

Mater Ecclesiae CIO



Annual Report and Accounts

31 March 2021

Charity Registration Number
1171376

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Reference and administrative information

Trustees	Brother James Boner Sister Clare Lennon Sister Rosemary Peacock Sister Theresa Tighe Doctor Jacqueline Wilkinson
Congregational Leader	Sister Clare Lennon
Principal address	Mater Ecclesiae Convent Street Ashton House Street Ashton Rugby CV23 0PJ
Charity registration number	1171376
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Brewin Dolphin Limited 9 Colmore Row Birmingham B3 2BJ
Bankers	Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

The trustees present their report and accounts of Mater Ecclesiae CIO (the charity) for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 25 to 30 of the attached accounts and comply with the charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The Congregation of Mater Ecclesiae is a diocesan Roman Catholic religious congregation (the Congregation) known formerly as the Congregation of Mary, Mother of the Church, founded in 1982 by Sister Catherine Mulligan SMR with the purpose of enabling mature women to enter religious life. The Congregation is governed by its own Constitutions.

The accounts accompanying this report are the accounts of the Mater Ecclesiae CIO (Charity Registration Number 1171376) ("the charity" or "the CIO"), a charitable incorporated organisation (CIO) incorporated on 31 March 2017. The CIO and was established to continue the activities of the Mater Ecclesiae Trust Fund, a charitable trust constituted by a trust deed dated 25 July 2007 as amended by a supplemental deed dated 30 January 2016 and registered with the Charity Commission (Charity Registration Number 1120575).

Charism and mission

"Go out to the whole world and proclaim the good news" Mk 16:15

The eloquent title of Mater Ecclesiae is an ancient title deeply engraved in the Scriptures. Modern devotion to Mary under this title begins with the proclamation by Pope Paul VI in November 1964 in his concluding address to the third session of the Second Vatican Council.

"We declare most Holy Mary, Mater Ecclesiae, that is, Mother of the whole Christian People"

Specific objectives, activities and relevant policies

The object of the charity is the advancement of the Roman Catholic Religion through the religious and other charitable work of the Congregation as the trustees shall from time to time think fit provided that if, at any time, the Congregation shall have ceased to exist, the trustees shall advance the Roman Catholic Religion in such exclusively charitable way or ways as the trustees shall from time to time think fit, in sympathy with the Congregation's charism and the philosophy and ideology of the Congregation's foundress Sister Catherine Mulligan SMR.

Specific objectives

The work of the charity is primarily to support and maintain the members of the Congregation of Mater Ecclesiae, a community of religious sisters, who both by intercessory prayer and practical work advance the following charitable purposes:

- ◆ the promotion and maintenance of public worship;
- ◆ the maintenance of the fabric and furnishings of any church or chapel used for worship that is open to the public;
- ◆ taking the sacrament of Holy Communion to nursing homes, and/or to others who cannot attend public worship;

Specific objectives, activities and relevant policies (continued)

Specific objectives (continued)

- ◆ praying with people who are not members of the Congregation of Mater Ecclesiae;
- ◆ allowing visitors to share in the religious life and worship of the community;
- ◆ the production, publication and/or dissemination of religious works by supporting Seminarians and other students;
- ◆ giving money and/or property to other charities carrying out work consistent with the CIO's objects;
- ◆ the relief of poverty, human suffering and/or distress, and the protection and preservation of spiritual, emotional, physical and/or psychological health, including by:
 - ◇ visiting the sick, elderly, housebound, prisoners and/or others in need;
 - ◇ by giving financial assistance, goods, services and/or other support to the poor;
 - ◇ corresponding with the sick, elderly, housebound, prisoners and/or others in need; and
 - ◇ by providing hospitality to visitors.

The principal work with which the sisters are involved concerns the provision of social and pastoral care in the wider community. The sisters aim to help people come to a deeper understanding of God, themselves and others and to provide a witness to others of a radical and counter-cultural way of life which celebrates the unique value of every person and recognises the need we have for one another.

By supporting and caring for the individual members throughout their lives within the Congregation, the charity aims to enable and support the sisters in living out their faith and serving other people, keeping in mind both the most urgent contemporary needs and present capacities of the sisters.

When setting the aims, planning the work of the charity and encouraging the work of individual members of the Congregation, the trustees give careful consideration to the Charity Commission's general guidance on public benefit.

Activities

The main activities of the charity during the year were to:

- ◆ Care for the members of the Congregation.
- ◆ Continue the Charism of the Congregation by forming a group of lay Associates.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

- ◆ Share the community's life, hospitality and environment to provide opportunities for others to deepen their spiritual awareness.
- ◆ Participate in outreach activities, especially to the lonely, the housebound and those in care homes, and contribute to charities caring for those in need.
- ◆ Giving donations to charities and those in need.

Caring for members of the Congregation

The Congregation has six members, the majority of whom have given their working lives to the charitable activities of the Congregation, and any earnings are gifted to the charity. In common with many religious congregations in Britain, the age profile of the members of the Congregation is increasing as existing members grow older.

The charity has an obligation, both moral and legal, to provide care for the members of the Congregation, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the work of Congregation. As the age profile of the Congregation increases so too does the need to provide care for the sisters.

Five of the six sisters are in residential care homes in locations that they have chosen to be near family or for personal reasons. Sister Clare Lennon supports these sisters with regular visits, calls, emails, texts and parcels. Three of the four care homes provide daily Mass and other prayer services. During lockdown, Masses were available to the sisters via the internet and on live stream.

As all the members of the Congregation, except one, are now requiring some form of care, the trustees are giving careful consideration to the impact of this on the work of individual members of the Congregation, the charity's property requirements and the financial implications.

Continue the Charism of the Congregation - Hospitality and sharing the Congregation's Environment

Hospitality was provided to a priest for a week's private retreat in the flat at the Street Ashton property.

When lockdown restrictions eased in 2020, Sister Clare's bungalow in Walsingham was used on two occasions by pilgrims seeking a quiet time of prayer and rest.

Participate in outreach activities, especially to the lonely, the housebound and those in care homes, and contribute to charities caring for those in need

The impact of the Congregation's work reaches beyond the convent especially now as the sisters, all bar one, are in residential or nursing care homes.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Participate in outreach activities, especially to the lonely, the housebound and those in care homes, and contribute to charities caring for those in need (continued)

Sister Rosemary is a Eucharistic Minister on rota to bring Holy Communion to five Catholic residents in her care home. In November 2020 she prepared advent prayer leaflets for approximately 40 residents at Manor Lodge Care Home and was invited by the care manager of a home to pray with family members of deceased residents and to welcome newcomers and accompany anxious residents needing reassurance.

Sister Anne Therese writes to a prisoner and keeps up correspondence giving friendship and spiritual advice.

Sister Mary Thomas runs a weekly Prayer Group at her residential home, which is open to all faiths and none and finishes with tea and a singalong. She uses her craft skills to make cards for the birthdays of the care home workers and their families.

Sister Clare regularly visits the other sisters who are in residential care homes across the country, in addition to regular visits and supporting an elderly housebound and blind neighbour.

Frequent **prayer requests** are received by email or telephone message. These requests are received from people throughout the world and all walks of life. All requests are answered promptly and passed to Sister Clare to be included in the sisters' prayers.

Ministry

Sister Clare continues to live independently in a bungalow purchased for her by the charity and continues the charism of the Congregation through her work and prayer life at the Catholic Shrine, and by offering hospitality to pilgrims.

She was asked to join the support bubble at the shrine during lockdown which brought immense spiritual support, comfort and encouragement to thousands worldwide via the live-streaming of Masses and frequent prayer services. Her work at the shrine, which she does on a voluntary basis includes:

- ◆ Cleaning and care of the sacristy at the basilica and in the Slipper Chapel.
- ◆ Washing and mending of the sacristy laundry.
- ◆ Reading at Masses and as a Eucharistic Minister.

Sister Clare visits elderly neighbours and invites them to tea and to meals when lockdown allows for this. Sister also offers the same hospitality to other religious and priests who also live in Walsingham village.

She continues to visit and support the elderly sisters of the Congregation who are in care homes in different parts of the country. Sister also keeps in touch with the sisters by telephone, letters, sending parcels, video calls and computer, and ensures they are provided with everything they require.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Ministry (continued)

Sister Clare also keeps in regular touch with the group of Mater Ecclesiae Associates, providing spiritual accompaniment and support.

She produces a newsletter each Christmas for friends, family, and associates of the Congregation, and ensures that Masses and prayers are offered for the intentions of everyone connected to the Congregation monthly.

Sister was asked to join the support team for Rachel's Vineyard, Birmingham; an organisation offering help and support to anyone traumatised by abortion or miscarriage. Sister has attended three of their healing retreats and the charity has also given financial assistance to them.

When social distancing eased, Sister Rosemary was invited by her care home manager to pray with family members of deceased residents and to continue welcoming new residents. Sister also accompanies anxious residents in need of reassurance.

Spiritual Life

In April 2020, Sister Clare and Sister Rosemary attended the live streamed retreat conducted by Monsignor Armitage from Walsingham shrine, consisting of twelve talks.

In September 2020, Sister Clare made a three-day retreat with Rachel's Vineyard at Shallowford Christian Centre, Staffordshire in preparation for joining their support team. Following the retreat, Sister Clare also joined the eight week on-line Alpha course, provided by Rachel's Vineyard.

Donations to charities and those in need

In accordance with the Congregation's Constitutions (item 16 "the relief of material and spiritual needs to those to whom we minister"), and the spirit of our Foundress ("to emulate Mary by our maternal attitude of care and concern for anyone who requires our help") the Congregation makes donations to charities within these criteria and in line with the budgeted allowance.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Donations to charities and those in need (continued)

Throughout the year, payments were made to charities including SPUC (Society for the Protection of Unborn Children), St Mary's Educational & Charitable Trust, Marian Fathers Charitable Trust, Cardinal Hume Centre, Franciscan Sisters of the Renewal, Jericho Society, Rachel's Vineyard, and Big Issue sellers around Rugby and Walsingham.

In addition, regular donations have been made to Walsingham Shrine and support has been given in the form of groceries.

In addition to the normal donation that the charity gives annually to Rachel's Vineyard, a donation of £16,000 has been agreed payable over the next year to support its work.

The trustees have also approved a donation of £14,500 to Durham University, which was paid in July 2021.

Ongoing formation and training

The sisters recognise the importance of ongoing formation and training to increase their knowledge, acquire new skills and develop their personal spirituality. Some examples are given below:

- ◆ In March 2021 Sister Rosemary accessed an on-line presentation 'Learning from Covid' by Sister Gemma Simmonds.
- ◆ In April 2020 Sister Clare and Sister Rosemary accessed daily retreat talks given by Monsignor John Armitage.
- ◆ Sister Clare attended a number of Zoom webinars on trustee training held by various professional bodies.
- ◆ Sister Clare also attended webinars with Durham University on the importance and relevance of archives of religious congregations.

Review of use of facilities at the convent

When the sisters were in residence at the convent, a number of events were held at the main convent and the retreat centre. With the convent now unoccupied and with only one member of staff, the use of these facilities is made more difficult and the use has decreased significantly. Although the facilities have been used for ad hoc hospitality and as an office, as mentioned above, the cost of maintaining the buildings and land has been reviewed by the trustees and a financial projection was commissioned with a view to investigating the financial implications on the charity of either selling or maintaining the convent buildings and land.

These were reviewed and a decision has been made as to the most financially effective way forward to meet the charity's aims and objectives. It was agreed to place the property on the market with a view to sale.

Specific objectives, activities and relevant policies (continued)

Review of use of facilities at the convent (continued)

The house was placed on the open market, through two agents, and three formal offers were received. The trustees accepted the offer from a developer acting as a future landlord for a Women's Refuge. It was felt that this was a use in line with the charism of the charity and the wishes of the original benefactor who donated the property to the charity initially.

All buyers requested the removal of the bodies from the cemetery and the beginnings of the work to exhume the bodies was commenced in the financial year.

The offer was formally accepted in December 2020. The sale process has been slow, hindered by Covid, but the sale contract was exchanged in January 2022 with completion expected in February 2022.

In February 2020 the charity purchased a property in Walsingham as a permanent residence for Sister Clare to continue her work with the Shrine and in the local community. This property has been suitably adapted during the year and will now form the base for the charity's work and will be offered for hospitality for religious, friends and those in need of retreat and quiet space.

Grants and donations policy

Whilst the trustees agree to support organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressure on supporters. The charity does not actively fundraise. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Protection of children and vulnerable adults

The trustees recognise the importance of ensuring the protection and safety of all those whom the charity serves. All the sisters have obtained enhanced clearance from the Disclosure and Barring Service, and the trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS) and National Catholic Safeguarding Commission (NCSC).

Sister Clare attended a diocesan training day on safeguarding in December 2020 and renewed her DBS in March 2021. she also attended six sessions on Zoom, given by Father David Smolira SJ, outlining changes to the safeguarding structures for religious.

In September 2020 Sister Rosemary completed on-line Educare Child Protection and Safeguarding courses in preparation for visits to a Women's Refuge. (Due to Covid restrictions, these visits did not take place.)

Specific objectives, activities and relevant policies (continued)

Investment policy

The charity has discretionary investment management agreements with Brewin Dolphin Limited.

The investment strategy takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised from time to time. There is also an Ethical Policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Roman Catholic Church.

The trustees receive a report and valuation every three months and meet at least once a year with each of the investment managers. They ensure that the portfolio is managed in accordance with their written guidelines and with the religious and ethical principles of the charity.

The trustees are reviewing their arrangements for investment management. The review will not only include performance from prospective managers but also a review of the ethical status of their funds in line with the charity's aims and objectives and religious standing.

The charity has a small number of properties which are rented out to tenants and which are regarded, therefore, as investment properties. The trustees receive regular professional advice in respect to the upkeep of these properties, the level of rent and on their valuation.

The charity's main investment property, Hermit Cottage, is rented under an assured tenancy agreement.

Covid, exacerbated by our physical distance from the property and the fact the residents were vulnerable and shielding, severely delayed our ability to get specialist help to identify the nature and extent of the work required to modernise the property.

When restrictions eased and we could get a full report on the state of the property, coupled with access for contractors to quote the work required, we were given a breakdown of the work required. Further delays were then caused by the housing market boom and the demand for building contractors and materials as people, unable to holiday, clamoured to get home improvements and building work carried out. Hampered even further by the need for mains gas contractors to become involved and the severe delays that has caused, and the fact that the adjoining outbuilding roof collapsed once work on the flat roof commenced, requiring additional work and cost and specialist asbestos removal, has meant that the renovation of the property has taken far longer than initially hoped. It is, however, now underway, although the poor state of parts of the building are uncovering further issues as the work proceeds.

Specific objectives, activities and relevant policies (continued)

Covid-19

The continuation of restrictions and lockdown measures meant that all trustee meetings had to be conducted via electronic means and caused the delay of the review of investment managers until October 2021.

The Sisters in care homes were all directly affected by the pandemic throughout the year, with long periods of total lockdown and isolation in their rooms. All external trips were cancelled and all the sisters in homes faced long periods of isolation and confinement to their rooms. During this time Sister Clare and the charity continued to support them wherever possible.

In times where visits were allowed, Sister Clare would visit the sisters and ensure their needs were being met. In times of total lockdown, Sister Clare ensured deliveries of personal and needed items. Amazon Dots were supplied to those without laptops or internet, to ensure that the sisters could still remotely receive Mass, and Masses were read for them to ensure their inclusion.

Birthdays, Christmas and Easter were marked and regular communication was maintained with both the sisters directly and with the homes to ensure their health and well being was paramount. Although more than one sister tested positive, only one was hospitalised and made a full recovery. The charity is indebted to the care home staff who worked tirelessly throughout the pandemic to look after the sisters.

Sister Clare continues to make visits to each sister as much as possible and is in contact with them constantly to ensure their health and needs are catered for. It has placed a huge burden on Sister Clare's time to travel between the homes as they are scattered across the length and breadth of England, and with Sister Clare domiciled in Walsingham, the journeys are long and often without any refreshment or break due to Covid restrictions.

In addition, Sister Clare has also maintained contact with associates and benefactors throughout Covid to ensure their health and well being and assist in any requirements they had at the time. Some were directly affected by the virus.

The sisters support each other in prayer and through electronic and other forms of communication.

The charity's income will no doubt continue to be affected as investment income has not returned to its pre-pandemic levels. In terms of our expenditure, the trustees can foresee a rise in expenses due to increased care home costs. The trustees will continue to keep both income and expenditure under review.

Whilst Covid-19 presents the charity with a number of challenges, the trustees do not anticipate any serious impact on the charity's finances.

Financial review for the year

Results for the year

A summary of the year's results is set out on page 22 of the attached accounts.

During the year to 31 March 2021, income amounted to £239,760 (2020: £267,866). Of this, £94,329 (2020: £91,989) represented donations, the significant part of which comprised pensions receivable by members of the Congregation and donated to the charity under Gift Aid compliant Deeds of Covenant. Investment income totalled £130,182 (2020: £175,877) and included rents receivable in respect to property of £2,080 in both years. The charity made a surplus on disposal of tangible fixed assets of £15,249 (2020: losses included within expenditure of £284).

During the year, the charity incurred expenditure of £427,225 (2020: £764,543). Expenditure on maintaining the members of the Congregation and enabling them to carry out their charitable work amounted to £357,049 (2020: £348,711). Donations paid during the year totalled £35,182 (2020: £4,280). Further details of donations are given in note 5 to the attached accounts. Expenditure for the year to March 2020 included an impairment provision of £379,113 in respect to the Street Ashton property following the decision to reduce its net book value to the anticipated net proceeds.

The overall net expenditure for the year before gains on investments amounted to £187,465 (2020: £496,677). Net investment gains totalled £868,220 (2020: net investment losses of £526,844) reflecting the recovery in world stock markets following the crash in March 2020 in the immediate aftermath of the Covid-19 pandemic. After accounting for the net investment gains (losses in 2020), the net increase in funds for the year amounted to £680,755 (2020: decrease in funds of £1,023,521).

Financial position and reserves policy

The balance sheet shows total funds at 31 March 2021 of £7,565,326 (2020: £6,884,571).

Of this £1,979,465 (2020: £1,944,096) represents the net book value of the charity's tangible fixed assets and an equivalent amount has been designated as a tangible fixed assets fund in recognition of the fact that the assets are required for the charity's operations and are not available as a reserve to fund activities or meet future contingencies.

The trustees have set aside £3,500,000 (2020 - £3,500,000) to provide for the sisters' care in the future. The value of the fund has been calculated using actuarial principles to provide for the Congregation's sisters, but is not meant to guarantee sufficient resources. It is merely an estimate designed to recognise, and make provision for, the financial undertaking implicit in the relationship between a religious congregation and its members.

The trustees have set aside £1,000,000 (2020 - £500,000) as a financing and congregational fund with the broad intention to use the fund to finance grants and donations. The trustees are yet to formalise their plans for the future and need to do further work on deciding exactly how these funds are to be applied.

Financial review for the year (continued)

Financial position and reserves policy (continued)

As the charity would find it difficult to dispose of its investment property due to restrictions associated with the tenancy agreement, the trustees have set aside the value of the property as an investment property fund, to demonstrate that these funds are not readily realisable to fund the day to day activities of the charity.

Funds which are available, therefore, to support the work of the sisters in the future are those shown on the balance sheet as general funds or "free reserves" and amount to £895,861 (2020: £750,475).

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to cover approximately twenty four month's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

At the date of the balance sheet, the trustees consider that the level of free reserves were adequate but not excessive given the inherent volatility in world stock markets at the current time. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the Covid-19 pandemic.

Investment performance – listed investments

The performance of the portfolio and the charity's investment strategy have been reviewed by the trustees who have met regularly with the investment manager. The policy of the charity is to achieve a combination of income and capital growth within acceptable levels of risk. The trustees of the charity continue to take a long term view and believe the investment policy continues to be appropriate.

The charity had a portfolio of listed investments, which at 31 March 2021 had a market value of £4,963,830 including cash available for reinvestment of £44,773.

During the year, the charity's investments achieved an income yield of 2.8% and a capital yield of 22%. The performance of the portfolio reflected the recovery of the markets generally throughout the period following the steep drop in March 2020 as a result of the pandemic. The investment managers continued to invest in accordance with the trustees' investment policy set out above. Further details of the investment portfolio are detailed in note 11 to the attached accounts.

The trustees continue to be satisfied with regard to the returns received from the charity's investment properties.

Future plans

The Congregation comprises, in the main, elderly sisters whose needs have increased such that all but one are living in residential care homes.

It became increasingly challenging to find suitable candidates to join and grow the Congregation and hence the decision was made to close the Novitiate. In addition, the retreat centre was also closed because of the decreasing number of sisters. As previously noted, the main property at Street Ashton is in the process of being sold with completion expected in February 2022.

The trustees are united in their concern for the overall health and wellbeing of each of the members of the Congregation. They are equally concerned that the members be supported and encouraged to live to the full the Mission of the Congregation to which each one has professed.

Structure, governance and management

Governing document

In terms of Canon law the charity is governed by the Congregation's own constitutions.

In terms of Civil law, the charity was incorporated as a Charitable Incorporated Organisation (CIO) on 31 March 2017 and is governed by a constitution, as amended on 25 October 2018.

Trustees

The charity is the responsibility of its trustees which include Sister Clare Lennon who is currently the Congregational Leader (referred to as the Mother General in the charity's Constitution). The Congregational Leader, by virtue of holding that office, is also the sole member of the CIO.

The charity's constitution requires that there must be at least three trustees. If the number falls below this minimum, the remaining trustees request the Congregational Leader to appoint a new trustee. The maximum number of trustees that may be appointed to the CIO is five and for such time as it remains reasonably practical, the majority of those holding office as trustee at any time shall also be members of the Congregation.

The Congregational Leader is a trustee ex-officio for as long as she holds that office.

The trustees appoint further trustees, including people from outside the congregation, having regard to the skills, knowledge and experience needed for the effective administration of the charity. In addition to the Congregational Leader, there is one other trustee who is a member of the Congregation, two trustees are members of other religious congregations, and one is a doctor, who has been closely associated with and has supported the Congregation for several years.

The trustees are responsible for making all decisions regarding the charity's activities, properties and funds. There is no policy of delegation to other members. For advice concerning financial and legal matters, the charity calls on the expertise of suitably qualified professionals.

Structure, governance and management

Organisational structure

At the beginning of the financial year there were six finally professed sisters with five in residential care. Sister Clare Lennon ensures that she visits all the sisters in residential care on a regular basis and maintains telephone or electronic contact with them in order to ensure that they are supported and their needs are met in every aspect of their lives.

The Congregational Leader liaises with the trustees and with the charity's Business Administrator to ensure that the day to day activities of the charity run smoothly.

Key management personnel

The trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees are responsible for making all decision regarding the charity's properties and funds. There is no policy of delegation to other members. For advice concerning financial and legal matters the charity calls on the expertise of professionals.

Two trustees are members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses. The trustees who are not members of the Congregation do not receive any remuneration but are reimbursed any expenses that they claim in relation to travel and similar costs associated with their role as trustees.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the accounts the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Structure, governance and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Liability of the member

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Congregation (and hence the CIO) currently faces and have reviewed the measures already in place, or needing to be put in place, to deal with them.

The Covid-19 pandemic has continued to present the charity with challenges which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity and the sisters.

The trustees note above the financial and operational effects of Covid-19. Over and above these, the areas identified for particular attention within the charity's risk management strategy are:

Governance and management: looks at the risk of the Congregation, and hence the CIO, suffering from a lack of direction, at the skills and training of its members, and the good use of its resources.

An analysis of the age profile of the sisters shows that the average age at 31 March 2021 was 82 years. The trustees are aware that there is both a moral and legal obligation to care for the sisters. None of the sisters have resources of their own as all earnings, pensions and any other income have been donated to the CIO under a Gift Aid compliant Deed of Covenant.

As stated above, the trustees meet regularly to monitor the life, mission and ministry of the sisters. A Business Manager is employed and meets regularly with the trustees.

The trustees are regularly assessing current social needs and seeking ways of offering assistance.

Operational: looks at the risks inherent in the activities of the charity, particularly care of the sisters and social and pastoral care.

Procedures are in place for staff and health and safety issues. Comprehensive insurance policies cover health and safety, equal opportunities, media safeguarding, dignity at work and termination of employment. There are disciplinary and grievance procedures in place.

Structure, governance and management (continued)

Risk management (continued)

Financial: looks at risks including those arising as a result of poor budgetary control, poor accounting and poor management of the investment portfolio.

The charity's principal asset comprises listed investments and its properties. The value of the listed investments are dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet with the investment managers regularly and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs both now and in the future.

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

The charity's properties include a property at Street Ashton, which as noted above should be sold in February 2022. The trustees are continuing to monitor the progress of the sale closely to ensure that they act quickly and responsibly, in the best interests of the charity.

Reputational: looks at possible damage to the Congregation's and hence the reputation of the charity.

Laws, regulations, external and environment: looks at the effect of government policies and the consequences of non-compliance with laws and regulations insofar as they are applicable to the Congregation's activities. When laws are applicable, care and consideration are given in implementing them. These include: health and safety, equality, data protection, human rights and safeguarding. The trustees attend workshops and conferences to keep up to date with their responsibilities.

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

Members and associates of the Congregation

The trustees wish to record their recognition of the professionalism and commitment of the individual members and Associates of the Congregation. Their dedication, enthusiasm and positive approach are very much appreciated.

Signed on behalf of the trustees:

Sr Clare Lennon

Trustee

Approved on: 25 January 2022

Independent auditor's report to the trustees of Mater Ecclesiae CIO

Opinion

We have audited the accounts of Mater Ecclesiae CIO (the charity) for the year ended 31 March 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charity through discussions with representatives from the trustees, and from our knowledge and experience of the charity sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and Safeguarding Regulations as they affect the direct charitable activities of the charity; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of those charged with governance and reviewed minutes of trustees' meetings.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

How the audit was considered capable of detecting irregularities including fraud (continued)

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested and reviewed journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing accounts disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of trustees; and
- ◆ enquiring of representatives from the trustees as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 January 2022

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

Statement of financial activities Year to 31 March 2021

	Notes	2021 £	2020 £
Income from:			
Donations and legacies	1	94,329	91,989
Investments and interest receivable	2	130,182	175,877
Other income – surplus on disposal of tangible fixed assets		15,249	—
Total income		239,760	267,866
Expenditure on:			
Cost of raising funds			
. Listed investments – investment manager's fees		31,144	29,259
. Investment properties – legal and professional costs		3,850	3,180
Charitable activities			
. Support of members of the Congregation and their ministry	3	357,049	348,711
. Impairment of freehold property	10	—	379,113
. Charitable donations	5	35,182	4,280
Total expenditure		427,225	764,543
Net expenditure for the year before investment gains (losses)	6	(187,465)	(496,677)
Net investment losses on investment properties		—	(5,390)
Net investment gains (losses) on listed investments		868,220	(521,454)
Net income (expenditure) and net movement in funds		680,755	(1,023,521)
Reconciliation of funds:			
Funds brought forward at 1 April 2020		6,884,571	7,908,092
Funds carried forward at 31 March 2021		7,565,326	6,884,571

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

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

All of the charity's funds were unrestricted in the above two financial periods.

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		1,979,465		1,944,096
Investments	11		5,153,830		4,413,737
			7,133,295		6,357,833
Current assets					
Debtors	12	31,947		37,286	
Short term deposits		411,359		409,956	
Cash at bank and in hand		54,207		93,892	
		497,513		541,134	
Creditors: amounts falling due within one year	13	(65,482)		(14,396)	
Net current assets			432,031		526,738
Total net assets			7,565,326		6,884,571
The funds of the charity					
Unrestricted funds					
. General funds			895,861		750,475
. Tangible fixed assets fund	14		1,979,465		1,944,096
. Designated funds					
.. Investment property fund	15	190,000		190,000	
.. Financing and congregational fund	16	1,000,000		500,000	
.. Sisters' care fund	17	3,500,000		3,500,000	
			4,690,000		4,190,000
			7,565,326		6,884,571

Approved by and signed
on behalf of the trustees by:

Sr Clare Lennon

Trustee

Approved on: 25 January 2022

Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(268,263)	(282,305)
Cash flows from investing activities:			
Investment income and interest received		135,749	180,820
Purchase of tangible fixed assets		(49,144)	(329,880)
Proceeds from disposal of tangible fixed assets		15,249	200
Proceeds from the disposal of investments		1,188,305	757,966
Purchase of investments		(1,095,502)	(680,688)
Net cash provided by (used in) investing activities		194,657	(71,582)
Change in cash and cash equivalents in the period		(73,606)	(353,887)
Cash and cash equivalents at 1 April 2020	B	583,945	937,832
Cash and cash equivalents at 31 March 2021	B	510,339	583,945

Notes to the statement of cash flows for the period to 31 March 2021

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	680,755	(1,023,521)
Adjustments for:		
Depreciation charge (note 10)	24,723	17,946
Impairment of tangible fixed assets (note 10)	—	379,113
(Gains) losses on disposal of tangible fixed assets	(15,249)	284
(Gains) losses on investments	(868,220)	526,844
Investment income and interest receivable	(130,182)	(175,877)
Increase in debtors	(228)	(6,654)
Increase (decrease) in creditors	40,138	(440)
Net cash used in operating activities	(268,263)	(282,305)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	54,207	93,892
Short term deposits	411,359	409,956
Cash held by investment managers	44,773	80,097
Total cash and cash equivalents	510,339	583,945

Principal accounting policies Year to 31 March 2021

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

Basis of preparation

These accounts have been prepared for the year ended 31 March 2021 with comparative information provided in respect to the year to 31 March 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the probability of the receipt of legacy income;
- ◆ the assumptions applied in determining the valuation of investment properties;
- ◆ determining the value of designated funds including the determination of the assumptions made in determining the value of the retirement fund; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Principal accounting policies Year to 31 March 2021

Assessment of going concern (continued)

The Covid-19 pandemic continues to change the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the trustees' control.

The charity's income will no doubt be affected because of the falls in the income generated by investments as businesses recover from the impact of the pandemic. In terms of expenditure, it is anticipated that there will be a rise in care home expenses. The trustees will continue to keep both income and expenditure under review.

With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return, the performance of the investment market, and impact of the sale of the charity's property which is proceeding with a view to completion in Autumn 2021 .

Whilst Covid-19 presents the charity with a number of challenges, the trustees do not anticipate any serious impact on the charity's finances.

Income recognition

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

Income comprises donations and legacies, investment income and interest receivable surplus on disposal of tangible fixed assets.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Income recognition (continued)

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Investment income is recognised once a dividend has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from the operation of the charity's retreat centre is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable excluding any relevant discounts.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- a. Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity and are in relation to the fees paid to investment managers in connection with the management of the charity's listed investments and professional fees in connection with the management and advice obtained in relation to the charity's investment property.

Expenditure recognition (continued)

- b. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such expenditure comprises:
- (i) Expenditure on the support of members of the Congregation. Such costs include direct and indirect expenditure in respect to the support of members of the Congregation and enabling their ministry (including support and governance costs)
 - (ii) Charitable grants and donations. Grants and donations relate, in the main, to the support of the support of other Roman Catholic charitable organisations and people who the trustees consider are in need. Charitable donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Donations are included in the statement of financial activities when approved for payment. Provision is made for donations approved but unpaid at the period end.
 - (iii) Impairment provisions set against the historical cost of assets.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure of the charity. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

◆ **Freehold land and buildings**

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Tangible fixed assets (continued)

♦ Freehold land and buildings (continued)

Specialised buildings comprise the Congregation's large residential convent and retreat centre. They are stated at cost net of impairment. An impairment review is carried out if events, or changes in circumstances, indicate that the carrying amount of these properties may not be recoverable. The freehold specialised building has been subject to an impairment review in the year as explained further in note 10 to these accounts.

♦ Non-specialised land and buildings

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

- ♦ Other tangible fixed assets, which include fixtures and fittings and motor vehicles are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Fixtures and fittings	25% per annum
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Motor vehicles	25% per annum
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The depreciation charges on some of the fixtures and fittings which are an integral part of the specialised building in the process of being sold have been accelerated to write off the assets to £nil value in the year to 31 March 2021.

Investments

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

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above, the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value subject to any restrictions on the rental income receivable from the occupation of these properties. The valuation has been determined by the trustees, with professional assistance.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the period in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material. They have been discounted to the present value of the future cash receipt where material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

The investment property fund comprises the net book value of charity's investment property. As the property is occupied by a tenant with a life tenancy interest paying a controlled rent, the charity would have difficulty disposing of this property and the value represented by this asset should not be regarded as realisable with ease.

Other designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the charity's charitable objects.

Pensions

The charity offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

1 Income from: Donations and legacies

	2021 £	2020 £
Salaries and pensions of individual religious received under deed of covenant and gift aid	94,329	91,979
General donations	—	10
	94,329	91,989

2 Income from: Investments and interest receivable

	2021 £	2020 £
Investment Income		
<i>UK listed investments</i>		
Equities	28,017	66,687
Unitised funds	19,958	15,351
Bonds	31,174	47,259
<i>Overseas listed investments</i>		
Equities	5,305	3,245
Unitised funds	35,160	31,014
Bonds	7,022	5,509
Interest receivable		
Cash held by investment managers	31	342
Bank interest	1,435	4,390
Income from investment property	2,080	2,080
	130,182	175,877

3 Expenditure on: Support of the members of the Congregation and their ministry

	2021 £	2020 £
Staff costs	31,353	30,179
Premises costs	66,512	46,482
Sisters' living and personal expenses	15,605	20,592
Sisters' National Insurance	3,929	—
Nursing care and medical costs	205,887	209,157
Education, training and spiritual renewal	1,499	1,622
Motor and travel	7,172	14,336
Support costs (note 4)	25,092	26,343
	357,049	348,711

4 Support costs

	2021 £	2020 £
Accountancy and bookkeeping fees	4,885	4,856
Governance costs:		
. Audit fee	7,100	6,900
. Legal and professional	7,126	8,531
Communication and IT	3,143	2,528
Office and miscellaneous costs	2,838	2,946
Loss on disposal of tangible fixed assets	—	284
Payments to trustees	—	298
	25,092	26,343

5 Expenditure on: Donations

	2021 £	2020 £
Donations to institutions:		
. Rachel's Vineyard	16,800	—
. Durham University	14,500	—
. Dominican Sisters of Malta	2,000	—
. Other donations	1,882	2,280
Donations to individuals:		
. To fund further education of an individual	—	2,000
	35,182	4,280

6 Net expenditure for the year before investment gains (losses)

This is stated after charging:

	2021 £	2020 £
Staff costs (note 7)	31,353	30,179
Auditor's remuneration		
. Statutory audit services	7,100	6,900
. Other services	2,500	2,400
Impairment of tangible fixed assets	—	379,113
Depreciation	24,723	17,946

7 Staff costs and remuneration of key management personnel

	2021 £	2020 £
Wages and salaries	15,769	15,830
Employer contributions to pension plans	449	567
	16,218	16,397
Agency staff and subcontractors	15,135	13,782
	31,353	30,179

The average number of part-time employees during the period was 1 (2020: 1).

No employee earned more than £60,000 during the period (2020: none)

All staff are employed to support members of the Congregation and their ministry.

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

8 Trustees' remuneration and expenses and related party transactions

Two trustees are members of the Congregation. As members of the Congregation, their living expenses during the period were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees or key management during the period. In addition, as members of the Congregation, these trustees do not have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the period, the total amount donated by the trustees to the charity was £17,996 (2020: £17,651).

No trustee received reimbursement of expenses in the year to 31 March 2021. In the year to 31 March 2020 one trustee received £298 towards their travel expenses in connection with their duties as trustees.

There were no other related party transactions (2020: none).

9 Taxation

Mater Ecclesiae CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold land and buildings				
	Specialised property £	Non-specialised property £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	1,979,113	328,562	26,918	29,185	2,363,778
Additions	—	30,211	29,881	—	60,092
Disposals	—	—	(5,359)	—	(5,359)
At 31 March 2021	<u>1,979,113</u>	<u>358,773</u>	<u>51,440</u>	<u>29,185</u>	<u>2,418,511</u>
Depreciation and impairment					
At 1 April 2020	379,113	—	19,600	20,969	419,682
Disposals	—	—	(5,359)	—	(5,359)
Depreciation charge for the year	—	—	20,440	4,283	24,723
At 31 March 2021	<u>379,113</u>	<u>—</u>	<u>34,681</u>	<u>25,252</u>	<u>439,046</u>
Net book values					
At 31 March 2021	<u>1,600,000</u>	<u>358,773</u>	<u>16,759</u>	<u>3,933</u>	<u>1,979,465</u>
At 31 March 2020	<u>1,600,000</u>	<u>328,562</u>	<u>7,318</u>	<u>8,216</u>	<u>1,944,096</u>

The specialised property included above is no longer required for the charity's purposes and the trustees have made a decision to dispose of it and it is currently in the process of being sold with completion of the sale expected in February 2022. An impairment provision was made during the year to 31 March 2020 in order to reduce the net book value of the property to its anticipated net proceeds.

11 Investments

	Investment properties £	Listed investments £	2021 £	Investment properties £	Listed investments £	2020 £
Market value at 1 April 2020	190,000	4,143,640	4,333,640	205,000	4,732,762	4,937,762
Additions at cost	—	1,095,502	1,095,502	—	680,688	680,688
Disposals at book value (see below)	—	(1,125,220)	(1,125,220)	(15,000)	(747,122)	(762,122)
Net unrealised gains (losses)	—	805,135	805,135	—	(522,688)	(522,688)
Market value at 31 March 2021	190,000	4,919,057	5,109,057	190,000	4,143,640	4,333,640
Cash held by investment managers for re-investment	—	44,773	44,773	—	80,097	80,097
	<u>190,000</u>	<u>4,963,830</u>	<u>5,153,830</u>	<u>190,000</u>	<u>4,223,737</u>	<u>4,413,737</u>
Cost of listed investments* at 31 March 2021	*	3,970,831	3,970,831	*	4,072,423	4,072,423

*The cost of the investment property is not readily available.

Disposals at book value included above comprise the following:

	Investment properties £	Listed investments £	2021 £	Investment properties £	Listed investments £	2020 £
Disposal proceeds	—	1,188,305	1,188,305	9,610	748,356	757,966
(Gains) losses	—	(63,085)	(63,085)	5,390	(1,234)	4,156
Disposals at book value	—	<u>1,125,220</u>	<u>1,125,220</u>	<u>15,000</u>	<u>747,122</u>	<u>762,122</u>

11 Investments (continued)

Total realised and unrealised gains in the year were as follows:

	Investment properties £	Listed investments £	2021 £	Investment properties £	Listed investments £	2020 £
Net unrealised gains (losses)	—	805,135	805,135	—	(522,688)	(522,688)
Realised gains (losses)	—	63,085	63,085	(5,390)	1,234	(4,156)
Total	—	868,220	868,220	(5,390)	(521,454)	(526,844)

Listed investments held at 31 March 2021 comprised the following:

	2021 £	2020 £
UK investments		
. Equities	898,183	1,065,951
. Unitised funds	502,575	456,452
. Bonds	841,409	1,108,598
Overseas listed investments		
. Equities	76,802	59,178
. Unitised funds	2,066,792	1,280,518
. Bonds	533,296	172,943
	4,919,057	4,143,640

All listed investments were dealt in on a recognised stock exchange.

At 31 March 2021 listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation as at that date.

Holding	2021		2020	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
Vanguard US Equity Index Fund				
Institutional Plus GBP Income units	395,973	8.0	218,278	5.3
iShares II PLC USD TIPS UCITS ETF				
GBP Distribution units	280,710	5.7	—	—

The investment properties were revalued in March 2016 by Mr J Boothroyd FRICS, Chartered Surveyors, on an open market value basis subject to occupation by a life tenant, and in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standards. In the year to 31 March 2019, on advice, the trustees reduced this valuation by £150,000 due to new conservation restrictions.

The trustees have considered the valuation at 31 March 2021, based on professional advice, and are of the opinion that the values remain appropriate and in accordance with the charity's policy.

12 Debtors

	2021 £	2020 £
Accrued investment income	21,355	26,922
Prepayments	10,592	10,364
	31,947	37,286

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	17,943	14,396
Expense creditors	16,590	—
Donation payable	30,500	—
Social security and other taxes	449	—
	65,482	14,396

14 Tangible fixed assets fund

	2021 £	2020 £
At 1 April 2020	1,944,096	2,011,759
Net movement in year	35,369	(67,663)
At 31 March 2021	1,979,465	1,944,096

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund and other designated funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, by the charity to meet future contingencies.

15 Investment property fund

	2021 £	2020 £
At 1 April 2020	190,000	—
Designated during the year	—	190,000
At 31 March 2021	190,000	190,000

The investment property fund represents the net book value of the charity's investment property. A decision was made to separate this fund from the general fund in recognition of the fact that the investment property can only be sold with difficulty due to a restrictive tenancy agreement. As such the value of the property should not be regarded as funds that would be realisable with ease by the charity to meet future contingencies.

16 Financing and Congregational fund

	2021 £	2020 £
At 1 April 2020	500,000	—
Designated during the year	500,000	500,000
At 31 March 2021	1,000,000	500,000

The Financing and Congregational fund has been established to finance future grants and donations. The trustees are yet to formalise their plans for the future and need to carry out further work on deciding how these funds are to be applied.

17 Sisters' care fund

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds for a specific purpose.

	2021 £	2020 £
At 1 April 2020	3,500,000	—
Designated during the year	—	3,500,000
At 31 March 2021	3,500,000	3,500,000

The sisters' care fund has been established by the charity's trustees to provide for the future costs of providing care for elderly sisters who have dedicated their working lives to the charity.

18 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	1,979,465	—	1,979,465
Investments	463,830	—	4,690,000	5,153,830
Net current assets	432,031	—	—	432,031
	895,861	1,979,465	4,690,000	7,565,326

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	—	1,944,096	—	1,944,096
Investments	223,737	—	4,190,000	4,413,737
Net current assets	526,738	—	—	526,738
	750,475	1,944,096	4,190,000	6,884,571

18 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 March 2021 and movements on revaluation are as follows:

	Investment properties £	Listed investments £	2021 £	Investment properties £	Listed investments £	2020 £
Total unrealised gains at 31 March 2021 included above:	190,000	948,226	1,138,226	190,000	71,217	261,217
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 April 2020	190,000	71,217	261,217	205,000	584,234	789,234
In respect to disposals in year	—	71,874	71,874	(15,000)	9,671	(5,329)
Net gains (losses) arising on revaluation	—	805,135	805,135	—	(522,688)	(522,688)
Total unrealised gains at 31 March 2021	190,000	948,226	1,138,226	190,000	71,217	261,217

The charity's investment properties were acquired many years ago and precise figures for the historical cost of these properties are not available. However, it is known that the original purchase price of those properties was insignificant in today's terms. Hence the cost of these properties has been assumed to have been £nil.

19 Ultimate control and liability of the member

The charity is controlled by the Congregational Leader (referred to as the Mother General in the charity's Constitution) who is the sole member of the CIO.

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.