

Mater Ecclesiae CIO



Annual Report and Accounts

31 March 2023

Charity Registration Number
1171376

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Trustees	Brother James Boner Sister Clare Lennon Sister Anna O'Connor Sister Rosemary Peacock Sister Theresa Tighe Doctor Jacqueline Wilkinson (resigned 31 January 2023)
Congregational Leader	Sister Clare Lennon
Correspondence address	Buzzacott LLP 130 Wood Street London EC2V 6DL
Charity registration number	1171376
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Bankers	Royal Bank of Scotland plc 62-63 Threadneedle Street London EC2R 8LA
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

The trustees present their report and the accounts of Mater Ecclesiae CIO (the charity) for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 23 to 28 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 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
- ◆ 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

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Caring for members of the Congregation

The Congregation started the year with six members but, following the death of Sister Anne Kelly on 27 December 2022, now has five members. Sister Anne was interred at Walsingham with the rest of the deceased Sisters of the Congregation. Of the remaining Congregation, the majority 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.

In January the Congregation gathered to attend Sister Anne's funeral Mass in Coleshill followed in February by her burial in Walsingham. The memorial stone at the grave had previously been blessed in November 2022 with 12 guests in attendance and catered for afterwards.

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.

Four of the five sisters are in residential care homes in locations that they have chosen in order to be near family or for personal reasons. Sister Clare Lennon supports these sisters with regular visits, calls, emails, texts and parcels. Two of the three care homes used provide daily Mass and other prayer services. The other care home resident can attend Mass locally. Sister Clare attended the Christmas lunch and concert for Sister Mary and residents at the Coleshill care home.

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

Sister Clare provided accommodation and hospitality for eleven people on a pro-bono basis throughout the year and her bungalow was used as a holiday retreat for two people who would not otherwise have afforded a holiday.

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 has been distributing Holy Communion every Sunday to approximately 12 Roman Catholic residents of her care home. She prepared religious leaflets for 30 residents' use on Palm Friday, Good Friday and Easter Sunday, and in February 2023 assisted the staff in taking eight Roman Catholic residents to attend an Ash Wednesday service at the local Catholic Church. In addition, Sister Rosemary created a portable Nativity Scene for display in the visitors area of the care home at Christmas and throughout the year has assisted various residents of her care home in joining in with care home activities. All these actions resulted in her being presented in March 2023 with the 'Gem Award' by the care home manager, for "Supporting residents' religious needs and helping activity staff".

Sister Rosemary's activities outside the care in support of the charism of the charity include preparing gift boxes for the local women's refuge and providing Prayer Trust leaflets for St Vincent de Paul to use in Chelmsford Prison.

Sister Mary Thomas uses her craft skills to make cards for other residents and the sisters.

Sister Clare regularly visits the other sisters who are in residential care homes across the country, in addition to regular visits and support to the wider community in Walsingham.

Frequent prayer requests are received by email or telephone message. These requests are received from people throughout the world and from 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 owned 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.

Sister Clare was recommissioned as a Eucharist Minister at Walsingham Shrine and as a reader at Mass. She regularly attends the prayer services at the Shrine in her role as a contemplative intercessor. Sister Clare also takes care of the Sacristy laundry on a voluntary basis.

Sister Clare visits elderly neighbours and invites them to tea and to meals and, in addition, provides transport to Mass and shops and assistance with shopping for those who need it. Sister also offers the same hospitality to other religious and priests who live in and around 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 ensures they are provided with everything they require, as well as providing spiritual support and accompanying sisters to hospital appointments.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

Ministry (continued)

Sister Clare keeps in regular touch with Mater Ecclesiae Associates, providing spiritual accompaniment and support. She ensures that Masses and prayers are offered for the intentions of everyone connected to the Congregation monthly.

Sister continues to be a member of the support team for Rachel's Vineyard, Birmingham; an organisation offering help and support to anyone traumatised by abortion or miscarriage and was asked to join the support team for the Rachel's Vineyard Retreat held in Walsingham each year. Sister has attended three of their healing retreats, two in Birmingham and one in Walsingham. In addition, the charity has also given increased financial assistance to both groups. Sister Clare also provided her home for use for four planning meetings for the Rachel's Vineyard Retreat in Walsingham.

Spiritual Life

Sister Clare made a five-day private retreat in Dereham with the Community of Our Lady of Walsingham in December.

Sister also took part in two eight-week online Alpha Courses provided by Rachel's Vineyard Birmingham Group.

In addition, Sister attended the Priestly Ordination of Brother Brian Quinn at the Jericho Monastery, Scotland.

Sister Clare participated in a four week advent Zoom course with Father John Deehan, on Isaiah, St Matthew's Gospel, St Paul's letter to the Romans and Mass Prefaces

Sister Clare attended a Mass and Day for Religious in North Norfolk at the Community of Our Lady of Walsingham Sisters' Convent in Dereham in November and attended the Oscott Seminary Carol Service in December.

In February Sister Clare attended the Episcopal Ordination of Monsignor Phillip Moger, former Rector at Walsingham Shrine, at Southwark Cathedral.

In March Sister Clare was present at a Zoom meeting with Friends and Benefactors at the CCS Centre Durham University and attended the First Profession, in Walsingham, of Sister Catherine of the Community of Our Lady of Walsingham, Dereham.

In addition, Sister takes part in a weekly Zoom Lectio Divina group, hosted by a former Associate of Mater Ecclesiae in the West Midlands and also participates in a bi-weekly Bible Study group organised by the Rachel's Vineyard Birmingham team.

Sister Clare and Brother James were invited by St Mary's Educational and Charitable Trust to visit India to witness the construction work in progress at the clinic for which a donation had been made. Sister Clare made a three-week visit, on behalf of the trustees in September 2022 on a fact finding mission and met with staff, families and children and attended a Mass and a celebration to mark the 40th anniversary of the foundation of Mater Ecclesiae.

Specific objectives, activities and relevant policies (continued)

Activities (continued)

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.

Throughout the year, payments were made to charities including but not limited to Rachel's Vineyard, St Mary's Educational and Charitable Trust, CAFOD Ukraine Appeal, Trussel Trust, Youth 2000, DEC Pakistan Appeal, CAFOD Turkey and Syria Appeal, Alzheimers Society, Action Aid, Water Aid, Samaritans, Crisis, British Red Cross, Orbis, Million Minutes, Mary's Meals, and Cardinal Hume Centre. Sister Clare attended a lunch at Elm House, Walsingham to meet the Youth 2000 team and the benefactors of the donation made to them and in June attended the Mass and Conferences at St Cuthberts Chaplaincy for the Friends and Benefactors of the CCS Durham University following our donation the previous year.

In addition, regular donations have been made to Walsingham Shrine and the Parish Church of St Mary and All Saints for the upkeep of the cemetery where the sisters have been laid to rest and where Sister Anne was buried in February 2023, at her request to be with the other sisters.

Rachel's Vineyard was supported with a donation of £17,000 in the year to March 2022 to support the meeting costs of both groups. The charity has committed to provide further financial assistance of £20,000 in the current year but payable in the year to March 2024.

The trustees have also made a commitment in the year to March 2023 to further fund the scholarship at Durham University, set up and funded in July 2021 to specifically support students in a named scholarship for our foundress Sister Catherine Mulligan. Total donations of £15,000 were committed in the year and will be paid in the financial year to March 2024.

A donation of £30,000 was made in the year to St Mary's Educational and Charitable Trust (SMECT), in keeping with Pope Francis's admonition that the Catholic Church was to be a missionary church and to continue the vision of the deceased sisters who had wished to make a foundation overseas. The remaining sisters decided to support the work of SMECT which wishes to construct a clinic building on the same site as the pre-existing school/orphanage in India to provide for the health needs of the locals who otherwise would have no access to basic healthcare. The clinic will help to provide medicines and care for approximately 20 villages. Groundworks commenced on site in Summer 2022 and, as previously mentioned, Sister Clare visited on behalf of the trustees to witness the work's progress and meet staff and local beneficiaries. Total donations of £130,000 were committed in the year and will be paid in the financial years to March 2026 as shown in the notes to the accounts.

Specific objectives, activities and relevant policies (continued)

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:

- ◆ Sister Clare attended a four week online course on the old testament.
- ◆ Sister Clare also attended online RLSS certificated safeguarding courses throughout the year and renewed her certification.
- ◆ Sister Clare attended an online webinar with Dr Time Gray of St Augustine's Institute, USA, on Preparing Your Heart for Holy Week.
- ◆ Sister Clare attended an online webinar from the USA on Women Investing in Women: Female Religious and the Future.
- ◆ Sister Rosemary attended an online Novena from Clonard Monastery, Belfast.
- ◆ Sister Rosemary attended a pilgrimage to Walsingham in July 2022 with three other SVP members where she was greeted by Sister Clare.
- ◆ Sister Rosemary received a certificate of attendance from an online 'End of Life Companionship Course', organised by St Mary's University.
- ◆ Sister Rosemary attended an SVP Session on Safeguarding.
- ◆ In April 2023 Sister Rosemary renewed her DBS registration.

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 Standards Agency (CSSA) and the Religious Life Safeguarding Service (RLSS).

Specific objectives, activities and relevant policies (continued)

Protection of children and vulnerable adults

Sister Clare continues to take part in ongoing Zoom safeguarding meetings with Sister Frances Orchard and her team on CSSA and RLSS roles and responsibilities. Sister Clare also attended certified online safeguarding courses with RLSS on Safeguarding Adults and Safeguarding for Spiritual Direction in early 2023. In addition, in the same period she attended a Zoom meeting on Safeguarding Training for Trustees.

Investment policy

The charity's investments are managed by Waverton Investment Management Limited under a discretionary investment management agreement.

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 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 charity has one property which is rented out to tenants and which is regarded, therefore, as an investment property. The rent charged is constrained by the existence of a restrictive covenant and is rented under an Assured Tenancy Agreement. The trustees receive regular professional advice in respect to the upkeep of this property, the level of rent and its valuation.

Following the lifting of Covid restrictions, the property has undergone the remainder of the required extensive renovation from suitably qualified and experienced professionals to bring it in line with all landlord obligations and to make it more efficient to heat and maintain.

Financial review for the year

Results for the year

A summary of the year's results is set out on page 20 of the attached accounts.

During the year to 31 March 2023, income amounted to £232,159 (2022: £244,407). Of this, £96,879 (2022: £105,083) 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 £127,560 (2022: £129,676) and included rents receivable in respect to property of £2,310 (2022: £2,080). The charity's income includes a surplus on disposal of tangible fixed assets of £7,700 (2022: £9,109).

Financial review for the year (continued)

Results for the year (continued)

During the year, the charity incurred expenditure of £572,883 (2022: £481,267). Cost of raising funds included investment management fees of £42,250 (2022 - £40,755). Expenditure on maintaining the members of the Congregation and enabling them to carry out their charitable work amounted to £358,289 (2022: £381,212). Donations payable during the year totalled £174,325 (2022: £54,603) - further details are given in note 5 to the attached accounts.

The overall net expenditure for the year before losses and gains on investments amounted to £340,724 (2022: £236,860). Net investment losses totalled £47,190 (2022: gains of £67,358). After accounting for the net investment losses, the net decrease in funds for the year amounted to £388,533 (2022: after accounting for net investment gains, the net decrease in funds amounted to £169,502).

Financial position and reserves policy

The balance sheet shows total funds at 31 March 2023 of £7007,291 (2021: £7,395,824).

£391,043 (2022: £360,424) represents the net book value of the charity's tangible fixed assets, after deducting the liability under a finance agreement. 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 £3,300,000 (2022: £3,850,000) 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 £2,000,000 (2022: £2,000,000) 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.

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 £940,123 (2022: £933,775).

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.

Financial review for the year (continued)

Financial position and reserves policy (continued)

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 as a result of prevailing macroeconomic and geopolitical climate.

Investment performance – listed investments

The performance of the portfolio and the charity's investment strategy had been reviewed by the trustees who, after taking professional advice, had moved the management of the investments to Waverton Investment Management Limited with effect from February 2022. 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 2023 had a market value of £5,790,949 (2022: £5,002,780) including cash available for reinvestment of £35,007 (2022: £644,169).

During the year, the charity's investments achieved an income yield of 2.52% (2022: 1.43%) and a capital yield of minus 2.77% (2022: plus 2.74%). The performance of the portfolio reflected the drop of the markets generally as a result of the macroeconomic and geopolitical climate. 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.

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.

The trustees continue to review income and expenditure. Having undertaken a review of Investment Managers and the investments themselves in the previous year, the plan is to have ongoing annual reviews of performance with the Investment Managers and a consultant to monitor the ethics and the performance of the investments.

With the sisters living longer than originally expected and the increase in care costs and investment income decreasing, a review of the long-term forecast, commissioned three years ago, was sought and reviewed. The ongoing needs of the sisters and the associated costs in line with income projections are constantly reviewed and discussed.

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 and three trustees are members of other religious congregations,.

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.

Organisational structure

At the beginning of the financial year there were six finally professed sisters with five in residential care. By the end of the year this had reduced to five fully professed sisters and four in 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.

Structure, governance and management (continued)

Key management personnel (continued)

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.

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.

Structure, governance and management (continued)

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 trustees recognise their responsibility for the management of risks faced by the charity and the sisters.

The trustees have identified the following areas for particular attention within the charity's risk management strategy:

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 2023 was 83 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 Administrator 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.

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, the value of which is dependent on movements in UK and world stock markets. The investments are managed by a reputable investment manager who adheres to a policy agreed by the trustees. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. Given the current macroeconomic and geopolitical environment, the trustees will continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, they acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

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

Structure, governance and management (continued)

Risk management (continued)

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:

Clare Lennon

Trustee

Approved on: 30 January 2024

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 2023, 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 2023 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.

Other information (continued)

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.

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

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.

Auditor's responsibilities for the audit of the accounts (continued)***How the audit was considered capable of detecting irregularities including fraud (continued)***

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

- ◆ agreeing 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

31 January 2024

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 2023

	Notes	2023 £	2022 £
Income from:			
Donations	1	96,879	105,083
Investments and interest receivable	2	127,560	129,676
Other income – surplus on disposal of tangible fixed assets		7,700	9,109
Miscellaneous sources		20	539
Total income		232,159	244,407
Expenditure on:			
Cost of raising funds			
. Listed investments – investment manager's fees		42,250	40,755
. Investment properties – legal, professional and miscellaneous costs		(1,981)	4,697
Charitable activities			
. Support of members of the Congregation and their ministry	3	358,289	381,212
. Charitable donations	5	174,325	54,603
Total expenditure		572,883	481,267
Net expenditure for the year before investment gains (losses)	6	(340,724)	(236,860)
Exchange losses - investment cash		(619)	—
Net investment gains on investment properties		93,049	1,102
Net investment (losses) gains on listed investments		(140,239)	66,256
Net expenditure and net movement in funds		(388,533)	(169,502)
Reconciliation of funds:			
Funds brought forward at 1 April 2022		7,395,824	7,565,326
Funds carried forward at 31 March 2023		7,007,291	7,395,824

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	10		407,764		360,424
Investments	11		6,167,074		5,254,405
			<u>6,574,838</u>		<u>5,614,829</u>
Current assets					
Debtors	12	49,411		30,205	
Short term deposits		152,757		151,627	
Cash at bank and in hand		447,992		1,676,000	
		<u>650,160</u>		<u>1,857,832</u>	
Creditors: amounts falling due within one year	13	(123,343)		(76,837)	
Net current assets			<u>526,817</u>		<u>1,780,995</u>
Total assets less current liabilities			<u>7,101,655</u>		<u>7,395,824</u>
Creditors: amounts due after more than one year	14		(94,364)		—
Total net assets			<u>7,007,291</u>		<u>7,395,824</u>
The funds of the charity					
Unrestricted funds					
. General funds			940,123		933,775
. Tangible fixed assets fund	15		391,043		360,424
. Designated funds					
.. Investment property fund	16		376,125		251,625
.. Financing and congregational fund	17		2,000,000		2,000,000
.. Sisters' care fund	18		3,300,000		3,850,000
			<u>7,007,291</u>		<u>7,395,824</u>

Approved by and signed
on behalf of the trustees by:

Clare Lennon

Trustee

Approved on: 30 January 2024

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(347,328)	(340,931)
Cash flows from investing activities:			
Investment income and interest received		108,147	138,048
Purchase of tangible fixed assets		(26,207)	(10,948)
Proceeds from disposal of tangible fixed assets		—	1,609,109
Proceeds from the disposal of investments		1,237,546	4,083,280
Purchase of investments		(2,806,567)	(3,517,101)
Net cash (used by) provided by investing activities		(1,487,081)	2,302,388
Financing – capital repayments on finance agreement		(1,012)	—
Change in cash and cash equivalents in the period		(1,835,421)	1,961,457
Exchange losses on investment cash		(619)	—
Cash and cash equivalents at 1 April 2022	B	2,471,796	510,339
Cash and cash equivalents at 31 March 2023	B	635,756	2,471,796

Notes to the statement of cash flows for the period to 31 March 2023

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(388,533)	(169,502)
Adjustments for:		
Depreciation charge (note 10)	4,300	19,041
Gains on disposal of tangible fixed assets	(7,700)	(9,109)
Losses (gains) on investments	47,190	(67,358)
Exchange losses - investment cash	619	—
Investment income and interest receivable	(127,560)	(129,676)
Increase in debtors	207	(6,630)
Increase in creditors	124,149	22,303
Net cash used in operating activities	(347,328)	(340,931)

B Analysis of changes in net debt

	As at 1 April 2022 £	Non cash movements £	Cash flows £	Other adjustments £	As at 31 March 2023 £
Cash at bank and in hand	1,676,000	—	(1,228,008)	—	447,992
Short term deposits	151,627	—	1,130	—	152,757
Cash held by investment managers	644,169	(619)	(608,543)	—	35,007
Total cash and cash equivalents	2,471,796	(619)	(1,835,421)	—	635,756
Finance agreement					
. Debt due within one year	—	(17,733)	1,012	14,364	(2,357)
. Debt due after more than one year	—	—	—	(14,364)	(14,364)
Net debt movements	—	(17,733)	1,012	—	(16,721)
	2,471,796	(18,352)	(1,834,409)	—	619,035

Principal accounting policies Year to 31 March 2023

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 2023 with comparative information provided in respect to the year to 31 March 2022.

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), 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.

Assessment of going concern (continued)

Given the current macroeconomic and geopolitical environment, the trustees continue to communicate with their investment managers and, whilst there are concerns over fluctuations in world stock markets, they acknowledge also that the charity is a long-term investor. As such, the charity will be able to wait for markets to stabilise over time whilst the trustees keep a watching brief.

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees have concluded that the charity will have sufficient resources to meet its liabilities as they fall due.

With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

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.
- 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).

Expenditure recognition (continued)

- (i) 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.

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.

Specialised buildings comprised the Congregation's large residential convent and retreat centre. They were stated at cost net of impairment. An impairment review was carried out if events, or changes in circumstances, indicated that the carrying amount of these properties may not be recoverable. The freehold specialised buildings were sold during the year to 31 March 2022.

♦ 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.

Tangible fixed assets (continued)

- ◆ 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
Motor vehicles	25% per annum

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 and/or 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.

Finance arrangements

Assets held under finance arrangements are capitalised and depreciated over their useful lives. The corresponding finance obligation is treated in the balance sheet as a liability. The interest element of the rental obligations is charged to the statement of financial activities over the period of the arrangement in proportion of the outstanding balance of capital repayments.

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

	2023 £	2022 £
Salaries and pensions of individual religious received under deed of covenant and gift aid	96,879	94,910
Other donations by individual religious	—	9,992
General donations	—	181
	96,879	105,083

2 Income from: Investments and interest receivable

	2023 £	2022 £
Investment Income		
<i>UK listed investments</i>		
Equities	15,334	36,984
Bonds	12,073	30,410
Alternatives	23,791	13,170
<i>Overseas listed investments</i>		
Equities	44,188	29,552
Bonds	12,442	9,731
Alternatives	9,418	6,789
	117,246	126,636
Interest receivable		
Cash held by investment managers	4,456	31
Bank interest	3,548	1,435
Income from investment property	2,310	2,080
	127,560	130,182

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

	2023 £	2022 £
Staff costs	25,901	35,005
Premises costs	15,705	38,562
Sisters' living and personal expenses	21,872	17,764
Nursing care and medical costs	227,702	222,346
Education, training and spiritual renewal	3,736	3,071
Motor and travel	11,813	11,350
Exhumation, funeral and memorial stone costs	22,119	31,068
Support costs (note 4)	29,441	22,046
	358,289	381,212

4 Support costs

	2023 £	2022 £
Accountancy and bookkeeping fees	2,000	2,620
Governance costs:		
. Audit fee	11,100	11,280
. Legal and professional	9,442	—
Communication and IT	1,546	2,952
Office and miscellaneous costs	5,353	5,194
	29,441	22,046

5 Expenditure on: Donations

	2023 £	2022 £
Donations to institutions:		
. Rachel's Vineyard	20,000	17,000
. Durham University - Centre for Catholic Studies	15,000	—
. St Mary's Educational Charitable Trust	130,500	30,700
. CAFOD - Ukraine Humanitarian Appeal	1,000	3,000
. Just Giving - Carfin Grotto	110	1,075
. The Trussell Trust	1,000	—
. Youth 2000	1,000	—
. Father Hudson's Care	1,000	—
. The Walsingham Trust - National Shrine	1,000	1,000
. Other donations	3,715	1,828
	174,325	54,603

The donation to St Mary's Educational Charitable Trust is payable in three instalments. £50,000 is payable in the year ending 31 March 2024 and £40,000 is payable in each of the years ending 31 March 2025 and 2026.

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

This is stated after charging:

	2023 £	2022 £
Staff costs (note 7)	25,901	36,496
Auditor's remuneration		
. Statutory audit services		
.. Current year	11,100	7,200
.. Previous year	—	1,080
. Accountancy services – current year	6,300	3,000
. Taxation	2,160	—
Depreciation	4,300	19,041

7 Staff costs and remuneration of key management personnel

	2023 £	2022 £
Wages and salaries	25,153	19,065
Employer contributions to pension plans	748	763
	25,901	19,828
Agency staff and subcontractors	—	15,177
	25,901	35,005

The average number of part-time employees during the period was 1 (2022: 1).

No employee earned more than £60,000 during the period (2022: 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 £18,439 (2022: £27,613).

One trustee received reimbursement of expenses in the year to 31 March 2023 of £115 (2022: no trustee received reimbursement of expenses).

There were no other related party transactions (2022: 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 £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	358,773	4,846	17,130	380,749
Additions	—	26,207	25,433	51,640
Disposals	—	—	(17,130)	(17,130)
At 31 March 2023	<u>358,773</u>	<u>31,053</u>	<u>25,433</u>	<u>415,259</u>
Depreciation and impairment				
At 1 April 2022	—	3,195	17,130	20,325
Disposals	—	—	(17,130)	(17,130)
Depreciation charge for the year	—	3,770	530	4,300
At 31 March 2023	<u>—</u>	<u>6,965</u>	<u>530</u>	<u>7,495</u>
Net book values				
At 31 March 2023	<u>358,773</u>	<u>24,088</u>	<u>24,903</u>	<u>407,764</u>
At 31 March 2022	<u>358,773</u>	<u>1,651</u>	<u>—</u>	<u>360,424</u>

See post balance sheet events note 20.

11 Investments

	Investment properties £	Listed investments £	2023 £	Investment properties £	Listed investments £	2022 £
Fair (market) value at 1 April 2022	251,625	4,358,611	4,610,236	190,000	4,919,057	5,109,057
Additions at cost	31,451	2,775,116	2,806,567	60,523	3,456,578	3,517,101
Disposals at book value (see below)	—	(1,316,093)	(1,316,093)	—	(4,148,749)	(4,148,749)
Net unrealised gains (losses)	93,049	(61,692)	31,357	1,102	131,725	132,827
Fair (market) value at 31 March 2023	376,125	5,755,942	6,132,067	251,625	4,358,611	4,610,236
Cash held by investment managers for re-investment	—	35,007	35,007	—	644,169	644,169
	<u>376,125</u>	<u>5,790,949</u>	<u>6,167,074</u>	<u>251,625</u>	<u>5,002,780</u>	<u>5,254,405</u>
Cost of listed investments* at 31 March 2023	91,974	5,524,028	5,616,002	60,523	3,941,130	4,001,653

*The original cost of the investment property is not readily available. The cost at 31 March 2023 represents the cost of additions since 1 April 2021.

Disposals at book value included above comprise the following:

	Investment properties £	Listed investments £	2023 £	Investment properties £	Listed investments £	2022 £
Disposal proceeds	—	1,237,546	1,237,546	—	4,083,280	4,083,280
Losses (gains)	—	78,547	78,547	—	65,469	65,469
Disposals at book value	<u>—</u>	<u>1,316,093</u>	<u>1,316,093</u>	<u>—</u>	<u>4,148,749</u>	<u>4,148,749</u>

11 Investments (continued)

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

	Investment properties £	Listed investments £	2023 £	Investment properties £	Listed investments £	2022 £
Net unrealised gains	93,049	(61,692)	31,357	1,102	131,725	132,827
Realised (losses) gains	—	(78,547)	(78,547)	—	(65,469)	(65,469)
Total	93,049	(140,239)	(47,190)	1,102	66,256	67,358

Listed investments held at 31 March 2023 comprised the following:

	2023 £	2022 £
UK investments		
. Equities	448,065	854,405
. Bonds	716,470	471,465
. Alternatives	496,807	455,484
Overseas listed investments		
. Equities	3,535,234	2,188,471
. Bonds	303,244	68,777
. Alternatives	256,122	320,009
	5,755,942	4,358,611

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

At 31 March 2023 listed investments included the following individual holding deemed material when compared with the overall portfolio valuation as at that date.

Holding	2023		2022	
	Market value of holding £	Percentage of portfolio %	Market value of holding £	Percentage of portfolio %
Waverton Sterling Bond Fund 'A'	350,154	6.1%	277,240	6.4

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.

In the year to 31 March 2023 the trustees have spent £31,451 (2022-£60,523) on partially refurbishing the property. Following this, the trustees have considered the valuation at 31 March 2023, based on professional advice, and are of the opinion that the value of the property, after the refurbishments to date, subject to the restrictive tenancy arrangement is £376,125. See post balance sheet events note 20.

12 Debtors

	2023 £	2022 £
Accrued investment income	32,396	12,983
Prepayments	17,015	17,222
	49,411	30,205

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Expense creditors	1,334	2,862
Accruals and deferred income	33,340	23,971
Donation payable	85,000	49,000
Social security and other taxes	1,312	1,004
Amounts due under a finance agreement for purchase of a motor vehicle	2,357	—
	123,343	76,837

14 Creditors: amounts falling due after one year

	2023 £	2022 £
Donation payable (note 5)	80,000	—
Amounts due under a finance agreement for purchase of a motor vehicle	14,364	—
	94,364	—

All of the above are payable within two to five years.

The amounts due under the finance agreement are interest free and are payable in monthly instalments of £196 with a final instalment of ££8,865 payable in September 2026.

15 Tangible fixed assets fund

	2023 £	2022 £
At 1 April 2021	360,424	1,979,465
Net movement in year	30,619	(1,619,041)
At 31 March 2022	391,043	360,424

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets less creditors in relation to relevant finance arrangements. 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.

16 Investment property fund

	2023 £	2022 £
At 1 April 2022	251,625	190,000
Designated during the year	124,500	61,625
At 31 March 2023	376,125	251,625

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.

17 Financing and Congregational fund

	2023 £	2022 £
At 1 April 2022	2,000,000	1,000,000
Designated during the year	165,000	1,000,000
Utilised during the year	(165,000)	—
At 31 March 2023	2,000,000	2,000,000

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.

18 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.

	2023 £	2022 £
At 1 April 2022	3,850,000	3,500,000
(Released) designated during the year	(550,000)	350,000
At 31 March 2023	3,300,000	3,850,000

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. The additional designation during the year is a result of increasing residential and nursing home fees,

19 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	—	407,764	—	407,764
Investments	490,949	—	5,676,125	6,167,074
Net current assets (liabilities)	529,174	(2,357)	—	526,817
Creditors: amounts falling due after more than one year	(80,000)	(14,364)	—	(94,364)
	940,123	391,043	5,676,125	7,007,291

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	—	360,424	—	360,424
Investments	—	—	5,254,405	5,254,405
Net current assets	933,775	—	847,220	1,780,995
	933,775	360,424	6,101,625	7,395,824

The total unrealised gains as at 31 March 2023 and movements on revaluation are as follows:

	Investment properties £	Listed investments £	2023 £	Investment properties £	Listed investments £	2022 £
Total unrealised gains at 31 March 2023 included above:	284,151	231,914	516,065	191,102	417,481	608,583
Reconciliation of movements in unrealised gains						
Unrealised gains at 1 April 2022	191,102	417,481	608,583	190,000	948,226	1,138,226
In respect to disposals in year	—	(123,875)	(123,875)	—	(662,470)	(662,470)
Net gains arising on revaluation	93,049	(61,692)	31,357	1,102	131,725	132,827
Total unrealised gains at 31 March 2023	284,151	231,914	516,065	191,102	417,481	608,583

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.

20 Post balance sheet events

Tangible fixed assets (note 10)

Since the year end, the charity has purchased a leasehold residential property, situated in Nuneaton. The property has been purchased for £230,000 plus associated professional costs.

The charity is currently selling its freehold property situated in Walsingham. The selling price is £407,500 before costs related to the sale. The property is included within tangible fixed assets in these accounts at a net book value of £358,773.

Investment properties (note 11)

The charity's investment property is included in these accounts at a fair value of £376,125 based on a 31 March 2023 valuation taking in to account the restrictive covenants existing as at that date (note 11). Since the year end, the tenant has vacated the property and the trustees are considering plans for its disposal. The trustees estimate the potential selling price, based on a professional valuation and subject to vacant possession, to be £450,000.

21 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.