

**Congregation of Our Lady
of the Retreat in the
Cenacle**

Annual Report and Accounts

31 December 2021

Charity Registration Number

1180683

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

Trustees	Sister Veronique Fabre Sister Winifred Margaret Morley Sister Jean Anne Page Sister Katharine Mary Stogdon Sister Ann Janett Turner
Provincial Treasurer	Sister Jacqueline Guieu
Administrative address	Tithebarn Grove Lance Lane Liverpool L15 6TW
Charity registration number	1180683
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	The Royal Bank of Scotland plc Parklands De Havilland Way Horwich Bolton BL6 47U
Investment managers	Quilter Cheviot One Kingsway London WC2B 6AN CBIS Global Funds PLC Guild House Guild Street IFSC Dublin 1
Solicitors	Pothecary Witham Weld 84 Eccleston Square Pimlico London SW1V 1PX

Report of the trustees Year to 31 December 2021

The trustees present their report together with the accounts of the Congregation of Our Lady of the Retreat in the Cenacle (the “charity” or the “CIO”) for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 23 to 29 of the attached accounts and comply with the charity’s trust deed, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019).

Introduction

The Congregation of Our Lady of the Retreat in the Cenacle is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission (Charity Registration Number 1180683) and governed by a constitution dated 14 November 2018.

The Congregation of Our Lady of the Retreat in the Cenacle (the Congregation) is an International Roman Catholic Congregation founded in 1826 by Saint Therese Couderc and Jean-Pierre Etienne Terme in the village of La Louvesc France, with the fundamental mission of providing accommodation for retreats and promoting spirituality. Today the Congregation has its Generalate in Rome and continues the mission of working ‘for the transformation of the world by awakening and deepening faith, with and for the people of our times’.

The assets of the Congregation in England were, until 31 December 2019, held by the unincorporated charity, The Cenacle Charity, (Charity Registration No 232928) (the charitable trust).

The charity was set up as a CIO to continue the religious and charitable works of the charitable trust. With effect from midnight on 31 December 2019, in accordance with a legal transfer of undertakings and a resolution of the trustees, the activities, assets and liabilities of the charitable trust were transferred as a going concern into the charity.

Objectives and aims

The object of the charity, as set out in its constitution, is the advancement of the Christian religion through the religious and other charitable work of the Congregation as the trustees with the approval of the Superior shall from time to time think fit.

The mission statement of the Congregation states, “We work for the transformation of the world by awakening and deepening faith, with and for the people of our times”. The charity’s trustees will strive to ensure a spirit of harmony between this mission statement and the objects described in the charity’s constitution.

Report of the trustees Year to 31 December 2021

Objectives and aims (continued)

Collaboration is an important aspect of the charity's work. This takes various forms in working with other religious, clergy and laity within the Christian tradition in a variety of fields - retreats given in other centres, in parishes and on-line; training in the art of spiritual direction; working on local parish Deepening of Faith programmes; supporting local events by sharing the gifts and talents of individuals; and working with other religious on committees and diocesan projects. During 2021 much of this work was done online due to Covid-19.

The ecumenical field is also an area where collaboration is seen to be enriching and important for a better understanding and appreciation of each other. This is achieved through the various activities being open to all believers.

Encouraging and supporting the laity is very important in training, enabling them and encouraging them to take up various roles, especially in church focused groups. Where possible the laity work alongside the sisters, as equals. This is especially true in the field of training.

Significant activities and achievements

The charity aims to support the religious and other charitable works carried on by the Congregation and its sisters in England. When setting the aims of the charity, the trustees have complied with their duty under section 17 of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. The trustees believe that they have demonstrated in detail throughout this report the ways in which the charity has been faithful to this guidance.

The works of the charity fall into two main areas of caring for the members of the Congregation and the advancement of religion by providing accommodation for retreats and by promoting spirituality through prayer and spiritual accompaniment. In 2021 much of this took place on-line due to Covid-19 restrictions.

Covid-19

The Covid-19 pandemic has continued to change the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

As most of the members of the Congregation are aged over 70, the sisters have had to adhere to the stringent government advice regarding Covid-19. This has meant that their normal apostolic activities have had to find new shape or cease altogether. As a result of the social distancing rules, whilst largely remaining in lockdown, the sisters have tried to find new ways of working and supporting themselves and those with whom they work.

Report of the trustees Year to 31 December 2021

Significant activities and achievements (continued)

Overview

There are 12 sisters in England and their ages range from 58 to 99. In 2021 the houses in England were situated in London and Liverpool. Two sisters live in rented accommodation to facilitate their work in the local parishes. The charity also owns a small 'quarter house' in Llandudno which is used by the sisters for retreats, holidays and breaks.

The four sisters who live in Brixton, London, are part of a European community and are involved in the local community which is very multicultural. They work with the Lambeth Welcome Refugees Group which meets monthly, and the South London Refugee Association which meets weekly. One sister is a member of Faiths Together in Lambeth, a monthly interfaith group. One sister is a member of the committee for a catholic vocations project which offers on-line Advent and Lenten programmes. One sister is a member of the team for on-going formation of priests for the Southwark Diocese with special responsibility for spirituality. One sister is a member of the local parish pastoral council. One sister offers doctoral supervision for one person, and they have had nine sessions. One sister is the Spirituality Team Leader working 32 hours per week with the London Jesuit Centre on retreats, spirituality courses, training and on-going supervision for spiritual directors' management. The house is available for people seeking spiritual direction and supervision. The sisters host the occasional quiet day for people wanting space to step part from the daily routine for a few hours. These are held in the local parish setting. Due to Covid 19 regulations, for part of the year most of the activities took place on-line. The sisters also serve the Congregation in a number of different roles.

At the beginning of the year the house in Surrey Quays, an investment property, was sold.

In the house in Liverpool there are six sisters. During the year one began to need fulltime care and two others needed assistance with daily living. Two sisters are available for spiritual direction and welcoming individuals and groups who wish to avail themselves of a space to 'stop and ponder' in the midst of their busy lives, whether it be a few hours or a few days. During the year, due to Covid 19, we were unable to welcome many guests due to the fragility of the sisters.

The house is also available for on-going training programmes for spiritual directors and supervision in conjunction with the Liverpool Anglican Diocese. One sister is a member of the spirituality team and is involved in its training programmes. During the year, due to Covid 19 some of this work took place on-line.

The charity has outsourced the management of the Liverpool house to Saint John of God Hospitaller Services (SJOG) since 1 January 2021. Several lay people are employed by SJOG to work in the Prayer Enrolment office and reception, and as house manager and support staff to care for the ageing community. In this way, we help support the local community. There is a small chapel open when the office is open to the public for quiet prayer. This is well used and much appreciated. Sadly, during the past year, it has been open very little due to Covid 19 restrictions and staff sickness.

Significant activities and achievements (continued)

Overview (continued)

One sister lives in a parish in North Liverpool and is part of the parish team. Another sister lives in a parish in New Brighton, on the Wirral, and helps out in the parish. In the autumn she was unwell and spent time in the Cenacle in Liverpool where she received the help she needed.

In common with many religious congregations in Great Britain, the age profile of the members of the Congregation in England is increasing as existing members grow older and the number of new vocations becomes minimal.

The Congregation has a legal and moral obligation to provide care for its members, none of whom has resources of her own, and all have devoted a significant part of their lives to work for the Congregation including pastoral work with poorer members of society. As the age profile of the sisters increase so too does the cost of providing care. This has been a costly but very necessary expense as some sisters now require 24 hour care, which the sisters could no longer provide for each other. All this staff are local women so again we help provide employment for people in the area.

Advancement of religion

The charity's properties are available to the public as places where they can call in for a time of quiet and peaceful reflection, with a sister on hand to lend a 'listening ear' should they wish. During the pandemic, in Liverpool, the telephone was a great means of offering support and sympathy, prayer and a listening ear to the many callers, at all times of day and night.

During the year, three persons availed themselves of a residential silent retreat and six persons availed the use of Zoom to find space within their daily lives. These varied in length from three to eight days. 100 people came for a day or evening to 'stop and be still' in the Cenacle, and 146 took part in on-line meetings of a few hours duration. 29 persons took part in the training for spiritual directors with three sessions held face to face and 80 persons continued the remaining six sessions on-line. These sessions were all organised in conjunction with the Diocese of Liverpool and the team of seven held four sessions on-line. 41 persons on-line were supported in eight supervision sessions.

One sister worked with a group for religious formation for 9 persons over 12 sessions. Another sister facilitated three meetings for two people preparing for leadership and also led a day and a half for eleven persons on the process of leadership.

The sisters offer spiritual direction or accompaniment for persons desiring to deepen their life of prayer or discerning their future. During the year 62 persons availed of this service with 423 sessions of about an hour duration. Some of these sessions were held on-line because of Covid 19 restrictions.

Report of the trustees Year to 31 December 2021

Significant activities and achievements (continued)

Advancement of religion (continued)

One sister works in a parish setting alongside the clergy to animate programmes, visiting the sick and house-bound and generally being available for the people – during 2021 as much as the restrictions allowed. Another sister does similar work in another local parish and she is commissioned to officiate at funeral services and burials. She also visits the bereaved to help them prepare the service for their loved ones and supports the family after the funeral. This was difficult and demanding during lockdown. Another sister works with the Lambeth Welcome Refugees Group in welcoming families and offering on-going support – this is a weekly commitment.

One sister works with the Liverpool Anglican Diocese in training spiritual directors and in 2021 most of the sessions were held on-line and 4 sessions were held in the garden. There were 10 participants continuing from the previous year

Several sisters represent the Congregation at general meetings of major superiors and bursars in England. Four sisters in England serve as trustees of this charity. One sister is a member of the provincial leadership team which meets regularly. One sister holds the lead role for safeguarding in England/Ireland. Another sister is part of the website editorial team. One sister gave a seminar for sisters in formation, on the history of the Congregation in England and Ireland. Another sister accompanies 2 lay members of the Cenacle family. Several of these meetings were held on-line.

During lockdown and furlough, while the staff were not working, three sisters covered the reception by responding to callers and answering the telephone. This has continued at weekends.

Key policies

Donations policy

Whilst the trustees give occasional support to organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Raising funds

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity takes care with both the tone of communications and the accuracy of its data to minimise the pressure on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own activities for fundraising and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about the activities for fundraising.

Report of the trustees Year to 31 December 2021

Key policies (continued)

Protection of children and vulnerable adults

Along with all other organisations which serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. This means that all sisters who are in any kind of ministry in Great Britain must obtain clearance from the Disclosure and Barring Services (DBS). The trustees are committed to implementing all policies and procedures of the National Catholic Safeguarding Commission (NCSC).

Investment policy

The charity has both listed and (for part of the year) property investments. In respect to listed investments the trustees aim to maximise the total investment returns whilst maintaining income and continuing to preserve the real value of the total investments.

The activities of the investment managers are reviewed regularly by the trustees to ensure that the investments are managed in accordance with the trustees written guidelines and with the religious and ethical principles of the Congregation.

Property assets have traditionally been held with a view to generating an income but during the year the investment properties were disposed of.

Financial review

Results for the year

During the year to 31 December 2021, the charity supported an average of 12 sisters in England. A summary of the charity's results for the year can be found on page 19 of this report and accounts.

During the year to 31 December 2021, income amounted to £418,118 ((2020 - excluding the funds transferred from the charitable trust income amounted to £439,000). One of the principal components of income in 2021 was donations and legacies (including pensions and other earned income of members of the Congregation donated to the charity under Gift Aid or deed of covenant) which amounted to £139,533 (2020 - £128,436). Other categories of income comprised investment income and interest receivable totalling £50,798 (2020 - £76,369).and income from the provision of retreats and prayer enrolments totalling £205,938 (2020 - £185,550).

Total expenditure amounted to £634,487 (2020 - £533,805). The costs of supporting the sisters of the Congregation and their ministry amounted to £446,700 (2020 - £354,930) and expenditure on the provision of retreats and prayer enrolments totalled £161,716 (2020 - £151,125). Expenditure on managing the listed and property investments of the charity totalled £26,071 (2020 - £27,250).

Net expenditure of the charity before investment gains was £216,369 (2020 – £7,102,107 before investment gains and after the transfer from the charitable trust). Gains on listed investments for the year amounted to £334,189 (2020 - £77,840). After accounting for the gains on the revaluation of tangible fixed assets of £240,315 (2020 – £nil), exchange losses on listed investments of £13,166 (2020 – gains of £18,914) and gains on the disposal of investment property of £949 (2020 - impairment of investment property of £22,575), the net increase in funds was £345,918 (2020 - £7,176,286).

Report of the trustees Year to 31 December 2021

Financial review (continued)

Investment performance

The charity had two portfolios of listed investments with a market value at 31 December 2021 of £5,466,530 (2020 - £3,931,815) including cash awaiting investment of £198,505 (2020 - £121,537). The portfolios were and continue to be managed by Quilter Cheviot and CBIS Global Funds plc. These investments include £2,223,375 (2020 - £1,477,110) held on behalf of The Cenacle Incorporated Charity (Ireland).

The market value of listed investments increased during the year in line with the performance of world markets as they recovered from the initial impact of the Covid-19 pandemic. Investment income from listed investments was £50,798 (2020 - £44,277).

Throughout the year, the investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. Further details of the investment portfolio are detailed in note 13 to the attached accounts.

Financial position and reserves policy

The trustees consider that, given the nature of the charity's work, the level of free reserves should be sufficient to generate enough income to cover approximately nine months to one year's on-going expenditure and to provide for contingencies, unevenness in future income and volatility in the value of investments. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the Covid-19 pandemic.

As at 31 December 2021 the total funds of the charity amounted to £7,522,204.

Of these total funds, £81,114 related to an endowment fund, further details of which are given in note 17 to the attached accounts.

The tangible fixed assets fund represented the tangible fixed assets of the charity used to support the work of the sisters and totalled £3,881,122.

A further £3,000,000 represented a retirement reserve designated by the trustees to provide income to communities with elderly sisters to care for, and to provide for sisters generally in their retirement. Where sisters are employed by organisations independent of the charity, any earnings are covenanted to the charity. The number of new vocations to the Congregation is negligible and, as a result, the average age of the membership is increasing. Younger members, although taking up important charitable work, tend either to work within the charity or, if working outside, are in low paid jobs. As a consequence, in the future it is anticipated that there will be a general reduction in the income earned by sisters. The charity has a continuing commitment to support members of the Congregation, many of whom continue to carry out charitable work long past the normal age of retirement.

Free reserves as at 31 December 2021 were £559,968.

Report of the trustees Year to 31 December 2021

Financial review (continued)

Financial position and reserves policy (continued)

At the date of the balance sheet, the trustees consider that the level of free reserves were slightly below the reserves policy. In particular, at the current time, the reserves need to be sufficient to enable the charity to operate in the exceptional circumstances created by the continuing Covid-19 pandemic.

Future plans

The trustees do not anticipate any significant changes or developments to the charity's activities or finances over the forthcoming year.

As the activities of the Congregation in Ireland have reduced considerably in recent years, the trustees of the together with the Congregational Leadership team of the Europe/Togo Province have reviewed the future plans for the care of the remaining members in Ireland. A decision has been made to transfer the care of the sisters to the Congregation of Our Lady of the Retreat in the Cenacle CIO (Charity Registration No 232928 (England and Wales)) (the English charity). On 3 August 2022, the Provincial Superior gave her authorisation to transfer all assets of the charity to the English charity and to dissolve the charity in Ireland. The trustees have started the process of consulting their advisors and it is their intention to begin the process of winding up this particular charity.

Structure, governance and management

Governing document

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

As stated previously, the object of the CIO, as set out in its constitution, is the advancement of the Christian religion through the religious and other charitable work of the Congregation as the trustees with the approval of the Superior shall from time to time think fit.

The part of the Congregation known as the English Group is part of the European/Togo province and has two permanent locations in England.

Member

The sole member of the Charitable Incorporated Organisation (CIO) is the Provincial Superior.

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.

Report of the trustees Year to 31 December 2021

Structure, governance and management (continued)

Trustees

The charity has five trustees. The trustees are a self-supporting body and are legally responsible for the overall management and control of the part of the province covering the activities in England and houses therein. The trustees had one meeting in 2021 and made great use of the telephone and electrical means to consult and evaluate activities of the charity, especially as a result of Covid-19, to plan in conjunction with the wider Provincial Council.

Trustees endeavour to keep up to date with developments affecting charities and attend any appropriate training for trustees.

The trustees are ultimately responsible for the day-to-day work of the charity and work with the Provincial Council to manage the affairs of the houses in England and with SJOG as to the concerns affecting the sisters in Liverpool. During the year much was made of electronic means for the sharing of financial matters and budgeting.

The names of the trustees who served during the financial year ended 31 December 2021 are set out as part of the reference and administrative details on page 1 of this annual report and accounts.

Brief biographical details on each of the trustees who served during the year to 31 December 2021 are given below.

Sister Veronique Fabre is the chair of the trustees, residing in Paris, France. She has been a member of the society for over 25 years and a trustee for four years.

Sister Winifred Morley lives in Liverpool and for many years was the treasurer for the charity. She has given active support to the Cenacle for over 60 years.

Sister Ann Turner resides in London and has been a Sister of the Cenacle for over 50 years. She has served as the chairperson of the English charity.

Sister Katharine Stogdon lives in London. She brings over 25 years of service in the Cenacle.

Sister Jean Page lives in Liverpool and has over 55 years as a Cenacle sister. For several years, she served as the chairperson of the charity.

Key management personnel

The trustees consider that they comprise the key management personnel of the charity and shared the responsibility of directing and controlling, running and operating the charity on a day-to-day basis, with St John of God Hospitaller Services. All the 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.

Structure, governance and management (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity if those risks materialise.

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

The trustees recognise their responsibility for the management of risks faced by the charity, and the sisters. The trustees note above the financial and operational effects of Covid-19. Over and above these, the key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated.

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in England on 31 December 2021 was in excess of 70 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the sisters have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant.

As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are (a) ensuring the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated "retirement " fund, the value of which has been based on actual principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help. At the beginning of 2021 SJOG were employed to assist with the care of the sisters in Liverpool. As the year progressed this proved essential as the health of some of the sisters deteriorated faster than was anticipated such that by the end of the year a couple of sisters required 24-hour care.

- ◆ Operationally the charity works with children and vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that sisters engaged in any ministry in Great Britain and Ireland and all those who work or volunteer for the charity and work children and vulnerable adults must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS).

Structure, governance and management (continued)

Risk management (continued)

- ◆ The charity's principal assets comprise listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet once or twice a year with the investment managers and the managers' performance and that of the portfolio are monitored. Due to the pandemic the meetings took place on-line. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.

The properties owned and occupied by the sisters need to be safe, secure and maintained such that their value is safeguarded. The service of a firm of Chartered Surveyors are used on an on-going basis to inspect the properties and give advice on any works required in order to meet the charity's needs as well as meet safety and other regulatory requirements. Inspections take place at least every three years and the reports therefrom form the basis for an agreed rolling maintenance programme.

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

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 situation 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 Standards applicable in the United Kingdom (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 to operate.

Report of the trustees Year to 31 December 2021

Structure, governance and management (continued)

Trustees' responsibilities statement (continued)

The trustees are responsible for keeping adequate 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 applicable Charity (Accounts and Reporting) Regulations and the provisions of the charity's trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

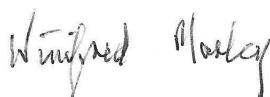
Post balance sheet event

As the Congregation's activities in Ireland have reduced considerably in recent years, the trustees of The Cenacle Charity Incorporated (Ireland) (a charity registered with the Charities Regulator Ireland – Charity Registration No 20012359) together with the Congregational Leadership team of the Europe/Togo Province have reviewed the future plans for the care of the remaining members in Ireland. A decision has been made to transfer the care of the sisters to this charity. On 3 August 2022, the Provincial Superior gave her authorisation to transfer all assets of the charity to this charity and to dissolve the charity in Ireland.

Volunteers, employees and donors

The trustees gratefully acknowledge the significant contribution which sisters, volunteers, and employees make to the charity. They are also heartened by the efforts and donations of various persons and organisations which help the sisters in their work.

Approved by the trustees:



Trustee

Date of approval:

24.10.22

Independent auditor's report to the trustees of The Congregation of Our Lady of the Retreat in the Cenacle

Opinion

We have audited the accounts of The Congregation of Our Lady of the Retreat in the Cenacle (the charity) for the year to 31 December 2021, 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 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report Year to 31 December 2021

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 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 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management and those charged with governance 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.

Independent auditor's report Year to 31 December 2021

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;
- ◆ 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 accounts disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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

Independent auditor's report Year to 31 December 2021

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.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

25 October 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2021

	Notes	2021			2020		
		Unrestricted funds £	Endowment fund £	Total funds £	Unrestricted funds £	Endowment fund £	Total funds £
Income from:							
Donations and legacies	1	139,533	—	139,533	128,436	—	128,436
Investments and interest receivable	2	50,798	—	50,798	76,369	—	76,369
Charitable activities	3						
. Retreat and conference centre income		778	—	778	1,258	—	1,258
. Prayer enrolments		205,938	—	205,938	185,550	—	185,550
. Apostolic works		14,738	—	14,738	12,767	—	12,767
Other sources							
. Surplus on disposal of tangible fixed assets		—	—	—	4,391	—	4,391
. Amounts receivable under the Coronavirus Jobs Retention Scheme		5,943	—	5,943	29,063	—	29,063
. Miscellaneous sources		390	—	390	1,166	—	1,166
		418,118	—	418,118	439,000	—	439,000
Transfer from The Cenacle Charity, (Charity Registration No 232928)		—	—	—	7,124,968	71,944	7,196,912
Total income		418,118	—	418,118	7,563,968	71,944	7,635,912
Expenditure on:							
Raising funds	4	26,071	—	26,071	27,250	—	27,250
Charitable activities:							
. Support of members of the Congregation and their ministry	5	446,700	—	446,700	354,930	—	354,930
. Charitable works: Prayer enrolments and retreats	6	161,716	—	161,716	151,125	—	151,125
. Donations		—	—	—	500	—	500
Total expenditure		634,487	—	634,487	533,805	—	533,805
Net (expenditure) income before net investment gains (losses)	9	(216,369)	—	(216,369)	7,030,163	71,944	7,102,107
Net investment gains (losses) – listed investments	13	324,612	9,577	334,189	78,247	(407)	77,840
Losses on revaluation of investment property	14	—	—	—	(22,575)	—	(22,575)
Exchange (losses) gains on listed investments		(13,166)	—	(13,166)	18,914	—	18,914
Surplus on disposal of investment property		949	—	949	—	—	—
Gains on the revaluation of tangible fixed assets (including writeback of depreciation)		240,315	—	240,315	—	—	—
Net movement in funds		336,341	9,577	345,918	7,104,749	71,537	7,176,286
Fund balances brought forward at 1 January 2020		7,104,749	71,537	7,176,286	—	—	—
Fund balances carried forward at 31 December 2021		7,441,090	81,114	7,522,204	7,104,749	71,537	7,176,286

The statement of financial activities includes all gains and losses recognised in each of the financial years.

With effect from midnight on 31 December 2019, the activities, assets and liabilities of The Cenacle Charity, (Charity Registration No 232928), were transferred as a going concern into the Charitable Incorporated Organisation (CIO). Further details of the transfer are given in note 21 to the accounts. The charity's activities commenced on 1 January 2020.

All of the charity's activities derived from continuing operations during both the above financial years.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		3,881,122		3,653,371
Listed investments	13		5,466,530		3,931,815
Investment property	14		—		827,425
			<u>9,347,652</u>		<u>8,412,611</u>
Current assets					
Stock		10,087		14,036	
Debtors	15	44,111		93,849	
Cash at bank and in hand		<u>466,435</u>		<u>238,124</u>	
		<u>520,633</u>		<u>346,009</u>	
Creditors: amounts falling due within one year	16	<u>(2,346,081)</u>		<u>(1,582,334)</u>	
Net current liabilities			<u>(1,825,448)</u>		<u>(1,236,325)</u>
Total net assets			<u>7,522,204</u>		<u>7,176,286</u>
Represented by:					
Funds					
Endowment fund	17		81,114		71,764
Unrestricted funds					
. Tangible fixed assets fund	18		3,881,122		3,653,371
. Designated fund	19		3,000,000		3,000,000
. General funds			<u>559,968</u>		<u>451,151</u>
	20		<u>7,522,204</u>		<u>7,176,286</u>

Approved by the trustees
and signed on their behalf by:

Wendy Morley

Trustee

Date of approval:

24.10.22

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(193,433)	(136,882)
Cash flows from investing activities:			
Investment income and interest received		107,976	58,520
Proceeds from the disposal of tangible fixed assets		—	4,391
Purchase of tangible fixed assets		(47,179)	(1,260,182)
Proceeds from the disposal of investment property		828,374	—
Proceeds from the disposal of listed investments		657,092	1,382,075
Purchase of listed investments		(1,658,757)	(114,969)
Net cash (used by) provided by investing activities		(112,494)	69,835
Cash flows from financing activities:			
Amounts advanced by The Cenacle Incorporated Charity (Ireland)		619,442	—
Change in cash and cash equivalents in the year		313,515	(67,047)
Effect of exchange rates on cash held by investment managers		(8,236)	—
Cash transferred from The Cenacle Charity, (Charity Registration No 232928)		—	426,708
Cash and cash equivalents at 1 January 2020		359,661	—
Cash and cash equivalents at 31 December 2021	B	664,940	359,661

Notes to the statement of cash flows for the year to 31 December 2021.

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	345,918	7,176,286
Adjustments for:		
Transfer of net assets from The Cenacle Charity (Charity Registration No. 232928)	—	(7,196,912)
Depreciation charge	59,743	58,294
Gains on disposal of tangible fixed assets	—	(4,391)
Gains on the revaluation of tangible fixed assets	(240,315)	—
Surplus on disposal investment property	(949)	—
Gains on listed investments	(334,189)	(77,840)
Losses on revaluation of investment property	—	22,575
Exchange losses (gains) on listed investments	13,166	(18,914)
Investment income and interest receivable	(50,798)	(76,369)
Decrease in stocks	3,949	3,220
Increase in debtors	(7,440)	(10,551)
Increase (decrease) in creditors	17,482	(12,280)
Net cash used in operating activities	(193,433)	(136,882)

Statement of cash flows Year to 31 December 2021

B Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Non-cash movements £	At 31 December 2021 £
Cash in hand and at bank	238,124	228,311	—	466,435
Cash held by investment managers	121,537	85,204	(8,236)	198,505
	<u>359,661</u>	<u>313,515</u>	<u>(8,236)</u>	<u>664,940</u>
Amounts due to the Cenacle Incorporated Charity (Ireland)	(1,477,110)	(619,442)	(126,823)	(2,223,375)
Total change in net debt	<u>(1,117,449)</u>	<u>(305,927)</u>	<u>(135,059)</u>	<u>(1,558,435)</u>

Principal accounting policies Year to 31 December 2021

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 2021 with comparative figures stated for the year to 31 December 2020.

With effect from midnight on 31 December 2019, the activities, assets and liabilities of The Cenacle Charity, (Charity Registration No 232928), were transferred as a going concern into the Charitable Incorporated Organisation (CIO). Further details of the transfer are given in note 21 to the accounts. The transfer was in accordance with an Order issued by the Charity Commission and with a legal deed of transfer.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value with the exception of (a) freehold land and buildings included within tangible fixed assets and (b) investment assets both of which are included at valuation – as explained in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ The allocation of governance costs between those categories of expenditure comprising expenditure on charitable activities;
- ◆ The useful economic lives attributed to tangible fixed assets and used to determine the annual depreciation charge;
- ◆ The valuation of land and buildings that form part of tangible fixed assets;
- ◆ The valuations applied to investment properties;
- ◆ The assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Principal accounting policies Year to 31 December 2021

Assessment of going concern

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

The trustees acknowledge and recognise the continuing impact of the Covid-19 pandemic on the charity and have concluded that there will continue to be some negative consequences such as the impact on investment income. However, the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The charity's investment income may be adversely affected because of the volatility in listed investments both as a response to the pandemic and more latterly due to the current geopolitical situation. In terms of expenditure, it is anticipated that there may be a rise in living expenses due to rise in cost of living but such increases will be offset by reductions in other costs. The trustees will continue to keep both income and expenditure under review but do not anticipate that the impact on the charity's finances will be material or impact on the charity's going concern.

With regard to the next accounting period (i.e. the year ending 31 December 2022), 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 market. This is particularly relevant at the current time given the Covid-19 pandemic and its adverse impact on world stock markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, investment income, interest receivable, income from charitable activities (i.e. retreat centre income and income from prayer enrolments), income from miscellaneous sources and transfer of assets from The Cenacle Charity.

The net assets of the charitable trust transferred to The Cenacle Charity, (Charity Registration No 232928), at midnight on 31 December 2019 and are included as income at the fair value of the net assets as at that date.

Principal accounting policies Year to 31 December 2021

Income recognition (continued)

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. 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.

Investment income from listed investments is recognised once the dividend or similar distribution has been declared and notification has been received of the amount due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Investment income from investment properties is credited to the statement of financial activities once rental income is due under the relevant tenancy agreements.

Retreat centre income, income from prayer enrolments and similar income is recognised to the extent that it is probable that economic benefits will flow to the charity and the income is capable of financial measurement. It is measured at fair value of the consideration received or receivable, excluding any relevant discounts or value added tax.

Income from the Coronavirus Job Retention Scheme is recognised within the statement of financial activities when the charity is entitled to the income and the amount receivable is capable of being quantified.

Principal accounting policies Year to 31 December 2021

Income recognition (continued)

Any surplus or deficit on the disposal of either tangible fixed assets or investment properties is calculated as the difference between the disposal proceeds and the net book value of the asset immediately prior to disposal less any direct costs of disposal. It is recognised on completion of the disposal.

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

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible.

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

- ◆ Expenditure on the support of members of the Congregation and their ministry. Such expenditure enables the members to carry out the work of the charity in the areas of the advancement of the Roman Catholic faith.
- ◆ Expenditure on charitable activities includes costs associated with offering retreats and prayer enrolments.
- ◆ The provision of grants and donations relating, in the main, to the support of the Congregation's own work and the support of other Roman Catholic charitable organisations. Charitable grants and donations are made where the trustees believe there is a real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for any grants and donations approved but unpaid at the end of the financial year.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure, to enable the charity to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment and a suitable working environment. Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Principal accounting policies Year to 31 December 2021

Allocation of support and governance costs (continued)

Such costs are not directly identifiable in respect to each charitable activity and hence they are apportioned using percentages based on the expenditure incurred directly on the charitable activities of the charity.

No support or governance costs have been allocated to donations payable as these are considered to be negligible.

Foreign currencies

Assets and liabilities are translated 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.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

♦ Freehold land and buildings

The trustees are the legal owners of a burial ground at the former Cenacle Convent adjoining St Joseph's Roman Catholic Church, Headley Road, Grayshott. The land is regarded as having a nil value for the purposes of these accounts since it will not and cannot be disposed of in the open market.

Freehold land and buildings are included in the accounts at valuation based on existing use or depreciated replacement cost basis, depending on the nature of the property to reflect their fair value. Valuations are updated on a "rolling basis" with each property's value being updated at least every five years.

Specialised buildings comprise large residential convents. Depreciation is provided at 2% per annum on a straight-line basis in order to write off the buildings over their estimated useful economic life to the Congregation.

Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, to confirm that their residual value is not materially less than their book value. Where this is not deemed to be the case, an impairment provision is made.

Property improvements are stated at cost. Depreciation is provided on a straight-line basis in order to write off the improvements over their estimated useful economic life estimated to be 15 years.

Principal accounting policies Year to 31 December 2021

Tangible fixed assets (continued)

- ♦ Motor vehicles, fixtures, fittings and computer equipment

Motor vehicles, fixtures, fittings and computer equipment are included at cost.

Depreciation is provided on a straight line basis on assets held at the end of the year at the following annual rates in order to write off each asset over its estimated useful life:

Motor vehicles	25% reducing balance basis
Fixtures, fittings and computer equipment	20% to 25%

Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Investment property

Investment properties (i.e. those not occupied by the charity but rented out to third parties for a commercial rent), are included on the balance sheet at valuation based on current open market valuation. These properties are not depreciated.

Realised and unrealised investment property gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stock of supplies for prayer enrolments are valued at the lower of cost and net realisable value.

Principal accounting policies Year to 31 December 2021

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds structure

The endowment fund comprises monies which must be held indefinitely although any income generated therefrom may be used for general purposes. Details are provided in note 17.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects. Details of these are provided in note 19.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Services provided by members of the Congregation

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

Pension costs

The charity offer their staff membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

Contributions are also paid in respect of one member to personal pension plan held with Aviva.

Notes to the accounts Year to 31 December 2021

1 Income from: Donations and legacies

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Sisters' pensions and salaries	135,216	—	135,216	114,139	—	114,139
Donations and alms received	1,482	—	1,482	7,707	—	7,707
Missions alms	2,835	—	2,835	6,590	—	6,590
	139,533	—	139,533	128,436	—	128,436

2 Income from: Investments and interest receivable

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Income from listed investments						
. Fixed interest UK	5,513	—	5,513	4,652	—	4,652
. Fixed interest - overseas	1,626	—	1,626	927	—	927
. Equities – UK	17,480	—	17,480	17,773	—	17,773
. Equities – overseas	18,823	—	18,823	16,709	—	16,709
. Alternative investments	7,356	—	7,356	4,216	—	4,216
	50,798	—	50,798	44,277	—	44,277
Interest on cash held by investment managers	—	—	—	290	—	290
Bank interest receivable	—	—	—	208	—	208
Rent from investment property	—	—	—	31,594	—	31,594
	50,798	—	50,798	76,369	—	76,369

3 Income from: Charitable activities

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Retreat income	778	—	778	1,258	—	1,258
Prayer enrolments	205,938	—	205,938	185,550	—	185,550
Other apostolic works	14,738	—	14,738	12,767	—	12,767
	221,454	—	221,454	199,575	—	199,575

4 Expenditure on: Raising funds

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Investment manager fees – listed investments	19,452	—	19,452	14,483	—	14,483
Investment property agent's fees	—	—	—	1,911	—	1,911
Investment property expenses	130	—	130	4,544	—	4,544
Allocated support and administration costs (note 7)	6,489	—	6,489	6,312	—	6,312
	26,071	—	26,071	27,250	—	27,250

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

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Staff costs	112,320	—	112,320	28,825	—	28,825
Premises	136,750	—	136,750	150,794	—	150,794
Sisters' living and personal expenses	86,451	—	86,451	93,101	—	93,101
Allocated support and administration costs (note 7)	111,179	—	111,179	82,210	—	82,210
	446,700	—	446,700	354,930	—	354,930

6 Expenditure on: Charitable works: Prayer enrolments and retreats

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Expenditure on Charitable works						
Staff costs	82,161	—	82,161	77,071	—	77,071
Prayer enrolments	24,965	—	24,965	25,509	—	25,509
Premises	6,087	—	6,087	8,584	—	8,584
Other	8,254	—	8,254	4,957	—	4,957
Allocated support and administration costs (note 7)	40,249	—	40,249	35,004	—	35,004
	161,716	—	161,716	151,125	—	151,125

7 Expenditure on: Support costs

	2021			2020		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Staff costs	19,930	—	19,930	15,188	—	15,188
Office costs	19,407	—	19,407	9,166	—	9,166
Governance costs (note 8)	18,918	—	18,918	21,235	—	21,235
Other professional fees	26,947	—	26,947	53,679	—	53,679
Depreciation	9,328	—	9,328	12,094	—	12,094
Management charges	32,952	—	32,952	—	—	—
Other expenses	30,435	—	30,435	12,164	—	12,164
	157,917	—	157,917	123,526	—	123,526
Allocated as follows:						
Raising funds	6,489	—	6,489	6,312	—	6,312
Support of members of the Congregation and their ministry	111,179	—	111,179	82,210	—	82,210
Charitable works: Prayer enrolments and retreats	40,249	—	40,249	35,004	—	35,004
	157,917	—	157,917	123,526	—	123,526

8 Governance costs

	Unrestricted funds	
	2021 £	r 2020 £
Professional fees	26,947	21,235

9 Net (expenditure) income before net investment gains (losses)

This is stated after charging:

	Unrestricted funds	
	2021 £	2020 £
Staff costs (note 10)	214,411	121,084
Auditor's remuneration		
. Statutory audit services	13,200	13,800
. Other services: general advice	5,718	—
Depreciation (note 12)	59,743	58,294
Operating lease payments – land and buildings	—	27,500

Notes to the accounts Year to 31 December 2021

10 Staff costs during the year were as follows:

With effect from 1 January 2021, the employment of the charity's staff, other than one member, was transferred to St John of God Hospitaller Services under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). The disclosure below does not differentiate as to whether staff at the charity are employed by the charity or St John of God Hospitaller Services. As from 1 January 2021, the charity pays a fee to St John of God Hospitaller Services to cover all costs incurred in connection with the charity. The disclosure, therefore, reflects 'the substance over the form' of the transactions involved.

	Unrestricted funds	
	2021 £	2020 £
Wages and salaries	164,795	113,657
Social security costs	6,834	822
Other pension costs	3,168	525
	174,797	115,004
Agency staff costs	39,614	6,080
	214,411	121,084

Staff costs by function were as follows:

	Unrestricted funds	
	2021 £	2020 £
Support of members of the Congregation (note 5)	112,320	28,825
Charitable work: Prayer enrolment and retreats (note 6)	82,161	77,071
Support costs (note 7)	19,930	15,188
	214,411	121,084

The average number of employees was 13 (2020 – 13) and the full-time equivalent (FTE) was 6.52 (2020 – 4.90). No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year.

As noted in the trustees' report, the trustees consider that they comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The trustees are all members of the Congregation and whilst their living and personal expenses are borne by the charity they received no remuneration or additional reimbursement of expenses in connection with their duties to the charity.

11 Taxation

The Cenacle Charity is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Notes to the accounts Year to 31 December 2021

12 Tangible fixed assets

	Freehold land and buildings					
	Specialised £	Non- specialised £	Non- specialised building improvements £	Fixtures, fittings, and computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2021	2,310,000	1,342,085	20,401	68,435	43,126	3,784,047
Additions	—	—	43,733	3,446	—	47,179
Revaluation	90,000	57,915	—	—	—	147,915
At 31 December 2021	2,400,000	1,400,000	64,134	71,881	43,126	3,979,141
Cost or valuation						
Cost	—	—	64,134	71,881	43,126	179,141
Valuation	2,400,000	1,400,000	—	—	—	3,800,000
	2,400,000	1,400,000	64,134	71,881	43,126	3,979,141
Depreciation						
At 1 January 2021	46,200	—	—	58,798	25,678	130,676
Charge for year	46,200	—	4,275	4,907	4,361	59,743
Write back on revaluation	(92,400)	—	—	—	—	(92,400)
At 31 December 2021	—	—	4,275	63,705	30,039	98,019
Net book values						
At 31 December 2021	2,400,000	1,400,000	59,859	8,176	13,087	3,881,122
At 31 December 2020	2,263,800	1,342,085	20,401	9,637	17,448	3,653,371

Freehold land and buildings owned as at 31 December 2021 were revalued at that date by Gould Baxter, Chartered Surveyors, of Hamilton House, Mabledon Place, London WC1H 9BB in March 2022. The valuation was carried out in accordance with RICS Valuation Global Standards published by the Royal Institution of Chartered Surveyors, for the purposes of Statements of Asset Valuations. The Liverpool property, classified as a specialised property, was valued on a depreciated replacement cost basis due to the nature, design configuration, size and location of the property, at £2,400,000. The non-specialised properties, situated in Llandudno, Wales and in London, were valued on a market value basis with vacant possession assuming existing use at £125,000 and £1,250,000 respectively.

The historic cost of the freehold land and buildings included above at 31 December 2021 was £1,332,851 (2020 - £1,289,118).

Notes to the accounts Year to 31 December 2021

13 Listed Investments

(Including cash held by investment managers)

	2021 £	2020 £
Listed investments at market value		
At 1 January 2021	3,810,278	—
Transfer from The Cenacle Charity (Charity Registration No 232928) (note 21)	—	4,876,672
Additions at cost	1,658,757	114,969
Disposals at book value		
. Sale proceeds	(657,092)	(1,382,075)
. Realised gains	30,411	9,616
	(626,681)	(1,372,459)
Exchange gains	(122,747)	95,466
Net unrealised gains	548,418	95,630
At 31 December 2021	5,268,025	3,810,278
Cash held by investment managers for reinvestment	198,505	121,537
At 31 December 2021	5,466,530	3,931,815
Cost of listed investments	3,835,459	2,675,096

Listed investments held at 31 December 2021 comprised the following:

	2021 £	2020 £
Equities – UK	605,314	496,380
Equities – overseas	3,217,858	2,220,480
Fixed interest – UK	266,920	161,485
Fixed interest – overseas	817,165	813,873
Alternatives	360,768	118,060
	5,268,025	3,810,278

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

At 31 December 2021, listed investments included the following individual holdings deemed material when compared with the overall listed portfolio valuation as at that date:

	Market value of holding £	Percentage of portfolio %
CBIS Global Funds:		
. World Bond Fund	550,163	10.4%
. World Equity Fund	901,374	17.1%
Thesis Unit Trust Management Ltd Climate Assets C Inc Nav	447,789	8.5%

13 Listed Investments (continued)

(including cash held by investment managers)

Reconciliation of gains and losses on investments to the statement of financial activities.

	2021 £	2020 £
Gains and losses as above		
. Realised gains	30,411	9,616
. Exchange (losses) gains	(122,747)	95,466
. Unrealised gains	548,418	95,630
	456,082	200,712
Amounts relating to investment held on behalf of The Cenacle Charity Incorporated (Ireland) (note 21) *		
. Exchange (losses) gains	(109,581)	76,552
. Unrealised gains	244,640	27,406
	135,059	103,958
Amounts relating to the charity and included within the statement of financial activities		
. Realised gains	30,411	9,616
. Exchange (losses) gains	(13,166)	18,914
. Unrealised gains	303,778	68,224
	321,023	96,754

* These gains and losses are reflected in the amount due to The Cenacle Charity (Incorporated) Ireland and hence they are not accounted for through the statement of financial activities.

14 Investment property

	2021 £	2020 £
Market value		
At 1 January 2021	827,425	—
Transfer from The Cenacle Charity (Charity Registration No 232928) (note 21)	—	850,000
Losses on revaluation	—	(22,575)
Disposal	(827,425)	—
At 31 December 2021	—	827,425

The asset was valued by J Gould & Company, Chartered Surveyors, of Museum House, 25 Museum Street, London WC1A 1JT. The valuation was carried out in accordance with RICS Valuation Global Standards 2017 published by the Royal Institution of Chartered Surveyors, for the purposes of Statements of Asset Valuations as at 31 December 2019. The property was sold in March 2021, realising a gain on disposal of £949. The historic cost of the above investment property was £407,818.

Notes to the accounts Year to 31 December 2021

15 Debtors

	2021 £	2020 £
Investment income receivable	15,232	72,410
Prepayments	6,019	7,039
Other debtors: amounts due from The Cenacle Incorporated Charity (Ireland) (note 21)	22,860	14,400
	44,111	93,849

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts held on behalf of The Cenacle Incorporated Charity (Ireland) (note 21)	2,223,375	1,477,110
Amounts held on behalf of individual members of the Congregation	83,653	83,653
Expense creditors and accruals	39,053	21,571
	2,346,081	1,582,334

Amounts held on behalf of the Cenacle Incorporated Charity (Ireland) represent monies advanced by that charity for investment with CBIS Global Funds plc. The investments representing these funds are separately identifiable and all gains and losses arising on these investments are credited or debited to creditors.

17 Endowment fund

Under a trust disposition and deed of settlement of James McLaughlan dated 15 July 1935, the charity holds monies to be held as permanent endowment to form a fund in memory of Sister Lidwina, her parents, and her brothers and sisters. The annual income from this fund is to be used for the general purposes of the charity.

McLaughlan Trust Fund	2021 £	2020 £
At 1 January 2021	71,537	—
Transfer from The Cenacle Charity (Charity Registration No 232928) (note 21)	—	71,944
Investment gains (losses) in the year	9,577	(407)
At 31 December 2021	81,114	71,537

Notes to the accounts Year to 31 December 2021

18 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	3,653,371	—
Transfer from The Cenacle Charity (Charity Registration No 232928) (note 21)	—	2,451,483
Net movement in year	227,751	1,201,888
At 31 December 2021	3,881,122	3,653,371

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets and has been established in recognition of the fact that the tangible fixed assets are required for the charity's on-going work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

19 Designated fund

The income funds of the charity includes the following designated fund which has been set aside out of unrestricted funds by the trustees for a specific purposes:

	2021 £	2020 £
Retirement fund		
At 1 January 2021	3,000,000	—
Transfer from The Cenacle Charity (Charity Registration No 232928) (note 21)	—	3,500,000
Released during the year	—	(500,000)
At 31 December 2021	3,000,000	3,000,000

The retirement reserve consists of monies designated by the trustees to provide for the sisters as they grow older and their needs change in relation to support and care. The calculations, based on actuarial principles, are reviewed annually by the trustees in the light of the resources available. The amount designated is constrained by the resources available.

20 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated fund £	Endowment fund £	Total funds 2021 £
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	3,881,122	—	—	3,881,122
Fixed asset investments	2,386,894	—	3,000,000	79,636	5,466,530
Net current (liabilities) assets	(1,826,926)	—	—	1,478	(1,825,448)
Total net assets	559,968	3,881,122	3,000,000	81,114	7,522,204

Notes to the accounts Year to 31 December 2021

20 Analysis of net assets between funds (continued)

	General funds £	Tangible fixed assets fund £	Designated fund £	Endowment fund £	Total funds 2020 £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	3,653,371	—	—	3,653,371
Fixed asset investments	1,688,991	—	3,000,000	70,249	4,759,240
Net current (liabilities) assets	(1,237,613)	—	—	1,288	(1,236,325)
Total net assets	451,378	3,653,371	3,000,000	71,537	7,176,286

The total unrealised gains as at 31 December 2021 constituted movements on the revaluation of investments and tangible fixed assets and were as follows:

	2021 £	2020 £
Unrealised gains included above on:		
Listed investments	1,432,566	1,135,182
Investment property	—	419,607
Tangible fixed assets	2,537,175	2,342,137
	3,969,741	3,896,926
Reconciliation of movements in unrealised gains		
Unrealised gains brought forward	3,896,926	4,150,152
Realised gains losses on listed investments	(128,287)	(378,670)
Exchange (losses) gains on listed investments	(122,747)	95,466
Unrealised gains on listed investments	548,418	95,630
Unrealised losses on revaluation of investment property	—	(22,575)
In respect of disposal of investment property	(419,607)	—
Unrealised gains on revaluation of tangible assets	240,315	—
Additional depreciation on revaluation uplift of tangible fixed assets	(45,277)	(43,077)
	3,969,741	3,896,926

21 Related party transactions

The Cenacle Charity Incorporated (Ireland)

The charity is connected to The Cenacle Charity Incorporated (Ireland) (a charity registered with the Charities Regulator Ireland – Charity Registration No 20012359) by virtue of the fact that the Provincial Superior is ex-officio the sole member of both charities and is responsible for appointing the trustees.

At 31 December 2021, the charity's debtors include £22,860 (2020 - £14,400) due from the Irish charity in relation to expenses paid by the English CIO on behalf of the Irish charity (see note 15).

21 Related party transactions (continued)

The Cenacle Charity Incorporated (Ireland) (continued)

At 31 December 2021, the charity was holding amounts on behalf of The Cenacle Charity Incorporated (Ireland) amounting to £2,223,375 (2020 – £1,477,111) (see note 16). These monies are included within the charity's portfolio of listed investments. Gains (losses) arising on revaluation of these investments and not accounted for through the charity's statement of financial activities but instead are treated as an addition to the amount owed each year (see note 16).

Transactions with trustees

Four of the charity's trustees are members of the English Group of the Congregation and, consequently, their living and personal expenses, all of which are consistent with amounts paid in respect to other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees (2020 – £nil).

As members of the Congregation, none of the four trustees who are members of the English Group of the Congregation 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 these four trustees to the charity was £53,973 (2020 – £31,556).

The Cenacle Charity (Charity Registration No 232928)

The trustees of the charity are also the trustees of The Cenacle Charity, registered with the Charity Commission (Charity Registration Number: 232928) (the charitable trust). With effect from midnight on 31 December 2019, the activities, assets and liabilities of the charitable trust were transferred to the charity.

The net assets at that date comprised:

	£
Tangible fixed assets	
. Cost	2,552,480
. Depreciation	(100,997)
	2,451,483
Fixed asset investments	
. Listed investments (includes cash held by investment managers of £67,893)	4,944,565
. Investment properties	850,000
Total fixed assets	8,246,048
Stock	17,256
Debtors	65,449
Cash at bank and in hand	358,815
Creditors: amounts falling due within one year	(1,490,656)
	7,196,912

21 Related party transactions (continued)

The Cenacle Charity (Charity Registration No 232928)

The assets and liabilities were represented by the following funds:

	£
Endowment fund	71,944
Unrestricted funds	
. Tangible fixed assets fund	2,451,483
. Designated fund	3,500,000
. General funds	1,173,485
	<u>7,196,912</u>

Other related party transactions

There were no other related party transactions during the year requiring disclosure (2020 – none).

22 Post balance sheet event

As the Congregation's activities in Ireland have reduced considerably in recent years, the trustees of The Cenacle Charity Incorporated (Ireland) (a charity registered with the Charities Regulator Ireland – Charity Registration No 20012359) together with the Congregational Leadership team of the Europe/Togo Province have reviewed the future plans for the care of the remaining members in Ireland. A decision has been made to transfer the care of the sisters to this charity. On 3 August 2022, the Provincial Superior gave her authorisation to transfer all assets of the charity to this charity and to dissolve the charity in Ireland.

23 Membership, ultimate control and liability of members

The Provincial Superior for the time being is automatically, by virtue of holding that office, is ex-officio the sole member of the charity for as long as she holds office.

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.