

**CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Sr J V Langford	
	Sr M Robin	
	Sr L M Teer	(Appointed 26 October 2023)
	Sr C E Brown	
	Sr J Dines	
	Mr T Haigh	
	Mr R Verley	
	Ms J Bourne	(Appointed 15 November 2023)
Charity number	1166361	
Principal address	Delegation Office 35 Maude Terrace London E17 7DG	
Auditor	James Todd & Co Limited Drayton House Drayton Lane Chichester West Sussex PO20 2EW	
Bankers	Lloyds Business Banking 4th Floor 125 London Wall London EC2Y 5AS	
Solicitors	Holmes and Hills LLP Bocking End Braintree CM7 9AJ	
Investment advisors	JM Finn & Co 25 Copthall Avenue London EC2R 7AH	
	Greenbank Investments 8 Finsbury Circus London EC2M 7AZ	

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# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

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# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2023***

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The Trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, 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).

#### **Objectives and activities**

The Congregation of Our Lady, Canonesses of St Augustine (CSA) 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 320 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 15 Sisters in Britain, aged between 60 and 102 living in different parts of England and Scotland. There were also 18 Associates living in England, Ireland, Scotland and Africa.

a) 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.'

b) 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)."

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 the later part of this report, "Achievements and Performance."

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Strategies for achieving aims and objectives

Our assets exist 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 aim, 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. To promote the development and growth of the whole person in accordance with the Congregation's motto to "do good to all," while recognising each person's individual needs.
2. To further improve the material care and support provided for all our Sisters, wherever they are living.
3. To work with our investment managers to ensure that funds are invested both profitably and ethically in line with Catholic Social Teaching.
4. To show financial solidarity with the Congregation and to contribute to other educational projects.
5. To ensure long-term stable governance.

##### B. Specific objectives have been:

1. To undertake due diligence on recipients of grants from the proceeds of the sale of More House in 2021.
2. To make provision for two items of historical value.
3. To make current governance more effective.
4. To further develop safeguarding practices and protocols.
5. To monitor and improve health and safety standards, especially at St Leonards on Sea.
6. To research the adaptation of properties for future accommodation needs

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.

###### 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. This is achieved by ensuring that rotas of regular contracted nurses, carers and cooks are in place at all times, supplemented when necessary by agency staff under the management of a full-time Care Manager.

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

###### 3. Investment Management

Our aim is to achieve a return on our investments that is balanced between capital growth and income, all with a low to medium risk profile. We exclude investments that run counter to our ethical convictions and increasingly favour impact investments in line with Catholic Social Teaching. In particular, we are motivated by Pope Francis' encyclical letter "Laudato Si'" on 'Care for our Common Home.' In this perspective, the Trustees have continued to interact with Greenbank Investments and with 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.

Performance of all portfolios is monitored by the Trustees. The Trustees, in discussion with 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.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 4. 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 an Extended General Council meeting in Hungary in March 2023 at which the Delegate (the Chair of Trustees) was present.
- i. 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, normally held in August but this year held in September 2023. Although the change of date brought the meeting into the next financial year, the sum of £20,000 from Delegation resources had already been budgeted for in the current year and so is included here. The money was allocated as follows:

- a) £4,750 to the Karenni Student Development Programme (KDSP) for young ethnic people forced from their homes by the Myanmar regime and in need of help with tertiary education. The project is now under the auspices of Advance Myanmar ([www.advancemyanmar.org](http://www.advancemyanmar.org)). Our donation will be clearly marked as for the KDSP.
- b) £5,500 to Congo Prisoners: supporting some of our Sisters in the Democratic Republic of the Congo in their provision of food and legal services to prisoners who would otherwise struggle to survive.
- c) £8,250 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 orphans in that country, currently about 2.5 million – or 8% of the total population (see [www.ronnah-orphanage.com](http://www.ronnah-orphanage.com) December 2023)."
- d) £1,500 to the Shri Bhagawati Lower Secondary School, a project in a remote and poor area of Nepal, which continues to make good progress.

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

#### 5. Ensuring long-term stable governance

The main concern is that, when the Delegation is no longer able to function without more direct oversight by the General Council, a viable Board is in place able to ensure the running of the charity and its assets. The steps taken are described in the next section, item 3.

### **B. Meeting Specific Objectives**

#### **1.To undertake due diligence on recipients of grants from the sale of More House.**

With the £3 million allocated for grants in memory of More House now allocated and in large part disbursed, as detailed in last year's report, the process of monitoring the various projects is under way. The requirement to report on progress was included in the written 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 now receives reports from the beneficiaries and gives an account to the Trustees who are 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. Information is received at irregular intervals because the awards were made at different points during the previous year. Monitoring arrangements differ depending on the type of award, but each organisation typically has 3 months from the end of the monitoring period to provide the information.

All information - including photographic - is held in a central file for each organisation where it is readily available.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Two Special Cases

a) At the start of the financial year, all the monies had been released, with the exception £440,650 due to the Margaret Beaufort Institute of Theology, Cambridge ([www.margaretbeaufort.cam.ac.uk](http://www.margaretbeaufort.cam.ac.uk)), pending a revised sustainability plan which was made necessary by changes in policy resulting from the pandemic. A further £65,400 is to be released in early September 2023.

b) A temporary setback was experienced by the St Pierre & Alix Life Skills Training College, Naddangira, Uganda. Due to unforeseen events in Uganda (principally the aftermath of the pandemic and soaring construction costs), the sum they had asked for proved insufficient for the completion of the project. Although the Trustees had no further funds available, the necessary money was raised by other benefactors and successfully transferred by a Sister in the Delegation who acted as intermediary. Photographic evidence of the progress of the project has been received.

#### **2. To make provision for two items of historical value.**

a) A pre-Reformation Alabaster panel of the Assumption of the Virgin, formerly in the chapel at More House, has been loaned to the Castle Museum, Norwich. A loan agreement, initially for five years, was signed on May 18<sup>th</sup> 2023 and the Alabaster was transferred to the Museum on July 13<sup>th</sup> 2023. It is currently in secure storage, pending refurbishment of the museum's Medieval Galleries. When these reopen in 2024, the Alabaster will form the centre piece of a display on 'the Cult of the Virgin.' Specialists and general public alike will then be able to visit and admire this rare, historic and beautiful example of religious art.

b) When the Sisters left East Yorkshire, they gave to the Hornsea Museum two valuable 19<sup>th</sup> century dolls dressed in the traditional habit of the Congregation. These had been brought from Paris when the Sisters were forced to leave because of the anti-clerical Combes Law in 1904. In May 2023 the museum returned the dolls to the Delegation where they await valuation before being returned to the Congregation's central archives in France.

#### **3. To make current governance more effective**

a) Appointment of a Vice Chair. Although the charity's CIO Constitution does not require the appointment of a vice chair, the Trustees decided that it was prudent to make an appointment in case the Delegate was unable for any reason to chair a meeting of the Board. In May 2023, Mr Timothy Haigh, one of the Trustees, was appointed to serve as Vice Chair. The appointment is for one year, renewable.

#### **b) Finance Committee and Working Groups**

##### **i) Finance Committee**

The Committee was constituted in June 2022, replacing the former Finance and Administration Committee. Its remit is primarily to help with the preparation of the annual budget and with the monitoring of investments.

During the current year, the Committee had one formal meeting, on July 13<sup>th</sup> 2023, principally to discuss the draft budget for 2023-2024. At the end of the meeting, the members voted unanimously for the draft budget to be presented to the Board for approval at its next meeting.

ii) Working Groups Through the creation of small sub-groups composed of Trustees and other qualified individuals, work in specific areas has been streamlined and responsibilities have been shared. The Working Groups currently in existence are responsible for:

- Investments: ( 1 Trustee; Delegation Bursar)
- Insurance: (1 Trustee; Executive Director)
- Audit and Risk: (Delegate; Executive Director; Delegation Bursar)
- Safeguarding: (2 Trustees; Executive Director; Care Manager; 1 Sister)
- Properties: (2 Trustees; Executive Director; 2 Sisters)

All Working Groups report to the Board.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### c) Recruiting New Trustees

Although this is not urgent, additions to the Board need to be found in good time, given the diminishing number of Sisters capable of serving as Trustees and the necessity to have a well-established group by the time the General Council takes a more direct responsibility for the Delegation.

Our CIO Constitution specifies a minimum of 3 Trustees but does not set a maximum number; a majority must, however, be Roman Catholic. In considering criteria, the Trustees agreed that the most important qualification was personal knowledge of the Sisters with understanding of and sympathy for their aims and ethos. Being 'on our wavelength' was even more important than having some particular expertise to offer (although this was important too).

After discussion, it was decided, as a first step, to look for two additional Trustees straight away. Three possible candidates were to be approached:

- One of the Sisters, who was already involved as a member of the Safeguarding Group, and who had been attending Board Meetings as an observer, was asked and agreed to become a trustee. She was formally appointed on October 26<sup>th</sup> 2023.
- A former pupil of one of the Delegation's schools, who had served on the Executive Committee of More House (the Delegation's student Hall of Residence in London until its closure in 2020) and who is currently Head of the Law School at Roehampton University was approached and expressed her willingness to join the Board. She was formally appointed on November 15<sup>th</sup> 2023.
- Another close friend and neighbour of the Sisters in London, also with a legal background, is willing to be recruited in the future.

#### 4. To further develop the charity's safeguarding practices and protocols.

The Trustees are aware 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, August 11th 2022). 'Safeguarding' is a standing item at Board meetings; it consists of briefings and updates from the Chair and the Delegation's named Safeguarding Lead.

The charity is a member of both the Catholic Safeguarding Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS).

a) CSSA. 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.

b) RLSS. A per capita fee of £115 is paid on or around 1st April each year.

#### Safeguarding Policies

During the year, the Trustees mandated the Safeguarding Team (one of the working groups set up by the Board) with collating and updating the Delegation's existing policies relating both to employees (especially at St Leonards) and to Sisters.

As well as being needed for internal use, these policies are required both by the RLSS, which must approve the policy, and by the Congregation's General Council.

The RLSS exists to give advice and help on Safeguarding matters. The Safeguarding Team tapped into this resource while working on the policy documents.

By the end of August 2023 two documents were ready in draft awaiting the Trustees' approval. This was given at their first meeting of the next financial year (October 20<sup>th</sup> 2023). The documents are:

- a) 'Congregation of Our Lady, Canonesses of St Augustine, CSA, Safeguarding Policy'
- b) 'Congregation of Our Lady, Canonesses of St Augustine, CSA, Bullying Policy.'

Once these documents have been approved, copies will be given to all members of staff at St Leonards to be individually signed at one of the regular Safeguarding Staff Meetings.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Safeguarding Training

The RLSS organises relevant training sessions for Trustees, Safeguarding Leads and others concerned. Many trainings have already been undertaken; a few others are scheduled for the coming months. After each Training, the participant is issued with a certificate of attendance; these certificates will be taken into account when the time comes for the charity to be audited by the CSSA.

To date, Trustees and other key members have taken part in one or more of the following training sessions:

Basic Safeguarding

Advanced Safeguarding

Trustee Training

Training for Safeguarding Leads

Safeguarding for Spiritual Direction

Training for Religious Life Group Leaders

#### DBS checking

The charity's Care Manager is the lead member of the Safeguarding Team for dealing with DBS checks. She added to her existing years of experience in this area by attending the relevant RLSS Training and is able to conduct UCheck applications. By the end of the year, DBS checks had been carried out on all relevant Delegation members and on all members of the charity's staff.

#### 'Safe Spaces'

This joint Roman Catholic and Anglican project was set up in 2023 as a free service for survivors of church-related abuse. It asked for voluntary financial contributions from religious orders to help cover costs for the next three years. In May 2023, the Trustees authorised a donation of £300 to this appeal.

#### **5. To monitor and enhance health and safety requirements**

a) During the year, scheduled works were carried out to meet the requirements of the Fire Risk Safety Assessments, carried out by a Fire Safety Risk Assessor at St Leonards in 2022. The main requirements concerned Filsham Lodge:

i) replacing and fireproofing all interior doors

ii) removing an external fire escape and installing 'escape windows' on the first and second floors

iii) blocking off a shaft for a dumb waiter

iv) decommissioning a lift between the ground and first floors and blocking off the lift shaft.

Both Alix Lodge and Filsham Lodge now meet Fire Safety Standards.

b) Health and safety issues concerning the Sisters living elsewhere than at St Leonards are monitored by the Care Manager during her visits.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 6. To research the adaptation of properties for future accommodation

In August 2022, proposals were put forward to reduce the number of separate addresses for the Sisters in favour of a more accessible community life. There were to be two 'hubs,' one centred on St Leonards, the other on Walthamstow.

##### a) St Leonards: Filsham Lodge and Alix Lodge

As well as improving the functioning of the existing community, research was to be undertaken into adapting one of the two properties to provide self-contained living space for two Sisters who were thinking of moving to St Leonards. Although reinforcing the local community, they would also need to maintain a measure of independence for personal reasons and because one of them was still actively engaged in professional work. The possibility of erecting a garden office for staff use was also suggested.

To this end, in November 2022, Mr Will Ray of the firm of Gerald Eve visited St Leonards, together with members of the Properties Group, and made a thorough examination of the two houses and the grounds. There was a special focus on Alix Lodge as the most likely place for creating independent accommodation.

A report was then submitted by Mr Ray, of which the most important points were:

- The two houses together had ample bedroom space for future needs
- Careful account should be taken of the likely decrease in the number of Sisters over the next few years.
- Costs of the proposed adaptations were likely to be very high, especially if a first-floor extension to Alix Lodge were to be undertaken, and the work itself would be lengthy and disruptive for the resident Sisters, some of whom are in fragile health.
- The two properties are domestic houses and ill-suited to the needs of elderly people. This should be taken into account in our decision-making.
- Repairing liabilities and running costs, which can only increase given the age of the properties, must be factored in according to a well-worked out maintenance plan.
- Efforts should be made into greater energy efficiency in planning any future building work or internal adaptations.

In February 2023, the Properties Group met to consider the report and concluded that the proposed adaptations were both too costly and too disruptive to be acceptable. The Sisters who had proposed moving to St Leonards reconsidered their options and decided not to move but to stay where they were in London for the time being.

Revised plans for St Leonards. Once it became clear that there would be no increase in the number of Sisters living at St Leonards but that numbers would inevitably decrease, perhaps quite rapidly, a different approach to the use of the two properties was proposed:

- More modest adaptations to Alix Lodge would be taken with the aim of accommodating all the Sisters in the one house, not forgetting necessary provision for resident staff.
- Once this was achieved, ideally within the next two to three years, Filsham Lodge and grounds could then be sold.

Those most concerned have been consulted and various proposals are being drawn up. The Trustees have been kept informed. The work is ongoing.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### b) London, Walthamstow: 35 Maude Terrace E17 7DG

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 and office units. Up to four Sisters, living together as a community, would need to be planned for, together with separate living space for the Delegate and provision for the Delegation Office and Archives. In the course of the year, the following steps were taken:

- In April 2023 a list of desiderata was drawn up by the Sisters either already living in the property or intending to move there.
- After research into suitable firms, Potter, Church and Holmes Architects were invited to visit the property, meet the Sisters most directly concerned and understand their needs.
- In July 2023 Potter, Church and Holmes were appointed to carry out the project and provisional plans were submitted. These entail major adaptations to the existing house, including loft conversion, as well as the replacement of the free-standing garage by a garden office, for which planning permissions will have to be obtained. The house will also be made more energy efficient.
- In August 2023 plans were reviewed and adjusted. The finalised plans are expected by the end of November 2023, after which planning permissions will be sought. The estimated cost is likely to be in the region of at least £500,000. It is expected that a good part of the costs will be offset by the sale of a property in Cambridge.

c) 58 St Matthew's Gardens, Cambridge. This house, belonging to the Delegation, is currently occupied by the Delegate. The sale can only go ahead, however, once the adaptations have been made at Walthamstow and the Delegate has been able to move there. Until then, other means of meeting the costs are being planned.

#### **Public benefit**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

#### **Achievements and performance**

##### **Significant activities and achievements against objectives**

We ended the financial year 2022-2023 with 15 Sisters. Six of them were living together at St Leonards on Sea, East Sussex; two were in separate care or nursing homes in Scotland and the remaining seven were living either individually or in pairs in London and East Anglia. All the Sisters contributed to the mission of the Congregation by their interest and prayer. For those now infirm this is their main – and invaluable – contribution. Those who are still active to a greater or lesser extent (including some well into their eighties, or even nineties) have engaged in a wide variety of beneficial activities, as will be shown by a survey of the public benefit provided first by the community at St Leonards and then by the Sisters living elsewhere. The public benefit is grouped under several headings.

#### **St Leonards on Sea, East Sussex**

##### 1.Helping People in Need

Two are volunteers at the local hospice, St Michael's, and visit people in their homes as part of the hospice's 'Neighbours' service. One of them works one afternoon a week in the Sara Lee Trust charity shop.

##### 2.Hospitality

Visitors are welcomed by all.

##### 3.Church and Interfaith Involvement:

- Carrying out the role of reader in the parish church, and taking communion to the sick and housebound.
- Participating in a local Julian Prayer Group
- Belonging to a local Interfaith Forum and maintaining social contacts with local Anglican and Independent church groups.
- Knitting sets of nativity figures for an ever-growing clientèle in churches and families.
- All pray constantly for the varied needs of the Church and the world both individually and communally and also for the growing number of people who make their needs known to them.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 4. Education, Justice and Development

Individually, the Sisters support a wide range of national and international charities by means of small donations from their personal allowances. There is also a budget for donations in the name of the community as a whole.

They pray daily for peace and justice in parts of the world where there is conflict and oppression.

#### 5. Professional

- one Sister – a former geography teacher - belongs to the local Geology Society and enjoys taking part in events and visits.
- another Sister with a lifelong involvement in the Guide Movement, is Chair of a local Trefoil Guild and helps plan meetings and activities.

#### 6. Ecological

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. Their large garden is entirely organic, with areas of re-wilding. Many different vegetables are grown and part of the garden is made available to the head gardener to prepare plants for his periodic Plant Sales which are held in the grounds and which attract large numbers of people from many miles around.

#### 7. Filsham Hall

Another significant contribution to public benefit comes from the availability of the freestanding Filsham Hall to various local groups who rent it for their meetings. One of the Sisters oversees the practical arrangements. The building is appreciated especially by elderly and disabled people for its ease of access and its facilities. The Hall also continues to function as a small lending library for a few local subscribers.

#### **Sisters living in London and East Anglia**

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:

##### 1. Helping people in need

- Supporting a drug addict
- Spending one day each week helping look after an elderly lady with dementia. This has included regular outings for meals and to visit places of interest. The relatives have remarked on the degree of improvement this has brought about.
- Helping a new arrival in the local community to find activities to match her needs.
- Being one of a support group helping someone with memory loss.
- Helping Vietnamese refugees with their papers. Occasionally helping as an interpreter.

##### 2. Hospitality

- Making a spare room available for visitors in need of somewhere to stay, e.g. while waiting for a hospital appointment, especially when coming from abroad.
- Welcoming individuals or groups who come to the house; helping with overnight visitors and with the cooking.
- Keeping up with former pupils, students and clients, offering support when needed.
- Keeping an open door and welcoming people who drop in to talk.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 3. Church and Interfaith Involvement

- Participation in parish and diocesan meetings (e.g. pre-Synod discussions), in person or online.
- Members of local church-related groups, e.g. Living Laudato Si', which meets regularly in the Sisters' house. The aim of this group is to raise awareness of climate change and to encourage participation in a number of different events and activities.
- Taking part in/helping to organise local parish activities (e.g. 'Nature on the Lawn': sharing food and recipes in the church garden after Sunday Mass in a multi-ethnic London parish).
- Membership of a small ecumenical mutual support group.
- Helping to run a weekly online Gospel sharing group (in Vietnamese).
- Keeping in touch with children with special faith needs and with adults whom this Sister had prepared for baptism.
- Membership of a local Women's Interfaith Network (WIN) in an ethnically diverse part of London. There is an annual online 'Pilgrimage' which this year lasted from 28<sup>th</sup> June to 20<sup>th</sup> September, with weekly zooms focussing on different faith communities. A sister represented WIN at this year's Mayor's Civic Service in the London Borough of Waltham Forest and read a prayer on behalf of WIN.
- Participation in local parishes as readers, Eucharistic ministers etc.
- Praying for the needs of those affected by war, climate change, financial hardship because of the current cost of living disaster, or who have asked to be remembered for special reasons in our prayer.

#### 4. Education, Justice and Development

- Signing online petitions: 38 Degrees, Change.org, Cafod, Friends of the Earth, Avaaz and many more.
- Making small financial contributions to chosen charities.
- Participating in peaceful demonstrations organised by e.g., Cafod, Justice and Peace.
- Keeping up to date by reading newspapers, journals etc. and passing on information.
- Supporting 'Church Action on Poverty', an organisation which deals with serious poverty in the North of the country and gives up to date information with on-going campaigns to relieve the debt of the developing countries by keeping the Millennium Promises.
- Supporting Cafod which works directly for overseas development in close partnership with local farmers, promoting and supporting training and the development of projects best suited to their climate and also increasing their prospects of becoming financially self-sufficient. This work is done also in partnership with and support from individuals and groups of people in this country, including many of the Sisters.
- One Sister is UK coordinator for a Ugandan charity; another helps organise support for other projects in Uganda.
- One Sister serves on the Council of the Margaret Beaufort Institute of Theology in Cambridge.

#### 5. Professional

- Coaching some children with special needs, as a volunteer.
- Practising as a Jungian psychotherapist, providing professional help for clients with mental health, relational and spiritual problems coming from different ethnicities, cultures and religions. Very low fees, or none, are charged according to need. This Sister is a registered member of the UK Council for Psychotherapy, a member of the Guild of Analytical Psychologists and of the International Association for Analytical Psychology. With a colleague, she set up and now co-ordinates a new online *Introductory Course in the Foundations of Analytical Psychology* which introduces participants to the life and work of C.G. Jung; she teaches three of the twenty online seminars. In June 2023, she gave a talk at the London Meditatio Centre on '*The Mystical Dimension of the Psyche*.'
- Another Sister is a retired member of the Guild of Analytical Psychologists who continues to accompany people who ask for a combination of psychological and spiritual help. She too tailors her fees to the circumstances of individual clients.
- Another is a member of the Society for Old Testament Studies. She gives occasional help to students and other specialists in the field who contact her with queries.
- Another did voluntary work as a ranger in a wildlife reserve in Norfolk until April 2023, helping to connect visitors with nature.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 6. Ecological

All do what they can to reduce plastic use, recycle waste, buy Fair Trade products and so on.

- One Sister writes: 'As climate change and the lack of urgent response to it constitute the biggest threat to the future of humanity on our planet, I support organisations that are responding to this situation. These include CAFOD which emphasises the effects of climate change on the poorest people in the Developing World and Friends of the Earth. I sign the requests of the latter, especially those helping our Government to keep faithful to its promise to reduce carbon emissions and develop new technology to combat climate change. This organisation is continually challenging this Government's failure to fulfil their promises.'
- Another Sister takes every opportunity to raise awareness about the need for responsible use of resources in everyday life and for making ethical choices in investing money with a concern for both environmental protection and human well-being.

Summary From the preceding selections, it can be seen that the Sisters, wherever they are, engage as fully 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.

#### Financial review

A summary of the year's results can be found from pages 22-24 of the financial statements.

#### Income

For the accounting year 2022-2023, total income was £490,825 as against £395,842 for the previous year. This represents an increase of £94,983. Income from pensions and allowances for Sisters was roughly equivalent to their living expenses. A notable exception was the Community living at St Leonards where, with diminishing numbers and a sizable property estate to manage, a quota of £30,000 from the Delegation was needed in 2023. There were no substantial gifts made to the Delegation this year. Income from dividends increased from last year. The main reason for the increase in income relates to a fall in dividend income in the prior year, 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 £1,020,184 as against £936,686 in the previous year, an increase of £83,498. Following the sale of More House in 2021, the proceeds funded donations to other charities totaling £19,000,000. These donations were a one-off cost and are not expected to be replicated in future years. The year ended with a deficit of £379,360, as against £19,540,843 in the previous year.

#### Net Assets

The net assets for this year stand at £11,501,628 as against £12,563,656 in the previous year, a decrease of £1,062,028. Of these assets, £2,691,822 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 2023, these investments amounted to £8,818,630, divided between a Growth Portfolio, a Retirement Portfolio and a Dowries Portfolio. Each of the two investment managers (Greenbank Investments and J M Finn) manages a Growth Portfolio, while J M Finn manages the Retirement and Dowries portfolios. This compares with £9,559,115 in the previous year.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Reserves policy

The charity's net assets stand at £11,501,628. 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 £11,501,6528 as against £12,563,656 in the previous year. The sum is divided between (1) a Growth Portfolio of £7,046,338, used for the running costs of the charity, (2) a designated Retirement Portfolio of £1,056,220, 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 Portfolio of £670,260, 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 Growth Portfolio is readily realisable, and it is the policy of the Trustees to maintain these free reserves at a level equivalent to 2 years' expenditure or approximately £3,015,000. Existing free reserves at the year-end amount to £7,046,338 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.

It is necessary for the charity to maintain such high reserves for the following reasons:

The two Growth Portfolios are to meet operational costs: quotas paid to Sisters and the Generalate and to supplement or 'top up' the Retirement Portfolio. The funds are augmented by investment income. They 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. We also need to meet the cost of care for the two Sisters in residential care in Scotland. For this to be possible the Growth Portfolios have to be substantial. They are kept at the required level by returns from investments which are rather higher than is the usual practice. The performance of the investment managers is monitored by regular meetings with the Trustees.

The Growth Portfolios 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 Portfolio exists primarily to meet the current and future healthcare costs of all the Sisters through to the end of their lives, a period of about forty years. The portfolio is augmented by investment income and from the pension and benefit income from Sisters living in nursing homes. 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 portfolio be maintained at the level required for up to the next forty years, something that obviously necessitates substantial reserves. It is supplemented as required from the Growth Portfolios 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 currently available should ensure that adequate financial resources exist to provide for the needs of the charity's members in both the short and the long term.

The Dowries and Inheritances Portfolio was created in 2017 to meet 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. This 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 Portfolio has, from time to time, required transfers to/from a Growth Portfolio.

The Dowries Portfolio 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.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

Summary The substantial resources in the Growth and Retirement Portfolios should ensure that the charity can maintain itself, carrying out its obligations to its own members (Retirement Portfolio) and to its charitable aims for the public benefit (Growth Portfolios) 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.

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.

The Long Term Forecast. For the proposed re-examination of the assumptions underlying our financial strategy, see Plans for Future Periods.

#### Investment Performance

The Charity investment portfolios have been constructed to:

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

As of 31st August 2023 the value of funds under management was **£8,818,630**.

Each of the two investment managers manages a Growth Portfolio, while the Retirement and Dowries Portfolios are managed by J.M. Finn.

Performance, measured by total return, was disappointing. This was due in large part to our exclusion of fossil fuel investments and low exposure to technology stocks. Portfolio values were down 8% on 31<sup>st</sup> August 2022 values. Income across the two portfolio managers has held up, ranging from just under 1% to just over 4%.

The asset allocation for each of the three portfolio types, at the end of the year, is set out below:

	Dowries	Growth	Retirement
Fixed Interest & Cash	100%	17.33%	25.5%
Equities		68.87%	52%
Alternatives*		13.8%	22.5%

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

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Major risks

The main risks identified for the year ending 31 August 2023 and the measures taken to mitigate them may be summarised as follows:

1. Governance. A risk to the charity lies in the decreasing number of Sisters capable of helping with 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 actively recruiting new members for the Board, with two likely to be appointed in the very near future. The inauguration last year of a new Finance Committee, supplemented by various permanent or ad hoc Working Groups has led 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. Finance. Although there is no immediate risk to the charity's viability, some serious planning is being undertaken for the medium to long-term. Factors giving cause for concern include the current economic and political situation with the marked rise in the cost of living and the risks associated with climate change. Within the charity, the loss of income from pensions as Sisters die is becoming more marked and will continue to make an impact. The healthcare needs of the Sisters continue to increase with accompanying rise in costs, especially for staff at St Leonards which remain high even when the number of Sisters decreases. Major expenses are planned to improve the accommodation needs of the Sisters which will be only partially offset by the sale of redundant properties. A major reassessment of the Delegation's financial future is being undertaken by the Trustees as a matter of urgency.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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3. Health care. The needs of the Sisters at St Leonards are very well met by the provision of nurses and carers within a Care in the Home system, overseen by the full-time Care Manager. The needs of the Sisters living elsewhere in the Delegation are monitored by the Care Manager who assesses their state of health, the suitability of their accommodation, their end of life wishes and so on. Where necessary, she assists with the making or updating of wills and the setting up of Powers of Attorney, the lack of which in many cases constitutes a risk. She keeps in touch with all the Sisters by telephone and email and by paying regular visits to each sister, ideally every six months.

4. 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 successfully renewed in 2017 and 2021. 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.

5. 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 and a Safeguarding Group, set up by the Trustees has been put in place. 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. These have highlighted the risk of internal bullying and harassment, especially where vulnerable elderly Sisters are involved.

6. Data sharing. Security risks in the sharing and storing of information have been addressed by improved online provision of dedicated email addresses and the best available anti-virus software. The charity engages the services of a specialist internet advisory company, JP2 IT. On two occasions where a data breach had been feared, this company did prompt checks and was able to give reassurance. Passwords were changed as a precaution. The computers of Trustees and main officers have been additionally protected by the installation of Bitlocker at start-up.

#### Plans for future periods

##### 1. Use of Properties

###### a) St Leonards: Filsham Lodge and Alix Lodge

We will continue to research improvements to Alix Lodge with a view to accommodating all the Sisters and staff during the course of the next couple of years. From now on, only essential repairs will be done to Filsham Lodge. An updated valuation of the two properties will be provided by a qualified surveyor and some issues concerning boundary fences clarified.

###### b) London, Walthamstow: 35 Maude Terrace

We intend to pursue our plans for the upgrading and extending of the property in accordance with the plans described in Part 1 (above, pp. 7-8). It is hoped that any necessary planning permissions will be obtained early in 2024 and that construction work will then commence.

###### c) Cambridge: 58 St Matthew's Gardens

As soon as the construction work at Walthamstow is sufficiently far advanced, this property will be put on the market, ideally before the end of 2024.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### **2. Governance Issues**

Although there is no immediate intention to change the status of the Delegation within the Congregation to that of a Group depending directly on the General Council, it is important from now on to ensure that the necessary elements of charity governance are in place. To this end, the Trustees aim to develop closer working relationships with members of the General Council so that the latter have a good understanding of e.g. English charity law and the actual situation of the Sisters within the Delegation. Efforts will be made during the next year to make progress in this area.

#### **3. Revision of the Long Term Forecast (LTF)**

The Trustees are mindful of their responsibility to review regularly how the charity operates and to ensure that its reserves are managed effectively with a view to long-term sustainability. To this end, during 2024, a thorough review will be undertaken, chiefly through a re-examination of the current Long Term Forecast. This is a tool used throughout the Congregation to model demographics and their financial implications for up to 25 years ahead, based on a number of assumptions. It is revised every two years. Although the 2021 LTF was revised in 2023, it was clear that some of the assumptions needed to be re-examined and the forecasting adjusted.

#### **Structure, governance and management**

The Charity is a charitable incorporated organisation.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Sr J V Langford

Sr M Robin

Sr L M Teer

(Appointed 26 October 2023)

Sr C E Brown

Sr J Dines

Mr T Haigh

Mr R Verley

Ms J Bourne

(Appointed 15 November 2023)

1. 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.

2. 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.

3. The Trustees who served during the year, consisted of the Delegate, three other members of the Delegation and two lay Trustees, one of whom is the General Council'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 objectives. Further training may be provided.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees 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 financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' report was approved by the Board of Trustees.

Sr J Dines

**Trustee**

3 May 2024

# 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

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#### 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 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2023 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.

# 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

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#### **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.

#### **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.

# 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

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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;
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations;
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulations;
- Assessment of identified fraud risk factors;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- 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;
- 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.

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.

# 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

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#### 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.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Michelle Buzzard FCA (Senior Statutory Auditor)**  
**for and on behalf of James Todd & Co Limited**

7 May 2024

**Chartered Accountants**  
**Statutory Auditor**

Drayton House  
Drayton Lane  
Chichester  
West Sussex  
PO20 2EW

James Todd & Co Limited 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 2023**

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	198,421	-	198,421	199,846	-	199,846
Charitable activities	4	9,825	-	9,825	8,808	-	8,808
Investments	5	200,671	74,903	275,574	109,815	72,025	181,840
Other income	6	7,005	-	7,005	5,348	-	5,348
<b>Total income</b>		<b>415,922</b>	<b>74,903</b>	<b>490,825</b>	<b>323,817</b>	<b>72,025</b>	<b>395,842</b>
<b>Expenditure on:</b>							
Raising funds	7	36,516	9,666	46,182	26,320	10,426	36,746
Charitable activities	8	681,737	292,265	974,002	544,376	19,355,564	19,899,940
<b>Total expenditure</b>		<b>718,253</b>	<b>301,931</b>	<b>1,020,184</b>	<b>570,696</b>	<b>19,365,990</b>	<b>19,936,686</b>
Net losses on investments	13	(475,245)	(207,423)	(682,668)	(191,694)	(83,896)	(275,590)
<b>Net expenditure</b>		<b>(302,331)</b>	<b>(227,028)</b>	<b>(529,359)</b>	<b>(246,879)</b>	<b>(19,293,965)</b>	<b>(19,540,844)</b>
Transfers between funds		-	-	-	(719,552)	719,552	-
<b>Other recognised gains and losses:</b>							
Revaluation of tangible fixed assets		-	150,000	150,000	-	-	-
<b>Net movement in funds</b>		<b>(302,331)</b>	<b>(77,028)</b>	<b>(379,359)</b>	<b>(966,431)</b>	<b>(18,574,413)</b>	<b>(19,540,844)</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 September 2022		7,823,914	4,739,741	12,563,655	8,982,039	23,398,050	32,380,089
<b>Fund balances at 31 August 2023</b>		<b>7,046,338</b>	<b>4,455,290</b>	<b>11,501,628</b>	<b>7,823,914</b>	<b>4,739,741</b>	<b>12,563,655</b>

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 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		2,293,974		2,329,378
Heritage assets	16		400,000		250,000
Investments	17		8,818,630		9,559,115
			<u>11,512,604</u>		<u>12,138,493</u>
<b>Current assets</b>					
Debtors	18	13,029		10,225	
Cash at bank and in hand		1,111,665		1,633,774	
		<u>1,124,694</u>		<u>1,643,999</u>	
<b>Creditors: amounts falling due within one year</b>	19	465,410		498,650	
		<u>465,410</u>		<u>498,650</u>	
Net current assets			659,284		1,145,349
<b>Total assets less current liabilities</b>			<u>12,171,888</u>		<u>13,283,842</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(670,260)		(720,187)
			<u>(670,260)</u>		<u>(720,187)</u>
<b>Net assets</b>			<u>11,501,628</u>		<u>12,563,655</u>
<b>The funds of the Charity</b>					
Unrestricted funds - general			7,046,338		7,823,914
Unrestricted funds - designated	22		4,455,290		4,739,741
			<u>11,501,628</u>		<u>12,563,655</u>

The financial statements were approved by the Trustees on 3 May 2024

Sr J Dines  
Trustee

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(859,815)		(19,240,552)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,684)		(36,353)	
Proceeds from disposal of tangible fixed assets		7,000		-	
Purchase of investments		(2,349,066)		(5,412,908)	
Proceeds from disposal of investments		2,406,882		1,454,621	
Investment income received		275,574		181,840	
<b>Net cash generated from/(used in) investing activities</b>			337,706		(3,812,800)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(522,109)		(23,053,352)
Cash and cash equivalents at beginning of year			1,633,774		24,687,126
<b>Cash and cash equivalents at end of year</b>			1,111,665		1,633,774

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 Charities 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 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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. 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.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

##### 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.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

(Continued)

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.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	25% straight line

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 the statement of financial activities.

Freehold land, representing approximately one third 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 more than £5,000.

#### 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 for the uniqueness and inherent difficulty in valuing such items.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### 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 or expenditure for the year. Transaction costs are expensed as incurred.

#### 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 2023

---

### 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 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 when the Sisters joined, and is not re-measured to fair value at the year-end date. The Trustees believe this is to be the most appropriate policy due to uncertain timing of their deaths and their wishes. As a consequence, the Trustees do not consider that the large expenses needed in order to calculate the figure is justified. This is in accordance with the 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 2023**

### 3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	7,335	5,452
Salaries	25,773	15,705
Pensions	165,313	178,689
	<u>198,421</u>	<u>199,846</u>

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income		
Other income	9,825	8,808
	<u>9,825</u>	<u>8,808</u>

### 5 Income from investments

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Income from listed investments	171,602	72,045	243,647	99,599	72,025	171,624
Interest receivable	29,069	2,858	31,927	10,216	-	10,216
	<u>200,671</u>	<u>74,903</u>	<u>275,574</u>	<u>109,815</u>	<u>72,025</u>	<u>181,840</u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

### 6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	7,000	-
Other income	5	5,348
	<u>5</u>	<u>5,348</u>

### 7 Expenditure on raising funds

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Investment management	36,516	9,666	46,182	26,320	10,426	36,746
	<u>36,516</u>	<u>9,666</u>	<u>46,182</u>	<u>26,320</u>	<u>10,426</u>	<u>36,746</u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

### 8 Expenditure on charitable activities

	Community running expenses 2023 £	Community running expenses 2022 £	Delegation 2022 £	Total 2022 £
<b>Direct costs</b>				
Staff costs	279,671	292,331	-	292,331
Depreciation and impairment	38,089	37,576	-	37,576
Community and personal	396,273	365,193	-	365,193
Donations	38,966	33,123	-	33,123
Premises costs	124,960	96,834	-	96,834
	<u>877,959</u>	<u>825,057</u>	<u>-</u>	<u>825,057</u>
Grant funding of activities (see note 9)	-	-	19,000,000	19,000,000
<b>Share of support and governance costs (see note 10)</b>				
Support	78,805	57,289	-	57,289
Governance	17,238	17,594	-	17,594
	<u>974,002</u>	<u>899,940</u>	<u>19,000,000</u>	<u>19,899,940</u>
<b>Analysis by fund</b>				
Unrestricted funds - general	681,737	544,376	-	544,376
Unrestricted funds - designated	292,265	355,564	19,000,000	19,355,564
	<u>974,002</u>	<u>899,940</u>	<u>19,000,000</u>	<u>19,899,940</u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 9 Grants paid and payable

Delegation  
2023  
£

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-

#### For the year ended 31 August 2022

Delegation  
2022  
£

#### Grants to institutions (9 grants):

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

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19,000,000

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# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

### 10 Support costs allocated to activities

	2023 £	2022 £
Support staff costs	33,127	-
Professional fees	16,440	4,902
Office expenses	11,262	11,145
Rent	6,000	6,000
Health and safety - fire risk assessment	8,061	32,894
Safeguarding	3,915	2,348
Governance costs	17,238	17,594
	<u>96,043</u>	<u>74,883</u>
<b>Analysed between:</b>		
Community running expenses	<u>96,043</u>	<u>74,883</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Governance costs comprise:</b>		
Audit fees	5,260	3,745
Accountancy	3,500	8,059
Delegation expenses	8,478	5,790
	<u>17,238</u>	<u>17,594</u>

### 11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year in respect of their services. No trustees received reimbursement for travelling expenses in the year (2022: £Nil).

The total aggregate donations received by the charity during the year from the 3 religious trustees, comprising of small gifts, donated pensions and salary income, was £47,382 (2022: 4 Trustees £43,965).

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration	4	3
Care staff and other	13	14
	<hr/>	<hr/>
Total	17	17
	<hr/>	<hr/>

Employment costs	2023 £	2022 £
Wages and salaries	282,040	263,509
Social security	20,517	18,734
Other pension	10,241	10,088
	<hr/>	<hr/>
	312,798	292,331
	<hr/>	<hr/>

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 £124,988 (2022: £95,079).

Total amounts paid to Key Management Personnel during the year were £128,933 (2022: £129,312).

During the year no redundancy payments (2022: £Nil) were paid to former employees.

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

#### 13 Gains and losses on investments

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Gains/(losses) arising on:						
Revaluation of investments	(426,853)	(184,137)	(610,990)	(202,559)	(89,397)	(291,956)
Sale of investments	(48,392)	(23,286)	(71,678)	10,865	5,501	16,366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(475,245)	(207,423)	(682,668)	(191,694)	(83,896)	(275,590)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

#### 15 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2022	2,606,939	276,284	27,277	2,910,500
Additions	-	2,684	-	2,684
Disposals	-	(273,338)	(19,159)	(292,497)
At 31 August 2023	2,606,939	5,630	8,118	2,620,687
<b>Depreciation and impairment</b>				
At 1 September 2022	278,129	275,716	27,277	581,122
Depreciation charged in the year	36,987	1,101	-	38,088
Eliminated in respect of disposals	-	(273,338)	(19,159)	(292,497)
At 31 August 2023	315,116	3,479	8,118	326,713
<b>Carrying amount</b>				
At 31 August 2023	2,291,823	2,151	-	2,293,974
At 31 August 2022	2,328,810	568	-	2,329,378

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

	2023 £	2022 £
Freehold	1,370,575	757,581

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 15 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 FRS102 and this valuation has been incorporated into the accounts as the deemed cost. Approximately one third 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 on 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.

#### 16 Heritage assets

Alabaster  
carving  
£

At 1 September 2022	250,000
Revaluation	150,000
	<hr/>
<b>At 31 August 2023</b>	<b>400,000</b>
	<hr/> <hr/>

An Alabaster carving, of great historical significance, was held in the Chapel in More House, and has now been moved to the Norwich Castle Museum. Christies Auctioneers valued the carving at £400,000 in July 2023. The value of the carving, both financial and historical, has been established, and by 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 £400,000 was appropriate at the year-end.

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 17 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 September 2022	9,529,115	30,000	9,559,115
Additions	2,349,066	-	2,349,066
Valuation changes	(610,990)	-	(610,990)
Cash account transactions	(321,825)	-	(321,825)
Disposals	(2,156,736)	-	(2,156,736)
At 31 August 2023	8,788,630	30,000	8,818,630
<b>Carrying amount</b>			
At 31 August 2023	8,788,630	30,000	8,818,630
At 31 August 2022	9,529,115	30,000	9,559,115

	2023 £	2022 £
Listed investments historical cost	9,154,940	9,134,902

Included above are £104,793 (2022: £426,618) held by the investment managers for re-investment.

### 18 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	13,029	10,225

### 19 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	465,410	498,650

### 20 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	670,260	720,187

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Creditors: amounts falling due after more than one year (Continued)

Other creditors represent legacies and dowries which are capital amounts held on behalf of the 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 £10,241 (2022 - £10,088).

#### 22 Unrestricted funds - designated

These are unrestricted funds which are material to the Charity's activities.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2023
	£	£	£	£	£	£
Transfers	-	-	-	-	150,000	150,000
Capital fund	2,578,810	-	-	-	-	2,578,810
Retirement fund	1,440,744	74,903	(252,004)	-	(207,423)	1,056,220
Dowries and inheritances fund	720,187	-	(49,927)	-	-	670,260
	<u>4,739,741</u>	<u>74,903</u>	<u>(301,931)</u>	<u>-</u>	<u>(57,423)</u>	<u>4,455,290</u>
	<u><u>4,739,741</u></u>	<u><u>74,903</u></u>	<u><u>(301,931)</u></u>	<u><u>-</u></u>	<u><u>(57,423)</u></u>	<u><u>4,455,290</u></u>
Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2022
	£	£	£	£	£	£
Capital fund	2,579,445	-	-	(635)	-	2,578,810
Retirement fund	1,818,605	72,025	(365,990)	-	(83,896)	1,440,744
Sale of More House funds	19,000,000	-	(19,000,000)	-	-	-
Dowries and inheritances fund	-	-	-	720,187	-	720,187
	<u>23,398,050</u>	<u>72,025</u>	<u>(19,365,990)</u>	<u>719,552</u>	<u>(83,896)</u>	<u>4,739,741</u>
	<u><u>23,398,050</u></u>	<u><u>72,025</u></u>	<u><u>(19,365,990)</u></u>	<u><u>719,552</u></u>	<u><u>(83,896)</u></u>	<u><u>4,739,741</u></u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 22 Unrestricted funds - designated

(Continued)

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.

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.

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

#### 23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 August 2023 £
General funds	7,823,914	415,922	(718,253)	-	(475,245)	7,046,338
<b>Previous year:</b>	<b>At 1 September 2021 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Gains and losses £</b>	<b>At 31 August 2022 £</b>
General funds	8,982,039	323,817	(570,696)	(719,552)	(191,694)	7,823,914

#### 24 Analysis of net assets between funds

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £
<b>Fund balances at 31 August 2023 are represented by:</b>			
Tangible assets	2,150	2,291,824	2,293,974
Heritage assets	-	400,000	400,000
Investments	6,235,737	2,582,893	8,818,630
Current assets/(liabilities)	808,451	(149,167)	659,284
Long term liabilities	-	(670,260)	(670,260)
	<u>7,046,338</u>	<u>4,455,290</u>	<u>11,501,628</u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 24 Analysis of net assets between funds

(Continued)

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
<b>Fund balances at 31 August 2022 are represented by:</b>			
Tangible assets	569	2,328,809	2,329,378
Heritage assets	-	250,000	250,000
Investments	6,704,826	2,854,289	9,559,115
Current assets/(liabilities)	1,118,519	26,830	1,145,349
Long term liabilities	-	(720,187)	(720,187)
	<u>7,823,914</u>	<u>4,739,741</u>	<u>12,563,655</u>

#### 25 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 at least £4 million based upon the present cost of nursing 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.

#### 26 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

#### 27 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(1,212,027)	(19,816,434)
Adjustments for:		
Investment income recognised in statement of financial activities	(275,574)	(181,840)
Gain on disposal of tangible fixed assets	(7,000)	-
Loss/(gain) on disposal of investments	71,678	(16,366)
Fair value gains and losses on investments	610,990	291,956
Depreciation and impairment of tangible fixed assets	38,089	37,576
Movements in working capital:		
(Increase)/decrease in debtors	(2,804)	1,683
(Decrease)/increase in creditors	(83,167)	442,873
<b>Cash absorbed by operations</b>	<u>(859,815)</u>	<u>(19,240,552)</u>

# CONGREGATION OF OUR LADY CANONESSES OF ST AUGUSTINE CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### **28 Analysis of changes in net funds**

The Charity had no material debt during the year.