSCI World	5.6	428,455	10.9	559,491
iShares MSCI Wo Mi USD	—	—	6.2	319,931
iShares US TIPS USD-Ac	—	—	6.1	315,240
iShares Euro Div EUR	—	—	5.5	282,850
iShares Edg Mom EUR-Ac	—	—	6.2	317,991
HF CFM LTD CLASS A R	—	—	5.1	260,233

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
UK equities	573,193	140,285
Overseas equities	4,916,999	3,203,392
Fixed interest	2,001,221	1,579,682
Alternative investments	208,701	216,385
	7,700,114	5,139,744

9 Debtors

	2021 £	2020 £
Prepayments and accrued income	—	4,283

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	8,750	8,750

Notes to the accounts Year to 31 December 2021

11 Restricted funds

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

	At 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2021 £
Brooklyn House fund	127,600	25,507	(153,107)	—	—

	At 1 January 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2020 £
Brooklyn House fund	—	190,228	(62,628)	—	127,600

◆ *Brooklyn House fund*

These funds represented monies given by the International Congregation to be used to finance the refurbishment of Brooklyn House by the UK Province.

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2021 are represented by:			
Fixed asset investments	7,700,114	—	7,700,114
Net current assets	719,649	—	719,649
Total net assets	8,419,763	—	8,419,763
Unrealised gains included above			
On investment assets	1,090,074	—	1,090,074
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2021	821,133	—	821,133
Less: in respect to disposals in the year	(120,613)	—	(120,613)
Net gains on revaluations in the year	389,554	—	389,554
Unrealised gains at 31 December 2021	1,090,074	—	1,090,074

12 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020			
are represented by:			
Fixed asset investments	5,139,744	—	5,139,744
Net current assets	1,063,139	127,600	1,190,739
Total net assets	<u>6,202,883</u>	<u>127,600</u>	<u>6,330,483</u>
Unrealised gains included above			
On investment assets	<u>821,133</u>	<u>—</u>	<u>821,133</u>
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2020	742,660	—	742,660
Add: in respect to disposals in the year	(119,434)	—	(119,434)
Net gains on revaluations in the year	<u>197,907</u>	<u>—</u>	<u>197,907</u>
Unrealised gains at 31 December 2020	<u>821,133</u>	<u>—</u>	<u>821,133</u>

13 Transactions with related parties

In the year to 31 December 2021 total income amounted to £2,256,137 (2020: £267,469), which included £25,507 (2020: £nil) donated from the Taiwan Province of the Congregation towards Brooklyn House, £2,142,548 (2020: £nil) donated from the Irish Province of the Congregation, £25,327 (2020: £nil) donated from the Generalate of the Congregation and £nil donated from the Australian and New Zealand Provinces of the Congregation (2020: £54,679 and £128,065 respectively).

In the same period total expenditure amounted to £689,014 (2020: £338,182), which includes grants of £448,867 (2020: £62,628) to the UK Province to support their renovation of Brooklyn House and £149,889 (2020: £113,334) to support the work of the Congregation in St Rambert, the Philippines and Myanmar.

14 Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Euphrasie Barbier Mission CIO

England & Wales - Charity number 1163766

Accounts

**Sisters of Our Lady of the
Missions CIO**

Annual Report and Accounts

31 December 2020

Charity Registration Number
1163766

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Reference and administration details of the charity, its trustees and advisers

Trustees	Sister Josephine Kane Sister Margo Murphy Sister Lissy Sebastian Inno van den Berg Derek Wilson
Registered address	108 Spencer Road London HA3 7AR
Correspondence address	Via di Bravetta 628 00164 Roma Italy
Telephone	+39 333 248 7864
Charity registration number	1163766
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Victoria Private Investment Office 28 Charles Street London W1J 5EN Citi Private Bank Citigroup Centre 33 Canada Square London E14 5LP
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Report of the trustees Year to 31 December 2020

The trustees present their report together with the accounts of the Sisters of Our Lady of the Missions CIO (the “charity”) for the year to 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 21 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

Introduction

The Sister of Our Lady of the Missions CIO was established on 29 September 2015 as a charity to separate the restricted “grant making funds” of the Charity for Roman Catholic Purposes Administered in Connection with the Congregation of Our Lady of the Missions (Charity Registration Number 233599) into a separate charity, with separate trustees directly focused on the grant making activities the funds are segregated for.

The charity is governed by a Constitution dated 29 September 2015 and is registered with the Charity Commission, Charity Registration No. 1163766.

Principal activities and aims

The principal aims of the charity are to help support the special aims of the Sisters of the Congregation of Our Lady of the Missions (“the Congregation”, also known as Religieuses de Notre Dame des Missions or RNDM) to extend the Kingdom of God chiefly through the work of Christian education, pastoral care and development of the human person. The particular focus is women and children, especially those who are marginalised by poverty, ill health, unjust social structures and a lack of opportunity to sustain themselves. This has led the Sisters to become involved in health care projects, setting up schools and orphanages and basically responding to the needs of their situation. The project work is always dictated by the needs of local communities.

Our RNDM sisters find mission in many areas but they are broadly defined under education, health care, social development and pastoral work. The essence of the charity is to help the sisters of RNDM continue in their mission and also to help the charism of our foundress Euphrasie Barbier and their communities to continue and thrive.

Today, the Sisters live and work in 21 different countries from the UK and Ireland to New Zealand, India, Myanmar, Vietnam, Bangladesh, South Sudan and Kenya, with many other countries as well. Thanks to the lives and work of the early missionary Sisters, the Sisters are blessed with young, dynamic women from these countries who have become Sisters of Our Lady of the Missions and continue to work among their own people. The aims of the charity are to provide solidarity funding for the Sisters of the Congregation of Our Lady of the Missions, to help finance scholarships for the future education of the Sisters, and to help maintain the charism of the Congregation across its international reach.

Governance, structure and management

Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance

The Leader of the Congregation appoints the trustees for a period of three years. At any one time, there must be a minimum of three trustees.

The names of the trustees who served during the period are set out as part of the reference and administration details on page 1 of this report and accounts. Except where stated, all trustees were appointed on the date of incorporation and served throughout the period.

Trustees' responsibilities statement

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 these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended 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);
- ◆ 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Governance, structure and management (continued)

Structure and management reporting (continued)

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

Key management personnel

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

The trustees receive no remuneration in respect of their duties.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. 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 charity, they have established effective systems to mitigate those risks.

The outbreak of the Covid-19 pandemic has clearly presented the trustees with challenges and threats to the well-being of the charity and its activities which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity and the Sisters.

The trustees continue to review and update the risks as well as the documents and procedures in place. This process is deemed particularly important during the current Covid-19 pandemic.

The trustees believe that the charity's principal risk will arise from the fact that it donates significant sums in support of the wider Congregation. The vast majority of 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 will 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 full written report of how the monies have been utilised and applied is obtained from the recipient.

The charity's principal asset comprises listed investments, the value of which is dependent on movements in 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 regularly with the investment managers and the managers' performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. During the current Covid-19 pandemic, the trustees continue to communicate with the charity's investment managers and, whilst there are concerns over the volatility in world stock markets, the trustees acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Activities and performance

2020 saw the trustees agree total grants of £256,907 for the year, which was approximately 4% of the value of the charity assets. As outlined in our report last year under “future plans” the trustees reviewed applications for grants in relation to formation and scholarship costs, solidarity grants and a grant for the renewal courses.

Congregation Chapter 2020

Sisters of Our Lady of the Missions are bound by Canon Law to hold a Congregation Chapter every six years. While in session, it is the highest legislative body of the Congregation. The delegates to the Congregation Chapter are selected through a democratic process of election done in all units across the Congregation. The number of delegates is determined by the number of members in each unit.

The Congregation Chapter 2020 took place at the Salesian Retreat House, Hua Hin in Thailand from 18 January to 15 February. There were 55 voting members who deliberated on the mission of the Congregation and set new priorities and directions for the next six years. The priorities for mission include a serious commitment to address the climate crisis and care for our planet earth. The Congregation also renewed its commitment to be in solidarity with, and work with, the most vulnerable peoples of the world, particularly women, children, indigenous people and victims of human trafficking. A new central leadership team of five members was elected at the Chapter and given the mandate to lead the implementation of the Chapter directions for the next six years.

A grant of €80,000 (£72,038) was given to the Generalate to help meet the cost of this international gathering.

RNDM Region – Philippines

A grant was again made to the Philippines. Our Congregation has been present in the Philippines since 1987. At the request of Archbishop Philip Smith of Cotabato, Mindanao, the Congregation established a foundation in his diocese to work among an indigenous group called the Dulangan Menubo. The missionary involvements include adult education in remote villages, rural health work, supporting rural farmers, training of farmers, skills development and livelihood projects as well as a dormitory for young girls to enable them to attend school.

The second foundation in the city of Cotabato houses the Congregation’s formation program where young women undergo training to be future missionaries. Cotabato is a city of great cultural and religious diversity. Our sisters are involved in interreligious dialogue and peace building activities.

The sisters in Manila are involved in many socially engaging ministries. They work among the urban poor, with street children and are involved in a micro-finance program for women from the slum areas in the city. The Manila community is also a house of administration and accommodation for RNDM sisters from other countries, particularly from Bangladesh, India, Myanmar and Vietnam who undergo professional training in the fields of theology, social work, spirituality and counselling.

Activities and performance (continued)

RNDM Region – Philippines (continued)

The CIO has made a grant to help support the financial needs of the Congregation in the Philippines. The region is not financially self-sufficient as most of the sisters are foreigners and their work is voluntary. Additionally, there are costs related to international home leave, immigration, visa renewals and health care. The Philippines, being a Christian country that has good educational institutions, is an ideal location for many Sisters to study. A grant of US \$63,000 (£50,237) was transferred to the Philippines in 2020 to cover the living costs, international missioning and formation costs of the Sisters in that region.

An additional grant of US\$10,000 (£7,891) was given to the international formation centre in Davao in the Philippines as partial payment for the cost of the formation program.

RNDM – Kenya

A grant of US\$30,000 (£23,330) was made to the Kenya province. The Congregation has about 30 sisters in Kenya which include members from other parts of the Congregation who offer their services voluntarily. We work among the urban poor in parishes, teach in village schools and help in health and nutrition programs as well as giving care and support services such as physiotherapy, education, skills training to children and young adults who are physically challenged and some who suffer from epilepsy. The pandemic has affected all the missionary activities in the province while the opportunity to find income through ministries has been reduced.

The grant supported international missionary needs such as home leave, health insurance, spiritual formation and ongoing formation costs within the province. As the province grows, there are plans to improve the facilities for the Sisters, both for the novitiate and for medical centres.

RNDM – Myanmar

The Congregation in Myanmar has seventy five members who are engaged in many vital ministries, caring for the most vulnerable in the missions. Caring for a group of families who are affected by leprosy, preventative actions towards ending human trafficking, care of the orphans and pastoral ministries are among some of the services that the sisters in Myanmar offer to the society.

The Covid-19 pandemic has affected the life of the Sisters and those who are under their care. Most of the sources of income come from donations and gifts. The year 2020 has been a challenging one for the donors as well. A grant of US\$41,000 (£31,876) was given to Myanmar to help cover the living costs, mission activities and formation.

Special donations in time of the pandemic

A grant of €5,000 (£4,454) was given to UISG (Union of International Superiors General) in Rome to help those congregations of Women Religious who struggled to find funds to care for their members during the pandemic. The grant assisted towards food and medical help.

A grant of €5,000 (£4,454) was given to Caritas Italy that organised emergency food supplies to those families and persons affected by Covid-19 around the city of Rome, particularly the migrants, many of whom lost their jobs during the long lockdown period. The donation enabled the organisation to provide food and emergency medical assistance.

Future plans

The charity is expected to make grants after reviewing applications from Sisters and from Provinces that will correspond to its aims and guidelines. A review of how the grants have been used will be reviewed by the trustees as part of their ongoing due diligence.

There is an expectation that grants again will be made in relation to the regions of Latin America, Myanmar, Kenya and the Philippines. The Congregation's charitable activities in these countries continue to face new challenges as the people struggle for lack of basic necessities of life. The CIO will complete the renovation of the heritage site in Sturry, Canterbury in the UK in the coming year.

L'Abbaye, St Rambert, France

As many other establishments around the world, the Congregation's renewal centre in St Rambert, France has not been able to manage its running costs from 2020, owing to the pandemic. The annual revenue comes from hosting groups for spiritual renewal and training groups. This ministry could not continue during the pandemic, but the overhead costs of employment and maintenance continue to be a challenge. There will be a need for financial support for this centre for the next two to three years.

New ministry in USA

The Congregation envisions a new ministry involvement in the city of New York to work in collaboration with LifeWay Network, an NGO that works with victims of human trafficking. Two Sisters are missioned to this new missionary outreach. An annual grant from the CIO will be a source of finances for the life and mission of these Sisters.

Covid-19

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of our social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Along with many other charities the charity is continuing to reflect on what the new needs will be and what position it will be in to respond to those needs.

The charity's income will no doubt continue to be affected because of the volatility in world stock markets and the impact of the pandemic on the corporate sector and the consequent reduction in dividends. In terms of expenditure, the trustees can foresee that grant making and donations may be affected whilst the charity awaits the return of stability to investment markets and the income generated therefrom. 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.

Financial report for the year

Income and expenditure

In the year to 31 December 2020 total income amounted to £276,158 (2019 – £154,392), which included £54,679 donated by the Australian Province of the Congregation (2019 - £42,321) and £128,065 (2019 - £nil) donated from the New Zealand Province of the Congregation.

Financial report for the year (continued)

Income and expenditure (continued)

Total expenditure amounted to £338,182 (2019 – £265,595), which includes grants of £72,038 (2019 – £58,767) towards the RNDM General Council and grants of £175,962 (2019 – £87,462) to support the work of the Congregation in the UK, the Philippines, Kenya and Myanmar.

The net expenditure for the period before investment gains was £62,024 (2019 – net expenditure of £111,203). Investment gains totalled £125,385 (2019 – gains of £498,834). As a consequence, there was a net increase in funds (or net income) in the period of £63,361 (2019 – £387,631).

Investment policy

The investments are expected to conform with a balanced global portfolio with a reporting currency to the trustees in American dollars though understanding that the auditing and reporting to the Charity Commission will be in pounds sterling.

The instructions given to the charity's investment managers are to generate approximately 4% over an investment cycle and to always have enough available cash to cover a year's grant making activity as well as the ability to cover unexpected requirements.

There is an expectation that the investment managers will not generally invest in investment products that do not align themselves with the Catholic ethos.

There was clearly an expectation that 2020 would be a difficult year for investments after Covid struck with force in late March and we saw much of the world go into lockdown. Surprisingly though we witnessed the fastest and shortest "bear market". Markets recovered and the final investment return in £ was only a little behind target, returning +3.22% net of fees. The \$ return was 6.36% net of fees.

The portfolio had suffered a significant drawdown by mid-March but had recovered half of this loss in the next couple of months, though it wasn't until October before we recovered fully this drawdown.

The portfolio benefited towards the end of the year with some rotation towards value stocks from the growth and technology stocks that had dominated investment returns over the previous number of years. This technology outperformance was enhanced by the need to stay at home and the fast adoption of new technologies and ways of working. The performance of Tesla and Zoom really highlighted this.

Over the next few years there is an expectation that the riskier assets in the portfolio, equities, will have to do much of the heavy lifting in terms of returns. In 2020 our fixed income exposures (which include our convertible exposure) returned over 8% in \$ terms. With the continued fiscal stimulus being brought forward, especially after the Democrat win in the US elections, inflation becomes a clear threat and the recent moves in US treasuries shows the potential capital hit to portfolios.

Financial report for the year (continued)

Investment policy (continued)

Our cash weighting has remained high as the planned grants for the next year or so may well be higher than usual, though we are looking to reduce our cash weighting by around 5%.

The first quarter of 2021 has been reasonably positive for investments though there are concerns that markets have travelled a little too far ahead of actual corporate numbers and further evidence of a global economic recovery needs to be seen to drive markets higher.

Reserves policy

The charity was only established in September 2015 and it is not possible to project its level and pattern of future expenditure with accuracy at the present time. The situation will become clearer over the next few years. In the meantime, 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 appropriate in the exceptional circumstances created by the Covid-19 pandemic. In addition, it is important for the charity to have sufficient reserves to enable it to respond to an urgent need in any province/region or to provide immediate financial assistance as necessary. The trustees will review this policy as time passes and the level and pattern of expenditure becomes clearer.

Financial position

The balance sheet shows total funds of £6.33 million at 31 December 2020 (2019 – £6.27 million).

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. These amounted to £6.20 million at 31 December 2020 (2019 – £6.27 million) and, in the light of the charity's infancy and the commitment to support the Congregation for the long term, they are deemed adequate but not excessive.

Signed on behalf of the trustees



Trustee

Approved by the trustees on: 16/07/2021

Independent auditor's report Year to 31 December 2020

Independent auditor's report to the trustees of the Sisters of Our Lady of the Missions CIO

Opinion

We have audited the accounts of the Sisters of Our Lady of the Missions 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.

Independent auditor's report Year to 31 December 2020

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' annual 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.

Independent auditor's report Year to 31 December 2020

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:

- ◆ 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 management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ 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 relevant financial reporting standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

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 management and representatives from 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.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

Independent auditor's report Year to 31 December 2020

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

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 trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 144 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

23 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 £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Income from:							
Donations	1	—	190,228	190,228	42,321	—	42,321
Investments and interest receivable	2	76,259	—	76,259	112,071	—	112,071
Gains on currency conversion		8,689	—	8,689	—	—	—
Other sources		982	—	982	—	—	—
Total income		85,930	190,228	276,158	154,392	—	154,392
Expenditure on:							
Raising funds							
. Investment management fees		68,099	—	68,099	63,456	—	63,456
Charitable activities							
. Grants, donations and support of missionary work and ministry	3	194,279	62,628	256,907	146,229	—	146,229
. Administrative expenses	4	13,176	—	13,176	11,866	—	11,866
. Losses on currency conversion		—	—	—	44,044	—	44,044
Total expenditure		275,554	62,628	338,182	265,595	—	265,595
Net (expenditure) income before gains on investments	5	(189,624)	127,600	(62,024)	(111,203)	—	(111,203)
Net gains on investments		125,385	—	125,385	498,834	—	498,834
Net (expenditure) income		(64,239)	127,600	63,361	387,631	—	387,631
Gross transfers between funds	11	—	—	—	923,822	(923,822)	—
Net movement in funds		(64,239)	127,600	63,361	1,311,453	(923,822)	387,631
Reconciliation of funds:							
Fund balances brought forward at 1 January 2020		6,267,122	—	6,267,122	4,955,669	923,822	5,879,491
Fund balances carried forward at 31 December 2020		6,202,883	127,600	6,330,483	6,267,122	—	6,267,122

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

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

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	8		5,139,744		4,855,562
Current assets					
Debtors	9	4,283		4,625	
Cash held by investment managers		1,195,206		1,415,685	
		<u>1,199,489</u>		<u>1,420,310</u>	
Current liabilities					
Creditors: amounts falling due within one year	10	(8,750)		(8,750)	
Net current assets			<u>1,190,739</u>		<u>1,411,560</u>
Total net assets			<u>6,330,483</u>		<u>6,267,122</u>
Represented by:					
The income funds of the charity					
Unrestricted funds			6,202,883		6,267,122
Restricted funds	11		127,600		—
			<u>6,330,483</u>		<u>6,267,122</u>

Approved by the trustees and signed on their behalf by:

Leopoldine Kane

Trustee

Approved by the trustees on: 16/07/2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	A	(146,630)	(189,681)
Cash flows from investing activities			
Investment income and interest received		76,259	112,071
Payments to acquire investments		(939,201)	(307,294)
Receipts from disposals of investments		780,404	192,400
Net cash used in investing activities		(82,538)	(2,823)
Change in cash and cash equivalents in the period		(229,168)	(192,504)
Cash and cash equivalents at 1 January 2020	B	1,415,685	1,652,233
Change in cash and cash equivalents due to exchange rate movements		8,689	(44,044)
Cash and cash equivalents at 31 December 2020	B	1,195,206	1,415,685

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 £
Net movement in funds (as per the statement of financial activities)	63,361	387,631
Adjustments:		
Gains on investments	(125,385)	(498,834)
Exchange rate movements on investments and cash	(8,689)	44,044
Investment income and interest receivable	(76,259)	(112,071)
Decrease (increase) in debtors	342	(551)
Decrease in creditors	—	(9,900)
Net cash used in operating activities	(146,630)	(189,681)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Total cash and cash equivalents: Cash held by investment managers	1,195,206	1,415,685

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 comparatives for 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.

Other than the allocation of governance and support costs between the various categories of expenditure, the key area of judgement is estimating future income and expenditure flows for the purpose of assessing going concern (see below and note 8).

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.

Since March 2020, the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Along with many other charities, the trustees are continuing to reflect on what the new needs will be and what position the Sisters will be in to respond to those needs.

Principal accounting policies Year to 31 December 2020

Assessment of going concern (continued)

The charity's income will no doubt continue to be affected because of the volatility in world stock markets and the impact of the pandemic on the corporate sector and the consequent reduction in dividends. In terms of expenditure, it is anticipated that grant making may be affected whilst the charity awaits the recovery of investment markets and the income generated therefrom. The trustees will continue to keep both income and expenditure under review.

During the current Covid-19 pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

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, investment income from listed investments and interest receivable.

Donations, including contributions receivable from the Province and 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.

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 apportioned using percentages based on the direct expenditure incurred on each of the activities of the charity i.e. the support of the Congregational Leadership Team and international meetings/administration and the support of missionary work and ministry.

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.

Principal accounting policies Year to 31 December 2020

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 held by investment managers

Cash held by investment managers is classified as a current asset as it is used to fund the ongoing expenditure of the charity.

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.

Principal accounting policies Year to 31 December 2020

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 Congregation.

Notes to the accounts Year to 31 December 2020

1 Income from: Donations

	Un-restricted funds £	Restricted funds £	2020 £	Un-restricted funds £	Restricted funds £	2019 £
Donation from the Australian Province of the Congregation	—	54,679	54,679	42,321	—	42,321
Donation from the New Zealand Province of the Congregation	—	128,065	128,065	—	—	—
Other donations	—	7,484	7,484	—	—	—
Total funds	—	190,228	190,228	42,321	—	42,321

2 Income from: Investments and interest receivable

	Un-restricted funds £	Restricted funds £	2020 £	Un-restricted funds £	Restricted funds £	2019 £
Income from listed investments	71,256	—	71,256	88,185	—	88,185
Interest receivable	5,003	—	5,003	23,886	—	23,886
Total funds	76,259	—	76,259	112,071	—	112,071

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

	Un-restricted funds £	Restricted funds £	2020 £	Un-restricted funds £	Restricted funds £	2019 £
Contribution to the Generalate of the Congregation	72,038	—	72,038	—	—	—
RNDM Renewal Programme	—	62,628	62,628	58,767	—	58,767
Emergency Response Mission 2020	8,907	—	8,907	—	—	—
Support of missionary work and ministry of the Congregation in:						
· The Philippines	58,128	—	58,128	70,436	—	70,436
· Kenya	23,330	—	23,330	9,287	—	9,287
· Myanmar	31,876	—	31,876	7,739	—	7,739
Total funds	194,279	62,628	256,907	146,229	—	146,229

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

Notes to the accounts Year to 31 December 2020

4 Support and governance costs

	Un-restricted funds £	Restricted funds £	2020 £	Un-restricted funds £	Restricted funds £	2019 £
Office and administrative costs	626	—	626	555	—	555
Governance costs – Auditor’s remuneration						
· Current year	7,550	—	7,550	7,500	—	7,500
· Prior year overprovision	—	—	—	(1,189)	—	(1,189)
Other professional fees	5,000	—	5,000	5,000	—	5,000
Total funds	13,176	—	13,176	11,866	—	11,866

5 Net (expenditure) income before gains on investments

This is stated after charging:

	2020 £	2019 £
Auditor’s remuneration (including VAT)	7,550	6,311

6 Staff costs and remuneration of key management personnel

The charity did not employ any staff in either financial period.

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 have received no remuneration or reimbursement of expenses in connection with their duties as trustees in either financial period.

7 Taxation

Sisters of Our Lady of the Missions 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.

8 Investments

	2020 £	2019 £
Listed investments		
At 1 January 2020	4,855,562	4,241,834
Additions at cost	939,201	307,294
Disposals at book value (proceeds: £780,404; losses: £72,522)	(852,926)	(209,381)
Unrealised gains on revaluation	197,907	515,815
Market value at 31 December 2020	5,139,744	4,855,562
Cost of listed investments at 31 December 2020	4,318,611	4,112,902

Notes to the accounts Year to 31 December 2020

8 Investments (continued)

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:

Investment	2020		2019	
	Percentage of portfolio %	Market value £	Percentage of portfolio %	Market value £
SPDR S&P US Div USD	6.8	347,357	7.5	365,435
iShares MSCI World	10.9	559,491	10.4	505,194
iShares MSCI Wo Mi USD	6.2	319,931	6.6	321,878
iShares US TIPS USD-Ac	6.1	315,240	6.1	294,295
iShares Euro Div EUR	5.5	282,850	7.0	338,814
iShares Edg Mom EUR-Ac	6.2	317,991	5.6	271,584
PwSh S&P 500 Lw Vol	—	—	5.8	280,525
HF CFM LTD CLASS A R	5.1	260,233	5.0	243,513

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
UK equities	140,285	136,962
Overseas equities	3,203,392	3,098,195
Fixed interest	1,579,682	1,604,718
Alternative investments	216,385	15,687
	5,139,744	4,855,562

9 Debtors

	2020 £	2019 £
Prepayments and accrued income	4,283	4,625

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	8,750	8,750

Notes to the accounts Year to 31 December 2020

11 Restricted funds

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

	At 1 January 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2020 £
Brooklyn House fund	—	190,228	(62,628)	—	127,600

	At 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2019 £
Latin America and Philippines fund	923,822	—	—	(923,822)	—

◆ *Brooklyn House fund*

These funds represented monies given by the International Congregation to be used to finance the refurbishment of Brooklyn House by the UK Province.

◆ *Latin America and Philippines fund*

These funds represented monies given by the International Congregation to be used to finance the overseas missions of the charity and the broader work of the Congregation in Latin America and the Philippines. The funds have been transferred to unrestricted funds as the International Congregation has confirmed that it now wishes the funds to be applied towards the general purposes of the charity.

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fund balances at 31 December 2020 are represented by:			
Fixed asset investments	5,139,744	—	5,139,744
Net current assets	1,063,139	127,600	1,190,739
Total net assets	6,202,883	127,600	6,330,483
Unrealised gains included above			
On investment assets	821,133	—	821,133
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2020	742,660	—	742,660
Add: in respect to disposals in the year	(119,434)	—	(119,434)
Net gains on revaluations in the year	197,907	—	197,907
Unrealised gains at 31 December 2020	821,133	—	821,133

Notes to the accounts Year to 31 December 2020

12 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted funds £	Total 2019 £
Fund balances at 31 December 2019 are represented by:			
Fixed asset investments	4,855,562	—	4,855,562
Net current assets	1,411,560	—	1,411,560
Total net assets	<u>6,267,122</u>	<u>—</u>	<u>6,267,122</u>
Unrealised gains included above			
On investment assets	<u>742,660</u>	<u>—</u>	<u>742,660</u>
Reconciliation of movement in unrealised gains			
Unrealised gains at 1 January 2019	232,065	47,061	279,126
Add: in respect to disposals in the year	(52,281)	—	(52,281)
Net losses on revaluations in the year	515,815	—	515,815
Transfers between funds (note 11)	47,061	(47,061)	—
Unrealised gains at 31 December 2019	<u>742,660</u>	<u>—</u>	<u>742,660</u>

13 Transactions with related parties

In the year to 31 December 2020 total income amounted to £267,469 (2019 – £154,392), which included £54,679 (2019 – £42,321) donated from the Australian Province of the Congregation and £128,065 (2019 – £nil) donated from the New Zealand Province of the Congregation.

In the same period, total expenditure amounted to £338,182 (2019 – £265,595), which includes grants of £72,038 (2019 – £nil) to the Generalate, £62,628 (2019 – £nil) to the UK Province to support their renovation of Brooklyn House and £113,334 (2019 – £87,462) to support the work of the Congregation in Peru, the Philippines, Kenya and Myanmar.

14 Members' liability

The members of the CIO are those trustees in office for the time being. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.