

CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



Plummer Parsons 

CHARTERED ACCOUNTANTS & STATUTORY AUDITOR

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

CONTENTS

	Page
Trustees' report	1 - 14
Independent auditor's report	15 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 35

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and accounts for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and the Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

PART 1 OBJECTIVES AND ACTIVITIES

Who we are

The Congregation of Our Lady, Canonesses of St Augustine is an international Roman Catholic religious order, founded in Lorraine (now part of France) in 1597. According to our founders, our aim is to "do good to all and harm to none" (Saint Peter Fourier) and "to do all the good possible" (Blessed Alix Le Clerc). At the beginning, this was to be done especially by opening schools and providing free education for girls, "both rich and poor alike." Nowadays, we dedicate ourselves to the work of education and human development in all its aspects. We have a preference for helping those in greatest educational need, and we place particular emphasis on addressing the causes of poverty and injustice. We currently number a little over 350 sisters and about 250 Associates (members of the Congregation who support its work and ethos but do not make vows) in Africa, Asia, South and Central America, and Europe. Sisters first came to Britain from France in the early twentieth century. At the end of the accounting year, we were 17 sisters in Britain, aged between 59 and 101 living in different parts of England and Scotland. There were also 18 Associates living in England, Ireland, Scotland and Africa.

Summary of our Objectives according to our Governing Documents

According to the Congregation's charitable incorporation document ('the CIO Constitution'), dated April 5th, 2016, the general objective of the charity is 'the advancement of the Roman Catholic religion through the religious and other charitable work of the Congregation as the trustees with the approval of the Delegate shall from time-to-time think fit.'

The Constitutions proper to the Congregation ('the Constitutions'), written in 1640 and revised in 1984, make this clear: "whatever our work, ... our desire as religious and educators is to promote the development and growth of the whole person and to make our contribution to the recognition of each person's dignity(#5)." The Constitutions also insist that human development cannot happen without the promotion of human rights and other aspects of social justice, and this too is reflected in our objectives. The advanced age of most of the sisters means that our contributions are mainly voluntary, and often of modest scope, but they are many and various, according to each one's abilities, in the spirit of our Constitutions: "We all take part in this mission, whatever our age, our state of health or our abilities (#6)."

Aims and public benefit of the Charity

The range of both individual and communal contributions to the charity's aims and objectives, and the impact these have had on a variety of people, are set out in Part 2 of this Report, "Achievements and Performance."

In making their assessment of the charity's public benefit, the trustees have taken full cognizance of the guidelines provided by the Charity Commission.

Our main strategies and objectives for the accounting year 2021-2022

Our assets exist, in both the short and the long term, to provide adequate material provision for each sister to fulfil her particular educational mission and her religious commitment until the very end of her life. Our primary objective, therefore, is to ensure that the charity remains viable and active through good governance and good financial management in line with the Social Teaching of the Roman Catholic Church.

A. Our main strategies have been:

1. Promoting the development and growth of the whole person in accordance with the Congregation's motto to "do good to all" and making our contribution to the recognition of each person's dignity.
2. Further improving the care and support provided for all our sisters, whether living at St. Leonards on Sea, East Sussex, or elsewhere.
3. Making final decisions about disbursing the proceeds of the sale of the More House Hall of Residence, effected in July 2021.
4. Working with our investment managers to ensure that funds are invested ethically in line with Catholic Social Teaching.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

5. Showing financial solidarity with the Congregation and contributing to other educational projects.
6. Improving and streamlining governance.

Specific objectives have been:

1. To complete the allocation of grants from the More House sale proceeds
2. To undertake due diligence on the recipients of the grants.
3. To make provision for the loan of a religious artefact from More House.
4. To review the remit and composition of the Finance and Administration Committee.
5. To bring the charity in line with safeguarding developments in the Catholic Church in England and Wales.
6. To monitor and improve health and safety standards, especially at St Leonards on Sea..

The steps taken to achieve these strategies and objectives were as follows:

A. Achieving our main Strategies

1. "To do good to all." By careful monitoring of the sisters' living conditions and financial situations, the trustees have ensured that, whether living in the same house, or alone, the sisters have been able to engage as fully as age and health permit in religious and educational work for the benefit of a wide variety of people and needs, as set out in Part 2 of this Report.

2. Care of the Sisters

The trustees remain committed to the provision of 24-hour care for the elderly and infirm sisters at St Leonards on Sea, East Sussex, thus enabling them to stay together rather than be dispersed in care and nursing homes. Further steps have been taken to stabilize the workforce so as to reduce the reliance on agency staff. The physical condition of the sisters living in Alix Lodge has been improved: the kitchen and laundry facilities have been updated to provide a clean, attractive and, most importantly, a safe environment for those who live and work there. A fire risk assessment was undertaken for both Alix Lodge and Filsham Lodge, with a schedule of works planned for the next financial year. Safeguarding responsibilities are taken seriously (as set out in more detail in section 6 of this report); under the leadership of the Care Manager, all DBS checks for staff and workers (new and existing) are in place. Further work and a policy review to ensure that a 'best in class' standard is achieved, are planned for 2022-2023.

The healthcare needs of the sisters living elsewhere are also being taken in hand by the Care Manager through personal contact and regular visits.

3. Use and disbursement of More House monies In July 2021, More House was sold for £24,800,000 (twenty-four million, eight hundred thousand pounds). Upon completion of the sale, the balance was paid into the Delegation's General Fund at Lloyds Bank (a ten per cent deposit had already been paid in March 2021). It did not prove feasible to arrange for short term investment while the distribution of the money was still being decided. It was of considerable concern to the trustees that, although secure, this very large sum of money was not increasing in value; rather, because of inflation, it was decreasing. In October 2021, after thorough discussion, the following decisions were reached:

(i) £16 million would be granted to the Congregation's central fund, the Caisse Commune, which exists for the financing of the Congregation's educational projects worldwide and for the support of communities where needed. A detailed proposal was requested and received from the Caisse Commune, setting out its intention to use the money to fund a programme of specific projects, which were in alignment with our charitable objectives. These projects, amounting to £16 million, are to be administered centrally by the Congregation in Paris. After discussion, due diligence checks and agreement by the Board of Trustees, the £16 million allocated was transferred in October 2021, to be used with immediate effect for the designated projects. A receipt has been received and reports on the way the money is used will be provided to the trustees annually.

This substantial grant is in line with our religious policy regarding the sharing of assets (the Vow of Poverty), which acknowledges that, in principle, all financial assets belong to the Congregation as a whole (cf., CSA *Constitutions* 35). Local needs must first be fully secured but, once this goal has been achieved, any surplus funds should be made available to the Congregation, provided this is permitted by civil and charity law. In our case, the charity's objective is to advance 'the religious and other charitable work of the Congregation,' thereby allowing for this use

of the charity's assets (CIO *Constitution* 3). The trustees acknowledge this policy as an essential way of contributing to the common good worldwide.

(ii) £3 million would be set aside for the Delegation to give as grants to organisations sharing our educational

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

charism, proposed by the sisters and authorised by the trustees. These grants would function as a kind of 'legacy' of our life and work in More House, as well as contributing to public benefit. Once this sum has been fully allocated, no further grants are to be made (i.e., the charity will not set itself up as a grant-making body, as this would put too great a burden of management on its diminishing human resources). Once due diligence had been completed for each recipient, the designated sum would be paid in an approved manner. By the end of the accounting year, almost all the money had been paid out (see below, 'Objectives' 1 for details).

(iii) the remainder of the funds, after expenses, was to be retained by the Charity and added to its reserves. Of this, £4 million was to be invested for the future needs of the Delegation.

4 Investment Management

Our aim is to achieve a balanced return on investments between capital growth and income at low to medium risk (avoiding hedge funds and other high-risk ventures), excluding investments that run counter to our ethical convictions and increasingly favouring impact investments in line with Catholic Social Teaching, in particular the impetus given by Pope Francis' encyclical *Laudato Si'* on 'Care for our Common Home.' This means that we wish to move beyond negative screening and to seek out opportunities across asset classes that provide financial returns while creating measurable, positive social and environmental outcomes in the service of people and planet. In this perspective, the trustees have continued to interact with the fund manager, J.M. Finn, in seeking to prioritise companies that are trying to bring about improvements in society and the environment, e.g. by developing new kinds of 'green' energy. The charity divested from fossil fuels in February 2020.

The trustees had for some time been considering the advantages of engaging an additional investment manager. This was not because of any dissatisfaction with the existing one, but for the following reasons:

- i) It would help to establish a benchmark for evaluating performance
- ii) It would reduce risks incurred by having all our holdings in one place
- iii) It would allow us to diversify our holdings with a wider range of opportunities
- iv) In particular, it would allow a more complete commitment to responsible investing.

The necessity to invest the £4 million of More House money destined for the use of the Delegation provided the opportunity for making this appointment. During November 2021, four companies with a special emphasis on ethical investing were selected and invited to make presentations to the trustees. In December 2021, after thorough evaluation, the trustees appointed Rathbone Greenbank Investments – which describes itself as “dedicated to ethical and sustainable investment” - to open a new portfolio to manage the £4 million, with agreed criteria.

Performance of all portfolios is monitored by the trustees. Both they and the investment managers pay due regard to the strategies and objectives of the charity and ensure that the charity remains financially viable and able to meet all its financial obligations.

5. Engaging in Financial Solidarity

We have continued to support our sisters worldwide as well as contributing to several other organisations which share our educational vision, as follows:

- i) As in previous years, we allocated £50,000 to the General Council of the Congregation. This annual payment is to help the General Council carry out its mandate of coordinating the life and work of the Congregation worldwide. A receipt, as always, was received. An account of how the General Council spends the money it receives from the various parts of the Congregation was provided during a General Chapter in Rome in January 2022 at which the Delegate and another of the trustees were present.
- ii) The Delegation receives appeals from various national and international projects. Appeals to the Delegation must fulfil certain criteria, such as being primarily educational in purpose, and of modest scope. An Appeals Committee of sisters looks at applications received during the year and makes proposals at the annual Delegation Meeting, held this year both in-person and online in August 2022. The sisters then agreed to divide the allocated sum of £19,000 from Delegation resources as follows:
 - a) £3,550 to the Karenni Student Development Programme (young ethnic people forced from their homes by the Myanmar regime and in need of help with tertiary education).
 - b) £5,000 to Congo Prisoners (supporting some of the sisters in the Democratic Republic of the Congo in their provision of food and legal services to prisoners who would otherwise struggle to survive).

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

c) £7,000 to Bega kwa Bega (Swahili for "Shoulder to Shoulder"), a Ugandan charity founded by an old pupil of the school once run by the sisters. Administered entirely by Ugandans, it supports some of the many million orphans in that country through projects covering children's rights, water, health, agriculture, various means of income generation and, most recently, the founding of a model children's play centre and primary school. This allocation is unconnected to the separate grant made from the More House 'legacy' fund (see below, 'Objectives' 1,i); it has however been slightly reduced this year, in view of the very substantial More House grant.

d) £1,000 to the Shri Bhagawati Lower Secondary School in Nepal, a project in a remote and poor area which continues to make good progress.

e) £2,450 to the Asociacion Hogar Nazareth in Honduras. This is a project which trains volunteers to help meet the educational needs of street children. Our contribution will fund two volunteers over the course of one year.

In all cases, the overseas donations are carefully tracked by means of receipts and written reports.

NB. All the grants will be paid in the next financial year, 2022-23.

B. Meeting Specific Objectives

1. To complete the disbursement of grants to the value of £3 million from the More House proceeds. The sisters, meeting among themselves, continued to select the organisations they wished to support and to indicate how much might be granted to each. They then passed their recommendations to the trustees. In all cases, the trustees approved the sisters' choices.

By the end of August 2022, the following amounts had been released:

- i) To the Ugandan charity Bega kwa Bega (see above, §6,ii,c), £1,063,390 to fund the provision of a) boarding facilities in that charity's model school and b) a country-wide mobile teacher-training initiative in rural areas.
 - ii) To the Margaret Beaufort Institute of Theology, Cambridge, £1,000,000. This is to help the Institute, which promotes initiatives in pastoral theology for - mainly, though not exclusively - Roman Catholic women, to put its finances on a secure basis and to endow bursaries and scholarships.
 - iii) To the More House School, Knightsbridge, £300,000. This is a contribution to the school's Bursary Fund which exists to help pay the fees of children from disadvantaged backgrounds. The school was started in More House itself by the Congregation in 1952 and it retained the name when it moved out in 1971 as an independent institution.
 - iv) To the St Pierre & Alix Life Skills College, Naddangira, Uganda, £12,307 to contribute to the costs of building a multi-functional hall and establishing an organic piggery.
 - v) To Depaul International, £50,000 for emergency aid in Ukraine, including educational needs.
 - vi) To the Bakhita Centre, St Mary's University, Twickenham, £40,000 to help fund, for three years, a new initiative, 'Horizon Summer Schools,' for survivors of human trafficking.
 - vii) To the Medaille Trust, £34,000 to fund educational activities for about 30 survivors of trafficking over two and a half years.
 - viii) To the Centre for Alternative Technology, Machynlleth, Powys, £500,000, to fund two educational posts for the next three years, and to help with the reconstruction of The Straw Bale Theatre.
2. To undertake due diligence on the recipients of the grants. This was carried out rigorously by the Executive Director and a sub-group of three of the trustees. Individually tailored contracts were drawn up with help from lawyers at the firm of Stone King. By the end of the current financial year, all the monies had been released, with the exception of just under half of the sum allocated to the Margaret Beaufort Institute of Theology (£440,650), pending a revised sustainability plan, made necessary by changes in policy resulting from the pandemic; it is expected at the beginning of the next financial year.
A small balance of £303 remains to be allocated. The sisters are in process of choosing a beneficiary.
 3. To arrange for the loan of an artefact from More House. A pre-Reformation alabaster panel of the Assumption of the Virgin was given to the sisters in 1945. It was brought with them to More House in 1950 and installed in the chapel there. Because of its intrinsic religious and historical importance, it was decided not to send it to France with other objects of archival interest, to be kept in the Congregation's central archive, nor to sell it at

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

auction, but to loan it to a museum so that it could be freely appreciated by the general public. Descendants of the original donor were contacted and had no objections. It is currently in secure storage while a contract is being drawn up with the Castle Museum, Norwich. It is hoped that it will go on display some time in 2023, when the Museum's refurbishment of its medieval galleries is complete.

4. To review the status and function of the Finance and Advisory Committee (FAC).

This sub-group of the Board was set up in September 2017, with Terms of Reference agreed in February 2018 and revised in May 2019. It met frequently, both before and after Board Meetings, until the period of discernment prior to the marketing and sale of More House. From then on, the Committee had not found time to meet (its members were largely composed of trustees who now had many extra calls on their time). It was agreed to suspend the Committee, its work being absorbed into Board meetings; these were more frequent than usual at this time. Once the sale had been effected, the trustees were able to pick up other business, including the role and constitution of the FAC. After detailed discussion, new Terms of Reference were drawn up, approved by the Board on June 22nd, 2022. The main elements are as follows:

- i) The committee will now be called 'The Finance Committee'
- ii) Its focus will be on specifically financial matters, particularly the preparation of the annual budget and the monitoring of investments, with particular emphasis on impact investing. It will give early warning to the Board of any financial risks and make appropriate recommendations for meeting them. It will provide support for members of the Delegation on financial issues as required.
- iii) Meetings will be only as required (previously, they were to both precede and follow Board meetings)
- iv) Expert advice and technical help will be obtained where necessary.
- v) The Committee's tasks are:
 - a) To act always in the best interest of the Charity in all financial and related matters.
 - b) To draw up the annual budget and the quarterly financial statements for approval by the Board.
 - c) To propose financial strategies, measures and actions for consideration by the Board.
 - d) To ensure the smooth running of the day-to-day financial affairs of the Delegation.

It is hoped that this slimmed-down version of the FAC, with its emphasis on specifically financial issues will prove more effective and also reduce the burden on the trustees and Delegation officers who inevitably form most of the membership. The other tasks designated in the earlier Terms of Reference – including oversight of human resources, IT, property management, legal matters, data protection, risk management – either come under the remit of the Delegation's Executive Director or will be the responsibility of specially designated small working groups, set up by, and reporting to, the Board.

The committee has yet to be put into operation and will be further reported on next year.

The continuation of existing small working-groups and the forming of new ones is a step towards improving governance by spreading responsibilities amongst trustees and, potentially, of bringing in additional people for specific area of work.

5. To make governance more effective. Two improvements have been introduced:

- i) By creating small sub-groups of trustees for specific areas, work has been streamlined and responsibilities have been shared. As stated in the previous paragraph, this method will be developed to cover both existing and new needs and will potentially allow for appropriate people from outside the Board to be included.
- ii) While overseeing the sale of More House, the trustees had necessarily to meet with great frequency. With the sale achieved and a new Finance Committee in process of development, it has become possible to revert to a normal pattern of quarterly meetings. Recognising the benefit of timely financial information, the trustees agreed to align Board meetings with the financial quarter ends. From now on, the quarterly Board meetings will be scheduled approximately two months after the end of each financial quarter.

6. To align the charity with safeguarding developments in the Catholic Church for England and Wales.

The trustees have always been conscious of the seriousness of this issue and of their responsibilities 'in preventing and responding to incidents of bullying and harassment' and of having 'welfare, discipline and whistleblowing policies for staff, including clear policies and procedures on bullying and harassment,' (cf., Charity Commission statement, 11th August 2022). They are in the process of collating and updating their existing policies relating to both employees (especially at St Leonards) and sisters. 'Safeguarding' is a standing item on agendas for board meetings, and usually consists of briefings and updates from the Chair and the Delegation's named Safeguarding Lead.

During this last year, a valuable source of information has been a series of online meetings organised by the Conference of Religious to move forward the recommendations of the Elliott Report following the IICSA Report of 2020, as adopted by the Bishops' Conference of England and Wales. The most significant developments have been the setting up of the (mandatory) Catholic Safeguarding Standards Agency (CSSA) and the

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Religious Life Safeguarding Service (RLSS). The charity is a member of both organisations.

- i) CSSA. The trustees authorised the signing of a Letter of Intent, with formal membership beginning on 1st July 2021, ahead of the signing of a formal contract on 31st August 2022.

An annual per capita fee of £85 has been agreed for all religious congregations, for three years to 2025; it is paid monthly by Direct Debit. Our first payment was taken in January 2022.

- ii) RLSS. Membership began on 17th February 2022, after the signing of a Statement of Intent (16th July 2021) and a Contract and Data Sharing Agreement (17th February 2022). An annual per capita fee of £115 is paid on or around 1st April. The RLSS has set up a Common Fund to help any struggling Religious Life Groups (RLGs) with the payment of fees. We have made a modest contribution to this fund.

The RLSS exists to advise and help RLGs on Safeguarding matters. It organises relevant training sessions for Trustees, Safeguarding Leads and others concerned. The Delegation's Safeguarding Lead has already taken part in a DBS training session, and it is intended to involve the Trustees in appropriate sessions in the coming months.

7. To monitor and enhance health and safety requirements

During the year a Fire Safety assessment report was commissioned at St Leonards on Sea. The findings, which were broadly accepted by the Board, are currently being implemented. Issues concerning the sisters living elsewhere have been taken in hand by the Care Manager.

PART 2. ACHIEVEMENTS AND PERFORMANCE

The trustees confirm that they have complied with the duty in Chapter 25, part 1, Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

We ended the financial year 2021-2022 with 17 sisters. Seven of them were at St Leonards on Sea, East Sussex (including one who had moved there from Scotland in the course of the year); three were in separate care or nursing homes and the remaining seven were living individually or in pairs in various places, mainly because of the work in which they are, or have been, engaged. All the sisters, whatever their age and state of health, contributed to the mission of the Congregation by their interest and prayer. The more active among them (including some well into their eighties, or even nineties) engaged in a wide variety of beneficial activities, as will be shown after a survey of the public benefit provided by the community at St Leonards.

1. St Leonards on Sea, East Sussex

The two adjoining properties at St Leonards, Alix Lodge and Filsham Lodge, have been arranged to meet the needs of some of our elderly and infirm sisters. With the ending of restrictions imposed by the pandemic, the sisters have begun once more to welcome visitors, interact with local people, engage in charitable activities according to each one's possibilities and provide whatever help they can, whether material or spiritual. Individual sisters continue to support a wide range of national and international charities by means of small donations from their personal allowances and by signing on-line petitions and writing letters to MPs. There is also a budget for donations in the name of the community as a whole. One sister writes regularly to a sick person overseas to give support and prays daily for peace and justice in parts of the world where there is conflict and oppression; she also prays for the Pope's work of reform and for Christian unity. Another continues a ministry begun during lockdown by keeping in regular telephone contact with 15 people who find living alone difficult. She enjoys being able to resume activities with the local Geology Society and RSPB and is in process of reconnecting with the local hospice, St Michael's, with a view to new volunteer work. Another sister has begun volunteering one afternoon a week in the Sara Lee Trust charity shop. With a lifelong involvement in the Guide Movement, she is now Chair of a local Trefoil Guild. She also knits sets of nativity figures for an ever-growing clientèle. The community as a whole always bring the needs of church and world into their daily communal prayer and pray for the ever-growing number of people who approach them for help.

As far as possible, the sisters shop ethically and locally; they recycle materials and do whatever else they can to protect the environment. Pope Francis' encyclical letter, *Laudato Si'*, on care for our common home, has been their guide in making decisions affecting everyday life. They have also contributed in practical ways to the needs of locally disadvantaged people, for instance, by donating food and clothing at Christmas.

In the aftermath of Russia's invasion of Ukraine, the community offered to accommodate two close relatives of a Ukrainian member of staff when they were able to leave Ukraine. In the event, however, more suitable

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

accommodation was found elsewhere.

A significant contribution to public benefit comes from the availability of the freestanding Filsham Hall and the attractive garden, completely organic, with several areas of re-wilding. The Hall is being used again by various local groups whose number and range have increased since the pandemic. It is appreciated especially by elderly and disabled people for its ease of access and its facilities. The rent paid for its use provides a modest source of income for the community. The Hall continues to function informally as a small local lending library but, with fewer people now making use of it, this facility is gradually being wound down. An innovation this summer has been to join the local Open Gardens scheme. This proved very popular with many visitors to the garden on the designated days, some of them discovering its (and our) existence for the first time. Funds raised in this way went to St Michael's Hospice.

2. Individual Sisters

The impact made by the sisters living in other locations results from a wide range of activities, of which the following are just a few examples.

Helping people in need: This has taken many forms. Some sisters have supported local food banks, homeless people, families in need, people with mental health and relational problems etc. Some have developed supportive relationships with neighbours struggling with depression, substance abuse, dementia etc.; sat with dying neighbours; provided a listening ear to people who come to the door; taken people who can no longer drive on occasional outings or provided telephone support. One sister knits warm garments for neighbours (and other sisters) suffering from the cold.

Hospitality: Whenever possible, they have welcomed visitors and guests, including some from overseas, for short or long periods; have hosted meetings of local groups; shared meals; provided quiet spaces for personal prayer; maintained links with former students, pupils and clients by email, Zoom, Skype etc. or, when possible, by actual meetings. One sister noted: 'I think there has been an increase in visitors post-covid: neighbours and others.'

Church and Interfaith involvement: Some sisters have worked with other religious communities; some have deepened their relationship with a Women's Interfaith Network group in an ethnically diverse part of London. This group has explored new ways of creating activities aimed at 'community cohesion.' Strong relationships have been developed, with sharing of food and taking part in each other's religious celebrations. One sister has continued to be closely involved with the Vietnamese Chaplaincy in London, including teaching in a Sunday School there. She has participated in and supported an online Vietnamese gospel-sharing group and has helped prepare a Caribbean child for First Communion. Others participate in their local parishes as readers, Eucharistic ministers etc., visit the housebound, the bereaved and, when possible, people in care and nursing homes. During lockdown, they answered phone calls from people asking for prayers, prayed with people over the phone and provided spiritual accompaniment. One has reported on developments in the group she helped organise last year: a parish based "Living *Laudato Si*" group which meets regularly in our house. The aim is to raise awareness of climate change and to encourage participation in a number of different events and activities. Some have taken part in meetings organised by dioceses to prepare reports on people's wishes in preparation for the Synod called by Pope Francis in 2023. The contribution of prayer is emphasized, especially, at the moment, for those suffering from the war in Ukraine or from the negative effects of climate change, or from financial struggles in the worsening economic situation.

Education, Justice and Development One sister has coached two adolescents for GCSE and has helped other, younger children needing educational back up. She discovers and propagates helpful literature on a range of subjects: justice and peace, ecology and climate change, healthcare etc. All the sisters support a wide range of charities and organisations, both national and international, by making small donations or by signing petitions, especially ones involving issues of social and environmental justice. One acts as UK coordinator for a Ugandan charity; another helps organise support for other projects in Uganda. Information is often circulated among the sisters, especially by email.

Professional: Two sisters are Jungian psychotherapists helping people with mental health problems, from different ethnic origins, cultures and religions, offering reduced fees for those who would otherwise be unable to get psychological help. They are members of the Guild of Analytical Psychologists (GAP). One is a member of the Training Committee of GAP and also accompanies two students as their Personal Tutor. The other is also a member of the International Association for Analytical Psychology and is registered with the UK Council for Psychotherapy. She coordinates the GAP Foundation Course Programme, a new and groundbreaking initiative to introduce the life and work of C.G. Jung; she leads seminars and gives public talks on Jungian psychology

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

and spirituality with an interfaith dimension. Another sister works two days a week as a volunteer ranger in a nature reserve and, by focusing on habitat variety and climate change, helps to connect visitors with nature.

Ecological: all the sisters are very conscious of the challenges of climate change. They do all they can to reduce plastic use, to recycle waste, to buy Fair Trade products and so on. 11 sisters took part in an internally organised 'Big Plastic Count' modelled on that done by Greenpeace together with Everyday Plastic in May 2022. This was a nationwide investigation into domestic plastic waste, the results of which, it is hoped, will encourage the Government to set targets for reducing single-use plastic. Our version was an eye-opening experience when the results of each person's week-long tally of all plastic disposed of was shared at our Residential Meeting and led to renewed commitment to reducing our use of plastic as far as possible.

An educational 'legacy': £3 million from the sale of More House, our student Hall of Residence in London for almost 70 years, has been awarded in grants to organisations with which we have worked or whose educational vision is akin to our own (see above, p.2).

Summary

From the preceding descriptions, it can be seen that the sisters, wherever they find themselves, are as fully engaged as age and health permit in religious and educational work in accord with the charity's aims and objectives. They are inspired by the Congregation's motto "do good to all, do harm to none" to make whatever contribution they can in the fields of faith, education and justice, to the benefit of a wide variety of people. They have also increased their public benefit this year by making one-off 'legacy' grants to selected organisations as set out in Part I above.

PART 3 FINANCIAL REVIEW

A summary of the year's results can be found from page 20 of the financial statements.

Income

For the accounting year 2021-2022, total income was £395,842 as against £458,252 for the previous year. This represents a decrease of £62,410. Income from pensions and allowances for sisters was roughly equivalent to their living expenses. There were no substantial gifts made to the Delegation this year. Income from dividends decreased from last year. The main reason for the decrease in income relates to a fall in dividend income resulting from the investment market being adversely affected by Covid-19, the war in Ukraine and other issues around the world impacting the economy.

Expenditure

During the year, the charity incurred expenditure for maintaining the sisters and enabling them to carry out their work amounting to £936,686 as against £1,369,582 in the previous year, a decrease of £432,896. There was also £19,000,000 spent as gifts and donations from the funds generated from the sale of More House. As a result, the year ended with a large deficit of £19,816,434, as against £516,088 in the previous year.

Net Assets

The net assets for this year stand at £12,563,655 as against £32,380,089 in the previous year, a decrease of £19,816,434. Of these assets, £2,578,810 represent a capital fund consisting of properties owned and inhabited by the sisters as fixed assets, along with a heritage asset. The other assets consist mainly of investments. At 31 August 2022, these investments amounted to £9,559,115, divided between a General Fund, a Retirement Fund, a Dowries Fund and a new Rathbones portfolio, as against £5,876,418 in the previous year. The increase is as a result of £4,000,000 of the money received from the sale of More House being reinvested into an investment portfolio.

OUR POLICY ON RESERVES

The charity's net assets stand at £12,563,655. Of these, £2,578,810 represents a capital fund consisting of properties lived in by the sisters. The valuation of land and buildings represents the market value on 1st September 2014, following the introduction of Financial Reporting Standard 102. This valuation, updated from that of 1999 and from subsequent purchase prices, has considerably increased our net assets. However, as all properties are fully used for the charity's life and work, the policy on reserves remains as set out below.

The balance sheet shows reserves of £12,563,655 as against £32,380,089 in the previous year. The sum is divided between (1) a General Fund of £7,823,914, used for the running costs of the charity, (2) a designated

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Retirement Fund of £1,440,744, used for the care of the elderly sisters and for any other expenses relating to sisters' medical or health care needs, (3) a Dowries and Inheritances Fund of £720,187, ring fenced to preserve the capital belonging to individual sisters until their death. These reserves are essential for the reasons given below. However, only the General Fund is readily realisable, and it is the policy of the trustees to maintain these free reserves at a level equivalent to 2 year's expenditure or approximately £3,015,000. Existing free reserves at the year-end amount to £7,823,914 and so are above this target; the trustees will be monitoring this position with a view of investing excess reserves for future income generation as required. However, it is necessary for the charity to maintain such high reserves for the following reasons:

The Growth (General) Funds are to meet operational costs. With the addition of a portfolio managed by Rathbones Greenbank, the General portfolio managed by J.M. Finn, together with the Rathbones portfolio, will henceforth both be classified as 'Growth portfolios'. These need to be kept at a level whereby income from investments can cover running costs on a weekly basis. The need for these to provide a substantial amount of ready cash reflects our policy of caring for our elderly sisters at St Leonards on Sea, which entails high costs in the provision of nursing and other care. For this to be possible the Growth funds have to be substantial. They are kept at the required level by returns from investments which are rather higher than is the usual practice. They also have to be capable of 'topping up' the Retirement Fund when necessary. The performance of the investment managers is monitored by regular meetings with the trustees.

The Growth Funds are also necessarily large because the trustees recognise the Delegation's commitment to contribute to the financial needs of the wider Congregation by paying a substantial annual contribution or 'quota' to the General Council, currently set at £50,000 (although if the charity were to find itself in financial difficulties the quota would be reduced or cancelled). In addition, we contribute annually to educational projects in line with our charitable aims, chosen annually by the sisters themselves. We see this use of our resources as another way in which we can contribute to the general good.

The Retirement Fund exists primarily to meet the health care needs of the sisters through to the end of their lives. It must be able to cover the financing of the Care at Home system at St Leonards on Sea, nursing home fees elsewhere when needed, funeral expenses, etc. These calls on the fund are already considerable and will increase exponentially as the sisters grow older. As the duty of the trustees is to ensure that each sister is provided for in the way best suited to her needs until the time of her death, it is essential that the fund be maintained at the necessary level for up to the next forty years, something that obviously necessitates substantial reserves. The fund is maintained by income from investments, and from sisters' pensions and other benefits. It is supplemented as required from the Growth Funds which must therefore be sufficient to meet this need.

Both the Growth and Retirement funds are invested primarily in listed securities. Such securities offer cash liquidity, which is an important consideration for the charity's significant cash requirements related to the care of our elderly sisters at St Leonards on Sea. The funds retained by the charity from the sale of More House should ensure that adequate financial resources are available to continue to care for the needs of the charity's members in both the short and the long term.

The Dowries and Inheritances Fund. A third portfolio was created in 2017 with an amount of £769,402. This fund recognises the liability that exists with regard to money brought to the charity by Sisters when they joined the Congregation, and to inheritances received after joining. The separate existence of this fund means that, if a sister leaves the Congregation or when she dies, the monies concerned can be accessed readily and either returned to her (if she leaves) or else, after her death, released into the charity or passed on to her beneficiaries in accordance with the terms of her will. The charity is entitled to the income but not the capital of this fund during a sister's lifetime. The fund has, from time to time, required transfers to/from a Growth Fund.

The Dowries Fund invests only in low-risk gilts and cash, as its purpose is not to achieve a higher yield but simply to maintain its capital value.

Summary

The substantial resources in the Growth and Retirement Funds should ensure that the charity can maintain itself, carrying out its obligations to its own members (Retirement Fund) and to its charitable aims for the public benefit (General Fund) for a sufficient length of time. Cash flow requirements and long-term planning make it important that capital should not be depleted until absolutely necessary. The sale in 2021 of the charity's most valuable asset, More House, provides reassurance that the charity will not run out of money.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Principal funding sources

The two principal sources of income for the charity are the pensions and allowances received by individual sisters and the interest and dividends from investments.

INVESTMENT PERFORMANCE

The Charity investment portfolios have been constructed to:

1. Meet the immediate needs of the Sisters (the Retirement Portfolio);
2. Ensure the medium and long-term viability of the charity (Growth Portfolios);
3. Match the potential liability of the Dowries and Inheritance funds held by the charity on behalf of some members of the charity.

As of 31st August 2022 the value of funds under management was £9,529,115.

Each of the investment managers manages a growth portfolio:

1. J M Finn achieving a gross yield 3.28% for the full year; and
2. Rathbones achieving a gross yield of 1.6% for the final six months of the year.

The Retirement Portfolio seeks to maximise income for the Charity and is more risk averse than the Growth Portfolios. The portfolio achieved a gross yield of 3.47% for the year.

The Dowries Fund portfolio has the objective of maintaining its capital value and as such, the portfolio invests entirely in low-risk UK government securities or cash. The portfolio achieved a gross yield of 0.68% for the year.

The asset allocation for each of the portfolios at the end of the year is set out below:

	Dowries	Growth	Retirement
Fixed Interest & Cash	100%	12.9%	21.4%
Equities	-	71.3%	56.3%
Alternatives*	-	15.8%	22.3%

Alternatives* = investments providing exposure to alternative energy supplies, infrastructure, environmental and property types.

PART 4 OUR FUTURE PLANS

1. Use of Properties

In June 2021, the sisters were consulted about their wishes for future accommodation and the results were communicated to the trustees as essential elements in calculating a Long-Term Financial Forecast (LTF). It became clear that only a small number of the sisters currently living elsewhere envisaged moving to St Leonards at some time in the future (with the exception of one sister, at the time living on her own, who moved there in June 2022). The majority envisaged staying where they were and finding alternative solutions when this was no longer viable (one sister, in fact, subsequently moved into supported housing in July 2022).

During the sisters' annual Delegation Meeting in August 2022, the situation was reviewed with the intention of defining a strategy for the next three years. The outcome was that:

- i) At St Leonards, we will continue to provide "Care at Home" for elderly and sick members. Budgeting includes provision for adaptations and improvements over time and as needed. Priority will continue to be given to providing occupational therapy and other ways of improving the well-being of the resident sisters.
- ii) At the same time, it was recognised that the dwindling number of sisters inhabiting the two houses (currently only three in Alix Lodge and four in the larger Filsham Lodge) raised questions about the use of space and even the viability of retaining the property in its entirety.
- iii) The sisters' principal desire was that, wherever they were living, they should be able to remain in contact and develop new forms of community interaction. Several people indicated that they would be prepared to move to St Leonards provided they could maintain a certain flexibility in the way they organised their daily life (e.g., separate catering). In other words, St Leonards would become a 'hub' for the continuing life of the Delegation. It was therefore decided that a feasibility study would be undertaken, organised by the Executive Director, to assess the possibilities afforded by the site, e.g., subdividing Filsham Lodge into flats or/and installing 'pods' (mobile homes) in the grounds. A property specialist has already been booked for an initial visit to the site in November 2022 (and also to give

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

- iv) an up-to-date valuation of the property).
- A second 'hub' would be developed in London, centered on the Walthamstow property. As at St Leonards, though on a smaller scale, there is potential for rethinking the use of both house and grounds to allow for closely linked but separate living units. A feasibility study will be undertaken here too. Once the range of options has become clearer, further discussion will take place.
2. Governance Issues
- i) The Finance Committee and Working Groups. As explained in Part I above, the erstwhile Finance and Administration Committee has been reconstituted in a slimmed-down way to focus more specifically on financial issues. Other elements of its previous remit will be covered by means of small working groups, either permanent or ad hoc. This constitutes a new approach to the charity's governance. It aims both to reduce some of the burden falling on the trustees, to avoid reduplication of work and to allow for a wider body of people to constitute the working groups. This new structure is still in its early stages and will be developed in the course of the next financial year
- ii) Trustee Recruitment. With a view to ensuring that the charity continues to have enough trustees in the years ahead to cover all aspects of governance, the current trustees intend to discuss and implement ways of recruiting suitable additional members, both religious and lay.
3. Safeguarding. Although safeguarding issues are routinely discussed at all Board meetings, the trustees intend to follow up the opportunities for information and training afforded especially by the newly created Religious Life Safeguarding Service. They are also committed, as a matter of urgency, to updating and consolidating the Delegation's various safeguarding policy documents.
4. More House Grants. With the £3 million allocated for grants in memory of More House now allocated and in large part already disbursed, as detailed in Part I, the process of monitoring the various projects is under way. The requirement to report on progress has been included as part of the written legal agreement entered into prior to the release of funds to each beneficiary. These agreements set out the expectations and objectives attached to each grant. The Executive Director will receive reports from the beneficiaries and give an account to the trustees who are now responsible for ascertaining that the money granted is being used for the purposes for which it was given. They are aware of the importance of this task in order to ensure that the Charity's assets are being used for the common good in a responsible way.
5. Investment Policy. Work will continue to produce a document setting out in detail the charity's policy for its investments, combining ethical and environmental concerns with the necessity of maintaining adequate reserves.

PART 5. STRUCTURE, GOVERNANCE AND MANAGEMENT

In terms of Canon Law, the Congregation is governed at international level by an elected Superior General and Council in accordance with the Congregation's own Constitutions. These were written in 1640, updated in 1984, and approved both times by the Vatican. The Congregation is organised in a number of broad geographic regions known as Vicariates (with their own governance structure) or, when numbers have diminished, as Delegations (depending more directly on the General Council). The UK has been a Delegation since 2016 (having been set up as a Vicariate in 1950). The Delegation is governed by a Delegate, appointed by, and answerable to, the Superior General. All the sisters in the Delegation are welcome to discuss important issues and their opinions are taken into account. Associates are welcomed at meetings as non-voting members.

In terms of civil law, the Delegation (previously the Vicariate) was first governed as a registered charity by a Trust Deed dated October 1962, together with a Scheme dated June 1997; it was registered under the Charities Act 2011 as No. 229051. In March 2016 an application was made to the Charity Commission to become a Charitable Incorporated Organisation (CIO). The application was granted on 5th April 2016, and from that date the CIO Constitution became the charity's governing document, replacing the 1962 Trust Deed. A new charity number, 1166361, was assigned. The change-over became effective on 1st September 2016. Overall responsibility lies with the Delegate (appointed by the Superior General) who, as the sole member, appoints the trustees. The trustees are helped by a Bursar and an Executive Director, both appointed in 2018, and a Care Manager, appointed in 2020.

The trustees who served during the year, as shown in Part 6, consisted of the Delegate, three other members of

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

the Delegation, one of whom was also a member of the General Council until January 2022, and two lay trustees, one of whom is the Generalate's Finance Director. The Executive Director is responsible for the day-to-day running of the charity and is the line-manager for all employees. Throughout the accounting year, the trustees worked closely with the Executive Director, the Bursar, the Care Manager and various professional advisors. Formal meetings were supplemented by email and telephone contact. From March 2020 onwards, all meetings have been via Zoom or Microsoft Teams. New trustees are appointed in accordance with the Constitution and are selected from persons with relevant charity experience and skills. On appointment, new trustees are made aware of their responsibilities and are provided with background information on the charity and its objects. Further training may be provided.

TRUSTEES' RESPONSIBILITIES WITH REGARD TO THE ACCOUNTS

The trustees are aware that they are responsible for preparing the trustees' Annual 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 them to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts for the financial year 1 September 2021 to 31 August 2022 they are required to:

- *select suitable accounting policies and then apply them consistently.*
- *observe the methods and principles set out in the Charities SORP.*
- *make judgements and estimates that are reasonable and prudent.*
- *state whether applicable 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 understand that they are responsible for:

- *keeping sufficient 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution, and*
- *safeguarding the charity's assets and hence taking reasonable steps for prevention and detection of fraud and other irregularities.*

RISK ASSESSMENT AND RISK MANAGEMENT

The updated Risk Register for the year ending 31 August 2022 may be summarised as follows:

1. **Governance.** The greatest risk to the charity lies in the decreasing number and increasing age of the sisters. This is especially serious at the level of governance. For the immediate future, some mitigating steps have been taken: the charity has engaged the services of more lay experts to assist it where its own expertise and energies are limited; most significantly, a part time Executive Director, appointed in October 2018, and a full-time Care Manager, appointed in 2020. The challenge remains to ensure viable governance when there are so few sisters able to take leadership roles, including that of trustee. The future of the charity and of its assets has however been ensured by its CIO Constitution which allows for governance by the Congregation's General Council if and when the GB Delegation is unable to provide for it from its own members. More immediately, the trustees are researching ways to find new members for the Board. The inauguration of a new Finance Committee, supplemented by various permanent or ad hoc Working Groups should contribute to a greater opportunity for the trustees to share the workload. The trustees are aware that the smooth running of the charity depends in large part on a small number of administrative staff and that advance planning for succession needs to be undertaken.
2. **Health care.** Risks to the sisters' wellbeing since the pandemic have been mitigated by all the sisters being fully vaccinated. At St Leonards, where the risks are greatest, precautions continued to be observed, especially in the case of visitors or when sisters return after time away. With lockdown restrictions lifted, the Care Manager has been able to visit the sisters living elsewhere in the Delegation in order to assess their state of health, the suitability of their accommodation, their end of life wishes and so on. She has also checked on whether the sisters have made valid wills, have set up Power of Attorney (very few have, which

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

constitutes a risk) etc. Where necessary, she helps to get the process underway. She intends to continue paying regular six-monthly visits to each sister.

3. Sponsorship Licensing. Stringent immigration laws make it difficult to obtain visas so that people from abroad, including religious sisters, can participate in long term activities of the charity. In 2013, however, a Sponsorship Licence from the United Kingdom Visa and Immigration Agency (UKVI) was awarded for four years, enabling visas to be applied for annually (although with no guarantee that applications would be successful). The licence was renewed in 2017 for a further four years. In August 2021 it was again renewed and, by the end of that month, was already active. The Licence is for Tier 2 (Ministers of Religion) and Tier 5 (Temporary Worker / Religious Worker). A recently identified risk is that the same person fills the roles of both Authorising Officer and Key Contact; this is noted as needing to be addressed. Meanwhile, the services of a specialist immigration solicitor are available for help and advice when needed.
4. Safeguarding. All sisters and employees involved in activities connected with children or vulnerable adults have DBS checks in place. A named sister acts as the Delegation's Safeguarding Lead. In 2013, the Delegation was aligned for safeguarding services with the Roman Catholic Diocese of Brentwood. This alignment has now been transferred to the Religious Life Safeguarding Service (RLSS). The Delegation has signed up to membership of both the RLSS and the Catholic Safeguarding Standards Agency (CSSA). The trustees are aware that, although the charity has not been responsible for running schools for a number of years, the possibility of historic abuse claims being made against sisters cannot be ruled out and this remains a risk, albeit a remote one. Efforts are being made to identify documentation from past insurance companies who would be responsible in the event of any compensation claims; this is however no easy matter. Current risks are being met by the updating of policies and procedures.
5. Data sharing. Security risks in the sharing and storing of information have been addressed by improved online provision of dedicated email addresses and top-quality anti-virus software. The charity engages the services of a specialist internet advisory company, JP2 IT. The trustees are, however, aware of the importance of remaining alert to increasingly sophisticated scams and of taking all necessary precautions. Sessions at the Association of Provincial Bursars Conference in October 2021, attended by two of the trustees, proved particularly helpful.

PART 6. REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees:	Sister Jennifer Dines (Chair); Sister Marie Robin; Sister Christina Brown; Mr. Raymond Verley; Mr. Tim Haigh; Sister Jo Langford.
Provincial (Delegate):	Sister Jennifer Dines
Executive Director:	Ms. Sally McTernan
Delegation Bursar:	Mr. Jonathan Thompson
Care Manager:	Ms. Tracie Mines
Charity Number:	1166361
Principal Address:	Delegation Office 35 Maude Terrace London E17 7DG Tel: 020 3149 8732
Website:	www.cnd-csa.org
Auditors:	Plummer Parsons 18 Hyde Gardens Eastbourne BN21 4PT

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Bankers: Lloyds Business Banking 4th Floor,
125 London Wall
London EC2Y 5AS

Solicitors: Holmes and Hills LLP
Bocking End
Braintree CM7 9AJ

Investment Managers: J M Finn & Co
25 Copthall Avenue
London EC2R 7AH

Rathbones Group Plc
8 Finsbury Circus
London EC2M 7AZ

Insurance Brokers: PIB Insurance Brokers
Poppleton Grange
Poppleton Lane
York YO26 6GZ

The Annual Report was approved by the trustees and signed on their behalf on 17/4/2023

Sr Jennifer Dines.

Sr. Jennifer Dines
Trustee

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

Opinion

We have audited the financial statements of Congregation of Our Lady, Canonesses of St Augustine CIO (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity and its activities, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, Data Protection Act, GDPR, and other relevant legislation.

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, being FRS 102 and Charities SORP (FRS 102) (effective January 2019). We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, related party transactions, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations; and
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulations; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation, as well as throughout the year.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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 UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

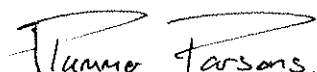
CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

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 the 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 auditors' 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.



Plummer Parsons

19 April 2023

Chartered Accountants
Statutory Auditor

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Plummer Parsons is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	199,846	-	199,846	223,333	-	223,333
Charitable activities	4	8,808	-	8,808	18,885	-	18,885
Investments	5	109,815	72,025	181,840	115,576	89,969	205,545
Other income	6	5,348	-	5,348	10,489	-	10,489
Total income		323,817	72,025	395,842	368,283	89,969	458,252
<u>Expenditure on:</u>							
Raising funds	7	26,320	10,426	36,746	16,602	10,355	26,957
Charitable activities	8	544,376	19,355,564	19,899,940	991,533	351,092	1,342,625
Total resources expended		570,696	19,365,990	19,936,686	1,008,135	361,447	1,369,582
Net gains/(losses) on investments	13	(191,694)	(83,896)	(275,590)	243,825	151,417	395,242
Net outgoing resources before transfers		(438,573)	(19,377,861)	(19,816,434)	(396,027)	(120,061)	(516,088)
Gross transfers between funds		(719,552)	719,552	-	5,836,260	(5,836,260)	-
Net movement in funds		(1,158,125)	(18,658,309)	(19,816,434)	5,440,233	(5,956,321)	(516,088)
Fund balances at 1 September 2021		8,982,039	23,398,050	32,380,089	3,541,806	29,354,371	32,896,177
Fund balances at 31 August 2022		7,823,914	4,739,741	12,563,655	8,982,039	23,398,050	32,380,089

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	2,329,378		2,330,601	
Heritage assets	15	250,000		250,000	
Investments	16	9,559,115		5,876,418	
		12,138,493		8,457,019	
Current assets					
Debtors	18	10,225		11,908	
Cash at bank and in hand		1,633,774		24,687,126	
		1,643,999		24,699,034	
Creditors: amounts falling due within one year	19	(498,650)		(55,777)	
Net current assets		1,145,349		24,643,257	
Total assets less current liabilities		13,283,842		33,100,276	
Creditors: amounts falling due after more than one year	20	(720,187)		(720,187)	
Net assets		12,563,655		32,380,089	
Income funds					
Unrestricted funds - designated	22	4,739,741		23,398,050	
Unrestricted funds - general		7,823,914		8,982,039	
		12,563,655		32,380,089	

The financial statements were approved by the Trustees on 17/4/2023

Sr Jennifer Dines

Sister J Dines

Trustee

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(19,240,552)		(1,143,242)	
Investing activities					
Purchase of tangible fixed assets		(36,353)		-	
Proceeds from disposal of tangible fixed assets		-	24,800,500		
Purchase of investments		(5,412,908)	(378,506)		
Proceeds from disposal of investments		1,454,621	546,769		
Investment income received		181,840	205,545		
Net cash (used in)/generated from investing activities		(3,812,800)		25,174,308	
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents		(23,053,352)		24,031,066	
Cash and cash equivalents at beginning of year		24,687,126		656,060	
Cash and cash equivalents at end of year		1,633,774		24,687,126	

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Congregation of Our Lady, Canonesses of St Augustine CIO is a Charitable Incorporated Organisation governed by a constitution dated 5 April 2016. It is registered with the Charity Commission under charity number 1166361. The registered office is the Delegation Office, 35 Maude Terrace, London E17 7DG.

The CIO was set up to take over the activities of the previously unincorporated trust from 1 September 2016. That charity was previously registered with the Charity Commission under charity number 229051 under the name of the Charity of the Congregation of Our Lady Canonesses of St Augustine, and was governed by a trust deed dated October 1962 and a scheme dated June 1997.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties, heritage assets and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donated services and facilities are included at the value to the charity where this can be quantified.

Investment income is dividends and interest generated by the charity's share portfolios, as well as bank interest, and is recognised in the SoFA when receivable.

1.5 Expenditure

All expenditure is incurred in pursuit of the charity's objects as laid down in the constitution and is recognised in the accounts when payable. It includes irrecoverable VAT.

The costs of raising funds includes the fees paid to investment managers in respect of the management of the charity's investment portfolios.

Charitable expenditure comprises that related to running the Religious Communities and includes staff costs attributable to the activity. It includes both direct costs and support costs relating to such activities.

Support costs, including governance costs, are those functions that assist the deliverance of the charitable activities. Governance costs comprise expenditure for advice on constitutional and statutory matters and costs of compliance. Support costs wholly relate to the charitable activity of running the Religious Communities and so have been allocated wholly to that activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	25% Straight line

Freehold land, representing approximately 1/3 of the deemed cost, and assets in the course of construction are not depreciated.

Tangible fixed assets are capitalised if they can be used for more than 1 year and cost at least £5,000.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Heritage assets

Heritage assets are included in the accounts under the revaluation method, based on the most recent valuation obtained. The valuation is based on the best estimate by competent professionals, although consideration should be given the uniqueness and inherent difficulty in valuing such items.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any material unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Legacies and dowries

Legacies and dowries are capital amounts held on behalf of individual Sisters during their lifetimes and are distributed in accordance with their wishes on death. The figure included is calculated as its historical cost and when the Sisters joined, and is not re-measured to fair value at the year end date. The trustees believe this to be the most appropriate policy due to the uncertain timing of their deaths and their wishes. As a consequence, the trustees do not consider that the large expense needed in order to calculate the figure is justified. This is in accordance with policy on estimates in Note 2.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Donations and gifts	5,452	2,544
Salaries	15,705	21,787
Pensions	178,689	199,002
	<u>199,846</u>	<u>223,333</u>

The salaries and pensions are earned income of the Sisters covenanted to the charity.

4 Charitable activities

	Hall of residence 2022 £	Hall of residence 2021 £
Hall of residence and other rents	-	18,885
Other income	8,808	-
	<u>8,808</u>	<u>18,885</u>

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
Income from listed investments	<u>109,815</u>	<u>72,025</u>	<u>181,840</u>	<u>115,576</u>	<u>89,969</u>	<u>205,545</u>

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Net gain on disposal of tangible fixed assets	-	500
Royalties	-	51
Other income	5,348	9,938
	<u>5,348</u>	<u>10,489</u>

7 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
<u>Investment management</u>	26,320	10,426	36,746	16,602	10,355	26,957
	<u>26,320</u>	<u>10,426</u>	<u>36,746</u>	<u>16,602</u>	<u>10,355</u>	<u>26,957</u>

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Hall of Residence expenditure	Community running expenses	Delegation	Total 2022	Total 2021
	2022	2022	2022		
	£	£	£	£	£
Staff costs (see note 12)	-	292,331	-	292,331	442,468
Depreciation and impairment	-	37,576	-	37,576	36,860
Hall of residence expenses	740	-	-	740	345,208
Community and personal	-	365,193	-	365,193	344,770
Donations	-	33,123	-	33,123	29,214
Premises costs	-	96,094	-	96,094	97,668
	740	824,317	-	825,057	1,296,188
Grant funding of activities (see note 9)	-	-	19,000,000	19,000,000	-
Share of support costs (see note 10)	-	57,289	-	57,289	22,013
Share of governance costs (see note 10)	-	17,594	-	17,594	24,424
	740	899,200	19,000,000	19,899,940	1,342,625
Analysis by fund					
Unrestricted funds - general	740	543,636	-	544,376	991,533
Unrestricted funds - designated	-	355,564	19,000,000	19,355,564	351,092
	740	899,200	19,000,000	19,899,940	1,342,625
For the year ended 31 August 2021					
Unrestricted funds - general	500,509	491,024	-		991,533
Unrestricted funds - designated	-	351,092	-		351,092
	500,509	842,116	-		1,342,625

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Grants awarded

	Delegation 2022 £	2021 £
Grants to institutions:		
The Caisse Commune	16,000,000	-
Bega Kwa Bega Uganda	1,062,750	-
Margaret Beaufort Institute of Theology	1,000,000	-
Centre for Alternative Technology	500,000	-
More House School	300,000	-
Depaul International	50,000	-
The Bakhita Centre for Research on Slavery, Exploitation and Abuse	40,000	-
The Medialle Trust	34,000	-
Other	13,250	-
	<u>19,000,000</u>	<u>-</u>

-

10 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Professional fees	4,902	-	4,902	6,244	-	6,244
Office expenses	11,145	-	11,145	9,769	-	9,769
Rent	6,000	-	6,000	6,000	-	6,000
Health and safety - fire risk assessment	32,894	-	32,894	-	-	-
Safeguarding	2,348	-	2,348	-	-	-
Audit fees	-	3,745	3,745	-	13,000	13,000
Accountancy	-	8,059	8,059	-	6,244	6,244
Delegation expenses	-	5,790	5,790	-	5,180	5,180
	<u>57,289</u>	<u>17,594</u>	<u>74,883</u>	<u>22,013</u>	<u>24,424</u>	<u>46,437</u>
Analysed between Charitable activities	<u>57,289</u>	<u>17,594</u>	<u>74,883</u>	<u>22,013</u>	<u>24,424</u>	<u>46,437</u>

Governance costs includes payments to the auditors of £3,745 (2021- £13,000) for audit fees, and £8,059 (2021- £6,244) for non-audit services .

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year in respect of their services. No trustees received reimbursement for travelling expenses in the year (2021: £nil).

The total aggregate donations received by the charity during the year from the 4 religious trustees, comprising of small gifts, donated pensions and salary income, was £43,965 (2021: 4 Trustees £56,020).

12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	3	4
Care staff and other	14	17
Total	17	21

Employment costs

	2022 £	2021 £
Wages and salaries	263,509	407,805
Social security costs	18,734	24,776
Other pension costs	10,088	9,887
	292,331	442,468

As part of its operations, the charity has an obligation to care for the Sisters in their old age. Should there be any periods where additional care staff are required, the charity engages agency staff via reputable agencies. The agency staff used have the relevant skills and abilities required so as to maintain the charity's high standards. These individuals are employed by the agencies, who retain all the responsibilities and requirements associated with employment. These include, but are not limited to, remuneration packages, disciplinary procedures, holiday entitlements and employment law considerations. The total costs for agency staff during the year was £95,079 (2021: £85,808).

Total amounts paid to Key Management Personnel during the year were £129,312 (2021: £162,239).

During the year no redundancy payments (2021: £67,111) were paid to former employees.

There were no employees whose annual remuneration was more than £60,000.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Total 2021 £
Revaluation of investments	(202,559)	(89,397)	(291,956)	399,509
Gain/(loss) on sale of investments	10,865	5,501	16,366	(4,267)
	(191,694)	(83,896)	(275,590)	395,242
For the year ended 31 August 2021	243,825	151,417		395,242

14 Tangible fixed assets

	Land and buildings £	Fixtures, Motor vehicles fittings & equipment £	Total £
Cost			
At 1 September 2021	2,570,586	276,284	2,874,147
Additions	36,353	-	36,353
At 31 August 2022	2,606,939	276,284	2,910,500
Depreciation and impairment			
At 1 September 2021	241,142	275,127	543,546
Depreciation charged in the year	36,987	589	37,576
At 31 August 2022	278,129	275,716	581,122
Carrying amount			
At 31 August 2022	2,328,810	568	2,329,378
At 31 August 2021	2,329,444	1,157	2,330,601

The carrying value of land included in land and buildings comprises:

	2022 £	2021 £
Freehold	757,581	757,581

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Tangible fixed assets

(Continued)

The freehold properties were valued to fair value at the transition date of 1 September 2014 as part of the transition to FRS 102 and this valuation has been incorporated into the accounts as the deemed cost. Approximately 1/3 of this deemed cost represents the land which is not depreciated.

The valuation of the individual houses was carried out by Mr Ayaz Siddiqui on 27 March 2017 based upon the Land Registry average house prices index which put the properties at a fair value, based on vacant possession, of £2,923,118.

More House was sold in 2021 for £24,800,000

The properties were previously valued in 1999 at the value estimated by the trustees, plus the cost of subsequent additions, being £6,216,559. As a result of the revaluation to fair value, designated fund reserves at 1 September 2014 increased by £26,760,560.

Fixtures and fittings are included at the trustees' estimate in 1999 of their replacement values for insurance purposes, plus the cost of any subsequent additions.

15 Heritage assets

Alabaster
carving
£

At 1 September 2021 and at 31 August 2022

250,000

An alabaster carving, of great historical significance, was held in the Chapel in More House. Following the closure and impending sale of this property, the carving was professionally valued. Christies Auctioneers valued the carving at £200,000-£300,000 in September 2020. The value of the carving, both financial and historical, has been established and the Congregation will now be lending this item to a museum, that its significance may be understood and appreciated by the public. As such, the trustees consider that it is now appropriate to recognise this as a heritage asset. The Trustees believe the valuation of £250,000 remains appropriate at the year end.

16 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Market value			
At 1 September 2021	5,846,418	30,000	5,876,418
Additions	5,412,908	-	5,412,908
Valuation changes	(291,955)	-	(291,955)
Cash account transactions	364,843	-	364,843
Disposals	(1,803,099)	-	(1,803,099)
At 31 August 2022	9,529,115	30,000	9,559,115
Historical cost			
At 31 August 2022	9,134,902	30,000	9,164,902
At 31 August 2021	4,676,170	30,000	4,706,170

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Fixed asset investments (Continued)

Included above are £426,618 (2021: £61,775) held by the investment managers for re-investment.

17 Financial instruments

	2022 £	2021 £
--	-----------	-----------

Carrying amount of financial assets

Instruments measured at fair value through profit or loss	9,529,115	5,846,418
---	-----------	-----------

18 Debtors

	2022 £	2021 £
--	-----------	-----------

Amounts falling due within one year:

Other debtors	-	7,026
---------------	---	-------

Prepayments and accrued income	10,225	4,882
--------------------------------	--------	-------

	10,225	11,908
--	--------	--------

19 Creditors: amounts falling due within one year

	2022 £	2021 £
--	-----------	-----------

Other creditors	-	5,125
-----------------	---	-------

Accruals and deferred income	498,650	50,652
------------------------------	---------	--------

	498,650	55,777
--	---------	--------

20 Creditors: amounts falling due after more than one year

	2022 £	2021 £
--	-----------	-----------

Other creditors	720,187	720,187
-----------------	---------	---------

Other creditors represent legacies and dowries which are capital amounts held on behalf of individual Sisters during their lifetimes and are distributed in accordance with their wishes on death.

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £10,088 (2021 - £9,887).

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2020 £	Movement in funds				Balance at 1 September 2021 £	Movement in funds				Balance at 31 August 2022 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £		Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Capital fund	27,415,705	-	-	(24,836,260)	-	2,579,445	-	-	(635)	-	2,578,810
Retirement fund	1,938,666	89,969	(361,447)	-	151,417	1,818,605	72,025	(365,990)	-	(83,896)	1,440,744
Sale of More House funds	-	-	-	19,000,000	-	19,000,000	-	(19,000,000)	-	-	-
Dowries and Inheritances fund	-	-	-	-	-	-	-	-	720,187	-	720,187
	29,354,371	89,969	(361,447)	(5,836,260)	151,417	23,398,050	72,025	(19,365,990)	719,552	(83,896)	4,739,741

The Capital fund represents the accumulated value of the properties held at the year end. Transfers during the year represent additions, disposals and depreciation charges; as detailed in Note 13.

The Retirement fund represents monies set aside for the Sisters' retirement and to cover their medical and nursing needs. The fund is represented by investments and cash, and the investment managers' costs are charged against the fund. Transfers during the year represent movements from the unrestricted fund to increase the Retirement Fund balance after investments were sold to release liquid reserves for the continuing care of the Sisters.

Some of the proceeds from the sale of More House have been designated by the Trustees for specific donations to be made in future years. The transfer in the year relates to the transfer of the proceeds from the designated capital fund.

The Dowries and Inheritances fund represents monies set aside to preserve the capital belonging to individual sisters until their death.

CONGREGATION OF OUR LADY, CANONESSES OF ST AUGUSTINE CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	569	2,328,809	2,329,378	1,157	2,329,444	2,330,601
Heritage assets	-	250,000	250,000	-	250,000	250,000
Investments	6,704,826	2,854,289	9,559,115	3,668,911	2,207,507	5,876,418
Current assets/(liabilities)	1,118,519	26,830	1,145,349	5,311,971	19,331,286	24,643,257
Long term liabilities	-	(720,187)	(720,187)	-	(720,187)	(720,187)
	<u>7,823,914</u>	<u>4,739,741</u>	<u>12,563,655</u>	<u>8,982,039</u>	<u>23,398,050</u>	<u>32,380,089</u>

24 Financial commitments, guarantees and contingent liabilities

The charity is committed to the care of the Sisters in their old age and to provide for their future medical and nursing needs. The cost of this provision cannot be measured with any sufficient accuracy but is estimated to be in the region of £2 million based upon the present cost of nursing care at today's prices, discounted over 20 years at an interest rate of 10%. The Trustees have set aside funds in a designated Retirement Fund to cater for this eventuality and these funds are represented by investments and cash.

25 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(19,816,434)	(516,088)
Adjustments for:		
Investment income recognised in statement of financial activities	(181,840)	(205,545)
Gain on disposal of tangible fixed assets	-	(500)
(Gain)/loss on disposal of investments	(16,366)	4,267
Fair value gains and losses on investments	291,956	(399,509)
Depreciation and impairment of tangible fixed assets	37,576	36,860
Movements in working capital:		
Decrease/(increase) in debtors	1,683	(1,065)
Increase/(decrease) in creditors	442,873	(61,662)
Cash absorbed by operations	<u>(19,240,552)</u>	<u>(1,143,242)</u>

26 Analysis of changes in net funds

The charity had no debt during the year.