

The Sisters of Providence of Ruillé-sur-Loir CIO

Annual Report and Accounts

31 December 2020

Charity Registration Number
1177083

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Charity registration number	1177083
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Principal bankers	Lloyds Bank plc 202 High Street Lincoln LN5 7AP
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The trustees present the report and accounts of The Sisters of Providence of Ruillé-sur-Loir CIO (the 'charity') for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 24 to 29 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of Statement of Recommended Practice on 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 Institute of The Sisters of Providence of Ruillé-sur-Loir (the 'Institute') is an international Congregation of Roman Catholic women founded in the aftermath of the French Revolution in the small village of Ruillé-sur-Loir in the diocese of Le Mans, in France. At the end of that century, because legislation in France was becoming anti-clerical and anti-religious, some of the sisters came to England to carry out their work. The Institute continued to spread to other countries during the following century, first to Belgium and the Netherlands, then to Sri Lanka and Madagascar. These countries now comprise separate Regions of the Institute.

Since its foundation in 1806, the Institute's purpose has continued to be to serve people, principally through education and health care, thereby enabling them to grow as people, live with dignity and self worth, and help others to do so in their turn. During 2015 the Institute fused with a smaller Congregation of Sisters of Providence of Sees. This Congregation of some 40 elderly French sisters has now become part of the Institute. The Institute now numbers about 280 members spread through the above countries. The Institute, with its Generalate in Le Mans, has always been outward looking and each Region shares in the mission undertaken in any part of the world where the sisters are present.

The accounts accompanying this report are the accounts of the charity through which the activities and assets of the Institute in England are administered. The charity is a Charitable Incorporated Organisation (CIO) and is governed by a constitution dated 9 February 2018 and is registered under the Charities Act 2011 – Charity Registration Number: 1177083.

Mission

The object of The Sisters of Providence of Ruillé-sur-Loir CIO is to advance the religious and other charitable work of the sisters of the Institute.

By caring for individual members of the Institute throughout their lives within the Institute, the charity aims to enable and support the sisters to live out their faith and to put that faith into practice through a variety of religious and other charitable works.

When setting the objectives and planning the work of the charity, and when encouraging the work of individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Mission (continued)

The works or ministries of the sisters of the Institute fall into the following main areas:

- ◆ **Worship and prayer**
Members of the Institute are given the opportunity for private worship and to continue to develop their knowledge and trust in Jesus and the Church through quiet prayer, study of the Gospel and spiritual development. In addition, members of the Institute celebrate and pray with the wider community including people of all faiths and none. They do this through the provision of spiritual guidance or by just being available to listen in times of need, through the giving of retreats and the celebration of the Liturgy through prayer groups and church services.
- ◆ **Social and pastoral work**
Since its formation, the Institute's (and hence the sisters') purpose has continued to be to serve people, principally through education and health care, thereby enabling them to grow as people, live with dignity and self worth, and help others to do so in their turn.
- ◆ **Supporting other parts of the Institute**
The charity supports the work of the Institute overseas by the provision of grants and donations for specific projects.

Activities, specific achievements and relevant policies

Activities and specific achievements

As stated above under "Mission", the aims of the charity are to care for individual members of the Institute throughout their lives with the Institute and so enable and support them to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works.

There are currently seven sisters in England, and a sister on the General Council in France who divides her time between England and the rest of the Congregation. The Sri Lankan Sister who was in Lincoln returned to her country upon the expiration of her visa.

Currently, all of the sisters live in Lincoln following two of the sisters moving from London during the year.

- ◆ **Caring for members of the Institute**
In common with many religious congregations in England, the age profile of the members of the Institute is increasing as existing members grow older and the number of new vocations declines.

The Institute 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 most of their lives to education and the care of other people.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

♦ Caring for members of the Institute (continued)

This obligation also means caring for the members of the Institute in the Region, particularly those who are in poor health, enabling them to continue with their individual apostolate for as long as they are willing and able, ensuring that all members receive the level of care they need and deserve, and giving them the quality of life they have a right to expect. Whatever their age or state of health, all sisters are encouraged to share in the mission of the Institute, whether that be by being involved in administration or being part of the welcoming community, interested in the wellbeing of our visitors and friends, and when able, engaging in activities involving members of the public or simply by their prayer.

As the age profile of the Institute increases, so too does the need to provide extra care for the sisters. With this already necessary, the trustees of the charity are giving careful thought to the financial implications.

During this year, in particular, the health of some of the Sisters has diminished rapidly, partly due to the restrictions imposed by the COVID pandemic but also because of dementia for one sister. Because of these issues, we have looked at the way in which we support the elderly and vulnerable sisters in the communities. As a result, Sisters in London who were living in unsuitable accommodation moved to Lincoln into a retirement apartment more suited to their needs. The church is across the road and all other commodities including a medical practice are within short walking distance. With the arrival of the two sisters in Lincoln the sisters in the other community have been able to be supported and given respite. This has been particularly necessary since one Sister is now dependent and very confused. The mental health of this Sister has been aggravated because of the COVID lockdown, since she has not been able to keep up with her usual activities nor benefit from the therapeutic activities on offer in Lincoln for people with dementia. This has obviously put a strain on the remaining elderly sisters in the community who have to give extra help and support. The services of the housekeeper have been essential during the last year, as well as the care from social services providing morning and evening care. We are enormously grateful to the volunteers who help with certain tasks and visits to alleviate the pressure.

♦ Worship and prayer

As well as providing the necessary means for the sisters to fulfil their spiritual obligations and needs, the sisters celebrate and pray with the wider community including people of other faiths and none. They do this through the provision of spiritual guidance or just being available to listen in times of need, and by joining with the public in Liturgical Celebrations in the local Catholic Parish Church or Anglican Churches. Due to the COVID pandemic it has not been possible to be physically present at many of the public celebrations this year, but the Sisters have remained in contact and prayed with parishioners and others through Zoom, the telephone and through correspondence.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

♦ Worship and prayer (continued)

Parishioners ring up with prayer requests and the sisters ensure that parishioners know that they are included in the thoughts and prayers of the sisters, thus bringing much consolation to people in need at this time.

A Sister in her 80s sums up this situation; *"Having trained ourselves to use Zoom, we have been able to meet with and pray with our sisters and other contacts, not forgetting more frequent use of the telephone and social media to support those in need."*



The sisters particularly value their ecumenical and interfaith relationships and activities. Although the pandemic prevented the Sisters from meeting up with the Council for Christians and Jews in Lincoln they kept in touch and celebrated feasts using Zoom and other social media.



Jews House, Lincoln

They maintain contacts with other networks, particularly concerned with Religious Life both at diocesan and national level.

"Our activities with the Association of Senior Religious were also affected. The National Conference was cancelled and the committee of which one of the sisters is a member had to communicate with each other by mastering Zoom. We also continued to produce the Newsletter for the animation of the members."

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

♦ Social and pastoral work

The sisters' vocation calls them to "witness to the love and goodness of the Father." This they do in their various ministries following the example of their Founders and in line with the charism and aims of the Institute. These ministries can be divided into specifically religious works and general pastoral work.

Religious works

Religious works include:

♦ Ministries in local parishes

The ministry in local parishes ranges from full time to part time work, with the underlying intention of helping parishioners develop their spiritual lives while giving them any other support they need in their day to day living. Sisters are heavily involved in parish work. For example, they help bereaved, grieving members of the parish to prepare the funeral services for their deceased relatives, whilst accompanying them at these difficult moments. They also care for the elderly members of the parishes through visiting, taking Holy Communion and bringing isolated people together to socialise and enjoy some time together, although this mission has been curtailed for much of the year. One Sister commented; *"Visits to the elderly in care homes had to be conducted from a Perspex kiosk!"*

Despite the pandemic, the Sisters have been able to maintain this pastoral care through the use of the telephone and social media. Sisters have also been present, where possible, at the funerals of parishioners and at the request of bereaved families, due to the limit on numbers being able to attend.

♦ Catechetics and sacramental preparation

Much of the catechetical work in the parishes is facilitated in groups. As it was not possible to meet in these groups this year, the work of catechesis has been done in a more limited way through the use of social media with motivated individuals and small groups.

♦ Retreats, spiritual direction and related activities

"In London this has been an unusual year for us. We were still able to pursue our mission in the early months of the year. We were able to meet with our Providence Friends and Faith Sharing group just for two weeks into Lent and could not finish with our usual Passover Meal, before Easter."

Increasingly, because of loneliness and mental health issues related to the isolation of COVID, the Sisters have been more involved in accompaniment of certain individuals over the telephone. Even the carers who look after the Sisters have sought guidance from them.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

◆ Social and pastoral work (continued)

General pastoral work

This area of work includes:

◆ Nursing within the NHS

One sister continues to work within the NHS with children and families with learning disabilities. This year she has been called on to work in more creative ways because of the risks the pandemic poses to the young people who are extremely vulnerable, and, who, for the most part, have had to shield for most of the time. This has had important consequences for the education and the development of the young people concerned and has placed enormous strain on the families. Therefore interventions from nursing and other professionals have been more important, more frequent and more complicated.

◆ Solidarity with the poor

One of the consequences of the pandemic has been the increase in people who find themselves in poverty. The Sisters have been able to help with donations to foodbanks and donations of furniture and other materials to poor families as a consequence of their move from London to Lincoln.

◆ School, hospital and ecumenical chaplaincies

Due to their age and health, most of the Sisters have had to shield for the year, meaning that they have not been physically present in the chaplaincies. The work of the chaplaincies has been hindered by the fact that people were not allowed into the hospitals and the schools have, for the most part, been closed. However, the Sisters have kept in regular touch with families of people who would have needed hospital chaplaincy and support.

◆ Work with the travelling community

Similarly, the Sister who works with the travellers has been shielding, but this has not stopped regular contacts through telephone or, when permitted, in the garden or an open space.

◆ Administrative work for the Institute and Region

Despite the pandemic the Sisters have been able to continue the translation work for the Congregation. Translation of documents from French to English is of the greatest importance especially for the younger Sisters in Sri Lanka who do not have the opportunity to learn French.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

Also part of obligation to care for members is the requirement to support the members of the Institute in the other regions when this is needed, particularly in the southern hemisphere.

◆ Supporting *other parts of the Institute*

Here is the report from the Sister who is responsible for the Counselling centre funded, in part, by the English region.



Counselling Centre Tewatte, Ragama

Currently, we are aware of the significant need to help the people who have mental health problems in our society. In 2015 we started serving the mentally distressed in a small room in our convent and as a result hundreds of people restarted their lives and are functioning well today.

The need for a counselling centre was then discerned when the number seeking help gradually increased for different issues in their lives. The need for a waiting room, toilet facilities for the clients, some space for a child to wait until their parent or guardian had their appointment were among the priorities.

The building of the Counselling centre was then planned and started on 26 June 2019 in our convent grounds in Tewatta, Ragama. Today the building work is finished and we have managed to start practicing counselling in this new building. With all of your very generous contributions we managed to establish our "MANPURA (The Joyful Mind) Counselling Centre" on 9 July 2020.



The waiting area is a huge convenience for clients to come and wait for their appointments, especially for the those who travel from far (they usually arrive very early in the morning).

The privacy they have here of not being noticed by anyone has been admired by them, and the silent atmosphere helps further.

The washrooms are for their use, there are different doors to exit, play room for the babies, office room for the books and files, a kitchenette to make a cup of tea etc.... all of which helps so much for the mission.



Activities, specific achievements and relevant policies (continued)

Investment policy

◆ Listed investments

Under the charity's constitution, the trustees may invest in any investments authorised by law. During the year, charity's investments were managed by Barclays Wealth Management Limited.

The charity's investment policy is to maintain a balanced return from both income and capital with a medium level of risk. The trustees, on the advice of the professional and lay advisers, review the policy annually. The trustees believe that the social and Gospel values of the Catholic Church should be present in the manner in which money is invested and in the way it is used to enhance the development of the charity and the achievement of its objectives. Investments are to be ethically chosen, whilst being mindful of the Charities Act requirement to seek the best possible returns. To achieve this we maintain a diversified investment portfolio.

The performance of the portfolio and the charity's investment strategy have been reviewed by the trustees whose representatives meet with the investment managers every six months.

◆ Annuity and pension contracts

As the sisters are members of a religious congregation and have taken a vow of poverty, any rights they might have to assets and income have been given over to the Institute which, therefore, is responsible for their upkeep and well-being.

The charity has been putting aside monies in a "Pension Scheme" (deferred annuity contracts) for each sister over the last twenty or more years. The scheme provider is Phoenix Life (previously Royal Insurance Company Limited).

Under the terms of the contract, on a member of the scheme reaching the age of 65, the charity may receive either an agreed (guaranteed) basic annuity (pension) over the remaining life of the scheme member together with any bonuses attaching thereto, or receive a cash option in exchange for the 'pension'.

Financial review

Results for the year

A summary of the results for the year to 31 December 2020 can be found on page 21 of this report and accounts.

Total income amounted to £214,355 (2019: £254,973 before the transfer of net assets from the Charitable Trust). Total salaries and pensions income included within donations in the period amounted to £117,944 (2019: £107,870). All salaries and pensions are covenanted to the charity. Investment income and interest receivable totalled £95,861 (2019: £137,289).

Financial review (continued)

Results for the year (continued)

The transfer (or donation) of the assets and liabilities of the Charitable Trust with effect from 1 January 2019 provided income of £5,205,956 to give total income in 2019 of £5,460,929.

Expenditure totalled £177,514 (2019: £297,070). Expenditure incurred on maintaining the members of the Institute and supporting them in their pastoral work and ministry amounted to £137,145 (2019: £138,003). Fees paid to the charity's investment managers during the year amounted to £31,020 (2019: £31,569). Charitable grants and donations amounted to £9,349 (2019: £127,498). In 2019 these donations were principally in support of the overseas work of the Institute,

Net income for the year before investment gains, therefore, was £36,841 (2019: £5,163,859). Net investment gains of £119,705 (2019: £576,412) resulted in a net increase in funds for the period of £156,546 (2019: £5,740,271).

Investment performance

The investment managers continue to be guided by the trustees' investment policy set out earlier in this report.

During the period, the charity's investments achieved an income yield of 2.1% (2019: 3.22%) and a capital yield of 2% (2019: 14%). Further details of the investment portfolio are included in note 12 to the attached accounts.

The trustees take a long term view and believe their investment policy should continue to be applied.

Reserves policy and financial position

Reserves policy

The reader will discern from the foregoing that the charity carries out a diverse range of activities and is responsible for care and support of the religious members whose average age is increasing and whose needs are changing.

The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes, or otherwise committed. In considering the level of reserves, trustees take into account forecasts of future income and expenditure, potential needs and risks, and the need to ensure the continuity of activity. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

Given the nature of the charity's work and the increasing, often unpredictable, call on its resources to provide continuing essential care to its members, especially those impaired by age and illness, the trustees believe that the level of free reserves may be up to thirty six months' worth of expenditure without giving rise to concern.

Financial review (continued)

Reserves policy and financial position (continued)

Financial position

At 31 December 2020, the charity had net assets totalling £5,896,817 (2019: £5,740,271). Of this, £838,165 (2019: £680,540) was represented by properties and other tangible fixed assets essential for the support and work of the sisters. £3,350,000 (2019: £3,200,000) represented a retirement reserve designated to provide an income to maintain the sisters as they grow older. £171,341 (2019: £350,000) had been set aside as a property repair and replacement fund to be used to purchase and modify properties to accommodate older and frail sisters.

Community funds being the cash and bank balances held by communities and designated or set aside to meet their day-to-day costs amounted to £91,846 (2019: £78,610).

The trustees have also set aside £850,000 (2019: £650,000) in a Financing and Congregational fund with the broad intention to use the fund for making donations including contributions to the Congregation's work overseas. It is expected that the money will continue to be invested and income from this fund will be used to fund future donations.

Therefore, at 31 December 2020, funds which are available to support the work of the sisters in the future are those shown on the balance sheet as general funds and total £595,465 (2019: £781,121). The trustees are of the opinion that this level of free reserves was 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 Covid-19 pandemic.

Future plans

The trustees plan to continue to care for the sisters as long as possible and enable them to carry out their pastoral work and ministry. Focus will continue to be given to assisting and caring for the elderly, the poor and the marginalised and reaching out to as many as possible in the way of evangelising; and to monitoring the needs of the sisters as they grow older and to ensuring the provision of care to elderly members.

Paying due heed to the impact of the Covid-19 pandemic and its consequences, both socially and economically, we will continue to work towards the good stewardship of the monies we are receiving for the present and the future.

Governance, structure and management

In terms of Canon Law, the Institute is governed by a Superior General and General Council elected at a six-yearly General Chapter made up of representatives elected by all the professed members of the Institute. Being too small to be divided into Provinces, the Institute was divided into three geographical Regions: Sri Lanka and Madagascar each with a Regional Superior and her three councillors and the European Region (comprising England, Belgium, France and the Netherlands) with a Delegate appointed from each of these countries. England, now part of the Region of Europe, is financially autonomous.

Governance, structure and management (continued)

In terms of civil law, the charity is governed by three trustees appointed having regard to their years of experience. Those now holding office have all been involved in teaching and the administration of educational establishments, subsequently widening their experience in other pastoral activities. Trustees are appointed for three yearly terms to ensure renewal and balance of competence. They attend conferences on charity law and other topics relevant to the charity's activities.

The names of the trustees who served during 2020 are set out on page 1 of this annual report and accounts.

The trustees for the time being shall automatically be the members of the CIO. The members are responsible for the appointment of new trustees.

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

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 year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 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; and
- ◆ 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance, structure and management (continued)

Key management

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.

All trustees are members of the Institute and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or work as key management.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances, and are satisfied that systems are in place to mitigate exposure to these risks.

The outbreak of the Covid-19 pandemic has clearly presented the charity with challenges to its activities which could not have been foreseen. The trustees recognise their responsibility for the management of risks faced by the charity, the Institute in England and its individual members.

The trustees continue to review and update the charity's risks. This process is deemed particularly important during the current Covid-19 pandemic.

The financial and operational effects of Covid-19 are referred to earlier in this report. Over and above these, the areas identified for particular attention within our risk management strategy are:

- ♦ An analysis of the age profile of the members of the Institute shows that the average age in England at 31 December 2020 was 76 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters 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. 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 years ahead 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 regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

Governance, structure and management (continued)

Risk management (continued)

- ◆ 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 reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future. During the current Covid-19 pandemic, the trustees continue to communicate with the charity's investment manager and, whilst there are concerns over the falls in world stock markets, the trustees acknowledge also that the charity is a long term investor. As such, the charity will be able to wait for markets to recover over time whilst the trustees keep a watching brief.
- ◆ The charity donates monies in support of the wider Institute and other organisations. The vast majority of donations sent overseas are to fund projects administered directly by members of the Institute. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and all those who work or volunteer for the charity and work with children or vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the sisters is responsible for ensuring this policy is adhered to in respect to all sisters, employees and volunteers.

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 including those presented by Covid-19.

Fundraising policy

The charity aims to achieve best practice in the way in which they communicate with donors and other supporters. Care is taken with both the tone of communications and the accuracy of data to minimise the pressures on supporters. Best practice is applied to protect supporters' data and data is never sold, swapped and communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of Professional Fundraisers. The charity undertakes to react to and investigate any complaints regarding fundraising activities and to learn from them. During 2020, the charity received no complaints about its fundraising activities.

Members of the Institute

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

Approved by the trustees and signed on their behalf by:

Gillian Murphy

Trustee

Approved by the trustees on: 27 July 2021

Independent auditor's report to the trustees of The Sisters of Providence of Ruillé-sur-Loir CIO

Opinion

We have audited the accounts of The Sisters of Providence of Ruillé-sur-Loir CIO for the year ended 31 December 2020, 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 2020 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.

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

How the audit was considered capable of detecting irregularities including fraud

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

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

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

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

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

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

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

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

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of 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 other management 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.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements 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 this report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and 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

29 July 2021

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 2020

	Notes	2020 Total funds £	2019 Total funds £
Income from:			
Donations and legacies	1	118,244	113,503
Investments and interest receivable	2	95,861	137,289
Other sources			
. Surplus on disposal of tangible fixed assets	3	—	1,374
. Miscellaneous		250	2,807
		214,355	254,973
Transfer from The Sisters of Providence of Ruillé-sur-Loir Charitable Trust (Charity Registration No. 232363)	21	—	5,205,956
Total income		214,355	5,460,929
Expenditure on:			
Raising funds			
. Investment management fees		31,020	31,569
Charitable activities			
. Support of members of the Institute and their ministry	4	137,145	138,003
. Charitable grants and donations	5	9,349	127,498
Total expenditure		177,514	297,070
Net income before investment gains		36,841	5,163,859
Net investment gains	12	119,705	576,412
Net movement in funds	7	156,546	5,740,271
Reconciliation of funds:			
Funds balances at 1 January 2020		5,740,271	—
Funds balances at 31 December 2020		5,896,817	5,740,271

All income and expenditure related to unrestricted funds in both of the above accounting periods.

With effect from 1 January 2019, the activities, assets and liabilities were transferred as a going concern into this Charitable Incorporated Organisation (CIO) from The Sisters of Providence of Ruillé-sur-Loir Charitable Trust (Charity Registration No. 232363)

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		838,165		680,540
Investments	12		4,658,527		4,569,697
			5,496,692		5,250,237
Current assets					
Debtors	14	3,051		6,150	
Short term deposits		169,126		169,058	
Cash at bank and in hand		268,637		348,666	
		440,814		523,874	
Current liabilities					
Creditors: amounts falling due within one year	15	(40,689)		(33,840)	
Net current assets			400,125		490,034
Total net assets			5,896,817		5,740,271
The funds of the charity					
Unrestricted income funds					
. Tangible fixed assets fund	16		838,165		680,540
. Designated funds	17		4,463,187		4,278,610
. General funds			595,465		781,121
			5,896,817		5,740,271

Approved by the trustees and signed on their behalf by:

Gillian Murphy

Trustee

Approved on: 27 July 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(31,098)	(165,697)
Cash flows from investing activities:			
Investment income and interest received		101,571	131,139
Proceeds from the disposal of tangible fixed assets		—	1,374
Purchase of tangible fixed assets		(181,309)	(10,750)
Proceeds from the disposal of investments		822,283	1,256,889
Purchase of investments		(758,188)	(1,207,396)
Net cash (used in) provided by investing activities		(15,643)	171,256
Change in cash and cash equivalents in the period		(46,741)	5,559
Cash transferred from The Sisters of Providence of Ruillé-Sur-Loir Charitable Trust (note 21)		—	559,493
Cash and cash equivalents at 1 January 2020		565,052	—
Cash and cash equivalents at 31 December 2020	B	518,311	565,052

Notes to the statement of cash flows for the period to 31 December 2020

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	156,546	5,740,271
Adjustments for:		
Transfer from The Sisters of Providence of Ruillé-Sur-Loir Charitable Trust (note 21)	—	(5,205,956)
Depreciation charge	23,684	20,955
Gains on investments	(119,705)	(576,412)
Investment income and interest receivable	(95,861)	(137,289)
Surplus on disposal of tangible fixed assets	—	(1,374)
(Decrease) increase in debtors	(2,611)	1,754
Increase (decrease) in creditors	6,849	(7,646)
Net cash used in operating activities	(31,098)	(165,697)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Short term deposits	169,126	169,058
Cash at bank and in hand	268,637	348,666
Cash held by investment managers	80,548	47,328
Total cash and cash equivalents	518,311	565,052

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 period to 31 December 2020 with comparatives given for the year to 31 December 2019.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 only areas in the accounts where such judgements and estimates have been made are in respect to:

- ◆ Estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ Determining the amounts to be set aside as designated funds; 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 at least one year from the date of approval of these accounts.

Assessment of going concern (continued)

The full impact on the charity's income and expenditure and financial position following the global Covid-19 pandemic is still unknown. Since March 2020 the Covid-19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of the social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

As most of the members of the Institute in England are aged over 70, the trustees have had to adhere to the stringent government advice issued on 23 March 2020. This has meant that the sisters' normal apostolic activities have had to find new shape.

The charity's income has been affected because of the falls in income from listed investments as stock markets and the corporate sector, in particular, have reacted to the pandemic. The trustees will continue to keep both income and expenditure under review.

During the current Covid-19 pandemic, the trustees continue to communicate with their investment managers and, whilst there are concerns over the volatility in world stock markets, 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 continue to 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.

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, investment income, interest receivable, 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.

Income recognition (continued)

Investment income is recognised once the dividend or relevant income 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.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the disposal proceeds net of disposal costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

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. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ 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 charitable grants and donations, costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

Charitable grants and 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. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

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 activity of supporting members of the Institute and enabling their ministry as any support and/or governance costs in relation to the provision of donations and grants is considered to be negligible.

Pension costs

The charity contributes to two pension arrangements for its members. A deferred annuity contract and a stakeholder contract, both of which are defined contribution pension schemes. Contributions in respect to both defined contribution schemes are charged to the statement of financial activities as they fall due.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

◆ Land and buildings

Land and buildings comprise freehold and long leasehold buildings. Depreciation is provided on both freehold and long leasehold properties at 2% per annum on a straight-line basis in order to write the buildings off over their estimated useful economic life to the charity.

Freehold land and buildings owned by the charity since 1 January 1996 are included on the balance sheet at their estimated valuation as at that date net of accumulated depreciation. The valuations were determined by the trustees with professional assistance on the basis of replacement cost for existing use. Under the transitional provisions of FRS 102, these valuations are now regarded as deemed cost. Additions to freehold land and buildings since that date are included at cost.

◆ Fixtures and fittings

Expenditure on the purchase and replacement of fixtures and fittings is capitalised and depreciated over a five year period, based on the estimated useful life of the asset, on a straight line basis.

◆ 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.

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.

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 accounting

The charity's funds comprise a number of unrestricted income funds which are available for application towards the charity's objectives. Within unrestricted funds the trustees have identified those non-liquid funds represented by tangible fixed assets and have designated certain amounts for specific purposes. Details of these funds are given in notes 16 and 17 to the accounts.

Principal accounting policies 31 December 2020

Services provided by members of the Institute

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

1 Income from: Donations and legacies

	2020 £	2019 £
Salaries and other pensions of individual religious received under Gift Aid or Deed of Covenant	117,944	107,870
Donations	300	5,633
	118,244	113,503

2 Income from: Investments and interest receivable

	2020 £	2019 £
Income from listed investments	95,746	137,130
Interest receivable		
. Bank interest	115	159
	95,861	137,289

3 Income from: Surplus on disposal of tangible fixed assets

	2020 £	2019 £
Disposal of motor vehicles	—	1,374

4 Expenditure on: Support of members of the Institute and their ministry

	2020 £	2019 £
Premises	37,321	32,698
Sisters' living and ministry expenses	80,079	83,476
Education, training and spiritual renewal	4,094	4,996
Governance costs (note 6)	15,651	16,833
	137,145	138,003

5 Expenditure on: Grants and donations

The charity makes grants and donations, principally in support of the overseas work of the Institute.

The grants and donations payable during the year were as follows:

	2020 £	2019 £
Contribution to the Generalate of The Sisters of Providence of Ruillé - sur-Loir	—	125,000
Donation to the missions of The Sisters of Providence of Ruillé -sur-Loir		
. Sri Lanka	4,600	1,500
Donation to St Peter-in-Chains Parish, Stroud Green, London	4,500	—
Donations of less than £1,000 each	249	998
	9,349	127,498

6 Governance costs

	2020 £	2019 £
Legal and professional fees	1,475	3,511
Auditor's remuneration	14,176	13,322
	15,651	16,833

7 Net movement in funds

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration (including VAT)		
. Statutory audit services	12,460	13,322
. Other advisory services	1,716	—
Depreciation	23,684	20,955

8 Staff costs

The charity had no employees during the year (2019: none).

9 Trustees' expenses and remuneration and transactions with trustees

The charity's trustees are all members of the Institute and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Institute, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2019: none).

As members of the Institute, none of the trustees 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 £20,590 (2019: £19,626).

10 Taxation

The Sisters of Providence of Ruillé-sur-Loir CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020	844,627	—	16,262	31,498	892,387
Additions	—	178,659	2,650	—	181,309
At 31 December 2020	<u>844,627</u>	<u>178,659</u>	<u>18,912</u>	<u>31,498</u>	<u>1,073,696</u>
Cost	669,627	178,659	18,912	31,498	898,696
Deemed cost: 1996 valuation	<u>175,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>175,000</u>
	<u>844,627</u>	<u>178,659</u>	<u>18,912</u>	<u>31,498</u>	<u>1,073,696</u>
Depreciation					
At 1 January 2020	172,153	—	16,259	23,435	211,847
Charge for the year	<u>16,893</u>	<u>3,573</u>	<u>530</u>	<u>2,688</u>	<u>23,684</u>
At 31 December 2020	<u>189,046</u>	<u>3,573</u>	<u>16,789</u>	<u>26,123</u>	<u>235,531</u>
Net book values					
At 31 December 2020	<u>655,581</u>	<u>175,086</u>	<u>2,123</u>	<u>5,375</u>	<u>838,165</u>
At 31 December 2019	<u>672,474</u>	<u>—</u>	<u>3</u>	<u>8,063</u>	<u>680,540</u>

As permitted under Financial Reporting Standard 102 the charity has adopted a policy of not revaluing its tangible fixed assets. The book value of freehold land and buildings transferred from The Sisters of Providence of Ruillé-sur-Loir Charitable Trust (note 21) is based on a 1996 valuation net of depreciation, where appropriate, with additions since that date at cost and after adjusting for any impairment losses. Under the transitional provisions of FRS 102, the 1996 valuations were regarded as deemed cost to The Sisters of Providence of Ruillé-sur-Loir Charitable Trust and as such to the charity. Other tangible fixed assets are stated at cost.

It is likely that there are differences between the open market value of the freehold land and buildings and their book values. These arise because of the specialised nature of the properties. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

The original cost of the freehold land and buildings transferred to the charity cannot be ascertained with accuracy without incurring significant research time and costs which in the opinion of the trustees are not justified.

12 Fixed asset investments

	2020 £	2019 £
Listed investments		
Market value at 1 January 2020	4,522,369	—
Transfer from The Sisters of Providence of Ruillé-sur-Loir Charitable Trust (note 21)	—	3,995,450
Additions at cost	758,188	1,207,396
Disposals at opening book value (proceeds:£822,283, losses:£50,322)	(872,605)	(1,179,318)
Net unrealised investment gains	170,027	498,841
Market value at 31 December 2020	4,577,979	4,522,369
Cash held by investment manager	80,548	47,328
	4,658,527	4,569,697
Cost of listed investments as at 31 December 2020	3,772,394	3,843,186

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
Government stocks	46,936	42,578
UK fixed interest and corporate bonds	327,140	526,126
UK equities	997,173	1,229,304
Overseas equities	2,447,529	2,197,662
UK unit trusts	359,785	443,647
Overseas unit trusts	399,416	83,052
	4,577,979	4,522,369

At 31 December 2020, the following individual holdings were deemed material:

Holding	2020		2019	
	Market value of holding £	Percentage of total portfolio %	Market value of holding £	Percentage of total portfolio %
Fidelity Investment Funds – Asia Fund – W-	245,230	5.4	—	—
Findlay Park American USB Distribution Units	299,102	6.5	268,837	5.9
Natixis Int Fds – Loomis Sayles US Growth Fd	245,681	5.4	—	—
PIMCO Funds Global Inv –Diversified Income	239,376	5.2	—	—
Robeco Luxembourg Emerging cons Eq	—	—	262,057	5.8
Xtrackers ESG MSCI USA UCITS ETF	250,715	5.5	—	—

13 Pension contracts

The charity contributed to both a deferred annuity contract and a stakeholder pension scheme administered to provide benefits in respect to individual members of the Institute. Under the terms of the deferred annuity contract, the assets are invested in a With Profits Deferred Policy on the lives of certain scheme members to provide a pension of £8,270 per annum on the member reaching the normal vesting date, which is the age of 65. The policy also includes a guaranteed cash option at normal vesting date under which the charity may exchange pension for a cash sum to be used in such manner as the trustees decide. The deferred annuity contract is with Phoenix Life.

13 Pension contracts (continued)

The stakeholder pension contract is a money purchase contract, under which the premiums paid are invested in the unitised Stakeholder With Profits Fund and the Stakeholder Managed Fund administered by Standard Life. Under the terms of the contract the charity contributes a sum of money on an annual basis which is invested equally in the two funds. The value of the benefit will depend on the amounts invested and performance of the assets underlying the funds.

14 Debtors

	2020 £	2019 £
Prepayments and accrued income	3,051	6,150

15 Creditors

	2020 £	2019 £
Accruals	40,689	33,840

16 Tangible fixed assets fund

	£
At 1 January 2020	680,540
Net movements in year	157,625
At 31 December 2020	838,165

The tangible fixed assets fund represents the net book value of the charity's freehold properties and other tangible fixed assets. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets were essential to the day-to-day work of the charity and as such their value did not represent reserves available to finance operations.

17 Designated funds

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

	At 1 January 2020 £	New designations £	Utilised or realised £	At 31 December 2020 £
Communities fund	78,610	93,470	(80,234)	91,846
Property repair and replacement fund	350,000	—	(178,659)	171,341
Retirement fund	3,200,000	150,000	—	3,350,000
Financing and Congregational fund	650,000	200,000	—	850,000
	4,278,610	443,470	(258,893)	4,463,187

17 Designated funds (continued)

	At 1 January 2019 £	Transfer from Charitable Trust (see note 21) £	New designations £	Utilised or realised £	At 31 December 2019 £
Communities fund	—	52,065	152,103	(125,558)	78,610
Property repair and replacement fund	—	350,000	—	—	350,000
Retirement fund	—	3,200,000	—	—	3,200,000
Financing and Congregational fund	—	650,000	—	—	650,000
	—	4,252,065	152,103	(125,558)	4,278,610

♦ **Communities fund**

This fund relates to cash and bank balances held by the communities to meet their day-to-day costs. As these amounts have been assigned to the communities, the trustees believe that a separate fund should be designated for this purpose. The transactions on the funds, including designations released (and new designations) being transfers to (and from) the charity's central bank accounts, represent the net movement in the communities' cash and bank balances during the year.

♦ **Property repair and replacement fund**

The property repair and replacement fund represents an amount designated by the trustees to finance potential future expenditure on purchasing and modifying properties to accommodate older and frail sisters.

♦ **Retirement fund**

A fund had been designated in respect to the charity's commitment to provide for the care of the members of the Institute in old age and sickness. The trustees have set aside assets equal to £3,200,000 for this purpose. This figure is re-assessed at the end of each year and adjusted if necessary.

♦ **Financing and Congregational fund**

This fund has been established to finance grants and donations including contributions to the Congregation's work overseas.

18 Analysis of net assets between funds

The fund balances at 31 December were represented by the following assets and liabilities:

	Designated funds £	Tangible fixed assets fund £	General funds £	2020 Total £
Balances at 31 December 2020 are represented by:				
Tangible fixed assets	—	838,165	—	838,165
Investments	4,371,341	—	287,186	4,658,527
Net current assets	91,846	—	308,279	400,125
	4,463,187	838,165	595,465	5,896,817

18 Analysis of net assets between funds (continued)

	Designated funds £	Tangible fixed assets fund £	General funds £	2019 Total £
Balances at 31 December 2019 are represented by:				
Tangible fixed assets	—	680,540	—	680,540
Investments	4,200,000	—	369,697	4,569,697
Net current assets	78,610	—	411,424	490,034
	<u>4,278,610</u>	<u>680,540</u>	<u>781,121</u>	<u>5,740,271</u>

The total unrealised gains as at 31 December 2020 constitute movements on revaluations of investments and are as follows:

	2020 £	2020 £
Total unrealised gains at 31 December 2020	805,585	679,183
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2020	679,183	—
Transfer from The Sisters of Providence of Ruillé-sur-Loir Charitable Trust	—	340,030
In respect to disposals in year	(43,625)	(159,688)
Net gains arising on revaluation in the year	<u>170,027</u>	<u>498,841</u>
Unrealised gains at 31 December 2020	805,585	679,183

19 Ultimate control and liability of members

The trustees for the time being shall automatically be the members of the CIO. The members are responsible for the appointment of new trustees.

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

20 Related party transactions

Sister Gillian Murphy, a trustee of the Charitable Incorporated Organisation, serves as the Assistant General to the Generalate of the Institute in France. There were no donations during the year from the charity to the Generalate (2019: £125,000).

Donations by the trustees to the charity are disclosed in note 9 to these accounts.

There are no other related party transactions requiring disclosure in these accounts (2019: none).

21 Transfer of activities, assets and liabilities

The Trustees of the CIO are also the trustees of The Sisters of Providence of Ruillé-sur-Loir, Charity Registration No. 232363. The Sisters of Providence of Ruillé-sur-Loir CIO was registered as a charity on 9 February 2018.

21 Transfer of activities, assets and liabilities (continued)

The activities, assets and liabilities of the charitable trust were transferred to the Charitable Incorporated Organisation by deed of transfer with effect from midnight on 31 December 2018.

The net assets transferred at midnight on 31 December 2018 comprise:

	£
Tangible fixed assets	
.Cost	900,097
.Depreciation	(209,352)
	<u>690,745</u>
Fixed asset investments	3,995,450
Cash held by investment manager	29,050
Debtors	1,753
Short term deposits	168,898
Cash at bank	361,545
Creditors amounts falling due within one year	(41,485)
	<u>5,205,956</u>

The net assets transferred at midnight on 31 December 2018 were represented by the following funds:

	£
Unrestricted funds	
. Tangible fixed assets fund	690,745
. Designated funds	4,252,065
. General funds	263,146
	<u>5,205,956</u>