

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

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.

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	
		<u>728,399</u>		<u>1,199,489</u>	
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			<u>8,419,763</u>		<u>6,330,483</u>
Represented by:					
The income funds of the charity					
Unrestricted funds			8,419,763		6,202,883
Restricted funds	11		—		127,600
			<u>8,419,763</u>		<u>6,330,483</u>

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.

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

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	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

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.