

Order of the Company of Mary Our Lady CIO

Annual Report and Accounts

31 December 2022

Charity Registration Number
1173559

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

Trustees	Sister Anne Bayley ODN Sister Maria Nieves Escalada Gallego ODN Sister Anne Gill ODN Sister Patricia Grady ODN Sister María Rita Calvo Sanz ODN (appointed 2 February 2022) Sister Ernestine Velarde ODN (retired 2 February 2022)
Territorial Delegate	Sister Patricia Grady ODN
Principal address	Lestonnac 27-29 Between Streets Cobham Surrey KT11 1AA
Charity registration number	1173559
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Barclays UK plc 8-12 Church Street Walton on Thames Surrey KT12 2QX
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG
Investment managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

The trustees present their report and the accounts of the Order of the Company of Mary Our Lady CIO (the charity) for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 22 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) (effective 1 January 2019).

Introduction

The Sisters of the Company of Mary Our Lady (the Order) are the members of an international Roman Catholic religious order founded by Jeanne de Lestonnac (1556-1640) in France in 1607. The Order's mission is education, focused on the person in all their uniqueness.

The Order is divided into a number of separate Provinces and Delegations. The Delegation of England is administered by the Territorial Delegate together with a Council consisting of two other members. The Territorial Delegate and Council are appointed by the Superior General, after consultation with the sisters of the Delegation of England, for a term of three years, renewable for up to nine years.

The accounts accompanying this report are the accounts of the charitable incorporated organisation (CIO) which administers the assets of the Order in England. The CIO is governed by a Constitution dated 20 June 2017 and is registered with the Charity Commission (Charity Registration Number 1173559).

Mission

The principal objective of the charity, as set out in its Constitution, is to advance the religious and other charitable work undertaken by the Order and its members (the sisters) in England.

The principal work with which the sisters are involved concerns the provision of education together with social and pastoral care in the wider community.

By supporting and caring for the individual members throughout their lives within the Order, 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 Order, the trustees give careful consideration to the Charity Commission's general guidance on public benefit.

Activities, specific objectives and relevant policies

Caring for members of the Order

The Delegation in England has six members, the majority of whom have given their working lives to the charitable activities of the Order, and any earnings are covenanted to the charity. In common with many religious congregations in Britain, the age profile of the members of the Delegation is increasing as existing members grow older and the number of new vocations decreases. At present the average age is 81.

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

Over the next decade, the trustees expect the number of sisters requiring care to increase. As a consequence, the trustees are giving careful consideration to the impact of this on the work of individual members of the Delegation, the property requirements of the Delegation and the financial implications.

Education

In 2002, the education assets of the charity were transferred to the related charity, Notre Dame School, Cobham (Charity Registration Number 1081875). This charity continues to operate Notre Dame School, Cobham, a school providing education and consisting of a Preparatory and Senior School.

Through the sisters who are members of the Board of Governors of Notre Dame School, Cobham, the Order continues to ensure that its ethos and educational philosophy is maintained in the school in a manner consistent with the original aims and spirit of the school when run by the Order. There is a sister from the USA and a sister from Spain on the Board of Governors, who will be replaced when the occasion arises with other sisters from overseas, to ensure the continued support of the Order for the School.

The trustees of the charity continue to be actively involved with the school as Governors, members of committees and serve also in an advisory capacity.

To promote the ethos of the school and raise awareness of the Order's spiritual, educational and cultural heritage, the sisters lead an annual pilgrimage of a group of governors and staff to Bordeaux. This is where the Order was founded in 1607 by St Jeanne de Lestonnac, the niece of the French essayist Michel de Montaigne, for the education of girls.

The Order also provides opportunities for staff and Governors of the school to participate in its own international education conferences and meetings which are run by the Order every three to five years. Sisters from the Delegation of England assist with translation services, both written and simultaneous, for these meetings. The meetings help to integrate Notre Dame School, Cobham into the Order's international network of schools and educational centres.

Activities, specific objectives and relevant policies (continued)

Education (continued)

Three of the trustees are involved with a connected charity, ODNs COBHAM OUTREACH CIO (Charity Registration Number 1174655), to make known the work of the international Order and raise awareness in the school and the local parish of the needs of women and children in poorer parts of the world. Moreover, this provides an opportunity for the pupils of Notre Dame School to stretch out a helping hand in accordance with the School's ethos, as well as channelling some of their charity fundraising.

The sisters also organise other opportunities for language exchanges and voluntary work for pupils on an individual basis. One sister provides aftercare for pupils of Notre Dame School at the end of the school day.

Social and pastoral care

The members of the Order also continue to be active in parish activities. The sisters undertake work in the local community giving religious and material assistance to those in need (both Roman Catholic and from the wider public). Their work involves pastoral activities and organising religious instruction for children, young people and also adults; as well as home and hospital visits.

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 pressures 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.

Investment policy

There are no restrictions on the charity's power to invest. However, the trustees have requested that the investment managers do not invest in any company whose primary business is concerned with the manufacture of armaments, tobacco, alcohol or any products which would be used in connection with contraception or abortion or whose primary business entails labour exploitation. The trustees have delegated discretionary powers of management to Rathbone Investment Management Limited. The portfolio is managed with a view to producing a balance between income and capital returns.

Financial review for the year

Results for the year

A summary of the year's results is set out on page 15 of the attached accounts.

During the year to 31 December 2022, income amounted to £315,365. Of this, £125,807 (2021: £233,693) comprised donations including £121,953 (2021: £114,537) being the pensions receivable by members of the Order and donated to the charity under Gift Aid compliant Deeds of Covenant. Income received in 2021 included legacies of £115,656. The charity received investment income of £188,988 (2021: £166,260). Included within this is income from listed investments of £20,811 (2021: £5,118) and rents receivable in respect to property leased to Notre Dame School, Cobham of £168,152 (2021: £161,123).

During the year, the charity incurred expenditure of £188,199 (2020: £244,699). Expenditure for maintaining the members of the Order and enabling them to carry out their charitable work amounted to £161,462 (2021: £111,109). Donations paid during the year totalled £16,858 (2021: £129,284). Further details of donations are given in note 5 to the attached accounts. Costs of raising funds represents investment management fees and amounted to £8,079 (£4,306).

The overall net income for the year amounted to £127,166 (2021: £155,254). Investment losses were £85,319 (2021: gains £32,172) resulting in net movement of funds of £41,847 (2021: £187,426).

Investment performance

The charity has a portfolio of investments with a market value at 31 December 2022 of £961,615 (2021 £1,034,854) including cash awaiting investment of £114,222 (£182,480).

During the year, the charity's investments achieved an income yield of 2.4% and a negative capital yield of 10%. The performance of the portfolio reflected the condition of the markets generally throughout the period. The investment managers invested in accordance with the trustees' investment policy set out earlier in this report and in compliance with the ethical guidelines given to them. Further details of the investment portfolio are included in note 11 to the attached accounts. The trustees take a long term view regarding investment strategy and believe their policy remains appropriate.

Financial position and reserves policy

The balance sheet shows total funds of £3,891,050 at 31 December 2022. Of this, £746,679 (2021: £747,900) is represented by the net book value of properties and other tangible fixed assets essential for the support and work of the sisters whilst £1,313,290 (2021: £1,313,290) comprises funds represented by a property classified as programme related investment.

The trustees initially designated an amount of £1,100,000 in 2019 to establish a sisters' retirement fund. They designated a further £100,000 in 2020 and, in the current year, a further £100,000 has been set aside giving the fund a value of £1,400,000 (2021: £1,300,000). In the context of the total sum that will be needed in future years to provide for the sisters as they grow older, this amount is insufficient. However, it is hoped that further sums can be designated in 2023 as further sums become available following the sale of one of the charity's freehold properties subsequent to the year-end (note 9).

Financial review for the year (continued)

Financial position and reserves policy

Funds which are available as free reserves i.e. those unrestricted funds not designated for specific purposes or otherwise committed, are shown on the balance sheet as general funds and amount to £431,081 (2021: £488,013). It is the trustees' aim to ensure that sufficient funds are generated to be able to provide a proper level of care for sisters of all ages as they need it.

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to cover approximately two year's on-going expenditure and to provide for contingencies and unevenness in future income.

At the date of the balance sheet, the trustees consider that the level of free reserves were adequate but not excessive. In particular, the level of reserves is deemed sufficient when considered in the light of the uncertainties arising due to the current macroeconomic and geopolitical environment.

Future plans

The trustees do not anticipate any significant changes to the charity or its objectives over the next two to five years. It is their intention to continue to meet the following objectives:

- ◆ Ensuring all members of the Order receive the high level of care they require to provide them with the quality of life they have a right to expect;
- ◆ Enabling all members of the Order to continue with their individual ministries, as far as they are able, given their limitations of age and health;
- ◆ Selling the charity's property currently used as a community house once the property becomes surplus to requirements; and
- ◆ Paying due heed to the current macroeconomic and geopolitical environment and its consequences, both socially and economically.

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

Governance, structure and management

Governance

In terms of Canon law, the Order is governed at an international level by the Superior General and her team in Rome. The Superior General is elected every six years by the members of the Order at the General Chapter and she appoints the General Team from the names put forward by the General Chapter.

During the year, the charity had five trustees including the Territorial Delegate. The power of appointing new trustees rests with the Territorial Delegate, with the approval of the Superior General.

Governance, structure and management (continued)

Governance (continued)

In terms of Civil law, the charity is governed by a Constitution dated 20 June 2017 and is registered with the Charity Commission (Charity Registration Number: 1173559). As all trustees are members of the Order, they have a detailed knowledge of the work of the charity and of its structures. On being appointed, new trustees are required to spend some time with those leaving office, to receive a briefing on their responsibilities and the current position of the charity. They also meet with the Order's legal and accounting advisers during the course of a day to obtain a full briefing of their responsibilities and the charity's position. On-going in-service training takes place during the mandate.

Trustees

The charity's Constitution states that there must be at least three charity trustees and no more than nine trustees.

In selecting new individuals for appointment as trustees, the Territorial Delegate has regard to the skills, knowledge and experience needed for the effective administration of the charity.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this Annual Report and Accounts.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review all aspects regarding the charity and its activities, to plan and make relevant decisions for the future. When necessary, the trustees seek advice and support from the charity's professional advisers, including solicitors and accountants. The day to day management of the charity's activities and the implementation of policies are delegated to the appropriate members of the Order.

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 in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and estimates that are reasonable and prudent;

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ 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 assume that the charity will continue in operation.

The trustees are responsible for keeping 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 applicable Charity (Accounts and Reports) Regulations and the provisions of the 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.

Key management personnel

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

Three of the trustees are members of the Delegation of England and their living and personal expenses are borne by the charity. The trustees receive neither remuneration nor reimbursement of expenses in connection with their duties as trustees or key management personnel.

Liability of the member

The Territorial Delegate 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.

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 Order and the charity currently face and have reviewed the measures already in place to deal with them.

The charity's principal assets include 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 will be 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.

Governance, structure and management (continued)

Risk management (continued)

The areas identified for particular attention within the charity's risk management strategy are:

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws

Governance and management: looks at the risk of the Order, and hence the charity, of 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 December 2022 was 81 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 charity under a Gift Aid compliant Deed of Covenant.

As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: a) ensuring that the charity has the available financial resources to finance this care both now and in the future by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and b) ensuring that processes are in place to review the ministries and needs of individual sisters - identifying those who need extra care and help.

Another major risk associated with the decline in the number of vocations of the Order and increasing average age of the membership, is that the charity would not be able to continue to be involved directly with the school in ensuring that the Charism of the school is maintained. In order to mitigate the major risk, sisters from the International Order, with educational experience, have become involved so that the charity is able to continue to fulfil its mission in the United Kingdom in the future.

Operational: looks at the risks inherent in the activities of the charity.

The trustees recognise the absolute necessity of ensuring the protection and safety of all whom the charity serve. This means that all sisters who are in any kind of ministry have obtained clearance from the Disclosure and Barring Service (DBS). The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA).

The activities of the charity involve working with children and with adults who may need help at particularly vulnerable moments in life.

Governance, structure and management (continued)

Risk management (continued)

Financial: looks at risks including those arising as a result of poor budgetary control, poor accounting and poor financial controls.

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

Laws, regulations, external and environment: looks at the effect of government policies and the consequences of non-compliance with laws and regulations in so far as they are applicable to the Order's activities.

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, they have established effective systems to mitigate those risks.

Members of the Order

The members of the Order continue to give unsparing service and dedication to all the Order's works and the trustees wish to record their appreciation.

Signed on behalf of the trustees:

Patricia Grady ODN

Approved by the trustees on: 14 October 2023

Independent auditor's report to the trustees of the Order of the Company of Mary Our Lady CIO

Opinion

We have audited the accounts of the Order of the Company of Mary Our Lady CIO (the 'charity') for the year ended 31 December 2022 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 December 2022 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 Annual 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 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.

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;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ 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

18 October 2023

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 December 2022

	Notes	2022 £	2021 £
Income from:			
Donations and legacies	1	125,807	233,693
Investments and interest receivable	2	188,988	166,260
Other income			
. Surplus on disposal of tangible fixed assets		570	—
Total income		315,365	399,953
Expenditure on:			
Cost of raising funds – Investment manager's fees		8,079	4,306
Charitable activities			
. Support of members of the Order and their ministry	3	161,462	111,109
. Programme related investments	4	1,800	—
. Grants and donations	5	16,858	129,284
Total expenditure		188,199	244,699
Net income before net investment gains	7	127,166	155,254
Net (losses) gains on investment assets		(85,319)	32,172
Net movement in funds		41,847	187,426
Reconciliation of funds:			
Funds brought forward at 1 January 2022		3,849,203	3,661,777
Funds carried forward at 31 December 2022		3,891,050	3,849,203

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

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

Income in 2021 includes £300 received during the year for specific purposes. The donation was applied for these purposes fully that year and the expenditure is included in the comparatives above. All income received in 2022 was unrestricted.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		746,679		747,900
Programme related Investments	10		1,313,290		1,313,290
Listed investments	11		961,615		1,034,854
			3,021,584		3,096,044
Current assets					
Debtors	12	9,940		303	
Cash at bank and in hand		900,894		785,358	
		910,834		785,661	
Creditors: amounts falling due within one year	13	(41,368)		(32,502)	
Net current assets			869,466		753,159
Total net assets			3,891,050		3,849,203
The funds of the charity:					
Unrestricted funds					
. Tangible fixed assets fund	14		746,679		747,900
. Programme related investment fund	15		1,313,290		1,313,290
. Designated fund	16		1,400,000		1,300,000
. General funds			431,081		488,013
			3,891,050		3,849,203

Approved by the trustees and signed
on their behalf by:

Patricia Grady ODN

Trustee

Approved by the trustees on: 14 October 2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(58,915)	3,608
Cash flows from investing activities:			
Investment income and interest received		188,535	165,957
Purchase of investments		(116,792)	(820,587)
Proceeds from the disposal of listed investments		36,454	385
Purchase of tangible fixed assets		(2,574)	(12,446)
Proceeds from the disposal of tangible fixed assets		570	—
Net cash provided by (used in) investing activities		106,193	(666,691)
Change in cash and cash equivalents in the year		47,278	(663,083)
Cash and cash equivalents at 1 January 2022	B	967,838	1,630,921
Cash and cash equivalents at 31 December 2022	B	1,015,116	967,838

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	41,847	187,426
Adjustments for:		
Depreciation charge	3,795	3,538
Losses (gains) on listed investments	85,319	(32,172)
Investment income and interest receivable	(188,988)	(166,260)
(Increase) decrease in debtors	(9,184)	3,001
Increase in creditors	8,866	8,075
Surplus on disposal of tangible fixed assets	(570)	—
Net cash (used in) provided by operating activities	(58,915)	3,608

B Analysis of cash and cash equivalents

	As at 31 December 2021 £	Cash flows £	As at 31 December 2022 £
Cash at bank and in hand	785,358	115,536	900,894
Cash held by investment managers	182,480	(68,258)	114,222
Total cash and cash equivalents	967,838	47,278	1,015,116

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2022, with comparative information given in respect to the year to 31 December 2021.

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) 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 the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ determining the value of designated funds including the determination of the assumptions made in determining the value of the retirement fund; and
- ◆ estimating the future income and expenditure flows of the charity 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 at least one year from the date of approval of these accounts.

The trustees will continue to keep both income and expenditure under review. 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.

Assessment of going concern (continued)

The trustees will continue to communicate with their investment manager, Rathbones Investment Management, and, whilst there are concerns over the volatility in world stock markets given the current macroeconomic and geopolitical environment, they acknowledge also that the charity is a long term investor.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2023, 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 (see the investment policy and the risk management sections of the trustees' report for more information).

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, income from the charity's programme related investment, bank interest receivable, investment income, the surplus on disposal of tangible fixed assets and other income.

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.

Donated goods provided to the charity as gifts in kind are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the goods are provided to the charity. An equivalent amount is included as expenditure or capitalised if the goods represent a tangible fixed asset. Donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the goods of equivalent economic benefit on the open market.

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

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.

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

Income recognition (continued)

Income from programme related investments comprises rental income from a property used by another registered charity for purposes consistent with the objects of the Order, and is recognised when due under the lease arrangements with the entity. Income is accounted for only when the receipt of such income is probable and the amount can be measured reliably.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the net book value of the assets immediately prior to disposal and the cost of disposal. The surplus is recognised when the disposal becomes contractual.

All other income is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

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.

The costs of raising funds include direct costs and overheads associated with managing investment property, managing listed investments, and organising small scale fundraising activities.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:

- ◆ Expenditure on the support of members of the Order and their ministry. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith, the relief of poverty and supporting the other charitable activities of members of the Order.
- ◆ Expenditure on programme related investments.
- ◆ Grants and donations to support the Order's own work overseas and to support other charitable organisations with objectives consistent with those of the charity.

Charitable donations are made where the trustees consider there is real need following a review of the details of each particular case. 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. 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.

All expenditure on support and governance is attributed directly to the charitable activities of supporting members of the Order as any governance costs in relation to the provision of donations and grants is considered to be negligible.

Tangible fixed assets

◆ Freehold land and buildings

The charity's land and buildings represent non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation. They are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, to confirm that their residual value is not materially less than their book value. When this is deemed to be the case, an impairment provision is made.

◆ Furniture and equipment

All items of furniture and equipment or groups of such assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised and are depreciated over a ten-year period on a straight line basis.

In some circumstances, the charity will capitalise a group of assets individually costing less than £1,000 where these are interdependent components of a grouped asset with a value exceeding £1,000.

Fully depreciated items are eliminated in the year following the year in which they are fully depreciated.

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Programme related investments

Programme related investments include land and buildings owned by the charity but used by Notre Dame School, Cobham for purposes consistent with the charity's objectives. The land and buildings are included in the accounts at cost.

Listed 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.

Listed investments (continued)

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.

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

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.

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

The funds of the charity comprise unrestricted funds available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds are amounts representing tangible fixed assets, programme related investments and amounts which the trustees have designated for specific purposes. Details of these are provided in the notes to the accounts.

Services provided by members

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

1 Income from: donations

	2022 £	2021 £
Salaries and pensions of individual religious received under Gift Aid compliant deeds of covenant	121,953	114,537
Legacies receivable	—	115,656
General donations	3,854	3,500
	125,807	233,693

General donations in 2021 include £300 received during that year for specific purposes. The donation was applied for these purposes fully during 2021 and the expenditure is included in the comparatives figures above. All donations received in 2022 were unrestricted.

2 Income from: Investments and interest receivable

	2022 £	2021 £
Bank interest	25	19
Investment income receivable	20,811	5,118
Income from programme related investments		
. Rental income	168,152	161,123
	188,988	166,260

3 Expenditure on: support of members of the Order and their ministry

	2022 £	2021 £
Premises	29,280	28,162
Sisters' living and personal expenses	32,485	28,986
Nursing care and medical costs	66,116	20,169
Funeral and headstone costs	5,443	5,443
Formation and spiritual renovation	2,322	2,537
Depreciation	3,795	3,538
Support costs		
. Governance costs – legal and professional fees	14,220	15,086
. Other costs	7,801	7,188
	161,462	111,109

4 Expenditure on: Programme related investments

	2022 £	2021 £
Legal and professional fees	1,800	—

5 Expenditure on: Charitable donations

Donations during the year comprised:

	2022 £	2021 £
<i>Donations to institutions:</i>		
Generalate of the Order of the Company of Mary Our Lady		
. Annual contribution to support the Generalate	13,600	12,500
. Additional contribution to support the work of the Generalate	—	115,656
Salesians of Don Bosco UK (Ukraine crisis)	2,400	—
<i>Donations to individuals:</i>		
Stipends and other gifts	858	1,128
	16,858	129,284

6 Staff costs, key management personnel and trustees' remuneration

The charity does not employ any staff (2021 – none). No employee earned £60,000 per annum or more (including taxable benefits) during the year (2021: £60,000).

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

As members of the Order, the trustees' living and personal expenses during the year were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2021: £nil).

7 Net income and net movement in funds

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration		
. Statutory audit services:		
.. Current year	9,360	9,000
.. Previous year	360	360
Depreciation	3,795	3,538

8 Taxation

The Order of the Company of Mary Our Lady 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.

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2022	722,999	32,874	28,456	784,329
Additions	—	2,574	—	2,574
At 31 December 2022	<u>722,999</u>	<u>35,448</u>	<u>28,456</u>	<u>786,903</u>
Depreciation				
At 1 January 2022	—	8,226	28,203	36,429
Charge for the year	—	3,545	250	3,795
At 31 December 2022	<u>—</u>	<u>11,771</u>	<u>28,453</u>	<u>40,224</u>
Net book values				
At 31 December 2022	<u>722,999</u>	<u>23,677</u>	<u>3</u>	<u>746,679</u>
At 31 December 2021	<u>722,999</u>	<u>24,648</u>	<u>253</u>	<u>747,900</u>

Post balance sheet event

Since the year end, the charity has sold freehold land and buildings which are included above at a net book value of £258,512. The gross proceeds from the sale totalled £875,000.

10 Programme related investments

The programme related investments represent the charity's share of the land and buildings used by Notre Dame School, Cobham. The land and buildings are owned jointly by the charity and Notre Dame School, Cobham (Registered Charity Number 1081875 and Registered Company Number 03898262 (England and Wales)).

The charity and the school have entered into a Declaration of Trust dated 20 August 2003 to formalise the manner in which the school property may be dealt with.

The charity leases the land and buildings situated at Burwood House, Convent Lane, Cobham KT11 1HA, to Notre Dame School under a 999 lease term which commenced on 1 September 2002. During 2021, the terms of the lease were reviewed and the lease is being updated currently. Under the draft lease, with effect from 1 September 2022 the annual rental has been increased to £177,736 (2021: £163,360). Under the terms of both the existing and the draft lease, the school may cancel the lease at any time by giving the charity twelve months' written notice.

11 Listed investments

	2022 £	2021 £
Listed investments		
Fair (market) value at 1 January 2022	852,374	—
Additions at cost	116,792	820,587
Disposals at book value (see below)	(45,756)	(381)
Net unrealised (losses) gains	(76,017)	32,168
Fair (market) value at 31 December 2022	847,393	852,374
Cash held by investment managers	114,222	182,480
	961,615	1,034,854
Cost of listed investments at 31 December 2022	892,995	820,206

Disposals at book value included above are made up of the following:

	2022 £	2021 £
Proceeds	36,454	385
Net realised losses (gains)	9,302	(4)
Disposals at book value	45,756	381

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

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
UK fixed interest	98,492	95,492
UK equities	339,165	344,341
Overseas fixed interest	28,021	35,360
Overseas equities	381,715	377,181
	847,393	852,374

At 31 December 2022 there were no listed investments deemed material when compared to the overall portfolio valuation as at that date.

12 Debtors

	2022 £	2021 £
Investment income receivable	756	303
Prepayments and accrued income	9,184	—
	9,940	303

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Expense creditor	9,360	—
Accruals	17,507	20,002
Donations payable to the Generalate of the Order of the Company of Mary Our Lady	14,500	12,500
	41,367	32,502

14 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	747,900	738,992
Net movement in year	(1,221)	8,908
At 31 December 2022	746,679	747,900

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, in order to meet future contingencies.

15 Programme related investment fund

The programme related investment fund represents the book value of the charity's programme related investment at 31 December 2022 and 31 December 2021. There has been no movement in the value since 1 January 2020.

16 Designated fund – retirement reserve

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

Retirement fund	2022 £	2021 £
At 1 January 2022	1,300,000	1,200,000
Designated in the year	100,000	100,000
At 31 December 2022	1,400,000	1,300,000

The sisters' retirement fund has been established during the year 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.

17 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Sisters' retirement fund £	Total 2022 £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	—	746,679	—	—	746,679
Listed investments	—	—	—	961,615	961,615
Programme related investments	—	—	1,313,290	—	1,313,290
Net current assets	431,081	—	—	438,385	869,466
	431,081	746,679	1,313,290	1,400,000	3,891,050

	General fund £	Tangible fixed assets fund £	Programme related investment fund £	Sisters' retirement fund £	Total 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	747,900	—	—	747,900
Listed investments	—	—	—	1,034,854	1,034,854
Programme related investments	—	—	1,313,290	—	1,313,290
Net current assets	488,013	—	—	265,146	753,159
	488,013	747,900	1,313,290	1,300,000	3,849,203

The funds of the charity include unrealised gains as follows:

	2022 £	2021 £
Total unrealised (losses) gains:		
On investments	(45,602)	32,168
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	32,168	—
In respect to disposals in year	(1,753)	—
Net (losses) gains arising on revaluation in the year	(76017)	32,168
unrealised gains at 31 December 2022	(45,602)	32,168

17 Transactions with trustees and other related party transactions

Several of the charity's trustees are also trustees of Notre Dame School, Cobham (Registered Charity Number 1081875 and Registered Company Number 03898262 (England and Wales)) (the school). The school pays rent to the charity for the use of certain of the school property. The charity received rent of £168,152 during the year (2021: £161,123).

The charity occupies a portion of the said school property under a sub-lease, for which it pays an annual peppercorn rent.

The charity reimburses costs in relation to insurance and other expenses paid by the Notre Dame School on behalf of the charity. £5,555 was reimbursed during the year (2021: £4,583) of which £nil (2021 - £4,583) remained to be paid as at 31 December.

The charity is connected to ODNs COBHAM OUTREACH (Charity Registration Number 1174655) (ODNs) by virtue of the fact that there are three trustees in common. The charity dispenses costs in relation to travel and other expenses on behalf of ODNs. These expenses are fully reimbursed by ODNs. The amounts reimbursed during the year amounted to £nil (2021 - £309).

As members of the Order, none of the trustees who are members of the Delegation of England 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 year, the total amount donated by the trustees to the charity was £62,644 (2021: £60,401).

There were no other related party transactions during the year which require disclosure (2021: none).

18 Ultimate control and liability of the member

The charity is controlled by the Territorial Delegate 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 setting its debts and liabilities.