

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

**Annual Report and Accounts**

31 December 2022

Charity Registration Number

1180683

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

<b>Trustees</b>	Sister Jacqueline Guieu (appointed October 2022) Sister Winifred Margaret Morley Sister Katharine Mary Stogdon Sister Ann Janett Turner Sister Veronique Fabre (resigned September 2022) Sister Jean Anne Page (resigned October 2022)
<b>Provincial Treasurer</b>	Sister Jacqueline Guieu
<b>Administrative address</b>	Tithebarn Grove Lance Lane Liverpool L15 6TW
<b>Charity registration number</b>	1180683
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland plc Parklands De Havilland Way Horwich Bolton BL6 47U
<b>Investment managers</b>	Quilter Cheviot Limited One Kingsway London WC2B 6AN  CBIS Global Funds plc Guild House Guild Street IFSC Dublin 1
<b>Solicitors</b>	Pothecary Witham Weld 84 Eccleston Square Pimlico London SW1V 1PX

## **Report of the trustees Year to 31 December 2022**

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 2022.

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

### **Introduction**

The 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 CIO’s predecessor charity - The Cenacle Charity, (Charity Registration No 232928) (the charitable trust).

### **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.

### **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. 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 2022 this was divided between on-line and face to face meetings.

### **Covid-19**

The Covid-19 pandemic has continued to affect the charity and its activities.

At the beginning of 2022 and before lifting of the restrictions, as most of the members of the Congregation are aged over 70, the sisters had to adhere to the stringent government advice regarding Covid-19. This has meant that their normal apostolic activities had to find new shape and the sisters had to find new ways of working. The apostolic activities have now evolved and are now part on-line, part by phone, part in person.

### Significant activities and achievements (continued)

#### Overview

There were 12 sisters in England at the start of 2022, their ages ranging from 59 to 99, but sadly three from Liverpool Community have passed away during the year and two from Brixton Community took on new roles in France. There are now seven sisters in England. In 2022 the houses in England were situated in London and Liverpool. One sister lives in rented accommodation to facilitate her work in the local parishes. The charity sold the small 'quarter house' in Llandudno which was used by the sisters for retreats, holidays and breaks. Due to the ageing of the sisters the property no longer served its purpose.

At the start of 2022 there were four sisters in the Brixton Community in London but two moved Community to France during the year, so two remained as the year closed. The sisters 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, meeting monthly, and the South London Refugees Association, meeting weekly. One sister is a member of Faiths Together in Lambeth, an interfaith group. One sister is a member of the committee for catholic vocations project which offers on-line Advent and Lenten programmes. One sister is a member of the team for ongoing 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 offered doctoral supervision for one person but this ended on her relocation to France in September 2022. This sister was the Spirituality Team Leader working with the London Jesuit Centre on retreats, spirituality course training and on-going supervision for spiritual directors' management until September 2022.

The house in Brixton is also available for people seeking spiritual direction and supervision and the sisters, when requested, give retreats and days of prayer in other venues. Following the pandemic there is a mixture of face to face and online ministry.

In the house in Liverpool there were seven sisters at the start of 2022. During the year two sisters needed full time care and one needed assistance with daily living. One sister had moved into the Liverpool Community at the end of 2021 and remained throughout 2022 as she was in need of care. This Sister was living in rented accommodation in New Brighton before moving into the Liverpool Community - the rental agreement was terminated in November 2022. Sadly, this sister died in December 2022. Another sister still lives in rented accommodation in North Liverpool and is part of the parish team there.

In Liverpool, 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. Several groups of guests were welcomed to use the space for retreats and quiet days during 2022. The house is also available for ongoing training programmes for spiritual directors and supervision in conjunction with the Liverpool Anglican Diocese and one sister is a member of the spirituality team and is involved in training programmes.

**Significant activities and achievements** (continued)

**Overview** (continued)

There is a busy Prayer Enrolment office open to the public in Liverpool. Visitors can come and choose mass and prayer cards and may visit the Chapel on weekdays. There is also an online and phone facility so all access levels are met and are available: face to face meetings, by phone and online. Often whilst visiting, visitors will request a chat with one of the sisters, particularly during times of stress or crisis in their lives and they gain comfort from this ministry.

Since January 2021, the CIO has outsourced the management of the Liverpool house to Saint John of God Hospitaller Services (SJOG). 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 they 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.

Towards the end of 2022 SJOG decided to withdraw their services from the Liverpool House from the end of June 2023. An alternative arrangement is under discussion.

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 their 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 several sisters in 2022 required 24 hour care, which the sisters could no longer provide for each other. All the care staff are local women so again the sisters 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. In Liverpool the telephone is a great means of offering support and sympathy, prayer, and a listening ear to the many callers who continue to call at all times of day and night.

During the year, four people availed themselves of a residential silent retreat and thirteen people availed the use of Zoom to find space within their daily lives. These varied in length from two days to thirty days. Several people came for a day or evening to 'stop and be still' in the Cenacle. There were 20 quiet days followed by 96 people and, in the evenings, there were 22 sessions for 135 people and 18 sessions for 72 people. 15 people took part in the training for spiritual directors which took place face to face. These sessions were all organised in conjunction with the Diocese of Liverpool.

## **Report of the trustees Year to 31 December 2022**

### **Significant activities and achievements (continued)**

#### ***Advancement of religion (continued)***

We also had five sessions for 76 people, an addition to the previous year, entitled 'Journey into Prayer'. During the year 42 persons availed themselves of spiritual direction over 183 sessions of about an hour's length, many on-line.

One sister works with the Liverpool Anglican Diocese in training spiritual directors, the course runs from Easter to Christmas, was for 11 participants and was held at the Liverpool house.

Several sisters represent the Congregation at general meetings of major superiors and bursars in England. Four sisters in England serve as trustees for the charity. One sister is a member of the provincial leadership team and meets regularly and this sister in September 2022 became the leader of the provincial team. One sister holds the lead role for safeguarding in England/Ireland. The sisters at the Liverpool house cover the reception and respond to callers over the phone at the weekend and outside of staff working hours.

### **Key policies**

#### ***Donations policy***

Whilst the trustees gave 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 and requests for 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 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 the 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 activities for fund raising.

#### ***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 GB must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Standards Agency (CSSA).



## Report of the trustees Year to 31 December 2022

### **Key policies** (continued)

#### ***Investment policy***

The charity has listed investments. In respect to these 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.

### **Financial review**

#### ***Results for the year***

During the year to 31 December 2022, the charity supported an average of 10 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 2022, income amounted to £442,155 (2021 - £418,118). One of the principal components of income in 2022 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 £132,497 (2021 - £139,533). Other categories of income comprised investment income and interest receivable totalling £70,549 (2021 - £50,798), and income from prayer enrolments totalling £188,736 (2021 - £205,938).

Total expenditure amounted to £765,893 (2021 - £634,487). The costs of supporting the sisters of the Congregation and their ministry amounted to £601,929 (2021 - £446,700) and expenditure on the provision of retreats and prayer enrolments totalled £140,558 (2021 - £161,716). Expenditure on managing the investments of the charity totalled £20,464 (2021 - £26,071).

Net expenditure of the charity before investment losses was £323,738 (2021 - £216,369 before investment gains). Losses on listed investments for the year amounted to £455,487 (2021 - gains of £334,189). After accounting for the losses (2021 - gains) on the revaluation of tangible fixed assets of £32,000 (2021 - £240,315), exchange gains of £11,464 on listed investments (2021 - losses of £13,166) and gains on the disposal of investment property of £nil (2021 - disposal of investment property of £949), the net decrease in funds was £799,761 (2021 - increase in funds was £345,918).

**Financial review** (continued)

***Investment performance***

The charity had two portfolios of listed investments with a market value at 31 December 2022 of £4,837,158 (2021 - £5,466,530) including cash awaiting investment of £213,919 (2021 - £198,505). The portfolios were and continue to be managed by Quilter Cheviot and CBIS Global Funds plc. These investments include £2,034,624 (2021 - £2,223,375) held on behalf of The Cenacle Incorporated Charity (Ireland).

The market value of listed investments decreased during the year in line with the performance of world markets as a result of the exceptional circumstances created by the continuing the current macroeconomic and geopolitical climate. Investment income from listed investments was £69,391 (2021 - £50,798).

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.

As at 31 December 2022 the total funds of the charity amounted to £6,722,443.

Of these total funds, £71,019 related to an endowment fund, further details of which are given in note 16 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 £3,660,169.

A further £2,500,000 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 2022 were £491,255. At the date of the balance sheet, the trustees consider that the level of free reserves were slightly below the level demanded by the reserves policy caused by the continuing volatility of the investment markets during the current macroeconomic and geopolitical climate. However, the trustees are long term investors and expect the reserves to recover as markets stabilise.

## **Report of the trustees Year to 31 December 2022**

### **Future plans**

SJOG, the operating contractors for Liverpool Community since the start of 2021 are withdrawing their services at the end of June 2023 when their six month notice has been served. Alternative arrangements are being explored. The trustees do not foresee any risk caused by the transition.

Due to the number of Sisters resident in England reducing from 12 to 7 during 2022, there will be reduced funds available from pensions and salaries going forward. The trustees are exploring ways to generate further income particularly in Liverpool where there is an excess of capacity by way of space and manpower in this location.

The trustees are also exploring ways of expanding the revenues from the prayer enrolment activity in Liverpool and reducing the associated costs.

### **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.

#### ***Trustees***

The charity at the start of 2022 had five trustees, now reduced to four. 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 no physical meetings in 2022 and made great use of the telephone and electrical means to consult and evaluate activities of the charity, 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.

## Report of the trustees Year to 31 December 2022

### Structure, governance and management (continued)

#### *Trustees (continued)*

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, throughout the year, 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 2022 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 2022 are given below.

**Sister Veronique Fabre** was the chairperson of the trustees until Sept 2022, residing in Paris, France. She has been a member of the Congregation for over 25 years and a trustee for five years. She has taken up the role of General Leader in September 2022 and resigned then from the CIO Board.

**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** lived in London Community. She brings over 25 years of service in the Cenacle. Sr Kate has picked up the Chairperson role in September 2022 from Sr Veronique and has now relocated to France.

**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. She resigned from the CIO Board in October 2022.

**Sister Jacqueline Guieu** lives in Paris and for many years was the treasurer for all legal entities within the province where the charity belongs. She has given active support to the Cenacle for over 10 years. She joined the Board in October 2022.

#### **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 during 2022. This is likely to change during 2023 as SJOG are withdrawing their 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 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 2022 was in excess of 75 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. The need for care was heightened during 2022 as the sisters' health further deteriorated and sadly in 2022 three of the Sisters in Liverpool community passed away.

**Structure, governance and management** (continued)

***Risk management*** (continued)

- ◆ 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 Standards Agency (CSSA).
- ◆ 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. These 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);

**Structure, governance and management** (continued)

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

- ◆ 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.

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 Irish 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:

Winifred Morley

Trustee

Date of approval: 5/9/23

**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 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 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 2022**

### **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.

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report** Year to 31 December 2022

### **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  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

12 September 2023

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

## Statement of financial activities Year to 31 December 2022

	Notes	2022			2021		
		Unrestricted funds £	Endowment fund £	Total funds £	Unrestricted funds £	Endowment fund £	Total funds £
<b>Income from:</b>							
Donations and legacies	1	132,497	—	132,497	139,533	—	139,533
Investments and interest receivable	2	70,549	—	70,549	50,798	—	50,798
Charitable activities	3						
. Retreat and conference centre income		4,050	—	4,050	778	—	778
. Prayer enrolments		188,736	—	188,736	205,938	—	205,938
. Apostolic works		16,657	—	16,657	14,738	—	14,738
Other sources							
. Surplus on disposal of tangible fixed assets		1,874	—	1,874	—	—	—
. Amounts receivable under the Coronavirus Jobs Retention Scheme		—	—	—	5,943	—	5,943
. Amounts receivable towards the care of members		27,792	—	27,792	—	—	—
. Miscellaneous sources		—	—	—	390	—	390
<b>Total income</b>		<b>442,155</b>	<b>—</b>	<b>442,155</b>	<b>418,118</b>	<b>—</b>	<b>418,118</b>
<b>Expenditure on:</b>							
Raising funds	4	20,464	—	20,464	26,071	—	26,071
Charitable activities:							
. Support of members of the Congregation and their ministry	5	601,929	—	601,929	446,700	—	446,700
. Charitable works: Prayer enrolments and retreats	6	140,558	—	140,558	161,716	—	161,716
. Donations		2,942	—	2,942	—	—	—
<b>Total expenditure</b>		<b>765,893</b>	<b>—</b>	<b>765,893</b>	<b>634,487</b>	<b>—</b>	<b>634,487</b>
<b>Net expenditure before net investment (losses) gains</b>	9	<b>(323,738)</b>	<b>—</b>	<b>(323,738)</b>	<b>(216,369)</b>	<b>—</b>	<b>(216,369)</b>
Net investment (losses) gains on listed investments	13	(445,392)	(10,095)	(455,487)	324,612	9,577	334,189
Exchange gains (losses) on listed investments		11,464	—	11,464	(13,166)	—	(13,166)
Surplus on disposal of investment property		—	—	—	949	—	949
(Losses) gains on the revaluation of tangible fixed assets (including writeback of depreciation)		(32,000)	—	(32,000)	240,315	—	240,315
<b>Net movement in funds</b>		<b>(789,666)</b>	<b>(10,095)</b>	<b>(799,761)</b>	<b>336,341</b>	<b>9,577</b>	<b>345,918</b>
Fund balances brought forward at 1 January 2022		7,441,090	81,114	7,522,204	7,104,749	71,537	7,176,286
<b>Fund balances carried forward at 31 December 2022</b>		<b>6,651,424</b>	<b>71,019</b>	<b>6,722,443</b>	<b>7,441,090</b>	<b>81,114</b>	<b>7,522,204</b>

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

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

## Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	12		<b>3,660,169</b>		3,881,122
Listed investments	13		<b>4,837,158</b>		5,466,530
			<b>8,497,327</b>		9,347,652
<b>Current assets</b>					
Stock		<b>13,732</b>		10,087	
Debtors	14	<b>39,535</b>		44,111	
Cash at bank and in hand		<b>415,127</b>		466,435	
		<b>468,394</b>		520,633	
<b>Creditors:</b> amounts falling due within one year	15	<b>(2,243,278)</b>		(2,346,081)	
<b>Net current liabilities</b>			<b>(1,774,884)</b>		(1,825,448)
<b>Total net assets</b>			<b>6,722,443</b>		7,522,204
<b>Represented by:</b>					
<b>Funds</b>					
Endowment fund	16		<b>71,019</b>		81,114
Unrestricted funds					
. Tangible fixed assets fund	17		<b>3,660,169</b>		3,881,122
. Designated fund	18		<b>2,500,000</b>		3,000,000
. General funds			<b>491,255</b>		559,968
	19		<b>6,722,443</b>		7,522,204

Approved by the trustees  
and signed on their behalf by:

Winifred Morley

Trustee

Date of approval: 5/9/23

## Statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(262,448)	(193,433)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		75,568	107,976
Proceeds from the disposal of tangible fixed assets		151,874	—
Purchase of tangible fixed assets		(9,958)	(47,179)
Proceeds from the disposal of investment property		—	828,374
Proceeds from the disposal of listed investments		773,316	657,092
Purchase of listed investments		(765,525)	(1,658,757)
<b>Net cash provided by (used by) investing activities</b>		<b>225,275</b>	<b>(112,494)</b>
<b>Cash flows from financing activities:</b>			
Amounts advanced by The Cenacle Incorporated Charity (Ireland)		—	619,442
<b>Change in cash and cash equivalents in the year</b>		<b>(37,173)</b>	<b>313,515</b>
Effect of exchange rates on cash held by investment managers		1,279	(8,236)
<b>Cash and cash equivalents at 1 January 2022</b>		<b>664,940</b>	<b>359,661</b>
<b>Cash and cash equivalents at 31 December 2022</b>	B	<b>629,046</b>	<b>664,940</b>

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

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

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(799,761)</b>	<b>345,918</b>
<b>Adjustments for:</b>		
Depreciation charge	59,953	59,743
Gains on disposal of tangible fixed assets	(1,874)	—
Gains on the revaluation of tangible fixed assets	32,000	(240,315)
Surplus on disposal investment property	—	(949)
Losses (gains) on listed investments	455,487	(334,189)
Exchange (gains) losses on listed investments	(11,464)	13,166
Investment income and interest receivable	(70,549)	(50,798)
(Increase) decrease in stocks	(3,645)	3,949
Increase in debtors	(443)	(7,440)
Increase in creditors	77,848	17,482
<b>Net cash used in operating activities</b>	<b>(262,448)</b>	<b>(193,433)</b>

## Statement of cash flows Year to 31 December 2022

### B Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Non-cash movements £	At 31 December 2022 £
Cash in hand and at bank	466,435	(51,308)	—	<b>415,127</b>
Cash held by investment managers	198,505	14,135	1,279	<b>213,919</b>
	<u>664,940</u>	<u>(37,173)</u>	<u>1,279</u>	<u><b>629,046</b></u>
Amounts due to the Cenacle Incorporated Charity (Ireland)	(2,223,375)	—	188,751	<b>(2,034,624)</b>
<b>Total change in net debt</b>	<u>(1,558,435)</u>	<u>(37,173)</u>	<u>190,030</u>	<u><b>(1,405,578)</b></u>



## **Principal accounting policies** Year to 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 figures stated for the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value 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 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 2022**

### **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 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 volatility 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.

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.

## Principal accounting policies Year to 31 December 2022

### **Income recognition** (continued)

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 being 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.

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.

Any surplus or deficit on the disposal of either tangible fixed assets 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.

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

### **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.

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.

## Principal accounting policies Year to 31 December 2022

### 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.

#### ♦ 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%

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

### **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.

### **Stocks**

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

### **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.

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

### **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 16.

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 18.

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.

## 1 Income from: Donations and legacies

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Sisters' pensions and salaries	128,128	—	128,128	135,216	—	135,216
Donations and alms received	4,179	—	4,179	1,482	—	1,482
Missions alms	190	—	190	2,835	—	2,835
	<b>132,497</b>	<b>—</b>	<b>132,497</b>	<b>139,533</b>	<b>—</b>	<b>139,533</b>

## 2 Income from: Investments and interest receivable

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Income from listed investments						
. Fixed interest UK	6,661	—	6,661	5,513	—	5,513
. Fixed interest - overseas	3,312	—	3,312	1,626	—	1,626
. Equities – UK	18,439	—	18,439	17,480	—	17,480
. Equities – overseas	24,056	—	24,056	18,823	—	18,823
. Alternative investments	16,923	—	16,923	7,356	—	7,356
	<b>69,391</b>	<b>—</b>	<b>69,391</b>	<b>50,798</b>	<b>—</b>	<b>50,798</b>
Interest on cash held by investment managers	1,158	—	1,158	—	—	—
	<b>70,549</b>	<b>—</b>	<b>70,549</b>	<b>50,798</b>	<b>—</b>	<b>50,798</b>

## 3 Income from: Charitable activities

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Retreat income	4,050	—	4,050	778	—	778
Prayer enrolments	188,736	—	188,736	205,938	—	205,938
Other apostolic works	16,657	—	16,657	14,738	—	14,738
	<b>209,443</b>	<b>—</b>	<b>209,443</b>	<b>221,454</b>	<b>—</b>	<b>221,454</b>



#### 4 Expenditure on: Raising funds

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Investment manager fees – listed investments	15,457	—	15,457	19,452	—	19,452
Investment property expenses	—	—	—	130	—	130
Allocated support and administration costs (note 7)	5,007	—	5,007	6,489	—	6,489
	<b>20,464</b>	<b>—</b>	<b>20,464</b>	<b>26,071</b>	<b>—</b>	<b>26,071</b>

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

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Staff costs	130,790	—	130,790	72,706	—	72,706
Agency staff costs	100,860	—	100,860	39,614	—	39,614
Premises	140,097	—	140,097	136,750	—	136,750
Sisters' living and personal expenses	82,907	—	82,907	86,451	—	86,451
Allocated support and administration costs (note 7)	147,275	—	147,275	111,179	—	111,179
	<b>601,929</b>	<b>—</b>	<b>601,929</b>	<b>446,700</b>	<b>—</b>	<b>446,700</b>

#### 6 Expenditure on: Charitable works: Prayer enrolments and retreats

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
<b>Expenditure on Charitable works</b>						
Staff costs	84,687	—	84,687	82,161	—	82,161
Prayer enrolments	16,309	—	16,309	24,965	—	24,965
Premises	5,050	—	5,050	6,087	—	6,087
Other	121	—	121	8,254	—	8,254
Allocated support and administration costs (note 7)	34,391	—	34,391	40,249	—	40,249
	<b>140,558</b>	<b>—</b>	<b>140,558</b>	<b>161,716</b>	<b>—</b>	<b>161,716</b>

## 7 Support and administration costs

	2022			2021		
	Unrestricted funds £	Endowment fund £	Total £	Unrestricted funds £	Endowment fund £	Total £
Staff costs	62,216	—	62,216	19,930	—	19,930
Office costs	14,064	—	14,064	19,407	—	19,407
Premises costs	13,388	—	13,388	—	—	—
Governance costs (note 8)	25,440	—	25,440	18,918	—	18,918
Other professional fees	14,004	—	14,004	26,947	—	26,947
Depreciation	7,678	—	7,678	9,328	—	9,328
Management charges	32,952	—	32,952	32,952	—	32,952
Other expenses	16,931	—	16,931	30,435	—	30,435
	<b>186,673</b>	<b>—</b>	<b>186,673</b>	<b>157,917</b>	<b>—</b>	<b>157,917</b>
<b>Allocated as follows:</b>						
Raising funds	5,007	—	5,007	6,489	—	6,489
Support of members of the Congregation and their ministry	147,275	—	147,275	111,179	—	111,179
Charitable works: Prayer enrolments and retreats	34,391	—	34,391	40,249	—	40,249
	<b>186,673</b>	<b>—</b>	<b>186,673</b>	<b>157,917</b>	<b>—</b>	<b>157,917</b>

## 8 Governance costs

	Unrestricted funds	
	2022 £	2021 £
Professional fees	<b>25,440</b>	26,947

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

This is stated after charging:

	Unrestricted funds	
	2022 £	2021 £
Staff costs (note 10)	<b>378,553</b>	214,411
Auditor's remuneration		
. Statutory audit services – current year	<b>14,340</b>	13,200
. Other services: general advice – previous year	<b>11,100</b>	5,718
Depreciation (note 12)	<b>59,953</b>	59,743

# **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	
	2022 £	2021 £
Wages and salaries	253,024	164,795
Social security costs	12,033	6,834
Other pension costs	5,263	3,168
	270,320	174,797
Other staff related costs	7,373	—
Agency staff costs	100,860	39,614
	378,553	214,411

Staff costs by function were as follows:

	Unrestricted funds	
	2022 £	2021 £
Support of members of the Congregation (note 5)	231,650	112,320
Charitable work: Prayer enrolment and retreats (note 6)	84,687	82,161
Support costs (note 7)	62,216	19,930
	378,553	214,411

The average number of employees was 18 (2021 – 13) and the full-time equivalent (FTE) was 10.54 (2021 – 6.52). 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.

## 12 Tangible fixed assets

	Freehold land and buildings					
	Specialised £	Non- specialised £	Non- specialised building improvements £	Fixtures, fittings, and computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2022	2,400,000	1,400,000	64,134	71,881	43,126	<b>3,979,141</b>
Additions	—	—	21,000	—	—	<b>21,000</b>
Disposals	—	(150,000)	—	—	—	<b>(150,000)</b>
Revaluation	(100,000)	20,000	—	—	—	<b>(80,000)</b>
At 31 December 2022	<b>2,300,000</b>	<b>1,270,000</b>	<b>85,134</b>	<b>71,881</b>	<b>43,126</b>	<b>3,770,141</b>
<b>Cost or valuation</b>						
Cost	—	—	85,134	71,881	43,126	<b>200,141</b>
Valuation	2,300,000	1,270,000	—	—	—	<b>3,570,000</b>
	<b>2,300,000</b>	<b>1,270,000</b>	<b>85,134</b>	<b>71,881</b>	<b>43,126</b>	<b>3,770,141</b>
<b>Depreciation</b>						
At 1 January 2022	—	—	4,275	63,705	30,039	<b>98,019</b>
Charge for year	48,000	—	4,275	4,407	3,271	<b>59,953</b>
Write back on revaluation	(48,000)	—	—	—	—	<b>(48,000)</b>
At 31 December 2022	<b>—</b>	<b>—</b>	<b>8,550</b>	<b>68,112</b>	<b>33,310</b>	<b>109,972</b>
<b>Net book values</b>						
At 31 December 2022	<b>2,300,000</b>	<b>1,270,000</b>	<b>76,584</b>	<b>3,769</b>	<b>9,816</b>	<b>3,660,169</b>
At 31 December 2021	2,400,000	1,400,000	59,859	8,176	13,087	3,881,122

Freehold land and buildings owned as at 31 December 2022 were revalued at that date by Gould Baxter, Chartered Surveyors, of Hamilton House, Mabledon Place, London WC1H 9BB in February 2023. 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 £2,300,000. The non-specialised property, situated in London, was valued on a market value basis with vacant possession assuming existing use at £1,350,000.

The historic cost of the freehold land and buildings included above at 31 December 2022 was £1,333,927 (2021 - £1,332,684).

## Notes to the accounts Year to 31 December 2022

### 13 Listed Investments

(Including cash held by investment managers)

	2022 £	2021 £
<b>Listed investments at market value</b>		
At 1 January 2022	5,268,025	3,810,278
Additions at cost	765,525	1,658,757
Disposals at book value		
. Sale proceeds	(773,316)	(657,092)
. Realised (losses) gains	(129,218)	30,411
	(902,534)	(626,681)
Exchange gains (losses)	134,243	(122,747)
Net unrealised (losses) gains	(642,020)	548,418
At 31 December 2022	4,623,239	5,268,025
<b>Cash held by investment managers for reinvestment</b>	213,919	198,505
At 31 December 2022	4,837,158	5,466,530
<b>Cost of listed investments</b>	4,016,585	3,835,459

Listed investments held at 31 December 2022 comprised the following:

	2022 £	2021 £
Equities – UK	516,222	605,314
Equities – overseas	2,719,416	3,217,858
Fixed interest – UK	226,603	266,920
Fixed interest – overseas	730,382	817,165
Alternatives	430,616	360,768
	4,623,239	5,268,025

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

At 31 December 2022, 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	515,136	11.1%
. World Equity Fund	812,282	17.6%
Thesis Unit Trust Management Ltd Climate Assets C Inc Nav	244,000	5.28%

### 13 Listed Investments (continued)

(including cash held by investment managers)

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

	2022 £	2021 £
Gains and losses as above		
. Realised (losses) gains	(129,218)	30,411
. Exchange gains (losses)	134,243	(122,747)
. Net unrealised (losses) gains	(642,020)	548,418
	<b>(636,995)</b>	456,082
Amounts relating to investment held on behalf of The Cenacle Charity Incorporated (Ireland) (note 21) *		
. Realised losses	(4,796)	—
. Exchange gains (losses)	122,779	(109,581)
. Net unrealised (losses) gains	(310,955)	244,640
	<b>(192,972)</b>	135,059
Amounts relating to the charity and included within the statement of financial activities		
. Realised (losses) gains	(124,422)	30,411
. Exchange gains (losses)	11,464	(13,166)
. Net unrealised (losses) gains	(331,065)	303,778
	<b>(444,023)</b>	321,023

\* 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 Debtors

	2022 £	2021 £
Investment income receivable	10,213	15,232
Prepayments	6,462	6,019
Other debtors: amounts due from The Cenacle Incorporated Charity (Ireland) (note 20)	22,860	22,860
	<b>39,535</b>	44,111

## 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts held on behalf of The Cenacle Incorporated Charity (Ireland) (note 20)	<b>2,034,624</b>	2,223,375
Amounts held on behalf of individual members of the Congregation	<b>83,653</b>	83,653
Amounts due to St John of God Hospitaller Services	<b>91,018</b>	20,545
Creditor in relation to capital works	<b>11,042</b>	—
Expense creditors and accruals	<b>22,941</b>	18,508
	<b>2,243,278</b>	2,346,081

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.

## 16 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	2022 £	2021 £
At 1 January 2022	<b>81,114</b>	71,537
Investment (losses) gains in the year	<b>(10,095)</b>	9,577
At 31 December 2022	<b>71,019</b>	81,114

## 17 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	<b>3,881,122</b>	3,653,371
Net movement in year	<b>(220,953)</b>	227,751
At 31 December 2022	<b>3,660,169</b>	3,881,122

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.

## 18 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:

	2022 £	2021 £
<b>Retirement fund</b>		
At 1 January 2022	3,000,000	3,000,000
Released during the year	(500,000)	—
At 31 December 2022	2,500,000	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.

## 19 Analysis of net assets between funds

	General funds £	Tangible fixed assets fund £	Designated fund £	Endowment fund £	Total funds 2022 £
<b>Fund balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	—	3,660,169	—	—	3,660,169
Fixed asset investments	2,267,625	—	2,500,000	69,533	4,837,158
Net current (liabilities) assets	(1,776,370)	—	—	1,486	(1,774,884)
<b>Total net assets</b>	<b>491,255</b>	<b>3,660,169</b>	<b>2,500,000</b>	<b>71,019</b>	<b>6,722,443</b>

	General funds £	Tangible fixed assets fund £	Designated fund £	Endowment fund £	Total funds 2021 £
<b>Fund balances at 31 December 2021 are represented by:</b>					
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)
<b>Total net assets</b>	<b>559,968</b>	<b>3,881,122</b>	<b>3,000,000</b>	<b>81,114</b>	<b>7,522,204</b>



## 19 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2022 constituted movements on the revaluation of investments and tangible fixed assets and were as follows:

	2022 £	2021 £
<b>Unrealised gains included above on:</b>		
Listed investments	606,654	1,432,566
Tangible fixed assets	2,312,657	2,537,175
	<b>2,919,311</b>	<b>3,969,741</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains brought forward	3,969,741	3,896,926
Realised gains on listed investments	(242,767)	(128,287)
Exchange (losses) gains on listed investments	58,875	(122,747)
Realised surplus on disposal of property	(144,518)	—
Unrealised (losses) gains on listed investments	(642,020)	548,418
In respect of disposal of investment property	—	(419,607)
Unrealised (losses) gains on revaluation of tangible assets	(80,000)	240,315
Additional depreciation on revaluation uplift of tangible fixed assets	—	(45,277)
	<b>2,919,311</b>	<b>3,969,741</b>

## 20 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 2022, the charity's debtors include ££22,860 (2021 - £22,860) due from the Irish charity in relation to expenses paid by the English CIO on behalf of the Irish charity (see note 14).

At 31 December 2022, the charity was holding amounts on behalf of The Cenacle Charity Incorporated (Ireland) amounting to £2,034,624 (2021 – £2,223,375) (see note 15). 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 13).

**20 Related party transactions (continued)**

***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 (2021 – £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 £53,261 (2021 – £53,973).

***Other related party transactions***

There were no other related party transactions during the year requiring disclosure (2021 – none).

**21 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 Irish charity to this charity and to dissolve the charity in Ireland.

**22 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.