

**The Dominican  
Congregation of Saint  
Catherine of Siena of  
Oakford, Natal CIO**

**Annual Report and Accounts**

31 December 2020

Charity Registration Number  
1165125

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

<b>Trustees</b>	Sister Pauline van der Walt Sister Eileen Airey Sister Margaret Muldoon
<b>Registered Office</b>	C/O Daughters of Charity of St Vincent de Paul Provincial House The Ridgeway Mill Hill London NW7 1RE
<b>Congregational Prioress</b>	Sister Pauline van der Walt
<b>Telephone</b>	020 8959 2257
<b>e-mail</b>	paula-mary@oakfordop.com
<b>Charity Registration Number</b>	1165125
<b>Independent examiner</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 99 High Street Chelmsford Essex CM1 1EQ
<b>Solicitors</b>	Stone King LLP 91 Charterhouse Street London EC1M 6HL
<b>Investment managers</b>	Schroder Unit Trusts Limited 31 Gresham Street London EC2V 7QA

## **Report of the trustees** Year to 31 December 2020

The trustees present their report together with the accounts of The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal CIO (the charity or the CIO) for the year to 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 17 and comply with applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal CIO is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission and governed by a constitution dated 11 January 2016.

### **Principal activities, objectives and aims**

The CIO was set up to continue the work of The Dominican Sisters of the Congregation of Saint Catherine of Siena of Oakford, English Area, and the charity's constitution states its objective to be 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 Congregational Prioress shall from time to time think fit".

The charity aims to support the Sisters and other charitable services carried out by the Sisters/members of the Congregation and to continue to care for those members throughout their lives within the Congregation, and particularly those remaining in England.

The trustees confirm that they have complied with the statutory duty to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

All our Sisters in the UK have now retired from paid work but their stipends and pensions are donated to the charity under Gift Aid or Deed of Covenant.

### **Review of the year, activities and performance**

#### ***The two Oakford Sisters remaining in England***

In January 2020, the life of the most senior of our Sisters in the UK was honoured and her remains interred at the Garden of Peace at St Luke's in Pinner. This left our two remaining senior Sisters at St Vincent's Nursing Home in Eastcote somewhat bewildered as to where their companion was, and their loss and grieving was carried throughout most of the year. In March 2020, the World Health Organisation declared the new Covid-19 virus to have spread and to be a global pandemic, and this had governments and nations scrambling to protect their citizens. The elderly in care and nursing facilities found this hugely challenging as while they were being protected by their carers from the virus, they did not always understand why they could not go out nor have visitors. Our Sisters, and all their companions, became very frustrated by this new reality, and while we met with the Sisters on Skype, they could not understand why we did not come in to visit them personally. Even

when this was explained many times, this was beyond their understanding.

We owe a debt of enormous gratitude to all the front-line workers who attended to the millions of infected, affected and dying during this time.

***The Oakford Sisters now in South Africa***

The three retired Sisters from the UK continue to serve as volunteers in South Africa. The most senior of our Sisters from the UK has been accompanying people searching for spiritual and faith formation, and simply taking time to pray and reflect in our retreat centre. Covid-19 stopped retreatants from attending in person, and this challenged Sister Carol Mouat to learn, explore and find her way around the 'virtual world'. She has now developed online retreats and programmes for people who desire to spend time with God and deepen their relationship with the Creator and to get to know themselves better. Another of our UK retirees, Sister Pru Cooper has responded to the call of those who asked for personal spiritual direction in prayer, and this too is done online with people in different parts of the world ... everyone in their own space, ... at their own computer, ... seeking the Lord.

The third retired Sister from the UK, volunteering in South Africa, is Sister Bernadette Hurley who is ministering in the South African Retirement/Care Home for our Sisters. Once again, a challenging ministry caring for our thirty-two senior Sisters in the pandemic – not one contracted the virus in our facility in Pietermaritzburg. While Sister Bernadette is a trained nurse, she takes special care of the religious and community life of our aging Sisters ensuring that they can live their vowed life till they are called home to the Creator.

***The trustees' work in the CIO***

The trustees met four times during the year 2020: March, August, October and once more in December. All the 2020 CIO meetings were held via Zoom and all trustees were present at these meetings.

The trustees gave attention to their responsibilities in the CIO in terms of:

- ◆ Participating in training for trustees and working as a team.
- ◆ Attending to advice of the independent examiner regarding percentages of allocated funding.
- ◆ Exploring options of investing funds which support global needs, e.g. climate change.
- ◆ Reviewing services of investment companies and transparency.
- ◆ Paying attention to the objectives in the Constitution when responding to requests for financial support of the Oakford Sisters' needs through the religious and charitable work of the Congregation.

The trustees also participated in different meetings and programmes to better understand their roles and responsibilities as trustees:

- ◆ Zoom meeting with a senior member of staff from Catholic Insurance Services regarding the Safeguarding responsibilities within the CIO.
- ◆ Meeting with experts regarding the finances and audit proceedings of the charity and to remain compliant with rules and regulations.
- ◆ Conference of Religious of England and Wales provided a Safeguarding virtual meeting: providing updates to, and matters of, aligning within the Archdiocese of Westminster, London.

## Report of the trustees Year to 31 December 2020

- ♦ Participated in the Charities Annual Public Meeting on YouTube: A great moment of learning in terms of the pre, present and post Covid needs in the public world for our charities.
- Essential Trustee and Governance in Practice: webinar training session by Stone King.
- Safeguarding for Leaders of Congregations: (Archdiocese Westminster; COREW) on Zoom.
- Stone King Trustees Training Webinar – Life beyond Covid-19: Charity Commission and new Trustee challenges in public life.

### Future plans

The trustees recognise that the CIO will continue to care for the remaining Sisters in England; visiting them as often as is possible given the Covid restrictions and virtually if and when possible if hearing and sight allows.

As 2021 is the 100<sup>th</sup> year of the presence of the Oakford Dominican Sisters in England, it is hoped that at least a small, virtual Centenary Celebration of “Thanksgiving” might be possible – subject to the Covid-19 pandemic and restrictions.

The trustees will also continue to promote and work in accordance with *the Object of the CIO in the advancement of the Roman Catholic religion and other charitable work of the Congregation* (Constitutions of the CIO 1165125 no 3 page 2).

The diminishing numbers and age profile of the members of the Congregation suggests that larger projects are not likely to be attempted. Each member will continue to give herself and live the Gospel Values in ways which invite and encourage others to do the same. The resources will be monitored to ensure that the assets, material and spiritual will be for the benefit of those being cared for in their senior years.

The trustees acknowledge with deep gratitude the Provincial Leadership of the Daughters of Charity of St Vincent de Paul in the UK, for once more providing support and guidance from their own experience and expertise. The financial and administrative support of their personnel has been invaluable to the CIO and trustees.

We also thank the Congregations of the Holy Family Sisters of Bordeaux and Bushey Dominicans for allowing their Sisters to serve as trustees. We thank the special Friends of the Charity who are always willing to support the tiny remnant of our Oakford Sisters in the UK. Without all the above-named persons, and so many others, we would not have been able to care for our Sisters as we have done. We thank you and promise you our prayerful support.

## **Financial review for the year**

### ***Results for the year***

The total income for the year was £81,160 (2019 - £262,974) and included £150 (2019 - £146,666 being the surplus on the disposal of the charity's property).

During the year, the charity incurred expenditure of £151,335 (2019 - £210,500). The majority of the expenditure relates to the costs of providing care for the two elderly Sisters in the UK which amounted to £135,112 (2019 - £189,346).

The number of Sisters in the English Area has diminished drastically and during the year there were only two Sisters, aged between 88 and 94 years of age. The charity no longer operates any institutions and there is very little earned income. The two Sisters remaining in England have spent years in Africa and on their return to England either received no pension or only a very small sum and are thus dependent on the charity for support. The Sisters volunteering in South Africa also donate their pensions to the charity to support those dependent on the charity in the UK.

The net expenditure for the year was £109,606 (2019 – net income £115,013) after investment losses of £39,431 (2019 – investment gains £62,539).

### ***Investment policy and performance***

The trustees contact the fund managers, Schroder Unit Trusts Limited, when necessary to ensure that the funds are managed in accordance with the ethical and religious principles of the Congregation. The target set for the funds is to achieve a certain return of both income and capital.

In the year to 31 December 2020 the charity's investments generated an income return of 3.08% (2019 – 3.87%) and a total return (that is after taking account of growth/losses in value) of minus 2.36% (2019 – positive 3.08%). This return was very broadly in line with benchmarks and averages quoted for the charity sector. The trustees' policy of holding investments, which is intended to be conservative and with a lower level of volatility, declining less in falling markets but also rising less in times of growth, will be maintained. The trustees consider the returns generated to be satisfactory.

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

At the end of 2020, the total assets of the charity were £3.8 million (2019 – £3.91 million). Funds of £1 million (2019 - £1 million) have been designated to provide support for the older members of the Area. The Oakford sharing fund stood at £579,372 (2019 - £584,427) and is held primarily to finance Sisters from outside of the UK during visits to England for such matters as formation and sabbaticals. The remaining designated funds comprise £1.8 million (2019 - £1.8 million) to support the Congregation's overseas missions.

## **Report of the trustees Year to 31 December 2020**

The general funds of the charity stood at £419,557 at 31 December 2020 (2019 – £524,108). This is higher than the trustees' policy which is to hold around the equivalent of one year of recurring expenditure as free reserves. It is anticipated that deficits will occur in the next few years due to the increased costs of maintaining elderly Sisters and a re-assessment of financial needs is being undertaken which may result in additional amounts being withdrawn from designated funds. It is also anticipated that due to the Covid-19 virus, investment values may be volatile and the income thereon may diminish in 2021 and 2022.

Details of the funds and their composition are set out in the notes to the accounts.

### **Governance, structure and management**

#### ***Governance***

According to Church Law, the Congregation is governed at an international level by the Congregational Prioress and her Congregational Leadership Team of four Councillors with the Generalate/Headquarters in Johannesburg, South Africa. The leadership team is elected every six years at the General/Congregational Chapter by representatives of the four geographic Areas of the Congregation. One of the Councillors is responsible for the Sisters in England; the other three Councillors each has responsibility for the Sisters in Germany, South Africa and the USA respectively.

In terms of civil law in England the charity is governed by its constitution which is dated 11 January 2016. It is a registered charity – the Charity Registration Number is 1165125. Two of the trustees are members of the Congregation and therefore have a good knowledge of “The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal CIO” charity and its structure.

#### ***Trustees' responsibilities statement***

The trustees are responsible for preparing the report of the trustees 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:



## Report of the trustees Year to 31 December 2020

- ♦ 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 charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments in connection with the charity and its activities and make important decisions. They seek the advice of the charity's professional advisers, including investment managers, accountants, property consultants and solicitors.

### ***Key management personnel***

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

All trustees are members of religious Congregations and they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or their work as key management.

### ***Public benefit***

The trustees have had regard to the guidance on public benefit issued by the Charity Commission.

***Risk management***

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces, categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

The trustees have identified five main areas where risks may occur: governance and management; operational; financial; reputational; and regulatory.

**Governance and Management** looks at the risk of the Congregation, and hence the charity, suffering from a lack of membership and capacity in the area of skills and training, a lack of lack of direction, and good creative use of its resources.

**Operational** looks at the risks inherent in the charity's activities including the members of the Congregation engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, poor health and safety, etc.

**Financial** risks include those arising as a result of global markets falling, poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

**Reputational** looks at possible damage to the Congregation's, and hence the charity's, reputation.

**Regulatory** looks at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment.

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

The key risk for the charity is described below together with the principal ways in which it is mitigated:

- ◆ 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 investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future. Due to the Covid-19 virus, the trustees anticipate that capital values may fluctuate and related income may decrease in 2021 and 2022.

***Fundraising policy***

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. The charity received no complaints about its fundraising activities in either 2020 or 2019.

Signed on behalf of the trustees

Pauline van der Walt

Trustee

Approved by the trustees on: 2 September 2021

## **Independent examiner's report** Year to 31 December 2020

### **Independent examiner's report to the trustees of The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal CIO**

I report to the trustees on my examination of the accounts of The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal CIO (the charity) for the year ended 31 December 2020.

### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts as carried out under section 145 of the Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- ◆ accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- ◆ the accounts do not accord with those records; or
- ◆ the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Amanda Francis, Chartered Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

27 September 2021

## Statement of financial activities Year to 31 December 2020

	Notes	2020 Total funds £	2019 Total funds £
<b>Income:</b>			
Donations	1	<b>46,507</b>	65,690
Investment income and interest receivable	2	<b>34,503</b>	50,618
Surplus on disposal of tangible fixed assets		<b>150</b>	146,666
<b>Total income</b>		<b>81,160</b>	262,974
<b>Expenditure:</b>			
Charitable activities			
. Support of members of the Congregation and their ministry	3	<b>151,335</b>	210,500
<b>Total expenditure</b>		<b>151,335</b>	210,500
<b>Net (expenditure) income for the year before net investment (losses) gains</b>	5	<b>(70,175)</b>	52,474
<b>Net investment (losses) gains</b>	7	<b>(39,431)</b>	62,539
<b>Net movement in funds</b>		<b>(109,606)</b>	115,013
<b>Reconciliation of funds:</b>			
Total funds brought forward at 1 January 2020		<b>3,908,535</b>	3,793,522
Total funds carried forward at 31 December 2020		<b>3,798,929</b>	3,908,535

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

All income and expenditure for the above two financial periods was unrestricted.

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 £
<b>Fixed assets</b>					
Investments	7		685,203		724,634
<b>Current assets</b>					
Cash at bank and in hand		3,139,767		3,212,322	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	8	(26,041)		(28,421)	
<b>Net current assets</b>			3,113,726		3,183,901
<b>Total net assets</b>			3,798,929		3,908,535
<b>Represented by:</b>					
<b>The funds of the charity</b>					
Unrestricted funds					
. General funds			419,557		524,108
. Designated funds	9		3,379,372		3,384,427
			3,798,929		3,908,535

Approved by the trustees  
and signed on their behalf by:

Pauline van der Walt

Trustee

Approved on: 2 September 2021

## Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(107,208)</b>	(146,188)
<b>Cash flows from investing activities:</b>			
Investment income received		<b>34,503</b>	50,618
Proceeds from disposal of tangible fixed assets		<b>150</b>	175,531
<b>Net cash provided by investing activities</b>		<b>34,653</b>	226,149
<b>Change in cash and cash equivalents in the period</b>		<b>(72,555)</b>	79,961
<b>Cash and cash equivalents at 1 January 2020</b>		<b>3,212,322</b>	3,132,361
<b>Cash and cash equivalents at 31 December 2020</b>	B	<b>3,139,767</b>	3,212,322

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

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

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(109,606)</b>	115,013
<b>Adjustments for:</b>		
Losses (gains) on listed investments	<b>39,431</b>	(62,539)
Investment income receivable	<b>(34,503)</b>	(50,618)
Surplus on disposal of tangible fixed assets	<b>(150)</b>	(146,666)
Decrease in debtors	—	662
Decrease in creditors	<b>(2,380)</b>	(2,040)
<b>Net cash used in operating activities</b>	<b>(107,208)</b>	(146,188)

### B Analysis of cash and cash equivalents

	2020 £	2019 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<b>3,139,767</b>	3,212,322

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

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

### **Basis of preparation**

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

The charity was incorporated on 11 January 2016 in England and Wales. The address of the administrative office of The Dominican Sisters of the Congregation of Saint Catherine of Siena of Oakford English Area is Provincial House, The Ridgeway, Mill Hill, London, NW7 1RE.

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

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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

### **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.

The trustees acknowledge and recognise the continuing impact of the Covid-19 pandemic on the charity and have concluded that there may be some negative consequences such as fluctuations in the value of the investment portfolio and reductions in related income. However, the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. With regard to the year ending 31 December 2021, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the report of the trustees for more information).



**Critical accounting estimates and areas of judgement**

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

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

- ◆ estimating the size of the retirement reserve created in order to provide for the continuing care of the members in their retirement and determining other designations; and
- ◆ assessing future income and expenditure flows for the purpose of confirming that the charity is a going concern.

The trustees have assessed the impact of the Covid-19 pandemic on the charity's future income and expenditure flows and on its financial position especially in the light of the performance of investments values (see assessment of going concern above).

**Income recognition**

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

Income comprises donations, investment income and the surplus on the sale of tangible fixed assets.

Donations, including pensions of individual religious received under Gift Aid or deed of covenant, 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.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The surplus on the disposal of tangible fixed assets represents the difference between the disposal proceeds (net of the costs of disposal) and the net book value of the relevant asset immediately prior to disposal. The surplus is recognised at the point when legal title to the asset moves from the charity.

### **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. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include costs in respect to the support of members of the Congregation and enabling their ministry, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

### **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 in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Congregation and enabling their ministry.

### **Fixed asset investments**

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

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) on 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 year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

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

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors**

Creditors 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 accounting**

The funds of the charity comprise unrestricted funds available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds are three designated funds – the retirement fund, the Oakford sharing fund and the overseas missions fund. Details of these funds are provided in note 9.

### **Services provided by members**

For the purpose of these accounts, no monetary value has been placed on administrative and other services provided by members of the Congregation.

## 1 Donations

	2020 Total funds £	2019 Total funds £
Pensions of individual religious received under deed of covenant and gift aid	<b>46,507</b>	65,690

## 2 Investment income and interest receivable

	2020 Total funds £	2019 Total funds £
<b>Income from listed investments</b>		
. Unit trusts	<b>22,347</b>	28,262
<b>Interest received</b>		
. Bank interest	<b>12,156</b>	22,356
	<b>34,503</b>	50,618

## 3 Support of members of the Congregation and their ministry

	2020 Total funds £	2019 Total funds £
Premises	—	(134)
Sisters' living and personal expenses	<b>5,608</b>	2,547
Nursing care and medical costs	<b>135,112</b>	189,346
Education, training and spiritual renewal	<b>5,055</b>	14,025
Support costs	<b>2,626</b>	2,616
Governance costs (note 4)	<b>2,934</b>	2,100
	<b>151,335</b>	210,500

#### 4 Governance costs

	2020 Total funds £	2019 Total funds £
Professional fees	2,934	2,100

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

This is stated after charging:

	2020 Total funds £	2019 Total funds £
Independent examiner's /auditor's remuneration	2,280	2,160

#### 6 Taxation

The Dominican Congregation of Saint Catherine of Siena of Oakford, Natal 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.

#### 7 Investments

	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 January 2020	724,634	662,095
Net unrealised investment (losses) gains	(39,431)	62,539
Market value at 31 December 2020	685,203	724,634
Cost of listed investments at 31 December 2020	605,071	605,071

Listed investments comprised the following:

	2020 £	2019 £
Schroders Equity Income Trust for Charities	305,204	366,107
Schroders Income Trust for Charities	379,999	358,527
	685,203	724,634

## 8 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	2,280	2,160
Expense creditors	—	2,500
Amount administered on behalf of a member of the Congregation	23,761	23,761
	<b>26,041</b>	<b>28,421</b>

## 9 Designated funds

The income funds of the charity include the following funds which comprise monies set aside by trustees for a particular purpose.

	At 1 January 2020 £	Transfers £	Net income £	At 31 December 2020 £
Retirement fund	1,000,000	(46,739)	46,739	1,000,000
The Oakford sharing fund	584,427	7,308	(12,363)	579,372
Overseas missions fund	1,800,000	—	—	1,800,000
	<b>3,384,427</b>	<b>(39,431)</b>	<b>34,376</b>	<b>3,379,372</b>

	At 1 January 2019 £	Transfers £	Net expenditure £	At 31 December 2019 £
Retirement fund	2,800,000	(1,742,878)	(57,122)	1,000,000
The Oakford sharing fund	600,000	5,417	(20,990)	584,427
Overseas missions fund	—	1,800,000	—	1,800,000
	<b>3,400,000</b>	<b>62,539</b>	<b>(78,112)</b>	<b>3,384,427</b>

### **Retirement fund**

A fund had been designated to provide for the charity's commitment to provide for the retirement and care in old age and sickness of the Congregation's members. Lump sums received and transfers from general funds have been credited to this fund together with the income and capital growth arising from designated investments.

### **The Oakford sharing fund**

This fund is intended for:

- ◆ Future housing needs of the Sisters of the Congregation in the UK (either within the UK or overseas) and South Africa;
- ◆ Ongoing formation, sabbaticals and living expenses for the Oakford Dominican Sisters visiting the UK from other Areas of the Congregation;
- ◆ Use by the Congregation's Leadership when visiting and working with the Oakford Dominican Sisters in England.

### **Overseas missions fund**

This fund comprises monies available to support the Congregation's overseas missions.

## 10 Analysis of net assets between funds

The fund balances are represented by the following assets and liabilities:

	Designated funds £	General funds £	Total net assets £
<b>Fund balances at 31 December 2020 are represented by:</b>			
Investments	685,203	—	685,203
Current assets	2,717,930	421,837	3,139,767
Current liabilities	(23,761)	(2,280)	(26,041)
<b>Total net assets</b>	<b>3,379,372</b>	<b>419,557</b>	<b>3,798,929</b>

	Designated funds £	General funds £	Total net assets £
<b>Fund balances at 31 December 2019 are represented by:</b>			
Investments	724,634	—	724,634
Current assets	2,683,554	528,768	3,212,322
Current liabilities	(23,761)	(4,660)	(28,421)
<b>Total net assets</b>	<b>3,384,427</b>	<b>524,108</b>	<b>3,908,535</b>

The total unrealised gains as at 31 December 2020 constitute movements on revaluations and are as follows:

	2020 £	2019 £
<b>Total unrealised gains included above:</b>		
On investments	80,132	119,563
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2020	119,563	57,024
Net (losses) gains arising on revaluation in the year	(39,431)	62,539
Unrealised gains at 31 December 2020	80,132	119,563

## 11 Staff costs and remuneration of trustees and key management personnel

No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2019 - none).

During the year, the total amount donated by the trustees to the charity was £nil (2019 - £nil).

During the year to 31 December 2020 the charity employed no staff (2019 – none) and therefore incurred £nil staff costs (2019 - £nil).

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

**12 Ultimate control**

The charity, which is constituted as a CIO, was controlled throughout the period by the Dominican Congregation of Saint Catherine of Siena Oakford, Natal by virtue of the fact that the Congregational Prioress appoints the trustees.