

**Society of  
the Holy  
Child  
Jesus  
CIO**

**Annual Report and Accounts**

31 December 2022

Charity Registration Number  
1177555

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

<b>Trustees</b>	Sister Angela O'Connor (Chairperson) Sister Jenny Bullen Sister Helen Costigane (appointed 8 June 2022) Sister Eileen Crowley Sister Judith Lancaster Sister Monica Matthews (appointed 1 May 2022) Sister Carmel Murtagh Sister Celestina Oyidu Okwori Sister Anne Stewart  The trustees are incorporated under the Charities Act 2011
<b>Province Leader</b>	Sister Angela O'Connor
<b>Provincial Bursar</b>	Sister Carmel Murtagh
<b>Principal office</b>	Provincial Offices 14-16 Norham Gardens Oxford OX2 6QB
<b>Website address</b>	<a href="http://www.shcj.org">www.shcj.org</a>
<b>Charity Registration Number</b>	1177555
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

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

<b>Investment managers</b>	Evelyn Partners 45 Gresham Street London EC2V 7BG
	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
	Cazenove Capital 1 London Wall Place London EC2Y 5AU
<b>Bankers</b>	Metro Bank plc 4-5 Queen Street Oxford OX1 EJ
	Royal Bank of Scotland plc 7 Cambridge Crescent Harrogate HG1 1PH
<b>Solicitors</b>	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG
	Wilsons Solicitors LLP 4 Lincoln Inn Field's London WC2A 3AA
<b>Property Advisors</b>	Gerald Eve Bow Bells House 1 Bread Street London EC4M 9BE

## **Trustees' report** Year to 31 December 2022

The trustees present their statutory report and the accounts of the Society of the Holy Child Jesus CIO (the "charity") for the year to 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set on pages 38 to 43 of the attached accounts and comply with the charity's constitution, applicable laws and requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Introduction**

The Society of the Holy Child Jesus (SHCJ) (referred to as the "Society") is an international Roman Catholic Religious Order of around 350 sisters worldwide, with a network of associates. It was founded in England in 1846 and the Generalate is now situated in Rome, Italy. The Society comprises three provinces, Europe, Africa and the Americas.

The accounts accompanying this report are the accounts of the charity through which the activities and net assets of the Congregation in England are administered. The charity is a Charitable Incorporated Organisation (CIO) and is governed by a Constitution dated 14 March 2018 and is registered under the Charities Act 2011 – Charity Registration No. 1177555.

### **Mission**

The object of the Society of the Holy Child Jesus CIO is to support the religious and other charitable works carried on by the Society and its members.

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

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

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

### ***Worship and prayer***

Worship and prayer are integral to the lives of the members of the Society. Each sister is given the opportunity for private prayer and continued spiritual and theological development. Members avail of opportunities to celebrate and pray with the wider community when possible. Several sisters provide spiritual guidance and are available to listen to people who need support. Some give occasional retreats and days of reflection.

**Mission** (continued)

***Grant Making***

The charity accepts applications for grants from other charities and not for profit organisations. An annual grant making budget of £900,000 is approved by the trustees. The trustees' grant making policy is posted on the charity's grant making website ([www.shcj.co.uk](http://www.shcj.co.uk)) along with the principles the trustees apply when approving grants and the procedure for applying for a grant. The trustees have determined that the current priorities for support are Education, Environmental Justice, Social Justice, Anti-Trafficking, Refugees and Asylum Seekers. The grant making policy is reviewed regularly.

***Caring for members of the Society***

The majority of sisters are over 80 years of age. While a number are still active in ministry an increasing number are in need of extra care. Apley Grange, a CQC registered care home in Harrogate, Yorkshire provides for this care. Apley Grange also cares for a small number of private residents.

***Education***

The European Network of Holy Child schools is supported by the Trustees. The coordinator of the network arranges an annual residential meeting for head teachers and occasional meetings for other members of staff. She also works with the schools to produce leadership and governance materials to facilitate lay engagement with the Holy Child vision and mission. The trustees also give some financial support to other educational projects.

***Human development, social and pastoral work***

Several members of the Society are involved in various forms of human development, facilitation, social and pastoral work in different parts of the country, including support of families and elderly people and voluntary support work in hospitals. The sisters aim to help in particular poor and marginalised people in society regardless of their personal background, faith, gender or individual circumstances.

***Overseas Work of the Society***

In addition to its broader grant making activities, the charity supports the work of the Society in Nigeria, Ghana, Kenya and the USA. This is done through support of a Society wide strategic plan.

***Associates***

Associates are women and men who make a commitment to the Society and involve themselves in its spiritual and apostolic work. The trustees support the Associates in developing their ministry to the wider community.

## **Activities, specific objectives and relevant policies**

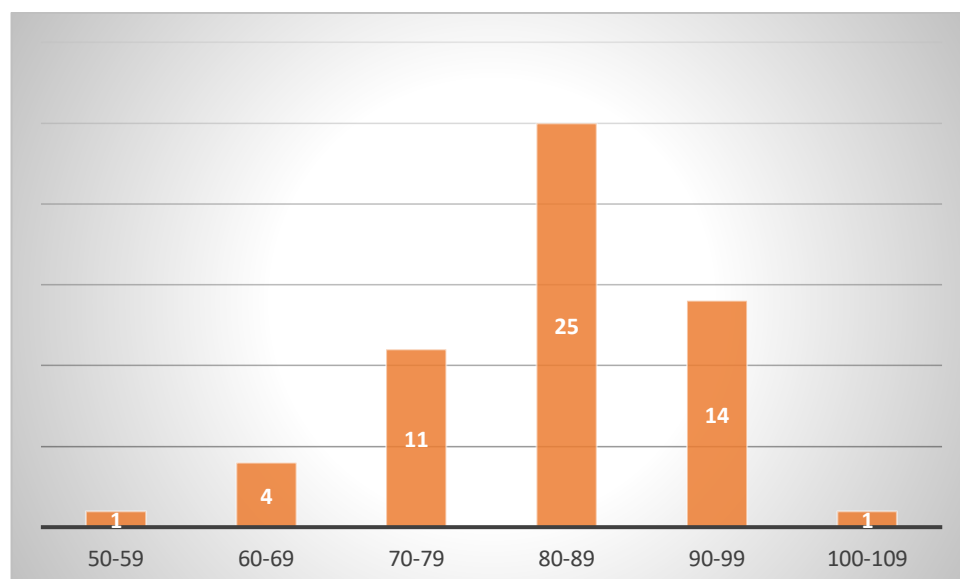
### ***Activities and specific objectives***

As stated above under 'Mission', the aims of the charity are to care for individual members of the Society throughout their lives with the Society and so to 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.

### ***Caring for members of the Society***

The age profile of members of the Society is such that the majority of sisters are over 80 years of age and women are no longer joining the Society in Europe. The Society has an obligation, both moral and legal, to provide care for its members, none of whom has resources of her own. All Society members have devoted their lives to educational, pastoral or social ministries particularly to those who are most in need. A number of sisters did not receive salaries or occupational pensions. Among these are sisters who have served in Africa, in administration, or in church or social ministries that depended on providing services at low or no cost. Consequently, this has implications for present and future use of funds.

The age profile of the Society in the European Province is shown graphically below:



The charity provides for all sisters irrespective of any pension income or lack of it. Earned income has become insignificant in the context of the accounts as a whole, because of retirement or sisters changing ministries. The charity is now substantially reliant on investment income to enable the sisters to continue in ministry.

Given the age profile there is need to provide increasing, and increasingly expensive, care for the sisters; many of the older members are resident at Apley Grange Care Home in Harrogate and this will be the case for some years. The trustees give careful consideration to the impact of this situation on the work of individual members of the Society, on property requirements and on the financial implications.

**Activities, specific objectives and relevant policies** (continued)

***Caring for members of the Society*** (continued)

The objectives of the trustees over the next few years in respect to the care of the sisters include:

- ◆ Providing support and care for all members of the Society, responding to the changing needs of the members of the Society;
- ◆ Refurbishing and expanding Apley Grange to provide additional care facilities and ensuring that quality care is provided in a manner that is financially sustainable;
- ◆ Enabling members of the Society to continue in ministry for as long as possible; and
- ◆ Reviewing the properties owned by the charity and determining their suitability as homes as the sisters age. Where properties are deemed unsuitable for current needs, alternative accommodation will be found for the sisters.

***Enabling and supporting members in a variety of religious and charitable works***

The principal works in which the sisters engage include: worship and prayer; education in its widest sense of encouraging mature reflection on the needs of the present day and working with other local groups and charities to enact this; human development and spiritual and pastoral work; and care of the sisters.

***Worship and prayer***

The charity is committed to helping as many people as possible to join with the sisters in prayer and reflection, with the aim of putting faith into action.

The objective of the trustees is to support sisters who are involved in a number of activities which include:

- ◆ Promoting Gospel values and vision including the promotion of human dignity, respect for different cultures and faith traditions;
- ◆ Encouraging care and respect for all creation, promoting prayer resources that focus on care of our common home;
- ◆ Engaging in parish ministries, catechesis, visiting the housebound, sick or dying;
- ◆ Organising retreats and reflection days which give members of the wider community the opportunity to have periods of time for quiet contemplation and reflection, and the chance to study and consider the Gospel; and
- ◆ Promoting the Associate programme which allows a wider group to share in the charism of the Society.

**Activities, specific objectives and relevant policies** (continued)

***Enabling and supporting members in a variety of religious and charitable works***  
(continued)

*Grant making*

The charity makes one-off grants distinct from the more informal donation giving which continues to operate but which typically gives smaller amounts to organisations well known to one or more of the sisters. Grants support the objects of the charity through enabling and encouraging the work of charities operating in England, Ireland and Wales. As the age profile in the Society has changed and fewer sisters are in active ministry, the trustees have chosen to widen the charity's outreach and public benefit by giving grants to support social justice, environmental justice, anti-trafficking, projects that support refugees and asylum seekers, and educational projects that help maximise the potential of those who have experienced social and economic disadvantage.

Donations and other payments in support of ministry are decided by the trustees in consultation with other members of the Society as appropriate.

*Caring for retired sisters*

The Society owns and runs Apley Grange, a registered care home for older and infirm sisters and private residents who are not members of the Society. Care is provided respecting the dignity, privacy, rights and quality of life of all residents. Apley Grange can accommodate 42 residents. Respite care is offered to both sisters and private residents on a temporary basis. Apley Grange is a place where older sisters are able to support the religious and charitable works of the charity. Prayer is at the centre of the life of the community. Private residents, staff and guests are welcome to join the community for worship.

In operating the home, the trustees aim to:

- ◆ Provide residents with excellent care which will enable them to live life as fully as possible to the end;
- ◆ Ensure that the home remains an integral part of the community of the Society and of the local wider community in Harrogate;
- ◆ Employ qualified staff to care for the residents; ensure that staff receive appropriate ongoing training and updating;
- ◆ Ensure that the home continues to meet the requirements of the Care Quality Commission (CQC) and that any recommendations arising from the inspections are acted upon quickly and effectively; and
- ◆ Maintain the financial security of the home through careful budgeting, controlling, and monitoring expenses, securing all possible sources of statutory income, and continuing to welcome fee-paying residents. The Society is planning to refurbish and expand the home over the coming years to increase capacity and benefit from economies of scale.

**Activities, specific objectives and relevant policies** (continued)

***Enabling and supporting members in a variety of religious and charitable works***  
(continued)

*Education*

The charity enables and supports the educational activities of its members.

- ◆ Two sisters teach at tertiary level (Biblical Studies, Canon Law, Christian Ethics, and Pastoral Theology);
- ◆ One sister teaches at primary level and counsels students at second level;
- ◆ One sister is involved in adult education through the University of the Third Age (U3A);
- ◆ Sisters support a network of schools founded by the Society by means of an annual meeting of headteachers; and
- ◆ The community of five sisters in Oxford supports the educational work of local charities and NGOs working with vulnerable people by providing a space at the Society's premises in Oxford where they may hold training sessions.

*Human and spiritual development and pastoral work*

The charity owns and operates a Retreat and Conference Centre in Oxford, the Cherwell Centre, which comprises facilities for day conferences and meetings, and six en-suite bedrooms for guests. The facilities include a small chapel, a comfortable sitting room, a library and a large spacious conference room. The facilities are used by parish and local groups as well as other charities.

Sadly, demand for use of the centre has not picked up since the Covid pandemic. Given this, increasing costs and the age of the sisters the trustees have decided to close the Cherwell Centre at the end of July 2023.

The charity aims to enable and support sisters in ministries which fulfil the Society's mission to help people to grow strong in faith and lead fully human lives. Sisters who are retired continue to support parishioners, be involved in local charities and support of community social work such as local foodbanks.

*Overseas work*

The charity provides financial support to the ministries of the Society across the world through contributions to the Generalate in Rome. In particular, the charity contributes financially to rapidly developing educational ministries in Chad, Ghana and Nigeria in the African Province of the Society.

The trustees' objectives are to support ministries recommended to them by the Society Leadership Team after consideration by the International Finance Committee on which there are two members of the European province.

**Activities, specific objectives and relevant policies** (continued)

***Enabling and supporting members in a variety of religious and charitable works***  
(continued)

*Associate programme*

The associate programme offers those who are not members of the Society, men and women, the opportunity to share in the charism and mission of the Society through regular meetings for prayer and reflection.

The objectives of the trustees are to:

- ◆ Include the associates in the life of the Society; and
- ◆ Enable sisters to support associates' meetings for prayer and reflection.

*Volunteers*

Members of the Society give their time to assist people who are poor, vulnerable, marginalised or in need of help in a number of different ways, including asylum seekers, refugees, people who are housebound, hospital patients, students from overseas and people who are homeless. This voluntary work contributes to the overall achievement of the charity's objectives. It is very difficult to provide any sort of quantitative analysis.

In addition, members are involved in administering the work of the Society and charity. Without their contribution the charity would not be able to function as effectively or fully as it does. Because of the diversity of work, it is difficult to quantify this contribution in monetary terms. However, a conservative estimate of expenses saved is around £225,000.

***Investment policy and performance***

The charity's investments during the period were managed by Evelyn Partners, Sarasin and Partners LLP and Cazenove Capital. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium term.

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

The performance of the portfolio and the charity's investment strategy are reviewed by an investment committee which meets with the investment managers every six months and reports back to the trustees.

The investment managers continued to invest in accordance with the trustees' investment policy and comply with the ethical guidelines given to them.

**Activities, specific objectives and relevant policies** (continued)

***Investment policy and performance*** (continued)

During the period, the charity's investments achieved an income yield of 2% (2021 – 2%). At the end of the period the charity's portfolio of listed investments comprised 44% UK equities (2021 – 47%), 50% overseas stocks (2021 – 47%) and 6% cash (2021 – 6%).

***Fundraising policy***

The charity manages its own fundraising activities and does not employ the services of a Professional Fundraiser. Any complaints about the quality of our fundraising activities are thoroughly investigated so that we find ways to improve our service. During the year ended 31 December 2022, the charity received no complaints about its fundraising activities.

Some of our funding comes from voluntary donations. The trustees are vigilant in applying the donations according to the wishes of the donors. The charity applies best practice to protect donors' data and never sells data; it never swaps data with other organisations and ensures that communication preferences can be changed at any time.

**Achievements and performance**

This year achievements and performance continued to be impacted by the Covid-19 pandemic though to a lesser extent. However, as mentioned earlier the decision has been made to close the Cherwell Centre in Oxford. Apley Grange, the care home in Harrogate, Yorkshire, has slowly been adapting to post Covid pandemic with normal socialising and visiting reintroduced. At the same time great care is taken to prevent infection of any kind.

***Grants, donations and support of ministry and missionary work***

Grants are given to registered charities and other charitable organisations operating in England, Ireland and Wales.

The priorities for grant support are:

- ◆ Education in the widest sense – particularly educational projects that help maximise the potential of those who have experienced social and economic disadvantage.
- ◆ Environmental Justice – projects that support the care of the earth and eco-justice.
- ◆ Social Justice – projects that tackle poverty, the causes of poverty and economic inequality, particularly homelessness.
- ◆ Anti-trafficking – projects that aim to help those who are victims of human trafficking and are escaping exploitation, projects addressing modern slavery; and
- ◆ Refugees and asylum seekers – projects supporting migrants, asylum seekers and refugees.

**Achievements and performance** (continued)

***Grants, donations and support of ministry and missionary work*** (continued)

During the year 60 grants totalling £914,377 were awarded by the Society. Grants were given to charities who work in our grant priority areas as follows: £55,000 towards anti-trafficking, £290,000 towards refugees, £379,377 towards social justice, £60,000 towards environmental education and justice, and £130,000 towards education. (A table listing all of the grants can be found in note 6).

With the cost-of-living crisis there has been an increase in the number of grant applications. More applicants are seeking funds to help people who are struggling to meet basic needs, to help alleviate food poverty, energy poverty and debt.

Below we highlight a few of the charities supported this year and indicate the impact of the grant.



The 2 Minute Foundation's aim is to see a world without plastic and litter pollution and to change the way we relate to our outdoor spaces. They do this by inspiring, educating and enabling people to clean up the planet, 2 minutes at a time. They recognise the links between the planet's wellbeing and our own wellbeing. They highlight the benefits that spending time in 'Blue' space and taking actions that benefit the planet can have on our own physical and mental health.

The Beach School provides environmental education directly on the beach in Bude, North Cornwall. Children and young people come from across Devon and Cornwall, including areas that are some of the UK's most socially and economically disadvantaged. Many of the children may not be in mainstream education due to mental health and behavioural challenges.

Beach School provides environmental education in an inspiring environment that helps to clean up local areas and develop a love of the oceans and our wider environment, and a long-standing passion to care for them. 2 Minute Beach School includes some learning through play but is primarily learning based, delivered by qualified teachers, covering topics that include geology, history, science etc.

They utilise the benefits of non-classroom-based teaching, smaller group sizes and an inspirational natural setting to support children and young people's emotional and social development, and mental and physical health. They show them how nature and a connection with the natural world can support their life-long physical and mental health. Their success has not only developed some passionate environmentalists but also enabled some of the children to re-access mainstream education.

***Grant: £15,000 towards Beach School***

The grant was awarded to allow the charity to provide environmental education.

***Impact***

The grant will allow the charity to host over 1,000 children and young people at Beach School in 2022/23 and to provide resources to schools that offer the 2 minute challenge in their own school or at home.

**Achievements and performance** (continued)

***Grants, donations and support of ministry and missionary work*** (continued)

*Case Study*

Lily, aged 9, began attending 2 Minute Beach School in April 2021. She home educates because she feels anxious in large groups and was lacking in self-confidence and self-esteem. When Lily first began attending sessions, she was withdrawn, very quiet and was reluctant to leave Mum. She was visibly nervous, took time to settle in each session and did not participate verbally even 1:1. Over weeks and months, we have worked hard to build up Lily's confidence, through encouragement, paying close attention to what engages and grabs her interest and building a relationship with her through 1:1 attention and kindness. She has opened up to us, developed friendships and has shown an enthusiasm for the ocean and passion for the environment. She is chatty and relaxed, coming confidently to sessions, sharing parts of her week and engages very well with activities and content, participating verbally even in a whole group situation. She is knowledgeable and has an excellent grasp of the topics covered and even supports others to engage and gain a better understanding. The difference in Lily is tremendous and has been made possible by the inspiring outdoor setting, high adult:child ratios and a caring, child-led approach.



The Baobab Centre (London) was formed in 2008 by a group of experienced human rights workers who identified many unmet needs in the treatment and support offered to young asylum seekers and refugees who have been forced to flee their home countries

because of conflict, war and human rights abuses. Baobab is a non-residential therapeutic community that supports young, unaccompanied asylum seekers who have experienced extreme human rights abuses, such as torture, rape or trafficking during their developmental years. The Baobab Centre offers a holistic and integrated specialised service to 70-80 young people a year, providing psychotherapy, casework support, assistance with housing, healthcare and education, as well as advocating for justice for all in their position.

Their objective is for the young people in the community to move forward in their development, shape their own lives and identities, and thrive as adults in the UK. They do this by providing a transitional community, where, alongside group and individual psychotherapy, they can access psychosocial activities and casework support. Baobab helps its community members recover from their traumas, build resilience and reclaim autonomy, as well as process their losses and overwhelming experiences of violence. They also have growing advocacy initiatives and a budding mentor program that will give the young people professional experience in an administrative setting. Key to Baobab's holistic model is working flexibly and involving and consulting with the young people in the community in order to ensure that they are supported and their needs accommodated.

## **Achievements and performance** (continued)

### ***Grants, donations and support of ministry and missionary work*** (continued)

*Grant: £20,000 toward core costs*

#### *Impact*

The grant we awarded will help the Baobab Centre to support between 70-80 young refugees and asylum seekers from across London as they begin to thrive in their life in exile.

#### *Case Study*

F is from a large and loving family in Ethiopia. F loves making jokes, watching sci-fi films and wants to study to be a Dentist. He experienced terrible loss, extreme violence and was forced to flee his home. When F was 13 his brother was imprisoned and killed for his political beliefs and, at his brother's funeral, his father was arrested and disappeared. Aged 14, F was also taken to prison where he was tortured, humiliated and witnessed the 'disappearance' of others. Eventually his uncle paid a bribe to get him released but then gave him to traffickers, believing he would be taken to safety. F did not even have a chance to say goodbye to his mother. On his journey F experienced and witnessed unspeakable violence and trauma. He was kept locked in houses, beaten if he asked for water or to leave. He saw women raped by a trafficker and travelled through the Sahara past the bodies of those who had not survived. He is still haunted by these experiences and has serious, complex, PTSD. In the UK, he was looked after by social services, allocated foster parents and applied for asylum. However, his asylum was refused and as a result the social services and foster support was ended. He became homeless. Eventually, he was referred to Baobab. Now 21, a fresh asylum claim is being submitted with support from Baobab. Throughout this time F has continued to attend college, following his ambition to study Dentistry and Baobab recently helped him find a placement in a Biomedical Lab. He is a young person with striking resilience and at the same time significant vulnerability. Baobab will continue to support him on his journey, rebuilding his ability to trust, building his resilience and supporting him to create a new life for himself.



Crosslight Advice is an independent, community-focused charity working to alleviate poverty and hardship through the provision of comprehensive debt advice and accessible financial education. What sets them apart is the person-centred, 'holistic' approach to their work. They look beyond the immediate crisis advice with the aim of meeting individuals at their point of need and walking with them to full restoration, however long that takes. A strong Christian ethos underpins their values and they work closely with local churches to support any adult client who is struggling with practical needs regardless of their background, ethnicity, sexuality, religion, age or any other factor. They provide:

- ◆ a full-service, person-focused, face-to-face, debt advice service, including casework support for the most vulnerable, advising clients, acting as their advocate, and intermediating with creditors on their behalf if necessary;

**Achievements and performance** (continued)

***Grants, donations and support of ministry and missionary work*** (continued)

*Case Study* (continued)

- ◆ money education and resources on budgeting and practical day-to-day money management through an online programme;
- ◆ ongoing mentoring, befriending, encouragement, social engagement, guidance, and comprehensive referrals to help clients address the causes of their difficulties.

*Grant: £24,000 towards core costs*

*Impact*

The grant given by the Society supports ongoing work to alleviate debt poverty within communities. Crosslight operates out of 18 church locations in London and the South of England through both a face to face and telephone appointment model. In 2021 they supported 1,738 people with debt advice and budgeting support and resolved 82% of clients' main debt issues.

*Case Study*

After escaping an abusive relationship and losing her business, Sandrine\* faced multiple debts piling up over several years - rent arrears, as well as gas and electric bills. Sandrine and her young daughter soon became homeless. She felt she had to hide herself from everyone, as the fear of her debts built up. *"I always felt like I was trying to escape,"* she recalls. Sandrine worked with another agency to support her in resolving her debts but unfortunately, she didn't get the holistic support she needed. She didn't have computer or internet access, and felt humiliated when she couldn't complete the tasks they requested of her. *"I felt I was being punished for not knowing how the system works."*



Sandrine was soon referred to Crosslight and has been working with an advisor for nearly 10 months. Her advisor managed to obtain a Debt Relief Order (DRO) to help clear her debts, as well as sort out manageable monthly payment plans to get her back on track. Additionally, her advisor discovered £3,000 of rent arrears was a mistake she was not liable for. We are working to appeal this decision and to obtain backdated benefits she is entitled to. Sandrine is now in temporary accommodation in London. She feels less isolated, as well as calmer and more hopeful for the future. *"Everyone at Crosslight is so lovely and helpful. They constantly reassure me and allow me to relax. Every time I see my case manager, I get hope for my life."*  
\*name has been changed.

## **Achievements and performance** (continued)

### ***Grants, donations and support of ministry and missionary work*** (continued)

#### *Case Study* (continued)



Hope at Home provides safe homes and holistic support for survivors of human trafficking and modern slavery. Founded upon Christian principles, they provide safe and secure accommodation for survivors of modern slavery. They have established a growing network of volunteer hosts across the UK who

welcome survivors into their homes and provide much-needed stability at a critical time. When survivors find Hope at Home, they are at the early stages of dealing with past traumas and are incredibly vulnerable to homelessness and re-exploitation. Hope at Home is open to all survivors regardless of a person's country of origin or ethnicity, sexuality, religion, or disability. They believe that a safe and secure home environment is essential for all survivors as they begin to rebuild their lives.

Hosts are led by the guests' needs and are on hand to talk through the challenges they face, provide guidance and help people adjust to a life free of exploitation. Working in unison with partners, Hope at Home assist with legal advice, therapeutic support, health services, housing options, employment, training, and education- increasing the likelihood of positive outcomes and independent living.

*Grant: £20,000 toward core costs*

#### *Impact*

The Society's grant is helping Hope at Home to scale up their solution to the housing crisis facing survivors of human trafficking and modern slavery in the UK. This year they intend to deliver 36 host volunteer recruitment events and recruit a minimum of 30 new hosts. Alongside individual training sessions they will hold 36 group training sessions. They aim to provide 4,500 nights of safety for 35 survivors and enable 20 people to move from Hope at Home accommodation into a permanent home.

#### *Case Study*

Layla, a survivor of modern slavery, and her three-year-old daughter were going to become homeless, so they were referred to Hope at Home by Unseen. Firstly, they stayed with a short-term host by the sea for a 'summer holiday'. They had never had a holiday before and their caseworker said *"Layla was like a new woman when she got in my car. She had such a fantastic time. I felt quite emotional as Layla was telling me all about it! She said she felt so loved and looked after and formed a great relationship with her host. She felt that she was a real motherly figure to her and loved that experience. Unfortunately, Layla's mother died when she was very young, so she missed out on that relationship, and I think the time spent with her host filled a little part of that gap. It sounds like it was a very healing experience"*



## **Achievements and performance** (continued)

### ***Grants, donations and support of ministry and missionary work*** (continued)

#### *Case Study (continued)*

Layla then moved on to longer-term hosts in the city where she wanted to live and continued to be supported by her caseworker. Her hosts helped her find a nursery for her daughter, and she settled in so well that she didn't want to come home at the end of the day. The hosts played with the little girl at weekends and introduced her to baking cupcakes with sprinkles and icing. Layla started English lessons at the local college while her daughter was at nursery. When accommodation became available, Layla and her daughter moved into a house not far from their hosts. Her caseworker commented: *"Thank you again for all you have done for them. It has been so wonderful for Layla and her little girl to have such amazing placements. Not just nice homes to stay in but the relationships they have formed. We reflected on how great it is for her to have "friends" in the UK now and have all these great memories that she is collecting. Truly life-changing"*.



Providence Row helps empower the most marginalised homeless people in London. They help their clients overcome severe disadvantage, helping them get off, and stay off, the streets and begin their journey towards recovery and a stable, secure life. They help those who are socially and financially excluded from society to re-develop trust in others, confidence in themselves and support them to get their lives back on track. We do this through an integrated service of crisis support, advice, recovery, learning and training programmes.

Over the past year they supported 1,048 unique clients through:

- ◆ Catering and Food Distribution Service
- ◆ resource centre facilities
- ◆ advice and support teams
- ◆ our needle exchange service
- ◆ our RESET drug and alcohol usage support services
- ◆ our employment and progression service
- ◆ Outreach Psychotherapy and Counselling service
- ◆ preventing homelessness after discharge from hospital.

*Grant: £15,000 towards the Food Distribution Service*

#### *Impact*

The Society has given a grant to help pay for the staff who run the charity's vital Catering and Food Distribution Service that supports over 800 clients every year. This project directly addresses food poverty/ insecurity for people experiencing homelessness and through the provision of healthy nutritious food, engages them to address their immediate complex physical and mental health needs, and supports them on a pathway to recovery and long-term resilience to live a life away from homelessness.

## **Achievements and performance (continued)**

### ***Grants, donations and support of ministry and missionary work (continued)***

#### *Case Study*

Client A presented at our day centre and sought help seeking asylum. The client had no money and was unable to feed himself which was impacting on both his physical and mental health. While our advice and support team were gathering information to support him, he was able to access our Catering and Food Provision service for breakfast and lunch, 5 days a week, and was supported with food vouchers as he was unable to work or claim benefits.



Due to his regular attendance we were also able to link him with street outreach mental health services to conduct an assessment and identify appropriate support for him. The client also benefited from attending a health hub by accessing vaccinations, the dental van and Haircuts4theHomeless. He regularly made use of our resource centre facilities (phone and internet) to keep in contact with his family whilst he attended our day centre for food and support. He went through the immigration process with the Home Office but was declined asylum. He continues to receive food at our day centre as we continue to aid him in making informed decisions about his housing and health and well-being.



Since 2013, Walk has supported ex-offenders like Dan from all over the UK. We bridge the gap between prison and the real world, by providing for all their needs including housing, detox, training, bible studies and a pathway to employment, whilst sheltering them in a safe environment until they are ready reintegrate back into their families and communities.

Some of the elements that make the project successful are:

- ◆ Half of the management team at Walk are ex-offenders who contribute knowledge and insights of lived experience to Walk's vision and policies. All of the support team have lived experience and encourage residents on their journey.
- ◆ Residents learn about routine and family living as well as employability skills, so that they are able to live in their own homes, restore family relationships and obtain full time work.
- ◆ Working with a smaller number of people which allows the residents to build strong relationships with an underlying structure of being a family and journeying through life together.
- ◆ The project provides for the many different parts of a person's journey. As men struggle at different points of their journey Walk offer more or less support according to their individual needs.
- ◆ They have strong partnerships with community groups to work on issues of crime, addiction and homelessness.
- ◆ No other organisations within the area, that work with ex-offenders, also support an individual's faith journey.

## **Achievements and performance** (continued)

### ***Grants, donations and support of ministry and missionary work*** (continued)

*Grant: £25,000 toward a Support Worker's Salary*

#### *Impact*

The grant from the Society helped towards the core budget and is enabling other funds to be freed up and used to enhance the Walk programmes.

#### *Case Study*

Darren (Past beneficiary and currently employed as a support worker)

"I have been out of prison for more than five years, before that I could never last more than six months before getting sent back. I have had thirty years of addiction and twenty-five years of prison, so I am now in a really good place. Life was always quick before. Quickly getting into trouble, quickly getting into addiction, quickly ending up in prison. At Walk I have learned to slow it all down. To sit and wait, to trust in God and rest, to not rush through anything. Fishing is my pace now. You cannot rush when you fish, you have to take your time. I have enough kit to organise fishing trips for the guys from Walk. We go fishing to relax, slow down and enjoy life. When I'm out fishing I am so thankful to God. Helping men who have gone through similar struggles to me is everything I survived my years of addiction for and everything I hope to do in my future."



### ***Support of Society Ministry in the Africa Province***

The charity continued to offer support to sisters in the African province. The trustees were pleased to support the installation of internet facilities in communities in Nigeria and Ghana, solar panels on a convent in Bauchi, Nigeria, and the building of a nursery primary school in Bauchi, Nigeria.



Installation of internet facilities has been completed and sisters are now benefiting from improved communication. There are some challenges with low bandwidth, but these are being addressed. The facilities have allowed sisters to engage in follow up work to our General Chapter 2022 with online conversations across the Society. The novices in Jos, Nigeria have benefited from online classes with sisters on other continents. It is also making administrative work easier. Sister Josephine Anto commented "*It has helped us to communicate more within the Province, the Society and globally. It has made communication easier despite some challenges. It has brought a lot of exposure to different ways of doing things and acquiring new skills and personal development.*"

**Achievements and performance (continued)**

***Support of Society Ministry in the Africa Province (continued)***



Buachi, Nigeria is an area where the electricity supply is unstable. The installation of solar panels is making a big difference to the lives of sisters living in the community. *“In the last three months, for instance, we did not have electricity supply in our area. If not for the solar life would have been more difficult for us. Once more we are very grateful for the support that enabled us to install the solar system.”* Sr Caroline Mbereke



A Nursery Primary School is being built in Gwalameji, Bauchi, Nigeria, a poor area with a mixed community of Muslims and Christians and few Christian schools. Some Catholics and non-Catholics have asked the sisters to run a school that would offer a solid education for their children. The aim in establishing the school is to make quality education accessible to 500 girls and boys from 2½ to 13 years of age, of diverse ethnic and religious backgrounds.



## **Achievements and performance (continued)**

### ***Support of Society Ministry in the Africa Province (continued)***

The school will be opened with an initial intake of 80 students with an additional intake of 100 students each year until the school enrolment reaches 500. The trustees also agreed to fund a 30 seater mini bus to assist with the transportation of students who do not live close to the school.

## **Financial review**

### ***Results for the period***

A summary of the results for the year to 31 December 2022 can be found on page 35 of this report and accounts.

Total income amounted to £3.56million (2021: £4.02m). £0.95 million (2021: £0.84m) was received by way of donations and legacies. This figure includes salaries and pensions of the sisters amounting to £0.84 million donated to the charity using a Gift Aid compliant deed of covenant (2021: £0.83m). Investment income and interest receivable totalled £2.04 million (2021: £1.9m).

Expenditure for the year ended 31 December 2022 totalled £6.67 million (2021: £7.74 million). The total expenditure on the provision of residential care services to fee paying residents was £0.6 million (2021: £0.5 million) with staff costs representing a very significant proportion of this. Staff costs in total amounted to £1.7 million (2021: £1.6 million). Total expenditure incurred on maintaining the members of the Society and supporting them in their pastoral work and ministry amounted to £2.6 million (2021: £2.5 million). Grants and donations amounted to £3.2 million (2021: £4.5 million) following the development of the charity's grant making activities in the period. Fees paid to the charity's investment managers during the period amounted to £0.2 million (2021: £0.3 million).

Net expenditure before net investment gains was £3,110,351 (2021: £3,717,745). Net investment losses of £14,234,916 (2021: gains of: £7,836,949) resulted in a net decrease in funds for the year of £17,345,267 (2021: net increase of £4,119,204).

## ***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 sisters 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 aftermath of the Covid-19 pandemic.

**Financial review** (continued)

***Reserves policy and financial position*** (continued)

*Reserves policy* (continued)

The trustees consider that, given the nature of the charity's work and its commitments, the level of free reserves that should be available to the charity should be between two and three years' expenditure.

*Financial position*

At 31 December 2022, the charity had net assets totalling £96,878,216 (2021: £114,223,483).

Of this, £2.3 million was restricted and was to be applied for specific purposes.

A further £79.8 million had been set aside or designated by the trustees for specific reasons:

- ◆ £30.4 million had been set aside to provide for the Sisters in their retirement, none of whom have resources of their own. The amount needing to be set aside was re-assessed during the year. The calculations, based on actuarial assumptions, indicated that £30.4 million was needed to be set aside to provide support for Sisters in their retirement (2021: £30.9 million). Therefore £0.4 million was released into general funds.
- ◆ £29.9 million had been set aside for the continued development of a formal grant making programme;
- ◆ £13.6 million comprised a Society Strategic Plan fund to support the international work of the Congregation, including the implementation and achievement of the Society-wide Strategic Plan;
- ◆ £5.9 million had been designated for the development and refurbishment of property.

£8.6 million (2021: £8.0 million) represented tangible fixed assets essential for the support and work of the Sisters and not available to meet ongoing expenditure.

Therefore, at 31 December 2022, the CIO had free reserves of £6.2 million (2021: £13.6 million). The level of free reserves falls short of the amount required by the reserves policy of the CIO set out above. During the year, the charity's listed investments were affected by the volatility in world stock markets caused by the war in Ukraine and other geopolitical and macroeconomic issues. However, the charity is a long-term investor and the trustees remain confident that markets will stabilise in due course and that the charity's reserves will recover and the reserves policy will be met. In the meantime, the trustees are satisfied that the charity's reserves are adequate and do not give cause for concern.

### **Financial review** (continued)

#### ***Tax exemptions etc***

The beneficiaries of the work of the charity have the assurance that all of the income must be applied for charitable purposes in furtherance of the object of advancing the Roman Catholic faith. The charity enjoys tax exemption on income from its activities and on its investment income and gains provided that these are applied for their charitable aims. It is also entitled to a reduction of 80% on business rates on the property occupied for charitable purposes. The financial benefits received as a result of these exemptions are all applied for the purposes of furthering the Roman Catholic faith by enabling and supporting the sisters to live out their faith and to put this into practice through a wide variety of religious and other charitable works, including the operation of a care home.

The nature of the charity's activities means that it has been unable to reclaim VAT input tax on its costs as it is exempt for VAT purposes. The charity has paid tax as an employer through the national insurance contributions it makes.

The charity has brought substantial benefits to the residents in its care home, the local communities where sisters live, and society in general, through its newly developed grants programme, the social and pastoral work, care services, and education services provided by sisters, often on a voluntary basis. In addition, the charity has created social assets without cost to the Treasury through social and educational projects supported, the care home's links with the wider community, and through the significant amount of voluntary work carried out by the sisters.

#### **Future plans**

The trustees anticipate change in operations over the next two years particularly at the care home in Apley Grange, Harrogate and the Cherwell Centre, Oxford.

- ◆ Apley Grange will be developed so that care can be provided to 60 residents, current capacity is 41. The majority of the residents will be private fee-paying residents. We do not expect the number of sisters in the care home to increase. Development of Apley Grange is expected to take two years. We are currently awaiting approval of a planning application.
- ◆ We will continue to operate Apley Grange as a high-quality care home for members of the Society and private fee-paying residents, while meeting the requirements of the CQC.
- ◆ In response to the changing needs of sisters new property will be purchased in the Harrogate area to accommodate sisters moving from Oxford and London. The trustees are intentionally moving the 'centre' of the province to Harrogate where sisters can continue to engage in ministry and build community whilst also receiving additional support as they age. A property in London will be sold during 2023.
- ◆ The province office will move from Oxford to the site of the care home in Harrogate in September 2023.
- ◆ The Cherwell Centre, Oxford will be closed in July 2023. The property will be sold.

**Future plans** (continued)

- ◆ The trustees will continue to award grants to organisations that apply for funding in line with the priorities outlined in our grant making policy and to monitor the use of grants.
- ◆ The ministry of the Society in Africa will be supported in line with the Society Strategic Plan 2019-2025. Support will be given to projects following applications and the exercise of due diligence.
- ◆ The trustees and the Province Leadership Team will focus on the importance of prayer and worship to the lives of individual sisters and the overall mission of the charity.
- ◆ The trustees will use the resources of the charity in collaboration with others to respond to the urgent and continuing need to care for our common home. In particular we will work to align our investments more closely with our mission.
- ◆ Sisters will implement the enactments of the Society's General Chapter 2022 so living the mystery of the Incarnation, God's loving present and action among us, in the ordinariness of everyday life and ministry.

**Governance, structure and management**

***Governing document***

The charity is a Charitable Incorporated Organisation (CIO) governed by a Constitution agreed by the trustees and registered with the Charity Commission on 14 March 2018.

***Liability of the member***

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.

***Governance***

In terms of canon law, the Society is governed at international level by the Superior General and her General Council in Rome. They are elected every six years at a General Chapter, which is a meeting of elected representatives of all provinces of the Society. The European Province is governed by the Provincial Leadership Team (PLT), comprising the Province Leader and three other members, all of whom are trustees, and the membership is involved in their selection.

In terms of civil law, the charity (which is a CIO) is governed by a constitution dated 14 March 2018 and is registered with the Charity Commission, Charity Registration Number 1177555. In addition to the members of the PLT, there are five further trustees who also understand the work of the province. The trustees work closely with the Province Leadership Team and its advisory committees. Members of the Province Leadership Team and the trustee body are chosen for their personal qualities, skills and understanding of the needs and aspirations of the Province as a whole. The trustees are appointed by the Province Leader based on their knowledge of the Province and particular competencies. At any one time there must be a minimum of four trustees and a maximum of ten.

**Governance, structure and management** (continued)

**Governance** (continued)

As all trustees are members of the Society they have a detailed knowledge of the charity and of its structure. On being appointed new trustees have a period of induction when they obtain a full briefing of their responsibilities and the charity's position. During each year, individual trustees attend seminars and training courses to keep themselves up to date with governance, finance and property issues.

All trustees are members of the Society of the Holy Child Jesus and their living and personal costs are borne by the charity. They receive no remuneration for their services as trustees.

The names of the trustees who served during the period are set out as part of the reference and administrative details on page 1 of this annual report and accounts, and brief biographical details on each of the trustees in office at the date of signing the accounts are given below.

*Sister Angela O'Connor*

Sister Angela is Province Leader. She has previous experience of leadership having been a member of the province leadership team and province bursar for three years. She has also worked in school administration and in parish pastoral work and has directed the work of the Cherwell Centre, in Oxford.

*Sister Jenny Bullen*

Sister Jenny currently works as a primary school teacher and as a counsellor in a secondary school. She will take up office as a member of the Province leadership team on 1 May 2023.

*Sister Helen Costigane*

Sister Helen is a canon lawyer. She has lectured in Christian Ethics and Canon Law and served as Province Bursar for a number of years. She is a member of the Society's international finance and planning committee.

*Sister Eileen Crowley*

Sister Eileen is a member of the Province Leadership Team. She has extensive experience in the area of pastoral care having been a prison chaplain for many years.

*Sister Judith Lancaster*

Sister Judith is a member of the Province Leadership Team. She is a spiritual director and has prior experience of province leadership having served on a team for six years. She has been the Society Archivist and has experience in school governance.

*Sister Monica Matthews*

Sister Monica is Vicar for Religious for the Diocese of Northampton, a member of the executive of the Conference of Religious in England and Wales and a school governor. She previously served as Province Leader for six years.

**Governance, structure and management** (continued)

**Governance** (continued)

*Sister Carmel Murtagh*

Sister Carmel, a former teacher, has experience of province leadership and administration having previously served as province leader for three years and as a team member for four years. She also served on the Society leadership team for six years. She is currently the Province and Society treasurer.

*Sister Celestina Oyidu Okwori*

Sister Oyidu is a member of the Society Leadership Team. She is also a member of the Society's International Investment Committee and the International Finance and Planning Committee. She is the member of the Society Leadership Team with particular responsibility for finance.

*Sister Anne Stewart*

Sister Anne is a member of the Province Leadership Team. She is a former teacher and community worker. She has extensive experience of working in community projects.

**Trustees' responsibilities statement**

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 income and expenditure 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 to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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)

***Trustees' responsibilities statement*** (continued)

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***Structure and management reporting***

The trustees are ultimately responsible for policies, activities and assets of the charity. As the executive committee of the trustees, the Province Leadership Team meets six times a year and the trustees meet three times a year to review developments regarding the charity or its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, solicitors and accountants. The day-to-day management of the charity's activities and the implementation of policies is delegated to the appropriate members of the Society or senior staff.

The European province comprises 59 sisters who live in several communities in England and Wales, France and Ireland (the latter being supported by separate French and Irish charities). In England and Wales, the communities are situated in London, the Midlands, the South East, the North of England and Wales, the largest of the communities being Apley Grange, the care home for the sisters in Harrogate. This is run by a Registered Care Manager who has several years of experience in caring for older people in a care environment. She is directly managed by an independent director who has expertise in care sector management, and who supports the senior management team. A Governance Board, comprised of the Province leader, two members of the province leadership team, the province bursar, the province Finance Director, the senior management of Apley Grange and the independent director is the framework of accountability between Apley Grange management and the province leadership team. The Governance Board meets four times a year.

***Key management***

The trustees, together with the senior management team of the care home and the Finance Director, comprise the key management of the charity who direct, control, run and operate the charity on a day-to-day basis.

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

## **Governance, structure and management** (continued)

### ***Key management*** (continued)

The pay of the senior management team of the care home is reviewed annually by the management committee which makes recommendations to the trustees who then consider whether or not to approve the proposals. Pay is normally increased in accordance with average earnings. In view of the nature of operations of the care home and the national shortage of qualified nurses and care staff, the trustees benchmark pay rates against pay levels in other similar charitable care homes and the National Health Service. The remuneration benchmark is based on published pay grades for nursing, care and administrative staff but considers additional responsibilities to ensure that the remuneration paid is fair not out of line with that paid for similar roles. The pay of the finance director is agreed by the trustees and reviewed annually.

### ***Working with other organisations***

The charity works closely with a number of other charities and public bodies which work in the fields of education, providing support to vulnerable groups, and working for justice and peace.

Examples of organisations with which the charity has cooperated during the period:

- ◆ The African and American Provinces of the Society of the Holy Child Jesus and the Generalate in Rome;
- ◆ The Roman Catholic archdioceses of Westminster, Birmingham and Southwark;
- ◆ The Roman Catholic dioceses of Arundel and Brighton, Lancaster, Leeds, Northampton and Wrexham;
- ◆ Mayfield School, Sussex; The Priory School, Birmingham; The Cavendish School, London; St Mary's Catholic Academy, Blackpool; Le Chéile Schools Trust (Ireland);
- ◆ Salford Loaves and Fishes; CAFOD,
- ◆ Conferences of Religious (England, Wales and Ireland); the Association of Provincial Bursars (England and Ireland).

### ***Risk management***

The Covid-19 pandemic presented us with challenges and threats to the well-being of our charity and its activities. These continue to be reflected in our risk assessment. The trustees recognise their responsibility for the management of risks faced by the charity and the sisters. Risk assessments have been carried out and new policies and procedures put in place. These are reviewed regularly. An IT disaster recovery plan is being developed and will be incorporated into the Risk Register.

**Governance, structure and management** (continued)

***Risk management*** (continued)

The areas identified for particular attention within our risk management strategy are:

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws, regulations, external and environment.

Governance and management covers the risk of the province, and hence the charity, suffering from a lack of direction, and the skills and training of its members and staff, and the good use of resources.

Operational looks at the risks inherent in activities including the operation of the care home, its members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, and inappropriate investment policies.

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

Laws, regulations, external and environment consider the effects of government policies, the consequences of non-compliance with laws and regulations, and poor risk assessment in the care home and elsewhere.

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

The key risks, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

1. Inappropriate investment policies.  
Investment advisors are given guidance on investment strategies to be undertaken (low/medium risk and no speculative activity), with ethical investment guidelines. Performance is reviewed quarterly and on a 1/3/5 year basis. The investment committee, which includes three trustees, is aided in reviewing the performance of managers by Portfolio Review Services. Reporting is made to the trustees at their meetings.

**Governance, structure and management** (continued)

**Risk management** (continued)

2. Safeguarding allegations.

The charity is fully compliant with the safeguarding policies of the Roman Catholic Church in England and Wales and members receive appropriate training and updating. All active members of the Society have been DBS checked, as have all staff involved in the care of vulnerable adults and any volunteers who work with vulnerable members of the Society. The care home at Apley Grange has its own safeguarding policy and training sessions are regularly given to staff. Safeguarding in the Catholic Church is being restructured. In the past the Society was aligned with the Roman Catholic Diocese of Lancaster Safeguarding Commission. It is now a member of the Catholic Safeguarding Standards Agency (CSSA) to whom it is accountable and with whom it contracts services. The Society is also a member of the Religious Life Safeguarding Service (RLSS) which will provide services similar to those previously provided by the Diocese of Lancaster Safeguarding Commission. Should there be an allegation of historic abuse, the Society is very well supported.

3. Misuse of resources.

Budgets are drawn up annually and monitored. Any large items of expenditure are fully discussed with the trustees at their meetings. Significantly large donations for the development of ministries in the growing African Province of the Society are fully documented and the Province Leader is involved in negotiations and monitoring through attendance at international meetings of the whole Society.

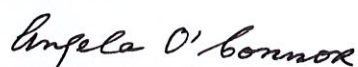
4. Lack of compliance with regulations.

This applies particularly to the care home, Apley Grange in Harrogate. To mitigate risk, the Governance Board, comprising of province leadership team members, the independent director and the management team, meets quarterly. It alerts the trustees to any significant issues. The home manager has in place all the required policies, risk assessments and procedures. The home is regularly inspected by the Care Quality Commission.

**Employees, volunteers, and members of the Society**

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Society. Their dedication and positive approach are very much appreciated.

Approved by the trustees and signed on their behalf by:



Angela O'Connor

Trustee

Approved by the trustees on: 13th June 2023

**Independent auditor's report to the trustees of the Society of the Holy Child Jesus CIO**

**Opinion**

We have audited the accounts of the Society of the Holy Child Jesus CIO (the 'charity') for the year ended 31 December 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the 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 period 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 financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 charities ability to continue as a going concern for a period of at least twelve months from when the financial statements 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 of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

***How the audit was considered capable of detecting irregularities including fraud***

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with 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), legislation and regulations specific to care homes and Safeguarding Regulations; and
- ◆ We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the trustee and review of the minutes of trustees' meetings.

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

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

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

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

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

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

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.

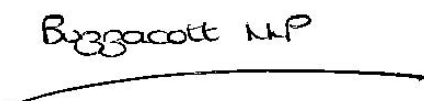
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, slightly stylized font. Below the signature is a long, horizontal, slightly wavy line that spans the width of the signature.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 17 July 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 ended 31 December 2022

		2022			2021		
		Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income from:</b>							
Donations	1	948,419	—	948,419	848,684	—	848,684
Investments and interest receivable	2	1,955,498	80,422	2,035,920	1,780,441	89,109	1,869,550
Charitable activities							
. Residential care home		486,925	—	486,925	482,668	—	482,668
Other sources							
. Miscellaneous income		34,957	—	34,957	2,473	—	2,473
. Government Coronavirus related grants		—	52,359	52,359	—	69,159	69,159
. Surplus on disposal of tangible fixed assets	3	2,125	—	2,125	749,030	—	749,030
<b>Total income</b>		<b>3,427,924</b>	<b>132,781</b>	<b>3,560,705</b>	<b>3,863,296</b>	<b>158,268</b>	<b>4,021,564</b>
<b>Expenditure on:</b>							
Raising funds							
. Investment management costs		172,554	—	172,554	252,729	—	252,729
Charitable activities							
. Support of members of the Society and their ministry	4	2,608,112	37,034	2,645,146	2,478,720	48,917	2,527,637
. Provision of residential care services	5	603,944	15,325	619,269	470,908	20,242	491,150
. Donations and grants in support of charitable activities	6	1,442,325	1,791,762	3,234,087	4,404,793	63,000	4,467,793
<b>Total expenditure</b>		<b>4,826,935</b>	<b>1,844,121</b>	<b>6,671,056</b>	<b>7,607,150</b>	<b>132,159</b>	<b>7,739,309</b>
<b>Net (expenditure) income before (losses) gains on investments</b>	8	<b>(1,399,011)</b>	<b>(1,711,340)</b>	<b>(3,110,351)</b>	<b>(3,743,854)</b>	<b>26,109</b>	<b>(3,717,745)</b>
<b>Net investment (losses) gains</b>		<b>(13,834,074)</b>	<b>(400,842)</b>	<b>(14,234,916)</b>	<b>7,585,879</b>	<b>251,070</b>	<b>7,836,949</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(15,233,085)</b>	<b>(2,112,182)</b>	<b>(17,345,267)</b>	<b>3,842,025</b>	<b>277,179</b>	<b>4,119,204</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 January		109,840,224	4,383,259	114,223,483	105,998,199	4,106,080	110,104,279
Fund balances at 31 December		94,607,139	2,271,077	96,878,216	109,840,224	4,383,259	114,223,483

# Balance sheet 31 December 2022

	Notes	2022 £	2021 £
<b>Fixed assets:</b>			
Tangible assets	11	8,638,318	7,970,977
Investments	12	86,726,159	105,567,664
		<u>95,364,477</u>	<u>113,538,641</u>
<b>Current assets:</b>			
Debtors	13	358,049	128,190
Cash at bank and in hand		1,802,834	1,215,905
<b>Total current assets</b>		<u>2,160,883</u>	<u>1,344,095</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	14	(602,144)	(569,253)
<b>Net current assets</b>		<u>1,558,739</u>	<u>774,842</u>
<b>Total net assets less current liabilities</b>		96,923,216	114,313,483
Creditors: amounts falling due after more than one year	14	(45,000)	(90,000)
<b>Total net assets</b>		<u>96,878,216</u>	<u>114,223,483</u>
<b>The funds of the charity:</b>			
Restricted funds	15	2,271,077	4,383,259
Unrestricted funds			
. Designated funds	16	79,775,625	88,309,276
. Tangible fixed assets fund	17	8,638,318	7,970,977
. General funds		6,193,196	13,559,971
		<u>96,878,216</u>	<u>114,223,483</u>

Approved by the trustees  
and signed on their behalf by:

*Angela O'bannon*

Trustee

Approved on: 13th June 2023.

## Statement of cash flows Year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(5,174,146)	(6,215,392)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		2,035,920	1,865,286
Proceeds from the disposal of tangible fixed assets		2,125	1,131,920
Purchase of tangible fixed assets		(881,574)	(131,211)
Proceeds from the disposal of investments		17,573,873	47,067,759
Purchase of investments		(14,451,265)	(38,818,058)
<b>Net cash provided by investing activities</b>		<b>4,279,079</b>	<b>11,115,696</b>
<b>Change in cash and cash equivalents in the period</b>		<b>(895,067)</b>	<b>4,900,304</b>
<b>Change in cash and cash equivalent due to exchange rate movements</b>		<b>56,131</b>	<b>31,277</b>
Cash at bank and in hand at start of period		1,215,905	1,110,133
Cash held by investment managers at start of period		6,524,102	1,698,293
<b>Cash and cash equivalents at 31 December</b>	B	<b>6,901,071</b>	<b>7,740,007</b>

### 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 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(17,345,267)</b>	<b>4,119,204</b>
<b>Adjustments for:</b>		
Depreciation charge	214,233	232,879
Losses (gains) on investments	14,234,916	(7,836,949)
Investment income and interest receivable	(2,035,920)	(1,869,550)
Net gains on disposal of tangible fixed assets	(2,125)	(749,030)
(Increase) decrease in debtors	(227,874)	3,837
Decrease in creditors	(12,109)	(115,783)
<b>Net cash used in operating activities</b>	<b>(5,174,146)</b>	<b>(6,215,392)</b>

#### B Analysis of cash and cash equivalents

	31 December 2022 £	31 December 2021 £
Cash at bank and in hand	1,802,834	1,215,905
Cash held by investment managers	5,098,237	6,524,102
<b>Total cash and cash equivalents</b>	<b>6,901,071</b>	<b>7,740,007</b>

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** Year ended 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 year to 31 December 2022 with comparative information provided in respect to the year ended 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) effective 1 January 2019, 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 and management to make significant judgements and estimates.

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

- ◆ determining the allocation of costs between different expenditure classifications;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions used in determining the value of the retirement fund; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

### **Assessment of going concern**

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

## **Principal accounting policies** Year ended 31 December 2022

### **Assessment of going concern** (continued)

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

However, 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, fees from the charity's residential care home and income from other sources including the surplus on the disposal of tangible fixed assets.

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Fees from the charity's residential care home are recognised when receivable.

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

**Income recognition** (continued)

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

Income derived from the levying of charges for residential care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates. Fee income is recognised when the charity is entitled to receipt under the relevant contractual agreements.

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

Income from Government Coronavirus related grants is recognised when the charity has made a valid claim for the income, the amount can be measured and it is entitled to receive the income.

**Expenditure recognition**

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

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

- a) The costs of raising funds comprising fees payable to the charity's professional investment managers.
- b) Expenditure on the support of members of the Society and their ministry enables the members to carry out the charitable work of the Society in the areas of the advancement of the Roman Catholic Religion, the advancement of education and the spread of Christian values. Such expenditure comprises:
  - ◆ staff costs
  - ◆ premises expenditure
  - ◆ sisters' living and personal expenses
  - ◆ training and spiritual renewal
- c) Expenditure incurred in the provision of residential care services to the elderly at the Apley Grange Care Home.

**Expenditure recognition** (continued)

- d) Grants and donations are awarded to support the works of the Society overseas and in support of education and other charitable activities consistent with the charity's objects in the United Kingdom. Grants and donations 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 donation and has satisfied related conditions if any. Grants and donations approved but not paid for at the end of the financial year are accrued for.

The majority of costs are directly attributable to specific activities. Certain costs in respect to the provision of residential care services have been allocated to expenditure categories by reference to the ratio of the number of fee paying residents to the number of residents who are members of the Society.

Governance costs comprise the costs which are directly attributable to the procedures for compliance with statutory requirements. Governance costs are allocated in full to expenditure on the support of members of the Society and their ministry.

**Tangible fixed assets**

♦ Land and buildings

Non-specialised buildings are all freehold properties and are defined as those designed as, and used wholly or mainly for, private residential accommodation. They were stated at a trustees' valuation made, with professional assistance, in 1996 based on market value for existing use, with additions since stated at cost. As permitted by FRS 102, with effect from 1 September 2014 the 1996 values assigned to these properties are now deemed to be their cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

With the exception of one flat held on a 999 year lease, all specialised land and buildings are freehold. They comprise the Society's provincial administration centre, conference centre and care home for elderly sisters. They were stated at a trustees' valuation made with professional assistance, in 1996 based on replacement cost for existing use. As permitted by FRS 102, with effect from 1 September 2014 the 1996 values assigned to these properties are now deemed to be their cost. Depreciation is provided at 2% per annum on a straight-line basis to write the specialised buildings off over their estimated useful economic life to the order.

The Chapel at Mayfield is not valued for the purposes of the accounts, as permitted by the Charities SORP FRS 102. It is a Grade I listed building and has been in the ownership of the sisters since 1863. The religious and historical nature of the building means that it would be difficult to obtain a meaningful valuation.

**Tangible fixed assets (continued)**

♦ Furniture, equipment and plant

Expenditure on the purchase and replacement of furniture and equipment over £2,000 and motor vehicles is capitalised and depreciated over a five year period on a straight line basis. Items classified as plant are capitalised and depreciated over a ten year period on a straight line basis, in order to write the assets off over their estimated useful life.

**Fixed asset 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 as 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.

Deferred annuity contracts represent annuity contracts with an insurance company to provide for individual members of the Society on their retirement. The fund is revalued annually by the trustees. Any resultant surpluses and deficits on revaluation are credited or charged to the statement of financial activities.

**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.

### **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.

### **Funds structure**

The funds of the charity are, in the main, unrestricted and therefore available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are funds representing tangible fixed assets and funds which the trustees have designated for specific purposes. Details of these are provided in note 16 and note 17.

Details of funds which are restricted for certain purposes are given in note 15.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

### **Services provided by members of the Society**

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

### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the term of the lease.

### **Pension contributions**

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 9. There were no outstanding contributions at 31 December 2022. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

## 1 Income from: Donations

	2022			2021		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Salaries, pensions, social security and similar support of individual religious received under Gift Aid compliant deed of covenant	837,220	—	837,220	830,478	—	830,748
Legacies receivable	58,832	—	58,832	—	—	—
Other donations	52,367	—	52,367	18,206	—	18,206
	<b>948,419</b>	<b>—</b>	<b>948,419</b>	<b>848,684</b>	<b>—</b>	<b>848,684</b>

## 2 Income from: Investments and interest receivable

	2022			2021		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Investment income						
. Listed investments – UK	915,185	37,743	952,928	884,211	44,263	928,474
. Listed investments – Overseas	1,034,804	42,679	1,077,483	895,828	44,844	940,672
	<b>1,949,989</b>	<b>80,422</b>	<b>2,030,411</b>	<b>1,780,039</b>	<b>89,107</b>	<b>1,869,146</b>
Interest receivable						
. Interest on cash held by investment managers	4,687	—	4,687	68	2	70
. Bank interest – UK	822	—	822	334	—	334
	<b>5,509</b>	<b>—</b>	<b>5,509</b>	<b>402</b>	<b>2</b>	<b>404</b>
	<b>1,955,498</b>	<b>80,422</b>	<b>2,035,920</b>	<b>1,780,441</b>	<b>89,109</b>	<b>1,869,550</b>

## 3 Income from: Surplus on disposal of tangible fixed assets

	2022			2021		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Surplus on disposal of motor vehicles	2,125	—	2,125	—	—	—
Surplus on disposal of land and buildings	—	—	—	749,030	—	749,030
	<b>2,125</b>	<b>—</b>	<b>2,125</b>	<b>749,030</b>	<b>—</b>	<b>749,030</b>

#### 4 Expenditure on: Support of members of the Society and their ministry

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Staff costs	1,307,596	—	1,307,596	1,236,160	—	1,236,160
Premises	757,415	—	757,415	629,028	—	629,028
Sisters' living and ministry expenses	418,858	37,034	455,892	477,378	48,917	526,295
Education, training and spiritual renewal	11,631	—	11,631	7,839	—	7,839
Governance costs (note 7)	69,980	—	69,980	108,592	—	108,592
Other	42,631	—	42,631	19,723	—	19,723
	<b>2,608,112</b>	<b>37,034</b>	<b>2,645,146</b>	<b>2,478,720</b>	<b>48,917</b>	<b>2,527,637</b>

#### 5 Expenditure on: Provision of residential care services

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Staff costs	423,381	—	423,380	398,880	—	398,880
Premises	135,660	—	135,660	40,632	—	40,632
Welfare and other	44,903	15,325	60,228	31,396	20,242	51,638
	<b>603,944</b>	<b>15,325</b>	<b>619,269</b>	<b>470,908</b>	<b>20,242</b>	<b>491,150</b>

**6 Expenditure on: Donations and grants in support of charitable activities**

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Support of the work of the Society overseas</b>						
Africa	367,868	1,640,255	2,008,123	3,242,413	—	3,242,413
Lagos	—	300	300	5,000	—	5,000
Chad	—	—	—	50	—	50
Ghana	—	2,000	2,000	—	—	—
Generally through the Society's Generalate	93,212	—	93,212	64,846	—	64,846
	<b>461,080</b>	<b>1,642,555</b>	<b>2,103,635</b>	<b>3,312,309</b>	<b>—</b>	<b>3,312,309</b>
<b>General donations – education</b>						
Baytree Centre	—	—	—	—	15,000	15,000
Comboni Sisters	—	—	—	—	2,000	2,000
Create Arts	—	—	—	—	15,000	15,000
Gatehouse	—	2,000	2,000	—	1,500	1,500
Life Skills – Mowbray Community Church	—	—	—	—	2,000	2,000
Peacechild	—	—	—	—	15,000	15,000
Read Easy Oxford	—	—	—	—	1,500	1,500
Royal Philharmonic Orchestra	—	—	—	—	10,000	10,000
St Augustines RC Primary	—	2,000	2,000	—	—	—
St Augustines School	—	2,197	2,197	—	—	—
St Marys Catholic Academy	—	1,000	1,000	—	1,000	1,000
	<b>—</b>	<b>7,197</b>	<b>7,197</b>	<b>—</b>	<b>63,000</b>	<b>63,000</b>

**6 Expenditure on: Donations and grants in support of charitable activities (continued)**

	2022			2021		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>General donations – other Institutions</b>						
British Red Cross	5,000	—	5,000	—	—	—
CAFOD	4,000	—	4,000	—	—	—
Darton Longman & Todd	—	—	—	5,000	—	5,000
Dementia UK	3,000	—	3,000	2,800	—	2,800
Faith in the Community	—	—	—	5,000	—	5,000
Fareshare	10,000	—	10,000	5,000	—	5,000
Justice & Peace Network	—	—	—	1,000	—	1,000
Lancaster Diocesan Trust	—	2,500	2,500	—	—	—
Mowbray Community Church	—	2,200	2,200	—	—	—
Oarsome Chance	—	24,375	24,375	—	—	—
Pax Christi	—	—	—	1,000	—	1,000
Power 2 Ltd	—	22,582	22,582	—	—	—
Reach Out Youth	—	20,000	20,000	—	—	—
Religious Life Safeguarding Service	—	—	—	10,000	—	10,000
SEN Families Support Group	3,400	—	3,400	—	—	—
South Bristol Youth	—	15,000	15,000	—	—	—
Trussell Trust	10,000	—	10,000	—	—	—
UK & Europe World Literacy Foundation	—	25,000	25,000	—	—	—
Unicef	2,000	—	2,000	10,000	—	10,000
Voluntary Sector North West	—	—	—	3,000	—	3,000
Warm Hut UK	—	20,000	20,000	—	—	—
<b>General donations under £1,000</b>	<b>24,577</b>	<b>—</b>	<b>24,577</b>	<b>12,500</b>	<b>—</b>	<b>12,500</b>
	<b>61,977</b>	<b>131,657</b>	<b>193,634</b>	<b>55,300</b>	<b>—</b>	<b>55,300</b>
<b>General donations to individuals</b>	<b>4,891</b>	<b>10,353</b>	<b>15,244</b>	<b>12,272</b>	<b>—</b>	<b>12,272</b>

**6 Expenditure on: Donations and grants in support of charitable activities (continued)**

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Un-restricted Funds £	Restricted Funds £	Total £
<b>Grants</b>		—				
2 Minute Foundation	15,000	—	15,000	—	—	—
A Rocha UK	10,000	—	10,000	15,000	—	15,000
Abigail Housing	12,000	—	12,000	—	—	—
Advice for renters	—	—	—	24,600	—	24,600
Amber Trust	—	—	—	25,000	—	25,000
ANAWIM	10,000	—	10,000	—	—	—
Apps for Good	—	—	—	19,000	—	19,000
Asylum Welcome	12,000	—	12,000	—	—	—
ATLEU	—	—	—	25,000	—	25,000
Baby Basics	—	—	—	20,000	—	20,000
Back on Track Manchester	—	—	—	10,000	—	10,000
Bakhita House	—	—	—	20,000	—	20,000
Bangladeshi Women's Association	—	—	—	15,000	—	15,000
Baobab Centre	20,000	—	20,000	—	—	—
Beacon	10,000	—	10,000	—	—	—
Beyond the Streets	20,000	—	20,000	—	—	—
Bolton Lads and Girls Club	15,000	—	15,000	—	—	—
Bradford City of Sanctuary	7,000	—	7,000	—	—	—
Brentwood Childrens Catholic Society	20,000	—	20,000	—	—	—
Cardinal Hume Centre	15,000	—	15,000	20,000	—	20,000
Catholic Association for Racial Justice	—	—	—	20,000	—	20,000
Catholic Workers Farm	—	—	—	25,000	—	25,000
CHAS Bristol	—	—	—	15,000	—	15,000
Children's Trust	—	—	—	25,000	—	25,000
Cirencester Housing for Young People	8,000	—	8,000	—	—	—
Cirencester Opportunity Group	—	—	—	22,214	—	22,214
Climate Movement	10,000	—	10,000	—	—	—
Community Pride Salford CIC	20,000	—	20,000	—	—	—
Cranfield Trust	20,000	—	20,000	—	—	—
Crosslight Advice	24,000	—	24,000	—	—	—
EcoBirmingham	15,000	—	15,000	—	—	—
ECPAT UK	—	—	—	25,000	—	25,000
Emmaus Oxford	15,000	—	15,000	—	—	—
Faithworks Wessex	—	—	—	20,000	—	20,000
Faith in Schools	15,000	—	15,000	—	—	—
Family Links	—	—	—	25,000	—	25,000
Family Works at St Johns	—	—	—	10,000	—	10,000
Father Hudson's Care	—	—	—	15,000	—	15,000
FoodCycle	—	—	—	10,703	—	10,703
Global Arrk	—	—	—	7,500	—	7,500
Greater Manchester Migrant Destitution Fund	15,000	—	15,000	—	—	—
Growing Together Levenshulme	10,000	—	10,000	—	—	—
Hackney Migrant Centre	10,000	—	10,000	20,000	—	20,000
Hear Me Out Music	—	—	—	10,000	—	10,000
Totals carried forward	328,000	—	328,000	444,017	—	444,017

## 6 Expenditure on: Donations and grants in support of charitable activities (continued)

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Un-restricted Funds £	Restricted Funds £	Total £
<b>Grants</b>						
Totals brought forward	328,000	—	328,000	444,017	—	444,017
Home Start Cymru	15,000	—	15,000	—	—	—
Home Start Northampton	15,000	—	15,000	—	—	—
Hope at Home	20,000	—	20,000	—	—	—
Humans MCR	20,000	—	20,000	—	—	—
Independent Community Advocacy Network	—	—	—	25,000	—	25,000
International Care Network	—	—	—	10,000	—	10,000
It's a Penalty	—	—	—	15,000	—	15,000
Justice	5,000	—	5,000	5,000	—	5,000
Justlife Foundation	15,000	—	15,000	—	—	—
Kingsgate Church	10,000	—	10,000	—	—	—
Lantern Trust	—	—	—	20,000	—	20,000
Lateef Project	15,000	—	15,000	—	—	—
Leeds Justice & Peace Commission	7,377	—	7,377	—	—	—
Marriage Care	10,000	—	10,000	10,000	—	10,000
Matthew 25 Mission	20,000	—	20,000	—	—	—
Million Minutes	10,000	—	10,000	—	—	—
Music4WellBeing	—	—	—	10,000	—	10,000
MYTIME Young Carers	—	—	—	25,000	—	25,000
Nehemiah Project	20,000	—	20,000	—	—	—
Newham Community Renewal Programme	—	—	—	24,425	—	24,425
North Bristol Advice Centre	20,000	—	20,000	—	—	—
Off the Streets Essex	15,000	—	15,000	—	—	—
Operation Noah	10,000	—	10,000	10,000	—	10,000
Oswin Project	25,000	—	25,000	—	—	—
Owlerton PCC	15,000	—	15,000	—	—	—
Oxford Winter Night Shelter	15,000	—	15,000	20,000	—	20,000
Prama Life	—	—	—	16,000	—	16,000
Prisoners Education	—	—	—	25,000	—	25,000
Providence Row	15,000	—	15,000	20,000	—	20,000
Racial Justice	20,000	—	20,000	—	—	—
Read Easy UK	20,000	—	20,000	20,000	—	20,000
Refugee Resource	—	—	—	24,500	—	24,500
Rekindle	20,000	—	20,000	20,000	—	20,000
Right to Remain	19,000	—	19,000	—	—	—
Safe in Sussex	—	—	—	24,970	—	24,970
SAFE Foundation	20,000	—	20,000	—	—	—
Salford Loaves and Fishes	15,000	—	15,000	25,000	—	25,000
Sanctuary in Chichester	—	—	—	10,000	—	10,000
Separated Child	15,000	—	15,000	—	—	—
Shine Youth	10,000	—	10,000	18,000	—	18,000
Spitafields Crypt Trust	—	—	—	18,000	—	18,000
St George's Youth Club	15,000	—	15,000	—	—	—
St Joseph's Hospice	—	—	—	20,000	—	20,000
Step by Step	—	—	—	20,000	—	20,000
Strength and Stem	15,000	—	15,000	—	—	—
Totals carried forward	794,377	—	794,377	879,912	—	879,912

**6 Expenditure on: Donations and grants in support of charitable activities (continued)**

	2022			2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Un-restricted Funds £	Restricted Funds £	Total £
<b>Grants</b>						
Totals brought forward	<b>794,377</b>	<b>—</b>	<b>794,377</b>	879,912	—	879,912
Sullivan's Heroes	—	—	—	25,000	—	25,000
The Boaz Trust	<b>15,000</b>	—	<b>15,000</b>	—	—	—
Via Wings	—	—	—	10,000	—	10,000
Vineyard Community Centre	<b>20,000</b>	—	<b>20,000</b>	20,000	—	20,000
Voices in Exile	<b>15,000</b>	—	<b>15,000</b>	20,000	—	20,000
Voices of Hope	<b>20,000</b>	—	<b>20,000</b>	—	—	—
Walk Ministries	<b>15,000</b>	—	<b>15,000</b>	—	—	—
Watford and Three Rivers Refugee Partnership	<b>15,000</b>	—	<b>15,000</b>	—	—	—
Wigan Youth Zone	—	—	—	20,000	—	20,000
Women's Health & Family Services	<b>20,000</b>	—	<b>20,000</b>	—	—	—
Woman's Trust	—	—	—	25,000	—	25,000
YMCA Burton	—	—	—	25,000	—	25,000
	<b>914,377</b>	<b>—</b>	<b>914,377</b>	1,024,912	—	1,024,912
Total donations and grants	<b>1,442,325</b>	<b>1,791,762</b>	<b>3,234,087</b>	4,404,793	63,000	4,467,793

**7 Governance costs**

	Year ended 31 December 2022			Year ended 31 December 2021		
	Un-restricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Legal and professional fees	<b>69,980</b>	—	<b>69,980</b>	108,592	—	108,592

**8 Net (expenditure) income for the period before (losses) gains on investments**

This is stated after charging:

	2022 £	2021 £
Staff costs (note 9)	<b>1,730,977</b>	1,594,598
Auditor's remuneration (including VAT)		
. Audit services – current year	<b>31,200</b>	31,200
. Audit services – prior year	<b>1,345</b>	—
. Non audit services: payroll and other consultancy	<b>12,499</b>	9,936
Depreciation	<b>214,233</b>	232,879
Operating lease charges	<b>52,411</b>	42,122

## 9 Staff costs, remuneration of key management personnel and trustees' remuneration

	2022 £	2021 £
Staff costs during the period were as follows:		
Wages and salaries	1,558,607	1,455,406
Social security costs	142,383	113,306
Pension costs	29,986	25,886
	<b>1,730,977</b>	<b>1,594,598</b>

The average number of employees during the period (including part time staff):

	2022 £	2021 £
Support of Members of the Society and their ministry, the operation of residential care home and grant making	83	83

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000, was:

	2022 No.	2021 No.
£70,000 - £80,000	1	—

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, the finance director and the home manager of the charity's care home. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year to 31 December 2022 was £148,431 (2021: £124,012).

The charity's trustees are all members of the Society and consequently their living and personal expenses, all of which are consistent with the amounts paid in respect to other members of the Society, 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 Society, 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 £145,848 (2021: £97,467).

## 10 Taxation

The Society of the Holy Child Jesus CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 11 Tangible fixed assets

	Land and buildings		Furniture, equipment and plant £	Motor vehicles £	Total £
	Non- specialised £	Specialised £			
<b>Cost or valuation</b>					
At 1 January 2022	3,478,110	6,339,213	1,974,295	114,915	<b>11,906,533</b>
Additions	825,000	—	8,605	47,969	<b>881,574</b>
Disposals and eliminations	—	—	—	(23,644)	<b>(23,644)</b>
At 31 December 2021	4,303,110	6,339,213	1,982,900	139,240	<b>12,764,463</b>
At cost	4,303,110	4,186,213	1,982,900	139,240	<b>10,611,463</b>
At deemed cost	—	2,153,000	—	—	<b>2,153,000</b>
	4,303,110	6,339,213	1,982,900	139,240	<b>12,764,463</b>
<b>Depreciation</b>					
At 1 January 2022	—	2,029,644	1,796,584	109,328	<b>3,935,556</b>
Charge for year	—	126,784	79,851	7,598	<b>214,233</b>
On disposals and eliminations	—	—	—	(23,644)	<b>(23,644)</b>
At 31 December 2022	—	2,156,428	1,876,435	93,282	<b>4,126,145</b>
<b>Net book values</b>					
<b>At 31 December 2022</b>	<b>4,303,110</b>	<b>4,182,785</b>	<b>106,465</b>	<b>45,958</b>	<b>8,638,318</b>
At 31 December 2021	3,478,110	4,309,569	177,711	5,587	7,970,977

All land and buildings are freehold with the exception of a flat included in non-specialised land and buildings which is held on a 999-year lease, and which has a net book value at 31 December 2022 of £500,000, and The Sacristy at Mayfield Chapel included in specialised land and buildings which is held on a 999-year lease, and which has a net book value of £nil.

Under previous Generally Accepted Accounting Practice, freehold land and buildings purchased prior to 1996 were held at a book value based on a trustees' valuation made in 1996 based on replacement cost for existing use. As permitted under the transitional provisions of FRS 102 (section 35), the charity has elected to use these valuations as deemed cost. The remaining properties and other tangible fixed assets are held at cost less accumulated depreciation where applicable.

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

Certain of the freehold land and buildings are subject to restrictive covenants in relation to their future disposal.

The charity has title to a number of unique religious artefacts including statues and paintings which form part of the heritage of the Society and which the charity intends to preserve for future generations of Sisters. One of the principal objectives of the charity is "*to support the religious and other charitable works carried on by the Society and its members*". As such, the assets meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Details of specific items are not given for security reasons.

## 12 Investments

	2022 £	2021 £
Listed investments	86,726,159	105,509,548
Unlisted investments		
. Deferred annuity contracts	—	58,116
	<b>86,726,159</b>	<b>105,567,664</b>

<b>Listed investments</b>	2022 £	2021 £
Fair (market) value at 1 January 2022	98,985,445	99,398,196
Additions	14,451,265	38,818,058
Disposals (proceeds: £17,573,873; realised losses: £2,587,967)	(20,161,840)	(44,657,610)
Net unrealised investment (losses) gains	(11,646,949)	5,426,801
Fair (market) value at 31 December 2022	81,627,922	98,985,445
Cash held by investment managers for reinvestment	5,098,237	6,524,102
	<b>86,726,159</b>	<b>105,509,597</b>
Cost of listed investments at 31 December 2022	<b>78,757,350</b>	<b>83,099,956</b>

Listed investments (excluding cash held by investment managers for re-investment) held at 31 December 2022 comprised the following:

	2022 £	2021 £
Listed investments – UK	38,188,661	49,169,703
Listed investments – Overseas	43,439,261	49,815,742
	<b>81,627,922</b>	<b>98,985,445</b>

The following holding represented a material holding when compared to the total portfolio valuation at 31 December 2022:

	Market value £	Percentage of portfolio %
Sarasin Climate active endowments fund class A income	28,867,429	35.4

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

<b>Deferred annuity contracts</b>	2022 £	2021 £
Valuation at 1 January 2022	58,116	89,395
Additions	—	500
Withdrawals	(63,241)	(26,170)
Surplus on withdrawal	5,125	1,751
Deficit on revaluation	—	(7,360)
Valuation at 31 December 2022	—	58,116

The contracts, which matured during the year, were held with the Eagle Star Assurance Company Limited.

### 13 Debtors

	2022 £	2021 £
Investment income and income tax recoverable	25,613	23,628
Care home fees receivable	16,480	43,749
Other debtors	18,445	5,065
Legal and professional fees in respect to future building project (see below)	280,848	—
Prepayments	16,663	55,748
	<b>358,049</b>	<b>128,190</b>

Legal and professional fees included above relate to feasibility, architect's and similar fees paid in connection with the planned building and refurbishment work to the charity's care home. The fees will be capitalised on the commencement of the project.

### 14 Creditors

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Monies administered by the charity on behalf of individual members of the Society	279,341	284,045
Care home fees received in advance	24,916	20,637
Accruals and expense creditors	252,887	219,571
Grants and donations payable	45,000	45,000
	<b>602,144</b>	<b>569,253</b>
<b>Amounts falling due after more than one year</b>		
Grants and donations payable	45,000	90,000

At 31 December 2022 the charity had committed to fund further donations totalling £2,320,145 (2021 - £2,202,433) which are payable on the satisfaction of certain conditions.

### 15 Restricted funds

The funds of the charity include restricted funds comprising the following amounts to be applied for specific purposes:

	At 1 January 2022 £	Income £	Expenditure £	Gains £	At 31 December 2022 £
Cornelia Connelly Fund	4,383,259	80,422	(1,791,762)	(400,842)	2,271,077
Donations for specific purposes	—	52,359	(52,359)	—	—
	<b>4,383,259</b>	<b>132,781</b>	<b>(1,844,121)</b>	<b>(400,842)</b>	<b>2,271,077</b>

	At 1 January 2021 £	Income £	Expenditure £	Gains £	At 31 December 2021 £
Cornelia Connelly Fund	4,106,080	89,109	(63,000)	251,070	4,383,259
Donations for specific purposes	—	69,159	(69,159)	—	—
	<b>4,106,080</b>	<b>158,268</b>	<b>(132,159)</b>	<b>251,070</b>	<b>4,383,259</b>

## 15 Restricted funds (continued)

The Cornelia Connelly Fund was previously a separate charity, administered by the same trustees as the Society of the Holy Child Jesus Charitable Trust. During 1998 permission was sought and given by the Charity Commissioners under Section 96(6) of the Charities Act 2011 for the accounts of the two charities to be combined, on the condition that the Cornelia Connelly Fund remain as a separate fund within the accounts of the main charity, restricted to the charitable purposes set out in the original trust deed of the Cornelia Connelly Fund, being 'such educational charitable purposes as advance the educational charitable work for the time being carried on in any part of the world by or under the direction or with the support of the European Province'.

## 16 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/ released £	At 31 December 2022 £
Society Strategic Plan fund				
. Retirement fund for support of the African Province	9,875,331	(972,291)	—	8,903,040
. Support of goals	6,860,341	—	(2,196,158)	4,664,183
Property development and refurbishment fund	6,000,000	267,500	(410,309)	5,857,191
Grants reserve	34,665,326	(3,831,316)	(914,377)	29,919,633
Retirement reserve	30,908,278	—	(476,700)	30,431,578
	<b>88,309,276</b>	<b>(4,536,107)</b>	<b>(3,997,544)</b>	<b>79,775,625</b>

	At 1 January 2021 £	New designations £	Utilised/ released £	At 31 December 2021 £
Society Strategic Plan fund				
. Retirement fund for support of the African Province	8,907,539	967,792	—	9,875,331
. Support of goals	10,102,754	—	(3,242,413)	6,860,341
Property development and refurbishment fund	350,000	5,650,000	—	6,000,000
Grants reserve	32,432,098	3,258,140	(1,024,912)	34,665,326
Retirement reserve	32,416,890	—	(1,508,612)	30,908,278
	<b>84,209,281</b>	<b>9,875,932</b>	<b>(5,775,937)</b>	<b>88,309,276</b>

## 16 Designated funds (continued)

The Society Strategic Plan fund represents monies designated by the trustees to support the international work of the Congregation, including the implementation of the Society-wide strategic plan. The fund has two elements: The 'Retirement fund for the support of the African Province' and the 'Support of Goals'. It is the intention that this fund continues to be increased to be held over the next four to five years until they are required by the wider Congregation. Sisters and projects of the Society overseas will be able to apply for monies from the fund but these will be paid out only after successful due diligence and, thereafter, the use of the monies will be monitored closely by the trustees. The trustees will review the Society Strategic Plan fund and the charity's financial position on a year by year basis. At 31 December 2022, £2,320,145 (2021 - £2,202,433) of the Support of Goals fund had been committed to specific projects, and becomes payable on satisfaction of certain conditions. The balance of the fund was £2,344,039 (31 December 2021 - £4,657,908).

The property development and refurbishment fund represents monies designated by the trustees to build and refurbish a number of the charity's freehold premises. At the year end the trustees had committed to develop and refurbish the property known as Apley Grange.

The grants reserve represents monies designated by the trustees for the charity's grant making programme.

The retirement reserve represents monies designated by the trustees to provide for the sisters in their retirement. It has been calculated using actuarial principles and is reviewed regularly by the trustees in the light of the resources available and likely to be required.

## 17 Tangible fixed assets fund

The tangible fixed asset fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day-to-day activities of the charity, and the fund value would not be easily realisable if needed to meet future contingencies.

	Total £
At 1 January 2022	7,970,977
Net movement in the year	667,341
At 31 December 2022	<u>8,638,318</u>
	Total £
At 1 January 2021	8,455,535
Net movement in the year	(484,558)
At 31 December 2021	<u>7,970,977</u>

# 18 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2022 £
<b>Fund balances at 31 December 2022</b>				
<b>are represented by:</b>				
Tangible fixed assets	—	8,638,318	—	8,638,318
Investments	4,679,457	79,775,625	2,271,077	86,726,159
Net current assets	1,558,739	—	—	1,558,739
Creditors: amounts falling due after one year	(45,000)	—	—	(45,000)
<b>Total net assets</b>	<b>6,193,196</b>	<b>88,413,943</b>	<b>2,271,077</b>	<b>96,878,216</b>
	General funds £	Designated funds £	Restricted funds £	Total 2021 £
<b>Fund balances at 31 December 2021</b>				
<b>are represented by:</b>				
Tangible fixed assets	—	7,970,977	—	7,970,977
Investments	12,875,129	88,309,276	4,383,259	105,567,664
Net current assets	774,842	—	—	774,842
Creditors: amounts falling due after one year	(90,000)	—	—	(90,000)
<b>Total net assets</b>	<b>13,559,971</b>	<b>96,280,253</b>	<b>4,383,259</b>	<b>114,223,483</b>

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

	2022 £	2021 £
<b>Unrealised gains included above:</b>		
On investments	2,870,577	15,885,489
<b>Total unrealised gains at 31 December 2022</b>	<b>2,870,577</b>	<b>15,885,489</b>
<b>Reconciliation of movements in unrealised gains (losses)</b>		
Unrealised gains at 1 January 2022	15,885,489	20,469,958
In respect to disposals in the period	(1,367,963)	(10,011,270)
	14,517,526	10,458,688
Add: net (losses)/gains arising on revaluation arising in the period	(11,646,949)	5,426,801
<b>Total unrealised gains at 31 December 2022</b>	<b>2,870,577</b>	<b>15,885,489</b>

## 19 Operating lease commitments

At 31 December 2022, the charity had future minimum commitments in respect to non-cancellable operating leases in respect to land and buildings as follows:

	2022 £	2021 £
<b>Land and buildings</b>		
Payments which fall due:		
. Within one year	13,500	13,500
. Within two to five years	16,875	30,375
	<b>30,375</b>	<b>43,875</b>
	2022 £	2021 £
<b>Equipment</b>		
Payments which fall due:		
. Within one year	45,780	28,622
. Within two to five years	132,114	51,892
. Over five years	104,293	20,866
	<b>282,187</b>	<b>101,380</b>

## 20 Ultimate control and liability of member

The Province Leader of the Congregation for the time being shall automatically, by virtue of holding that office, be ex officio the sole member of the CIO. The sole member is responsible for the appointment of the trustees.

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

## 21 Connected charity and related party transactions

During the year a donation of £15,000 (2021: £25,000) was paid to Salford Loaves and Fishes, a charity of which Sister Anne Stewart, a trustee of the CIO, was a trustee until 31 December 2021.

Amounts donated to the charity during the year by the trustees are disclosed in note 9.

There are no further related party transactions requiring disclosure (2021 – none).

## 22 Post balance sheet events

Since the year end, on 6 April 2023 the charity has purchased seven leasehold flats in Harrogate, to house Sisters, at a cost of £2,381,500. At 31 December 2022 reservation deposits totalling £14,000 had been paid.

Since the year end the sale of the freehold property at Norham Gardens has progressed and an offer has been accepted.