

The Sisters of Providence of Ruillé-sur-Loir CIO

Annual Report and Accounts

31 December 2022

Charity Registration Number
1177083

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	16

Accounts

Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Principal accounting policies	24
Notes to the accounts	29

Reference and administrative information Year to 31 December 2022

Trustees	Sister Ann Heaney Sister Gillian Murphy Sister Eileen Keane
Principal contact	Sister Gillian Murphy
Principal address	65 Nettleham Road Lincoln LN2 1RT
Charity registration number	1177083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Lloyds Bank plc 202 High Street Lincoln LN5 7AP
Investment managers	Barclays Wealth Management Limited 1 Churchill Place London E14 5HP
Solicitors	Gateley plc Park View House 58 The Ropewalk Nottingham NG1 5DW mfg Solicitors Adam House Birmingham Road Kidderminster DY10 2SH

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 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 24 to 28 of the attached accounts and comply with the charity's constitution, 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 at that time has now become part of the Institute. The Institute now numbers about 250 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 five sisters in England, and one sister who divides her time between England and the rest of the Institute. One sister continues to live in France as part of a new international community in Brittany, in the birth place of our founders and the founder of the American congregation. This community welcomes sisters from all parts of the Institute as well as being at the service of the local area and the tourists and pilgrims who visit.

The sisters in England live in two parts of Lincoln: two in the South of the city in an apartment for people who are retired, and three other sisters live in a house in the North of Lincoln in a house that has been adapted for a sister in a wheelchair. One sister from this community moved into a nursing home in May 2022 when her care needs could no longer be met by the community.

- ◆ **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 average age of the sisters in England is 80.8 years

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.



One Sister has moved into Hartsholme House nursing home as her needs could no longer be met by the community. The transition was smooth and the Sister is benefitting from the appropriate care and the range of stimulating activities offered by the qualified staff. All the sisters in Lincoln are able to go and visit on a regular basis and she has been able to join them for various celebrations. Having spent most of her life in Lincoln the Sister is well known and has lots of other visitors too, including family visiting from France.

♦ 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.

The use of Zoom is a useful means of continuing the mission of prayer and guidance in the local parishes.

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.

More parishioners have started to visit the communities once more after a prolonged absence due to COVID. The sisters hold regular meetings in their communities and invite various people to get together for important liturgical moments.

Where possible the sisters attend services in the three Lincoln parishes. Their presence is valued by the clergy and the parishioners. Although certain sisters have only been in Lincoln a short time, they have many contacts rooted in their extended mission in Lincoln previously.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

- ♦ Worship and prayer (continued)
"We have shared in a regular African Mass celebrated by Father Patrick and have enjoyed socialising afterwards with several different ethnicities."



The Sisters have continued throughout the year meeting with the Friends of Providence regularly in Lincoln and more intermittently in London, sharing the materials produced by the Institute for the 200th Anniversary of Mother Marie Madeleine du Roscoat's death and later in the year reflections on Laudato Si, for the care of our planet.

The sisters particularly value their ecumenical and interfaith relationships and activities.

Throughout the year the sisters have participated in religious events in Home Grange apartments for senior citizens: Christmas carols and November Armistice Memorial Service. They also participate in Christian /Jewish Services organised by the Council of Christians and Jews which are followed by social time. The importance of these gatherings cannot be underestimated in these times where anti-semitism and racial tensions are all too prevalent. The Sisters also regularly pray with a Pentecostal couple who come to the community.

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

The Association of Senior Religious has also been able to take off again. Our three more able members were able to attend the annual national conference in Bournemouth. One of them is on the National Executive Committee which organises the conference.

These conferences and gatherings are a source of strength and mutual support for sisters who are facing the challenges of ageing and diminishment within their congregations. They can share joys and sorrows, and they continue to be a vibrant and active group that brings its many gifts to the Church and society in England.

The sisters have joined the Religious of the Diocese for the annual gathering, for the Requiem Mass, for the celebration of the Hermits' jubilee and have joined in Zoom meetings for prayer and reflection on a regular basis. They value this communication as they are far from other religious. This network provides an opportunity for support and ongoing friendship. The sisters have used this group to be involved in the shaping of the Synod and in sharing their ideas and experiences for the benefit of the Diocese and the Church.

The Sisters are a valued part of the Deanery Conference, which gathers the clergy and religious of the area on a regular basis to look at the life of the Deanery and to help in the organisation of ministry in Lincolnshire as well as giving feedback to the Bishop and his Council on policy and other decisions affecting the life of the Diocese.

"We have endeavoured to take a full part in our Parishes, attending meetings to discuss the Synod and the inevitable reorganisation of the Parishes. We have also shared in the Deanery meetings, which at the moment are also occupied by the problem of Diocesan resources."

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

As far as they are able, Sisters are 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.

The recent arrival of one Sister in a nursing home has provided an opportunity for the sisters to become involved in the home. From time to time the manager asks the sisters to accompany one or other resident or their family. The sisters also interact with the residents and members of staff during their visits to the home.

Other events at which they are always welcomed are the senior lunches at Our Lady of Lincoln Parish, special gatherings for St Patrick, Harvest, and Christmas at St Hugh's as well as coffee mornings after Mass in Saints Peter and Paul parish. Parishioners are always eager to have news of sisters from Sri Lanka who have lived in Lincoln and, this year, have helped financially with certain projects in Sri Lanka and Madagascar.

♦ Retreats, spiritual direction and related activities

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.

General pastoral work

This area of work includes:

♦ Solidarity with the poor and the lonely

One of the consequences of the present economic crisis 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.

Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

♦ Social and pastoral work (continued)

♦ School, hospital and ecumenical chaplaincies

The sisters visit people in hospital and in the residential homes when it is possible. They are also in contact by telephone with former parishioners who have moved away or with parishioners from their previous parishes.

Two sisters have been able to renew their relationship with the local secondary school, welcoming the new headteacher and supporting the lay chaplain, attending school events when they can.

♦ Administrative work for the Institute and Region

The Sisters 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. This year in particular the English General councillor was involved in the formation programme for the young Sisters from Sri Lanka and Madagascar during their visit to Europe.

Also part of the 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

During the year we supported Madagascar and Sri Lanka in a variety of ways.

The following is an email received from the Regional Superior from Madagascar when she sent the accounts for the money which was donated.

"Salama tompoko ô.

A big thank you for the 25,000 euros you sent us.

The sisters are very happy with their computers, as well as the printers.

Imagine also the joy of the teachers and students at Ankaditsiary for the 10 computers donated and the microphone for the gathering every Monday. Students in the bush, in a place far away from everything, are able to learn computer science.

For solar panels that turn the water from the borehole, we really hope to be able to reduce the cost of electricity, which will triple in 2023.

The rest of the money is for the land by the sea. Our land already has its deed title number. The topographer told me to come back in 15 days for the appointment at the Domaine. Hopefully, we can start work in 2023. We will start with the enclosure.

Faternally, Sister Sosthine"



Activities, specific achievements and relevant policies (continued)

Activities and specific achievements (continued)

♦ Supporting other parts of the Institute (continued)



Benefactors and Sisters from the English region continue to make donations to Sri Lanka for various welfare projects, including supporting school students, people who are sick in hospital and women who have been abandoned by their families because they have terminal cancer.

Over the course of 2021 and 2022, the English region helped five sisters in Sri Lanka to complete undergraduate and postgraduate studies. Three sisters are continuing with vocational courses and one candidate is following music lessons.

The following are two accounts from young sisters who have finished their studies recently.

"In the year of 2018 I started my Bachelor of Arts degree in Aquinas College of Higher Studies. As it was a part time degree programme, the lectures were held on Saturdays and Sundays. Christian Culture, Sociology and Mass Communication were the subjects that I did. It was a three year degree program but, because of the pandemic this program was dragged for another few months. The convocation was held in the year of 2022.

From this degree I was able to gain a vast knowledge about many things, such as the society, some theories, social problems that people face and how to help them, media, history of Christianity, the foundation and the basics of the religion of Christianity and many other things." Sister Manodini



Activities, specific achievements and relevant policies (continued)

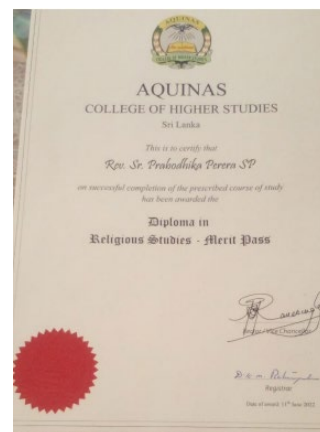
Activities and specific achievements (continued)

♦ Supporting other parts of the Institute (continued)

"With me there were sixteen sisters from different congregations. Before we started the formation period we followed the three months, intensive Certificate Course in English language Proficiency (September-December in 2020) to improve our English Knowledge. This formation period helped me deepen knowledge and understanding of scripture, Doctrinal and pastoral approaches in ministry, and become a well-integrated religious, who is able to give a prophetic response to the contemporary society. This process included lectures, personal reflections, group



studies, and six weeks of residential program in which I had more opportunity for experiential learning and communal sharing. I received the necessary guidance to face the challenges faced as a young sister.....I think all these studies and all the experiences which I received last year by following sister formation was very helpful for the mission which God entrusted me this year." Sister Shironi Probodhika



The sisters in England financially supported the stay of 19 young sisters in France during the summer of 2022. It was the first time that such a large group from Madagascar and Sri Lanka had come together. The aim of the meeting was to enable some of the younger sisters to get to know each other and to create links for the future of the Institute. The presence of the younger sisters also had a profound effect on the rest of the European sisters as they saw the future generations of the Institute together.



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, the 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.

♦ Investment property

The charity has one property which is now rented out to tenants at a commercial rental and which has now been classified in the accounts as an investment property.

♦ 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 2022 can be found on page 21 of this report and accounts.

Financial review (continued)

Results for the year (continued)

Total income amounted to £229,986 (2021: £211,825). Total salaries and pensions income included within donations in the period amounted to £65,773 (2021: £88,896). All salaries and pensions are covenanted to the charity. Investment income and interest receivable totalled £162,735 (2021: £111,466) and included rental income of £39,175 (2022: £nil) following the reclassification of 78 Oakfield Road as an investment property (see below).

Expenditure totalled £286,461 (2021: £269,314). Expenditure incurred on maintaining the members of the Institute and supporting them in their pastoral work and ministry amounted to £145,475 (2021: £149,395). Fees paid to the charity's investment managers during the year amounted to £33,241 (2021: £35,432) and expenditure incurred on the investment property amounted to £5,702 (2021: £nil). Charitable grants and donations amounted to £102,043 (2021: £84,487). In 2022 and 2021 these donations were principally in support of the overseas work of the Institute.

Net expenditure for the year before investment losses or gains, therefore, was £56,475 (2021: net expenditure £57,489). Net losses on listed investments of £554,592 (2021: net gains of £480,753) and gains on revaluation of the investment property of £1,698,000 (2021: £nil) (see below) resulted in a net increase in funds for the year of £1,086,933 (2021: net increase in funds of £423,264).

Since November 2021 the freehold property at 78 Oakfield has been let on a commercial basis. The property has been recategorised from a functional fixed asset to a property held for investment. The property is stated at fair value at the balance sheet date (see note 12).

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 2.6% (2021: 2.3%) and a capital yield of minus 11.62% (2021: plus 9.9%). 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, investment property, 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.

Financial review (continued)

Reserves policy and financial position (continued)

Reserves policy (continued)

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 position

At 31 December 2022, the charity had net assets totalling £7,407,014 (2021: £6,320,081). Of this, £713,799 (2021: £811,795) was represented by properties and other tangible fixed assets essential for the support and work of the sisters, £5,125,000 (2021: £3,350,000) represented a retirement reserve designated to provide an income to maintain the sisters as they grow older.

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 £40,739 (2021: £93,727).

The trustees have also set aside £1,117,341 (2021: £850,000) 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 2022, 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 £356,135 (2021: £1,043,218). The trustees are of the opinion that this level of free reserves was adequate but not excessive. The figure has been affected by the volatility in investment markets during the year. However, the trustees believe the charity to be a long term investor and are confident that the unrealised losses incurred will be recovered as the markets stabilise.

Future plans

Major renovation works are due to take place at the Congregation's Mother House in France beginning in September 2023. It is anticipated that the charity will contribute to the financial cost of such work.

The sisters will also be looking seriously at the future of the community in Netteham Road, Lincoln.

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.

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 2022 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.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

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.

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 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.

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 2022 was 80.8 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.

- ◆ 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.

Governance, structure and management (continued)

Risk management (continued)

- ◆ 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 Standards Agency (CSSA). 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.

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 2022, 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:

G.M.Murphy

Trustee

Approved by the trustees on: 5th September 2023

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 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.

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

12 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 Total funds £	2021 Total funds £
Income from:			
Donations and legacies	1	67,251	89,461
Investments and interest receivable	2	162,735	111,466
Other sources			
. Rental income		—	6,500
. Surplus on disposal of tangible fixed assets	3	—	4,118
. Miscellaneous		—	280
Total income		229,986	211,825
Expenditure on:			
Raising funds			
. Investment management fees		33,241	35,432
. Investment property costs		5,702	—
Charitable activities			
. Support of members of the Institute and their ministry	4	145,475	149,395
. Charitable grants and donations	5	102,043	84,487
Total expenditure		286,461	269,314
Net expenditure before investment (losses) gains		(56,475)	(57,489)
Net (losses) gains on listed investments	12	(554,592)	480,753
Gain on revaluation of investment property	12	1,698,000	—
Net movement in funds	7	1,086,933	423,264
Reconciliation of funds:			
Funds balances at 1 January 2022		6,320,081	5,896,817
Funds balances at 31 December 2022		7,407,014	6,320,081

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

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

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		713,799		811,795
Investments	12		6,290,818		5,104,642
			7,004,617		5,916,437
Current assets					
Debtors	14	1,119		1,889	
Short term deposits		169,230		169,143	
Cash at bank and in hand		284,694		299,079	
		455,043		470,111	
Current liabilities					
Creditors: amounts falling due within one year	15	(52,646)		(66,467)	
Net current assets			402,397		403,644
Total net assets			7,407,014		6,320,081
The funds of the charity					
Unrestricted income funds					
. Tangible fixed assets fund	16		713,799		811,795
. Designated funds	17		6,337,080		4,465,068
. General funds			356,135		1,043,218
			7,407,014		6,320,081

Approved by the trustees and signed on their behalf by:

G.M.Murphy

Trustee

Approved on: 5th September 2023

Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(211,611)	(124,892)
Cash flows from investing activities:			
Investment income and interest received		163,081	111,221
Proceeds from the disposal of tangible fixed assets		—	9,492
Proceeds from the disposal of investments		767,252	2,287,805
Purchase of investments		(695,876)	(2,315,000)
Net cash provided by investing activities		235,457	93,518
Change in cash and cash equivalents in the period		22,846	(31,374)
Cash and cash equivalents at 1 January 2022		486,937	518,311
Cash and cash equivalents at 31 December 2022	B	509,783	486,937

Notes to the statement of cash flows for the period to 31 December 2022

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	1,086,933	423,264
Adjustments for:		
Depreciation charge	20,996	20,996
Losses (gains) on listed investments	554,592	(480,753)
Unrealised gain on revaluation of investment property	(1,698,000)	—
Investment income and interest receivable	(162,735)	(111,466)
Surplus on disposal of tangible fixed assets	—	(4,118)
Decrease in debtors	424	1,407
(Decrease) increase in creditors	(13,821)	25,778
Net cash used in operating activities	(211,611)	(124,892)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Short term deposits	169,230	169,143
Cash at bank and in hand	284,694	299,079
Cash held by investment managers	55,859	18,715
Total cash and cash equivalents	509,783	486,937

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2022

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 2022 with comparatives given for 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 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;
- ◆ Estimating the fair value of investment properties;
- ◆ 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.

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.

Assessment of going concern (continued)

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, rental 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.

Income from listed Investments is recognised once the dividend or relevant income has been declared and notification has been received of the amount due. Rental income from investment property is recognised at the date at which the charity is entitled to such income under the relevant tenancy agreement.

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, including rental 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.

Expenditure recognition (continued)

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 comprises investment management fees and costs incurred in connection with the charity's investment property.
- ◆ 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.

Properties held for investment purposes are included in these accounts at fair value based on open market value. Investment properties were last re-valued formally 31 December 2022 on an open market basis by ehB Reeves, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2020 incorporating the IVSC International Valuation Standards (the ‘Red Book’).

Investments (continued)

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.

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

	2022 £	2021 £
Pensions and salaries of individual religious received under Gift Aid or Deed of Covenant	65,773	88,896
Donations	1,478	565
	67,251	89,461

2 Income from: Investments and interest receivable

	2022 £	2021 £
Income from listed investments	123,442	111,449
Interest receivable		
. Bank interest	118	17
Income from investment property		
. Rental income	39,175	—
	162,735	111,466

3 Income from: Surplus on disposal of tangible fixed assets

	2022 £	2021 £
Disposal of motor vehicles	—	4,118

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

	2022 £	2021 £
Premises	43,891	51,590
Sisters' living and ministry expenses	84,794	77,449
Education, training and spiritual renewal	2,296	2,253
Governance costs (note 6)	14,494	18,103
	145,475	149,395

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:

	2022 £	2021 £
Contribution to the Generalate of The Sisters of Providence of Ruillé-sur-Loir	55,800	50,000
Donation to the missions of The Sisters of Providence of Ruillé-sur-Loir		
. Madagascar	21,500	—
. Sri Lanka	22,700	25,000
Donation to St Peter-in-Chains Church, Stroud Green, London	—	3,250
Donation to St Hugh's Church, Lincoln	—	5,000
Donations of less than £1,000 each	2,043	1,237
	102,043	84,487

6 Governance costs

	2022 £	2021 £
Legal and professional fees	2,650	5,531
Auditor's remuneration	11,844	12,572
	14,494	18,103

7 Net movement in funds

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration (including VAT)		
. Statutory audit services	11,844	11,780
. Other advisory services	—	792
Depreciation	20,996	20,966

8 Staff costs

The charity had no employees during the year (2021: 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 (2021: 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 £21,316 (2021: £20,492).

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 2022	844,627	178,659	18,912	20,748	1,062,946
Reclassification as an investment property (note 12)	(175,000)	—	—	—	(175,000)
	—	—	—	—	—
At 31 December 2022	<u>669,627</u>	<u>178,659</u>	<u>18,912</u>	<u>20,748</u>	<u>887,946</u>
Depreciation					
At 1 January 2022	205,939	7,146	17,319	20,747	251,151
Charge for the year	16,893	3,573	530	—	20,996
Reclassification as an investment property (note 12)	(98,000)	—	—	—	(98,000)
At 31 December 2022	<u>124,832</u>	<u>10,719</u>	<u>17,849</u>	<u>20,747</u>	<u>174,147</u>
Net book values					
At 31 December 2022	<u>544,795</u>	<u>167,940</u>	<u>1,063</u>	<u>1</u>	<u>713,799</u>
At 31 December 2021	<u>638,688</u>	<u>171,513</u>	<u>1,593</u>	<u>1</u>	<u>811,795</u>

As permitted under Financial Reporting Standard 102 the charity has adopted a policy of not revaluing its tangible fixed assets. All 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 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

At 31 December 2022 fixed asset investments comprised:

	2022 £	2021 £
Freehold investment property	1,775,000	—
Listed investments and cash held for re-investment	4,515,818	5,104,642
	<u>6,290,818</u>	<u>5,104,642</u>

Freehold investment property

	2022 £	2021 £
Reclassification from tangible fixed assets (note 11)	77,000	—
Revaluation gain in the year	1,698,000	—
Fair (market) value at 31 December 2022	<u>1,775,000</u>	<u>—</u>

12 Fixed asset investments (continued)***Freehold investment property (continued)***

The charity's freehold investment property is included at fair value based on open market value. It was re-valued formally on 31 December 2022. The valuation was determined on an open market basis by ehB Reeves, Chartered Surveyors, in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2020 incorporating the IVSC International Valuations Standards (the "Red Book").

Listed investments

	2022 £	2021 £
Market value at 1 January 2022	5,085,927	4,577,979
Additions at cost	695,876	2,315,000
Disposals at opening book value (proceeds:£767,252, losses:£64,611)	(831,863)	(2,235,408)
Net unrealised investment (losses)/gains	(489,981)	428,356
Market value at 31 December 2022	4,459,959	5,085,927
Cash held by investment manager	55,859	18,715
	4,515,818	5,104,642
Cost of listed investments as at 31 December 2022	4,168,253	4,211,540

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
Government stocks	—	66,417
UK fixed interest and corporate bonds	815,481	674,621
UK equities	983,044	1,147,214
Overseas equities	1,816,308	2,340,540
UK unit trusts	364,855	368,821
Overseas unit trusts	480,271	488,314
	4,459,959	5,085,927

At 31 December 2022 and 31 December 2021, no individual holdings were deemed material in the context of the entire portfolio.

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

	2022 £	2021 £
Prepayments and accrued income	1,119	1,889

15 Creditors

	2022 £	2021 £
Accruals	39,295	53,467
Deferred income	13,351	13,000
	52,646	66,467

Deferred income is in respect to rental income in respect to the charity's investment property received but not due until 2023.

16 Tangible fixed assets fund

	£
At 1 January 2022	811,795
Transfer of freehold property to investment properties (note 11)	(77,000)
Net movements in year	(20,996)
At 31 December 2022	713,799

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 2022 £	New designations £	Utilised or realised £	At 31 December 2022 £
Communities fund	93,727	40,609	(93,597)	40,739
Property repair and replacement fund	171,341	—	(171,341)	—
Retirement fund	3,350,000	1,775,000	—	5,125,000
Financing and Congregational fund	850,000	321,341	—	1,171,341
	4,465,068	2,136,950	(264,938)	6,337,080

	At 1 January 2021 £	New designations £	Utilised or realised £	At 31 December 2021 £
<i>Communities fund</i>	91,846	102,163	(100,282)	93,727
<i>Property repair and replacement fund</i>	171,341	—	—	171,341
<i>Retirement fund</i>	3,350,000	—	—	3,350,000
<i>Financing and Congregational fund</i>	850,000	—	—	850,000
	4,463,187	102,163	(100,282)	4,465,068

◆ **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 £3,350,000 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.

17 Designated funds (continued)

The investment property fund comprises the freehold building which has been recategorised from fixed assets to investment property. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the value does not represent reserves available to finance operations.

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 £	2022 Total £
Balances at 31 December 2022 are represented by:				
Tangible fixed assets	—	713,799	—	713,799
Investments	6,290,818	—	—	6,290,818
Net current assets	47,062	—	356,135	403,197
	6,337,080	713,799	356,135	7,407,014

	Designated funds £	Tangible fixed assets fund £	General funds £	2021 Total £
Balances at 31 December 2021 are represented by:				
Tangible fixed assets	—	811,795	—	811,795
Investments	4,371,341	—	733,301	5,104,642
Net current assets	93,727	—	309,917	403,644
	4,465,068	811,795	1,043,218	6,320,081

The total unrealised gains as at 31 December 2022 constitute movements on revaluations of investments and are as follows:

	2022 £	2021 £
Total unrealised gains at 31 December 2022	1,989,707	874,387
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	874,387	805,585
In respect to disposals in year	(92,699)	(359,554)
Net (losses) gains arising on revaluation of listed investments in the year	(489,981)	428,356
Net gains arising on revaluation of freehold investment property in the year	1,698,000	—
Unrealised gains at 31 December 2022	1,989,707	874,387

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 donations of £55,800 during the year from the charity to the Generalate (2021: £50,000).

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 (2021: none).

21 Post balance sheet events

In June 2023 the charity purchased a leasehold property in Lincoln at a cost of £160,000.