

CONGREGATION OF OUR LADY OF SION (UK)

England & Wales · Charity number 1183036

Details

Status Registered

Legal form Charitable company

Company number [11798424](#)

Registered 2019-04-18

Register [View on the Charity Commission register](#)

Contact

Address Sisters Of Sion
17 Chepstow Villas
London
W11 3DZ

Phone 02073138220

Email sionfinanceteam@gmail.com

Activities

Objects: THE OBJECTS FOR WHICH THE COMPANY ARE ESTABLISHED ARE SO FAR ONLY AS THE SAME IS LEGALLY CHARITABLE, TO ADVANCE THE CHRISTIAN RELIGION THROUGH THE SOCIAL AND CHARITABLE WORK CARRIED ON BY THE CONGREGATION OF OUR LADY OF SION IN ENGLAND AND THROUGHOUT THE WORLD IN ACCORDANCE WITH THE CHARISM OF ITS FOUNDER FATHER THEODORE RATISBONNE AND TO PROVIDE FOR THE MEMBERS OF THE COMPANY DURING THEIR LIVES.

Activities: Our work of promoting understanding & reconciliation between different faiths and cultures but especially between Christianity and Judaism is ongoing by attending meetings & also organising such study in Dialogue & Encounter Centre. sisters work in their own parishes. Attend meetings both nationally based and internationally.

Classification

- **How:** Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Ireland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£285,983	£23,337,575	-	-
2023-12-31	£683,966	£846,415	£23,668,078	5
2022-12-31	£4,941,980	£5,553,473	£23,015,527	4
2021-12-31	£585,175	£9,593,199	£23,477,020	4
2020-12-31	£1,454,777	£1,198,600	£31,628,121	4

Trustees

Name	Role	Appointed
Sister Anne Elizabeth Bernadette Lee		2019-01-29
Sister Brenda Mary Dorrian		2019-01-29
Sister Maureen Philomena Cusick		2022-04-01

CONGREGATION OF OUR LADY OF SION (UK)

England & Wales - Charity number 1183036

Accounts

Charity registration number 1183036 (England and Wales)

Company registration number 11798424

CONGREGATION OF OUR LADY OF SION (UK)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONGREGATION OF OUR LADY OF SION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sister Brenda Dorrian Sister Anne Lee Sister Maureen Cusick
Charity number	1183036
Company number	11798424
Principal address	34 Chepstow Villas London W11 2QZ
Registered office	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

CONGREGATION OF OUR LADY OF SION (UK)

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Statement of financial position	8
Notes to the financial statements	9 - 18

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The object of the Order is to promote a world of justice, peace and love by promoting racial and social harmony. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives.

The policies adopted to achieve that object and which have been unchanged during the year remain in the fields of inter-faith work, education, spirituality and the caring services. These will be developed both short term and long term as the needs arise.

In common with many religious Orders in the United Kingdom & Ireland, the age profile of the members of the Order is changing as existing members grow older and the number of new vocations becomes minimal. The Order has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to promote peace and justice and education.

The Congregation has a leadership team for coordination and planning of events and support of the sisters.

Many of the activities of previous years' reports remain true but always there are adjustments and developments and sometimes closure of certain activities.

- In Dublin, the ministry includes Jewish Christian Relations and Interfaith Dialogue as well as teaching Scripture and Theology.
- In Manchester the community is involved in Parish work, Jewish Christian Relations, Interfaith Dialogue, as well as Spiritual Direction and retreats.
- In Birmingham the sisters do voluntary work with Refugees as well as parish ministry in Catechetics and visiting elderly people in Care Homes.
- In Salisbury, the ministry includes Bible study groups, Spiritual direction, and pastoral work.
- In Worthing the sisters are involved in Parish ministry and supporting people in Care homes.
- In London, the sisters are involved in Jewish Christian Relations, and coordinate weekly Zoom courses on Scripture and Theology. Other sisters are involved in parish work and ecumenical activities run by the Churches Together in Notting Hill and the Kensington and Chelsea Interfaith Steering Group. One sister supports people in prison. Some sisters offer regular Spiritual accompaniment. Our house in Central London continues to welcome sisters and friends from around the world who come for meetings and study.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

Significant activities and achievements against objectives

The Order continues to be involved in Jewish Christian Relations and interfaith dialogue in various towns and cities in the United Kingdom and the Republic of Ireland. The work of the Diocesan Advisor in interfaith continues to develop in Manchester. The Order gives courses in Judaism and Jewish Christian Relations via Zoom.

The Order continues to run courses from home and in parishes on Biblical study, Judaism and interfaith relations and are meeting an increased interest in this area. They also organise catechetical programmes for young people in parishes and schools.

Some members of the Order offer spiritual guidance in various situations and accompany people on their faith journey. There is also involvement in Church ministry.

The Centre for Dialogue and Encounter continues to offer courses on scripture, Jewish Christian relations and spirituality. These have been well attended and the conference facilities have been in demand by outside groups who fit into our ethos.

The Order cares for all the sisters and as the age profile of the Order changes so too does the need to provide more and increasingly expensive care for the members. The particular care needs of each member will be addressed as necessary, and the appropriate care will be provided for each member of the Order.

The trustees consider that the Order continues to meet its objectives.

Financial review

The charity is part of the wider Congregation of Our Lady of Sion. The Order was undergoing an international restructuring which included resources being shared and managed at a international level, this is known as the shared management of resources. As part of this restructuring surplus funds and properties were transferred in 2022 and 2024 respectively, to Congregation of Notre Dame de Sion Limited (Charity Number 1178995), a connected charity under the common control of the same Order.

The charity will be provided with funds to meet its requirements from the International Fund and is no longer expected to hold its own significant reserves. An annual budget will be prepared and approved and if the charity is forecast to have a deficit in funds the shortfall will be met by Congregation of Notre Dame de Sion Limited. Should additional funds be required due to unforeseen circumstances, an application for additional funding would be made to Congregation of Notre Dame de Sion Limited that would be reviewed and supported on a case-by-case basis.

The charity has been assured that Congregation of Notre Dame de Sion Limited will support the shortfall of funds of the charity and that it has the means to support the charity.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Position

The balance sheet shows total funds of £616,486 (2023: £23,668,078) of which £35,615 (2023: £35,615) was restricted. The main reduction in assets was due to the donation of fixed asset properties and investment properties to Congregation of Notre Dame de Sion.

Financial Performance

The total income of the Unrestricted Fund for the year was £285,983 (2023: £683,966). The main decrease in 2024 was due to no longer receiving investment income from the investment properties.

The total resources expended during the year out of the Unrestricted Fund was £23,337,575 (2023: £846,415) (see notes 6 and 7). The main increase in expense was the donation of the properties totalling £22,581,135 (2023: £Nil) (see notes 13 and 14) There was no expenditure out of the Restricted Fund.

Net gains of £Nil (2023: £815,000) related to an increase in value on all of the investment properties. At the beginning of the year, the charity transferred properties to Congregation of Notre Dame de Sion. As the transfer was made without consideration, no gain or loss was recognised.

Reserves policy

As explained in the Objectives and activities paragraph of the Trustees' Report the charity carries out a variety of both long term and short term projects including the care and support of the members of the Order.

The trustees have examined the requirement for the free reserves which are those unrestricted funds not invested in fixed assets, investment properties, designated for specific purposes, restricted funds or otherwise committed. The trustees consider that, given the nature of the Order's work, the international shared management of resources with the wider Congregation, the reserve should represent approximately 24 months expenditure. The estimated free reserves at 31st December 2024 were £561,196 (2023: £989,730). The free reserve at the year-end does not cover the estimated expenditure for the 24 month period after the year end date. The deficit will be funded by Congregation of Notre Dame de Sion Limited.

Principal funding sources

The charity does not receive any external funding except under the shared management of resources from Congregation of Notre Dame de Sion Limited as described above. The Order's main investments were in property until 31 December 2023. On 1 January 2024, the charity donated all of its fixed asset properties and investment properties to Congregation of Notre Dame de Sion Limited.

Major risks

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the level stated above will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which are faced and confirm that systems have been established to mitigate the significant risks.

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

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Plans for future periods

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The charity will work towards developing as an international organisation by working more closely with Sisters of Our Lady of Sion throughout the World. In the coming year there will be a greater emphasis on working internationally.

As mentioned above the charity has donated its properties to the connected charity Congregation of Notre Dame de Sion Limited which will be supporting the international charitable work.

Structure, governance and management

The charity is a company limited by guarantee and governed by Memorandum & Articles of Association dated 30 January 2019. The Charity is a registered charity with the UK Charity Commissioner under charity number 1183036.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sister Brenda Dorrian
Sister Anne Lee
Sister Maureen Cusick

Recruitment and appointment of trustees

The trustees are eligible, in committee, to appoint additional trustees under the terms of the Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees comprises members who meet regularly and are responsible for the strategic direction and policy of the charity. The Order meets regularly throughout the year to make decisions on operational matters, including finance, employment and other performance related activities.

Induction and training of trustees

The trustees are usually familiar with the practical work of the charity before being appointed. To date, all trustees have been appointed from among the members of the Order.

Remuneration policy

The trustees are the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. The trustees are members of the Order and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management personnel.

Relationship with wider network

The charity is part of the wider Congregation of Our Lady of Sion and works closely with them and implementing the wider policy and strategy. However, the day to day activities are controlled and carried out by its own members and trustees.

Relationship with related parties

The charity is connected to the Congregation of Notre Dame de Sion Limited, a charitable company, registered in England and Wales (Charity number 1178995), by virtue of being under the common control of members of the same Order.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

The trustees have taken advantage of the small companies exemption in preparing this report in accordance with section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Sister Anne Lee
Trustee

Sister Maureen Cusick
Trustee

15 September 2025

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CONGREGATION OF OUR LADY OF SION (UK)

I report to the trustees on my examination of the financial statements of Congregation of Our Lady of Sion (UK) (the charity) for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Iain McManus FCA CTA
1 Bickenhall Mansions
Bickenhall Street
London W1U 6BP

15 September 2025

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	285,983	-	285,983	223,658	-	223,658
Investments	4	-	-	-	460,308	-	460,308
Total income		<u>285,983</u>	<u>-</u>	<u>285,983</u>	<u>683,966</u>	<u>-</u>	<u>683,966</u>
Expenditure on:							
Raising funds	5	-	-	-	81,145	-	81,145
Charitable activities	6	23,337,575	-	23,337,575	765,270	-	765,270
Total expenditure		<u>23,337,575</u>	<u>-</u>	<u>23,337,575</u>	<u>846,415</u>	<u>-</u>	<u>846,415</u>
Net gains/(losses) on investments	11	-	-	-	815,000	-	815,000
Net income/(expenditure) and movement in funds		<u>(23,051,592)</u>	<u>-</u>	<u>(23,051,592)</u>	<u>652,551</u>	<u>-</u>	<u>652,551</u>
Reconciliation of funds:							
Fund balances at 1 January 2024		<u>23,632,463</u>	<u>35,615</u>	<u>23,668,078</u>	<u>22,979,912</u>	<u>35,615</u>	<u>23,015,527</u>
Fund balances at 31 December 2024		<u>580,871</u>	<u>35,615</u>	<u>616,486</u>	<u>23,632,463</u>	<u>35,615</u>	<u>23,668,078</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		19,675		3,607,733
Investment properties	14		-		19,035,000
			<u>19,675</u>		<u>22,642,733</u>
Current assets					
Debtors	15	14,569		44,030	
Cash at bank and in hand		605,836		994,655	
		<u>620,405</u>		<u>1,038,685</u>	
Creditors: amounts falling due within one year	16	(23,594)		(13,340)	
Net current assets			<u>596,811</u>		<u>1,025,345</u>
Total assets less current liabilities			<u>616,486</u>		<u>23,668,078</u>
Income funds					
Restricted funds	18		35,615		35,615
Unrestricted funds - general	19		580,871		23,632,463
Net assets			<u>616,486</u>		<u>23,668,078</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 15 September 2025

Sister Anne Lee
Trustee

Sister Maureen Cusick
Trustee

Company Registration No. 11798424

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Congregation of Our Lady of Sion (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Bickenhall Mansions, Bickenhall Street, London, W1U 6BP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity at the year-end has net assets of £616,486 (2023: £23.67m). It is part of the shared management of resources with the wider Congregation. In the event of a deficit, as part of this arrangement, the Charity would be funded by a charity under common control, Congregation of Notre Dame de Sion Limited, the resource holding entity of the Congregation. At the time of approving the accounts the trustees have received a letter of support from Congregation of Notre Dame de Sion confirming that support and a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds include the legacy for Sion Centre of Dialogue and Encounter.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Income from donations and legacies

- Pension and salaries income is accounted for on a receivable basis.
- Cash donations and legacies are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorised under the following headings:

- Costs of raising funds include the fees paid in relation to investment property management and the upkeep costs of investment properties.
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and donations made to the international Order as part of the shared management of resources.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Support costs are allocated directly to support of members of the Congregation and their ministry.

1.6 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 are those designed as, and used wholly or mainly for, private residential accommodation. Where the original cost of certain freehold properties is not readily available, it has been estimated by the trustees. Otherwise all other properties are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to freehold land and buildings are accounted for on legal completion of the relevant transaction.

Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities where the amount can be quantified with reasonable accuracy.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at trustees' estimate of fair value based on guidance from estate agents and professional valuers at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from tax on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

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

2 Critical accounting estimates and judgements

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:

- estimating the residual value of tangible fixed assets;
- estimating the market value of investment properties

3 Donations and legacies

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Donations and gifts	67,706	14,699
Pensions and salaries	218,277	208,959
	<u>285,983</u>	<u>223,658</u>

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	-	460,308
	<u>-</u>	<u>460,308</u>

On 1st January 2024 the charity donated its investment properties to Congregation of Notre Dame de Sion which explains why there is not any rental income in the year.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Raising funds

	Total	Unrestricted funds general
	2024	2023
	£	£
Investment management costs		
Investment property management	-	33,306
Upkeep of rental properties	-	47,839
Investment management costs	-	81,145

6 Charitable activities

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Staff costs	90,534	92,531
Care services	193,461	171,227
Sisters' living and ministry expenses	146,374	152,996
Donations and gifts	22,644,824	18,897
Premises and support costs	182,141	204,989
Education, training and spiritual direction	49,593	53,332
	23,306,927	693,972
Share of support costs (see note 7)	16,248	51,498
Share of governance costs (see note 7)	14,400	19,800
	23,337,575	765,270

Charitable activities costs are in support of members of the Congregation and their ministries. Included in the above amounts is a foreign exchange loss of £1,824 (2023: £466). Donations and gifts include transactions with a related party. Further details of the transactions are included in Note 21 related party transactions.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Accountancy	14,088	-	14,088	26,690	-	26,690
Legal and professional	2,160	-	2,160	24,808	-	24,808
Audit fees	-	-	-	-	19,800	19,800
Independent examination fees	-	14,400	14,400	-	-	-
	<u>16,248</u>	<u>14,400</u>	<u>30,648</u>	<u>51,498</u>	<u>19,800</u>	<u>71,298</u>
Analysed between						
Charitable activities	<u>16,248</u>	<u>14,400</u>	<u>30,648</u>	<u>51,498</u>	<u>19,800</u>	<u>71,298</u>

Total fees payable to the independent examiner/ (auditors) are £25,452 (2023: £86,203). Of this £14,400 (2023: £19,800 audit fees) are for independent examination, £12,312 (2023: £42,535) are for other accountancy and consultancy services and £Nil (2023: £23,868) are property management fees. Property management fees are included in Raising Funds in Note 6 and all other costs are included in Support costs.

8 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination/ (audit) of the charity's financial statements	14,400	19,800
Depreciation of owned tangible fixed assets	<u>11,823</u>	<u>18,531</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. As members of the Order, the trustees' living and personal expenses during the year were borne by the charity.

10 Employees

The average monthly number of employees and full time equivalent during the year was:

2024	2023
Number	Number
<u>5</u>	<u>5</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	86,190	90,720
Social security costs	2,528	305
Other pension costs	1,816	1,506
	<u>90,534</u>	<u>92,531</u>

There were no employees whose annual remuneration was more than £60,000.

11 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investment properties	-	815,000
	<u>-</u>	<u>815,000</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2024	3,546,135	312,166	8,940	44,071	3,911,312
Additions	-	-	2,388	16,300	18,688
Donated	(3,546,135)	(312,166)	-	-	(3,858,301)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2024	-	-	11,328	60,371	71,699
	<u>-</u>	<u>-</u>	<u>11,328</u>	<u>60,371</u>	<u>71,699</u>
Depreciation and impairment					
At 1 January 2024	-	263,378	6,102	34,099	303,579
Depreciation charged in the year	-	-	1,254	10,569	11,823
Eliminated in respect of donation	-	(263,378)	-	-	(263,378)
	<u>-</u>	<u>(263,378)</u>	<u>-</u>	<u>-</u>	<u>(263,378)</u>
At 31 December 2024	-	-	7,356	44,668	52,024
	<u>-</u>	<u>-</u>	<u>7,356</u>	<u>44,668</u>	<u>52,024</u>
Carrying amount					
At 31 December 2024	-	-	3,972	15,703	19,675
	<u>-</u>	<u>-</u>	<u>3,972</u>	<u>15,703</u>	<u>19,675</u>
At 31 December 2023	3,546,135	48,788	2,838	9,972	3,607,733
	<u>3,546,135</u>	<u>48,788</u>	<u>2,838</u>	<u>9,972</u>	<u>3,607,733</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Tangible fixed assets

(Continued)

The carrying value of land included in land and buildings comprises:

	2024 £	2023 £
Freehold	-	2,930,252
Long leasehold	-	615,883
	<u>-</u>	<u>3,546,135</u>

Land and buildings are used by the Sisters for their own occupation and these buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that the residual value of these properties is not materially less than their book value.

The properties were donated to Congregation of Notre Dame de Sion Limited as at 1 January 2024.

14 Investment property

	2024 £
Fair value	
At 1 January 2024	19,035,000
Donated	(19,035,000)
	<u>-</u>
At 31 December 2024	<u>-</u>

Investment property comprises freehold properties and these were donated to Congregation of Notre Dame de Sion Limited on 01.01.2024.

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	2,580	24,553
Prepayments and accrued income	11,989	19,477
	<u>14,569</u>	<u>44,030</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	2,101	1,819
Trade creditors	20,551	5,226
Other creditors	355	2,207
Accruals and deferred income	587	4,088
	<u>23,594</u>	<u>13,340</u>

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,816</u>	<u>1,506</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2023 £	Movement in funds Incoming resources £	Balance at 1 January 2024 £	Movement in funds Incoming resources £	Balance at 31 December 2024 £
Sion Centre for Dialogue and Encounter	<u>35,615</u>	<u>-</u>	<u>35,615</u>	<u>-</u>	<u>35,615</u>

19 Unrestricted funds

Unrestricted funds

- General funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

	Balance at 1 January 2024 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 December 2024 £
General fund	<u>23,632,463</u>	<u>285,983</u>	<u>(23,337,575)</u>	<u>580,871</u>
	<u>23,632,463</u>	<u>285,983</u>	<u>(23,337,575)</u>	<u>580,871</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Tangible assets	19,675	-	19,675	3,607,733	-	3,607,733
Investment properties	-	-	-	19,035,000	-	19,035,000
Current assets	561,196	35,615	596,811	989,730	35,615	1,025,345
	<u>580,871</u>	<u>35,615</u>	<u>616,486</u>	<u>23,632,463</u>	<u>35,615</u>	<u>23,668,078</u>

21 Related party transactions

During the year the charity entered into the following transactions with related parties:

The Congregation of Notre Dame de Sion Limited, a charitable company registered in England and Wales (Charity number 1178995), is a related party by virtue of being under common control of the members of the same Order.

During the year, the charity received donations from Congregation of Notre Dame de Sion Limited totalling £23,501 (2023: £Nil). On 1 January 2024, the charity donated all of its fixed asset properties and investment properties valued at £22.6m (2023: £Nil) to Congregation of Notre Dame de Sion Limited. The donations are part of the shared management resources as mentioned in the trustee report.

Accounts

Charity registration number 1183036

Company registration number 11798424 (England and Wales)

CONGREGATION OF OUR LADY OF SION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CONGREGATION OF OUR LADY OF SION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Sister Brenda Dorrian
Sister Anne Lee
Sister Maureen Cusick

Charity number 1183036

Company number 11798424

Principal address 34 Chepstow Villas
London
W11 2QZ

Registered office 1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

Auditor Sanders
1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

Bankers Lloyds Bank
25 Gresham Street
London
EC2V 7HN

CONGREGATION OF OUR LADY OF SION (UK)

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 9
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The object of the Order is to promote a world of justice, peace and love by promoting racial and social harmony. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives.

The policies adopted to achieve that object and which have been unchanged during the year remain in the fields of inter-faith work, education, spirituality and the caring services. These will be developed both short term and long term as the needs arise.

In common with many religious Orders in the United Kingdom & Ireland, the age profile of the members of the Order is changing as existing members grow older and the number of new vocations becomes minimal. The Order has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to promote peace and justice and education.

The Congregation has a leadership team for coordination and planning of events and support of the sisters.

Many of the activities of previous years' reports remain true but always there are adjustments and developments and sometimes closure of certain activities.

- In Dublin, the ministry includes Jewish Christian Relations and Interfaith Dialogue as well as teaching Scripture and Theology.
- In Manchester the community is involved in Parish work, Jewish Christian Relations, Interfaith Dialogue, as well as Spiritual Direction and retreats.
- In Birmingham the sisters do voluntary work with Refugees as well as parish ministry in Catechetics and visiting elderly people in Care Homes.
- In Salisbury, the ministry includes Bible study groups, Spiritual direction, and pastoral work.
- In Worthing the sisters are involved in Parish ministry and supporting people in Care homes.
- In London, the sisters are involved in Jewish Christian Relations, and coordinate weekly Zoom courses on Scripture and Theology. Other sisters are involved in parish work and ecumenical activities run by the Churches Together in Notting Hill and the Kensington and Chelsea Interfaith Steering Group. One sister supports people in prison. Some sisters offer regular Spiritual accompaniment. Our house in Central London continues to welcome sisters and friends from around the world who come for meetings and study.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Activities and Achievements

The Order continues to be involved in Jewish Christian Relations and interfaith dialogue in various towns and cities in the United Kingdom and the Republic of Ireland. The work of the Diocesan Advisor in interfaith continues to develop in Manchester. The Order gives courses in Judaism and Jewish Christian Relations via Zoom.

The Order continues to run courses from home and in parishes on Biblical study, Judaism and interfaith relations and are meeting an increased interest in this area. They also organise catechetical programmes for young people in parishes and schools.

Some members of the Order offer spiritual guidance in various situations and accompany people on their faith journey. There is also involvement in Church ministry.

The Centre for Dialogue and Encounter continues to offer courses on scripture, Jewish Christian relations and spirituality. These have been well attended and the conference facilities have been in demand by outside groups who fit into our ethos.

The Order cares for all the sisters and as the age profile of the Order changes so too does the need to provide more and increasingly expensive care for the members. The particular care needs of each member will be addressed as necessary, and the appropriate care will be provided for each member of the Order.

The trustees consider that the Order continues to meet its objectives.

Financial review

The charity is part of the wider Congregation of Our Lady of Sion. The Order is undergoing an international restructuring which includes resources being shared and managed at a international level, this is known as the shared management of resources. As part of this restructuring surplus funds are transferred to Congregation of Notre Dame de Sion Limited (Charity Number 1178995), a connected charity under the common control of the same Order.

The charity will be provided with funds to meet its requirements from the International Fund and is no longer expected to hold its own reserves. An annual budget will be prepared and approved and if the charity is forecast to have a deficit in funds the shortfall will be met by Congregation of Notre Dame de Sion Limited. Should additional funds be required due to unforeseen circumstances, an application for additional funding would be made to Congregation of Notre Dame de Sion Limited that would be reviewed and supported on a case-by-case basis.

The charity has been assured that Congregation of Notre Dame de Sion Limited will support the shortfall of funds of the charity and that it has the means to support the charity.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Position

The balance sheet shows total funds of £23,668,078 (2022: £23,015,527) of which £35,615 (2022: £35,615) was restricted. The main reduction in assets was due to the donation of surplus funds to Congregation of Notre Dame de Sion.

Financial Performance

The total income of the Unrestricted Fund for the year was £683,966 (2022: £4,906,355). The main source of the higher income in 2022 was from the sale proceeds of three vacant properties. During the year the charity also received a legacy of £Nil (2022: £35,615) specifically for the Sion Centre for Dialogue and Encounter and this receipt was recognised as a Restricted Fund.

The total resources expended during the year out of the Unrestricted Fund was £846,415 (2022: £5,553,473) (see notes 6 and 7). In 2022 the main expense was the donation of the property sales proceeds of £4,630,594. There were no expenditure out of the Restricted Fund.

Net gains of £815,000 (2022: £150,000) in the year relate to an increase in value on all of the investment properties. The market values of the investment properties were broadly in line with the wider property market.

Reserves policy

As explained in the Objectives and activities paragraph of the Trustees' Report the charity carries out a variety of both long term and short term projects including the care and support of the members of the Order.

The trustees have examined the requirement for the free reserves which are those unrestricted funds not invested in fixed assets, investment properties, designated for specific purposes, restricted funds or otherwise committed. The trustees consider that, given the nature of the Order's work, the international shared management of resources with the wider Congregation, the reserve should represent approximately 24 months expenditure. The estimated free reserves at 31st December 2023 were £989,730 (2022: £1,293,393). The free reserve at the year-end does not cover the estimated expenditure for the 24 month period after the year end date. The deficit will be funded by Congregation of Notre Dame de Sion Limited.

Principal funding sources

The charity does not receive any external funding except under the shared management of resources from Congregation of Notre Dame de Sion Limited as described above. The Order's main investments were in property until 31 December 2023. On 1 January 2024, the charity donated all of its fixed asset properties and investment properties to Congregation of Notre Dame de Sion Limited.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the level stated above will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which are faced and confirm that systems have been established to mitigate the significant risks.

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

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The charity will work towards developing as an international organisation by working more closely with Sisters of Our Lady of Sion throughout the World. In the coming year there will be a greater emphasis on working internationally.

As mentioned above the charity has donated funds to the connected charity Congregation of Notre Dame de Sion Limited which will be supporting the international charitable work.

On 1 January 2024, the charity donated all of its fixed asset properties and investment properties to Congregation of Notre Dame de Sion Limited.

Structure, governance and management

The charity is a company limited by guarantee and governed by Memorandum & Articles of Association dated 30 January 2019. The Charity is a registered charity with the UK Charity Commissioner under charity number 1183036.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sister Brenda Dorrian
Sister Anne Lee
Sister Maureen Cusick

Appointment of trustees

The trustees are eligible, in committee, to appoint additional trustees under the terms of the Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees comprises members who meet regularly and are responsible for the strategic direction and policy of the charity. The Order meets regularly throughout the year to make decisions on operational matters, including finance, employment and other performance related activities.

Trustee induction and training

The trustees are usually familiar with the practical work of the charity before being appointed. To date, all trustees have been appointed from among the members of the Order.

The trustees are the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. The trustees are members of the Order and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management personnel.

The charity is part of the wider Congregation of Our Lady of Sion and works closely with them and implementing the wider policy and strategy. However, the day to day activities are controlled and carried out by its own members and trustees.

Related parties

The charity is connected to the Congregation of Notre Dame de Sion Limited, a charitable company, registered in England and Wales, by virtue of being under the common control of members of the same Order.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Congregation of Our Lady of Sion (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

In accordance with the company's articles, a resolution proposing that Sanders be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Sister Anne Lee

Trustee

Dated: 23 September 2024

Sister Maureen Cusick

Trustee

Dated: 23 September 2024

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinion

We have audited the financial statements of Congregation of Our Lady of Sion (UK) (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (Charities SORP (FRS102), the Companies Act 2006 and the Charities Act 2011);
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Smith (Senior Statutory Auditor)
for and on behalf of Sanders

23 September 2024

Chartered Accountants
Statutory Auditor

1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	3	223,658	-	223,658	797,386	35,615	833,001
Investments	4	460,308	-	460,308	429,876	-	429,876
Other income	5	-	-	-	3,679,103	-	3,679,103
Total income		683,966	-	683,966	4,906,365	35,615	4,941,980
Expenditure on:							
Raising funds	6	81,145	-	81,145	46,292	-	46,292
Charitable activities	7	765,270	-	765,270	5,507,181	-	5,507,181
Total expenditure		846,415	-	846,415	5,553,473	-	5,553,473
Net gains/(losses) on investments	13	815,000	-	815,000	150,000	-	150,000
Net income/(expenditure) and movement in funds		652,551	-	652,551	(497,108)	35,615	(461,493)
Reconciliation of funds:							
Fund balances at 1 January 2023		22,979,912	35,615	23,015,527	23,477,020	-	23,477,020
Fund balances at 31 December 2023		23,632,463	35,615	23,668,078	22,979,912	35,615	23,015,527

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15	3,607,733		3,616,519	
Investment properties	16	19,035,000		18,220,000	
		<u>22,642,733</u>		<u>21,836,519</u>	
Current assets					
Debtors	17	44,030		150,625	
Cash at bank and in hand		994,655		1,134,586	
		<u>1,038,685</u>		<u>1,285,211</u>	
Creditors: amounts falling due within one year	18	<u>(13,340)</u>		<u>(106,203)</u>	
Net current assets		1,025,345		1,179,008	
Total assets less current liabilities		<u>23,668,078</u>		<u>23,015,527</u>	
Income funds					
Restricted funds	20	35,615		35,615	
Unrestricted funds - general	21	23,632,463		22,979,912	
Net assets		<u>23,668,078</u>		<u>23,015,527</u>	

The financial statements were approved by the Trustees on 23 September 2024

Sister Anne Lee
Trustee

Sister Maureen Cusick
Trustee

Company Registration No. 11798424

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(594,912)		(4,718,729)
Investing activities					
Purchase of tangible fixed assets		(9,745)		(45,778)	
Proceeds on disposal of tangible fixed assets		-		4,631,292	
Investment income received		464,726		420,457	
Net cash generated from investing activities			454,981		5,005,971
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(139,931)		287,242
Cash and cash equivalents at beginning of year			1,134,586		847,344
Cash and cash equivalents at end of year			994,655		1,134,586

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Congregation of Our Lady of Sion (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Bickenhall Mansions, Bickenhall Street, London, W1U 6BP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity at the year-end has net assets of £23.67m (2022: £23.02m). It is part of the shared management of resources with the wider Congregation. In the event of a deficit, as part of this arrangement, the Charity would be funded by a charity under common control, Congregation of Notre Dame de Sion Limited, the resource holding entity of the Congregation. At the time of approving the accounts the trustees have received a letter of support from Congregation of Notre Dame de Sion confirming that support and a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds include the legacy for Sion Centre of Dialogue and Encounter.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Income from donations and legacies

- Pension and salaries income is accounted for on a receivable basis.
- Cash donations and legacies are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorised under the following headings:

- Costs of raising funds include the fees paid in relation to investment property management and the upkeep costs of investment properties.
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and donations made to the international Order as part of the shared management of resources.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Support costs are allocated directly to support of members of the Congregation and their ministry.

1.6 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 are those designed as, and used wholly or mainly for, private residential accommodation. Where the original cost of certain freehold properties is not readily available, it has been estimated by the trustees. Otherwise all other properties are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to freehold land and buildings are accounted for on legal completion of the relevant transaction.

Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities where the amount can be quantified with reasonable accuracy.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at trustees' estimate of fair value based on guidance from estate agents and professional valuers at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from tax on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

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

2 Critical accounting estimates and judgements

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:

- estimating the residual value of tangible fixed assets;
- estimating the market value of investment properties

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	14,699	572,796	-	572,796
Legacies received	-	-	35,615	35,615
Pensions and salaries	208,959	224,590	-	224,590
	<u>223,658</u>	<u>797,386</u>	<u>35,615</u>	<u>833,001</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	<u>460,308</u>	<u>429,876</u>

5 Other income

	Total 2023 £	Total 2022 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>3,679,103</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Investment management costs		
Investment property management	33,306	32,627
Upkeep of rental properties	47,839	13,665
Investment management costs	81,145	46,292

7 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Staff costs	92,531	64,701
Care services	171,227	274,927
Sisters' living and ministry expenses	152,996	124,514
Donations and gifts	18,897	4,650,961
Premises and support costs	204,989	214,522
Education, training and spiritual direction	53,332	41,699
	693,972	5,371,324
Share of support costs (see note 8)	51,498	116,057
Share of governance costs (see note 8)	19,800	19,800
	765,270	5,507,181

Charitable activities costs are in support of members of the Congregation and their ministries. Included in the above amounts is a foreign exchange loss of £466 (2022: £913). Donations and gifts include transactions with a related party. Further details of the transactions are included in Note 25 related party transactions.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Accountancy	26,690	-	26,690	52,933	-	52,933
Legal and professional	24,808	-	24,808	63,124	-	63,124
Audit fees	-	19,800	19,800	-	19,800	19,800
	<u>51,498</u>	<u>19,800</u>	<u>71,298</u>	<u>116,057</u>	<u>19,800</u>	<u>135,857</u>
Analysed between						
Charitable activities	<u>51,498</u>	<u>19,800</u>	<u>71,298</u>	<u>116,057</u>	<u>19,800</u>	<u>135,857</u>

Total fees payable to the auditors are £86,203 (2022: £149,360). Of this £19,800 (2022: £19,800) are for audit fees, £42,535, (2022: £105,692) are for other accountancy and consultancy services and £23,868 (2022: £23,868) are property management fees. Property management fees are included in Raising Funds in Note 6 and all other costs are included in Support costs.

9 Net movement in funds

	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	18,531	18,218
Loss/(profit) on disposal of tangible fixed assets	<u>-</u>	<u>(3,679,103)</u>

10 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023	2022
	£	£
For audit services		
Audit of the financial statements of the charity	<u>19,800</u>	<u>19,800</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. As members of the Order, the trustees' living and personal expenses during the year were borne by the charity.

12 Employees

No employee received emoluments more than £60,000 per annum. The average monthly number of employees and full time equivalent during the year was:

2023	2022
Number	Number
<u>5</u>	<u>4</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	90,720	62,428
Social security costs	305	1,138
Defined contributon pension costs	1,506	1,135
	<u>92,531</u>	<u>64,701</u>

13 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	<u>815,000</u>	<u>150,000</u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2023	3,546,135	304,416	35,681	111,976	3,998,208
Additions	<u>-</u>	<u>7,750</u>	<u>1,995</u>	<u>-</u>	<u>9,745</u>
At 31 December 2023	<u>3,546,135</u>	<u>312,166</u>	<u>37,676</u>	<u>111,976</u>	<u>4,007,953</u>
Depreciation and impairment					
At 1 January 2023	-	257,282	33,421	90,986	381,689
Depreciation charged in the year	<u>-</u>	<u>6,096</u>	<u>1,417</u>	<u>11,018</u>	<u>18,531</u>
At 31 December 2023	<u>-</u>	<u>263,378</u>	<u>34,838</u>	<u>102,004</u>	<u>400,220</u>
Carrying amount					
At 31 December 2023	<u>3,546,135</u>	<u>48,788</u>	<u>2,838</u>	<u>9,972</u>	<u>3,607,733</u>
At 31 December 2022	<u>3,546,135</u>	<u>47,134</u>	<u>2,260</u>	<u>20,990</u>	<u>3,616,519</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Tangible fixed assets

(Continued)

	2023 £	2022 £
Freehold	2,930,252	2,930,252
Long leasehold	615,883	615,883
	<u>3,546,135</u>	<u>3,546,135</u>

Land and buildings are used by the Sisters for their own occupation and these buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that the residual value of these properties is not materially less than their book value.

16 Investment property

2023
£

Fair value

At 1 January 2023	18,220,000
Net gains or losses through fair value adjustments	815,000
	<u>19,035,000</u>
At 31 December 2023	<u>19,035,000</u>

Investment property comprises freehold properties. The fair value of the investment property has been arrived at using the trustees' estimation of market value for similar properties in the relevant locations and based on guidance from estate agents and professional valuers.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	1,838,563	1,838,563
Accumulated depreciation	-	-
	<u>1,838,563</u>	<u>1,838,563</u>
Carrying amount	<u>1,838,563</u>	<u>1,838,563</u>

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	24,553	130,856
Prepayments and accrued income	19,477	19,769
	<u>44,030</u>	<u>150,625</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	1,819	938
Trade creditors	5,226	-
Other creditors	2,207	5,095
Accruals and deferred income	4,088	100,170
	<u>13,340</u>	<u>106,203</u>

Accruals and deferred income includes deferred income of £Nil (2022: £67,082) in respect of rent invoiced for periods after the year end.

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,506</u>	<u>1,135</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2023 £	Movement in funds Incoming resources £	Balance at 31 December 2023 £
Sion Centre for Dialogue and Encounter	<u>35,615</u>	<u>-</u>	<u>35,615</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Unrestricted funds

Unrestricted funds

- General funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

	Movement in funds			
	Balance at 1 January 2023	Incoming resources	Resources expended	Gains and losses
	£	£	£	£
General fund	22,979,912	683,966	(846,415)	815,000
	22,979,912	683,966	(846,415)	815,000

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Tangible assets	3,607,733	-	3,607,733	3,616,519	-	3,616,519
Investment properties	19,035,000	-	19,035,000	18,220,000	-	18,220,000
Current assets	989,730	35,615	1,025,345	1,143,393	35,615	1,179,008
	23,632,463	35,615	23,668,078	22,979,912	35,615	23,015,527

23 Operating lease commitments

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Within one year	-	224,423

24 Events after the reporting date

On 1 January 2024, the charity donated all of its fixed asset properties and investment properties, valued at £22.6m, to Congregation of Notre Dame de Sion Limited.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Related party transactions

During the year the charity entered into the following transactions with related parties:

The Congregation of Notre Dame de Sion Limited, a charitable company registered in England and Wales (Charity number 1178995), is a related party by virtue of being under common control of the members of the same Order.

During the year, the charity received donations from Congregation of Notre Dame de Sion Limited totalling £Nil (2022: £559,993). During the year, the charity donated £Nil (2022: £4,634,682) to Congregation of Notre Dame de Sion Limited.

On 1 January 2024, the charity donated all of its fixed asset properties and investment properties, valued at £22.6m, to Congregation of Notre Dame de Sion Limited.

26 Analysis of changes in net funds

The charity had no material debt during the year.

27 Cash generated from operations	2023 £	2022 £
Surplus/(deficit) for the year	652,551	(461,493)
Adjustments for:		
Investment income recognised in statement of financial activities	(460,308)	(429,876)
Gain on disposal of tangible fixed assets	-	(3,679,103)
Fair value gains and losses on investment properties	(815,000)	(150,000)
Depreciation and impairment of tangible fixed assets	18,531	18,218
Movements in working capital:		
Decrease in debtors	35,095	54,515
(Decrease) in creditors	(25,781)	(70,990)
Cash absorbed by operations	(594,912)	(4,718,729)

Cash and cash equivalents consist of cash at bank and in hand amounting to £994,655 (2022: £1,134,586).

Accounts

Charity registration number 1183036

Company registration number 11798424 (England and Wales)

CONGREGATION OF OUR LADY OF SION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONGREGATION OF OUR LADY OF SION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sister Brenda Dorrian Sister Anne Lee Sister Maureen Cusick
Charity number	1183036
Company number	11798424
Principal address	34 Chepstow Villas London W11 2QZ
Registered office	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Auditor	Sanders 1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

CONGREGATION OF OUR LADY OF SION (UK)

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 9
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The object of the Order is to promote a world of justice, peace and love by promoting racial and social harmony. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives.

The policies adopted to achieve that object and which have been unchanged during the year remain in the fields of inter-faith work, education, spirituality and the caring services. These will be developed both short term and long term as the needs arise.

In common with many religious Orders in the United Kingdom & Ireland, the age profile of the members of the Order is changing as existing members grow older and the number of new vocations becomes minimal. The Order has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to promote peace and justice and education.

The Order is organised with various teams to oversee planning.

Many of the activities of previous years' reports remain true but always there are adjustments and developments and sometimes closure of certain activities. During the year, in Dublin, the ministries include Jewish Christian Relations and interfaith dialogue. In Manchester, Birmingham, Salisbury and Worthing, members of the Order are engaged in a combination of some of the following activities; pastoral ministries, catechesis, bible study groups, spiritual direction and retreats. One member of the Order is engaged as the interfaith Diocesan Advisor in Manchester, a need which continues to develop.

Our house in Central London welcomes sisters and friends from around the world who come for meetings and study. One member of the Order there is involved in Spiritual Accompaniment.

The work of the Sion Centre for Dialogue and Encounter in Central London continues to offer courses on spirituality, Jewish Christian Relations and other faith issues. They continue to assess the needs of today and how they can be addressed. They also host meetings of other bodies when they fit into the ethos of the Centre. During the Covid Pandemic the SCDE began to offer weekly courses via Zoom. These have proved to be very popular and are well attended by an international group of participants.

One member of the Order in South London is also involved in parish work and in ministry for those sentenced to life imprisonment under the whole life order. Even when members of the Order are officially retired, they continue to be involved in the above activities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Activities and Achievements

The Order continues to be involved in Jewish Christian Relations and interfaith dialogue in various towns and cities in the United Kingdom and the Republic of Ireland. The work of the Diocesan Advisor in interfaith continues to develop in Manchester. The Order gives courses in Judaism and Jewish Christian Relations at tertiary level.

The Order continues to run courses from home and in parishes on Biblical study, Judaism and interfaith relations and are meeting an increased interest in this area. They also organise catechetical programmes for young people in parishes and schools.

Some members of the Order offer spiritual guidance in various situations and accompany people on their faith journey. There is also involvement in Church ministry.

The Centre for Dialogue and Encounter continues to offer courses on scripture, Jewish Christian relations and spirituality. These have been well attended and the conference facilities have been in demand by outside groups who fit into our ethos.

The Order cares for all the sisters and as the age profile of the Order changes so too does the need to provide more and increasingly expensive care for the members. The particular care needs of each member will be addressed as necessary, and the appropriate care will be provided for each member of the Order.

The trustees consider that the Order continues to meet its objectives.

Financial review

The charity is part of the wider Congregation of Our Lady of Sion. The Order is undergoing an international restructuring which includes resources being shared and managed at a international level, this is known as shared management of resources. As part of this restructuring surplus funds are transferred to Congregation of Notre Dame de Sion Limited (Charity Number 1178995), a connected charity under the common control of the same Order.

The charity will be provided with funds to meet its requirements from the International Fund and is no longer expected to hold its own reserves. An annual budget will be prepared and approved and if the charity is forecast to have a deficit in funds the shortfall will be met by Congregation of Notre Dame de Sion Limited. Should additional funds be required due to unforeseen circumstances, an application for additional funding would be made to Congregation of Notre Dame de Sion Limited that would be reviewed and supported on case-by-case basis.

The charity has been assured that Congregation of Notre Dame de Sion Limited will support the shortfall of funds of the charity and that it has the means to support the charity.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Position

The balance sheet shows total funds of £23,015,527 (2021: £23,477,020) of which £35,615 (2021: £Nil) was restricted. The main reduction in assets was due to the donation of surplus funds to Congregation of Notre Dame de Sion.

Financial Performance

The total income of the Unrestricted Fund for the year was £4,906,355 (2021: £585,175). The main source of the increase was from the sale proceeds of three vacant properties. During the year the charity also received a legacy of £35,615 (2021: £Nil) specifically for the Sion Centre for Dialogue and Encounter and this receipt has been recognised as a Restricted Fund.

The total resources expended during the year out of the Unrestricted Fund was £5,553,473 (2021: £9,593,199) (see notes 6 and 7). The main expense was the donation of the property sales proceeds of £4,630,594. There were no expenditure out of the Restricted Fund.

Net gains of £150,000 (2021: £856,923) in the year relate to an increase in value on one of the investment properties. The market values of the investment properties were broadly in line with the wider property market.

During the year, the investment portfolios of £Nil (2021: £7,447,284) were transferred to Congregation of Notre Dame de Sion Limited as part of the shared management of resources. The loss on the investments during the period the investments were held was £Nil (2021: £88,077). The charity no longer holds any investment portfolios.

Reserves policy

As explained in the Objectives and activities paragraph of the Trustees' Report the charity carries out a variety of both long term and short term projects including the care and support of the members of the Order.

The trustees have examined the requirement for the free reserves which are those unrestricted funds not invested in fixed assets, investment properties, designated for specific purposes, restricted funds or otherwise committed. The trustees consider that, given the nature of the Order's work, the international shared management of resources with the wider Congregation, the reserve should represent approximately 24 months expenditure. The estimated free reserves at 31st December 2022 were £1,293,393 (2021: £865,872). The free reserve at the year-end does not cover the estimated expenditure for the 24 month period after the year end date. The deficit will be funded by Congregation of Notre Dame de Sion Limited.

Principal funding sources

The charity does not receive any external funding except under the shared management of resources from Congregation of Notre Dame de Sion Limited as described above. The Order's main investments are in property.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the level stated above will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which are faced and confirm that systems have been established to mitigate the significant risks.

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

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The charity will work towards developing as an international organisation by working more closely with Sisters of Our Lady of Sion throughout the World. In the coming year there will be a greater emphasis on working internationally.

As mentioned above the charity has donated funds to the connected charity Congregation of Notre Dame de Sion Limited which will be supporting the international charitable work.

Structure, governance and management

The charity is a company limited by guarantee and governed by Memorandum & Articles of Association dated 30 January 2019. The Charity is a registered charity with the UK Charity Commissioner under charity number 1183036.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sister Brenda McCole (Term ended 1 April 2022)

Sister Brenda Dorrian

Sister Anne Lee

Sister Maureen Cusick (Appointed 1 April 2022)

Appointment of trustees

The trustees are eligible, in committee, to appoint additional trustees under the terms of the Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees comprises members who meet regularly and are responsible for the strategic direction and policy of the charity. The Order meets regularly throughout the year to make decisions on operational matters, including finance, employment and other performance related activities.

Trustee induction and training

The trustees are usually familiar with the practical work of the charity before being appointed. To date, all trustees have been appointed from among the members of the Order.

The trustees are the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. The trustees are members of the Order and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management personnel.

The charity is part of the wider Congregation of Our Lady of Sion and works closely with them and implementing the wider policy and strategy. However, the day to day activities are controlled and carried out by its own members and trustees.

Related parties

The charity is connected to the Congregation of Notre Dame de Sion Limited, a charitable company, registered in England and Wales, by virtue of being under the common control of members of the same Order.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees, who are also the directors of Congregation of Our Lady of Sion (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

In accordance with the company's articles, a resolution proposing that Sanders be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Sister Anne Lee

Trustee

Dated: 26 September 2023

Sister Maureen Cusick

Trustee

Dated: 26 September 2023

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinion

We have audited the financial statements of Congregation of Our Lady of Sion (UK) (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (Charities SORP (FRS102), the Companies Act 2006 and the Charities Act 2011);
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Smith (Senior Statutory Auditor)
for and on behalf of Sanders

26 September 2023

Chartered Accountants
Statutory Auditor

1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	797,386	35,615	833,001	254,316
Investments	4	429,876	-	429,876	330,859
Other income	5	3,679,103	-	3,679,103	-
Total income		4,906,365	35,615	4,941,980	585,175
<u>Expenditure on:</u>					
Raising funds	6	46,292	-	46,292	53,092
Charitable activities	7	5,507,181	-	5,507,181	9,540,107
Total expenditure		5,553,473	-	5,553,473	9,593,199
Net gains/(losses) on investments	11	150,000	-	150,000	856,923
Net (expenditure)/income for the year/ Net movement in funds		(497,108)	35,615	(461,493)	(8,151,101)
Fund balances at 1 January 2022		23,477,020	-	23,477,020	31,628,121
Fund balances at 31 December 2022		22,979,912	35,615	23,015,527	23,477,020

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	3,616,519		4,541,148	
Investment properties	14	18,220,000		18,070,000	
		<u>21,836,519</u>		<u>22,611,148</u>	
Current assets					
Debtors	15	150,625		185,639	
Cash at bank and in hand		1,134,586		847,344	
		<u>1,285,211</u>		<u>1,032,983</u>	
Creditors: amounts falling due within one year	16	<u>(106,203)</u>		<u>(167,111)</u>	
Net current assets		1,179,008		865,872	
Total assets less current liabilities		<u>23,015,527</u>		<u>23,477,020</u>	
Income funds					
Restricted funds	18	35,615		-	
Unrestricted funds - general	19	22,979,912		23,477,020	
Net assets		<u>23,015,527</u>		<u>23,477,020</u>	

The financial statements were approved by the Trustees on 26 September 2023

Sister Anne Lee
Trustee

Sister Maureen Cusick
Trustee

Company Registration No. 11798424

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	23	(4,718,729)		(1,887,508)	
Investing activities					
Purchase of tangible fixed assets		(45,778)		(268,852)	
Proceeds on disposal of tangible fixed assets		4,631,292		3,000	
Investment income received		420,457		326,950	
Net cash generated from investing activities		5,005,971		61,098	
Net cash used in financing activities		-		-	
Net increase/(decrease) in cash and cash equivalents		287,242		(1,826,410)	
Cash and cash equivalents at beginning of year		847,344		2,673,754	
Cash and cash equivalents at end of year		1,134,586		847,344	

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Congregation of Our Lady of Sion (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Bickenhall Mansions, Bickenhall Street, London, W1U 6BP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds include the legacy for Sion Centre of Dialogue and Encounter.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Income from donations and legacies

- Pension and salaries income is accounted for on a receivable basis.
- Cash donations and legacies are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorised under the following headings:

- Costs of raising funds include the fees paid in relation to investment management, investment property management and the upkeep costs of investment properties.
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and donations made to the international Order as part of the shared management of resources.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Support costs are allocated directly to support of members of the Congregation and their ministry.

1.6 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 are those designed as, and used wholly or mainly for, private residential accommodation. Where the original cost of certain freehold properties is not readily available, it has been estimated by the trustees. Otherwise all other properties are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to freehold land and buildings are accounted for on legal completion of the relevant transaction.

Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities where the amount can be quantified with reasonable accuracy.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at trustees' estimate of fair value based on guidance from estate agents and professional valuers at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from tax on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

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

2 Critical accounting estimates and judgements

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:

- estimating the residual value of tangible fixed assets;
- estimating the market value of investment properties

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £
Donations and gifts	572,796	-	572,796	9,633
Legacies received	-	35,615	35,615	-
Pensions and salaries	224,590	-	224,590	244,683
	<u>797,386</u>	<u>35,615</u>	<u>833,001</u>	<u>254,316</u>

4 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Rental income	429,876	321,022
Income from listed investments	-	9,837
	<u>429,876</u>	<u>330,859</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Net gain on disposal of tangible fixed assets	3,679,103	-

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Investment management costs		
Portfolio management	-	10,472
Investment property management	32,627	34,569
Upkeep of rental properties	13,665	8,051
	<u>46,292</u>	<u>53,092</u>
Investment management costs		

7 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Staff costs	64,701	68,102
Care services	274,927	239,990
Sisters' living and ministry expenses	124,514	112,085
Donations and gifts	4,650,961	8,714,573
Premises and support costs	214,522	255,084
Education, training and spiritual direction	41,699	31,248
	<u>5,371,324</u>	<u>9,421,082</u>
Share of support costs (see note 8)	116,057	101,025
Share of governance costs (see note 8)	19,800	18,000
	<u>5,507,181</u>	<u>9,540,107</u>

Charitable activities costs are in support of members of the Congregation and their ministries. Included in the above amounts is a foreign exchange loss of £913 (2021: £127). Donations and gifts include transactions with a related party. Further details of the transactions are included in Note 22 related party transactions.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Accountancy	52,933	-	52,933	51,992	-	51,992
Legal and professional	63,124	-	63,124	49,033	-	49,033
Audit fees	-	19,800	19,800	-	18,000	18,000
	<u>116,057</u>	<u>19,800</u>	<u>135,857</u>	<u>101,025</u>	<u>18,000</u>	<u>119,025</u>
Analysed between						
Charitable activities	<u>116,057</u>	<u>19,800</u>	<u>135,857</u>	<u>101,025</u>	<u>18,000</u>	<u>119,025</u>

Total fees payable to the auditors are £149,360 (2021: £124,040). Of this £19,800 (2021: £18,000) are for audit fees, £105,692 (2021: £92,936) are for other accountancy and consultancy services and £23,868 (2021: £13,104) are property management fees. Property management fees are included in Raising Funds in Note 6 and all other costs are included in Support costs.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. As members of the Order, the trustees' living and personal expenses during the year were borne by the charity.

10 Employees

No employee received emoluments more than £60,000 per annum. The average monthly number of employees and full time equivalent during the year was:

	2022 Number	2021 Number
	<u>4</u>	<u>4</u>
Employment costs	2022	2021
	£	£
Wages and salaries	62,428	67,112
Social security costs	1,138	66
Defined contributon pension costs	1,135	924
	<u>64,701</u>	<u>68,102</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Gain/(loss) on sale of investments	-	(88,077)
Revaluation of investment properties	150,000	945,000
	<u>150,000</u>	<u>856,923</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2022	4,497,626	268,962	35,681	102,921	4,905,190
Additions	-	36,723	-	9,055	45,778
Disposals	(951,491)	(1,269)	-	-	(952,760)
At 31 December 2022	<u>3,546,135</u>	<u>304,416</u>	<u>35,681</u>	<u>111,976</u>	<u>3,998,208</u>
Depreciation and impairment					
At 1 January 2022	-	252,237	31,837	79,968	364,042
Depreciation charged in the year	-	5,616	1,584	11,018	18,218
Eliminated in respect of disposals	-	(571)	-	-	(571)
At 31 December 2022	<u>-</u>	<u>257,282</u>	<u>33,421</u>	<u>90,986</u>	<u>381,689</u>
Carrying amount					
At 31 December 2022	<u>3,546,135</u>	<u>47,134</u>	<u>2,260</u>	<u>20,990</u>	<u>3,616,519</u>
At 31 December 2021	<u>4,497,626</u>	<u>16,725</u>	<u>3,844</u>	<u>22,953</u>	<u>4,541,148</u>
				2022 £	2021 £
Freehold				2,930,252	3,881,743
Long leasehold				615,883	615,883
				<u>3,546,135</u>	<u>4,497,626</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

(Continued)

Land and buildings are used by the Sisters for their own occupation and these buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that the residual value of these properties is not materially less than their book value.

14 Investment property

2022
£

Fair value

At 1 January 2022	18,070,000
Net gains or losses through fair value adjustments	150,000
At 31 December 2022	18,220,000

Investment property comprises freehold properties. The fair value of the investment property has been arrived at using the trustees' estimation of market value for similar properties in the relevant locations and based on guidance from estate agents and professional valuers.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022 £	2021 £
Cost	1,838,563	1,838,563
Accumulated depreciation	-	-
Carrying amount	1,838,563	1,838,563

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	130,856	149,270
Prepayments and accrued income	19,769	36,369
	150,625	185,639

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	938	968
Other creditors	5,095	613
Accruals and deferred income	100,170	165,530
	<u>106,203</u>	<u>167,111</u>

Accruals and deferred income includes deferred income of £67,082 (2021: £57,937) in respect of rent invoiced for periods after the year end.

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £1,135 (2021 : £924).

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022	Movement in funds Incoming resources	Balance at 31 December 2022
	£	£	£
Sion Centre for Dialogue and Encounter	-	35,615	35,615

During the year, the charity received a legacy for a fund to use in Sion Centre for Dialogue and Encounter.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Unrestricted funds

Unrestricted funds

- General funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

	Movement in funds			
	Balance at 1 January 2022	Incoming resources	Resources expended	Revaluations, gains and losses
	£	£	£	£
General fund	23,477,020	4,906,365	(5,553,473)	150,000
	<u>23,477,020</u>	<u>4,906,365</u>	<u>(5,553,473)</u>	<u>150,000</u>
	<u>23,477,020</u>	<u>4,906,365</u>	<u>(5,553,473)</u>	<u>150,000</u>

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	3,616,519	-	3,616,519	4,541,148
Investment properties	18,220,000	-	18,220,000	18,070,000
Current assets	1,143,393	35,615	1,179,008	865,872
	<u>22,979,912</u>	<u>35,615</u>	<u>23,015,527</u>	<u>23,477,020</u>

21 Operating lease commitments

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	<u>224,423</u>	<u>194,488</u>

The charity leases one of its properties on a long term lease. However, the lessee has the right to cancel the lease with 1 years notice. The contracted rents above included 1 years rent in respect of that long lease.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

During the year the charity entered into the following transactions with related parties:

The Congregation of Notre Dame de Sion Limited, a charitable company registered in England and Wales (Charity number 1178995), is a related party by virtue of being under common control of the members of the same Order.

During the year, the charity received donations from Congregation of Notre Dame de Sion Limited totalling £559,993 (2021: £Nil). During the year, the charity donated £4,634,682 (2021: £8,700,830) to Congregation of Notre Dame de Sion Limited.

23 Cash generated from operations	2022 £	2021 £
Deficit for the year	(461,493)	(8,151,101)
Adjustments for:		
Investment income recognised in statement of financial activities	(429,876)	(330,859)
Non cash expenditure	-	7,461,416
Gain on disposal of tangible fixed assets	(3,679,103)	(3,000)
(Gain)/loss on disposal of investments	-	88,077
Fair value gains and losses on investment properties	(150,000)	(945,000)
Depreciation and impairment of tangible fixed assets	18,218	11,578
Movements in working capital:		
Decrease in debtors	54,515	141,471
(Decrease) in creditors	(70,990)	(160,090)
Cash absorbed by operations	(4,718,729)	(1,887,508)

Cash and cash equivalents consist of cash at bank and in hand amounting to £1,136,206 (2021: £847,344).

24 Analysis of changes in net funds

The charity had no debt during the year.

Accounts

Charity registration number 1183036

Company registration number 11798424 (England and Wales)

CONGREGATION OF OUR LADY OF SION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CONGREGATION OF OUR LADY OF SION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sister Brenda Dorrian Sister Anne Lee Sister Maureen Cusick
Charity number	1183036
Company number	11798424
Principal address	34 Chepstow Villas London W11 2QZ
Registered office	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Auditor	Sanders 1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

CONGREGATION OF OUR LADY OF SION (UK)

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 9
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 24

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The object of the Order is to promote a world of justice, peace and love by promoting racial and social harmony. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives.

The policies adopted to achieve that object and which have been unchanged during the year remain in the fields of inter-faith work, education, spirituality and the caring services. These will be developed both short term and long term as the needs arise.

In common with many religious Orders in the United Kingdom & Ireland, the age profile of the members of the Order is changing as existing members grow older and the number of new vocations becomes minimal. The Order has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to promote peace and justice and education.

The Order is organised with various teams to oversee planning.

Many of the activities of previous years' reports remain true but always there are adjustments and developments and sometimes closure of certain activities. During the year, in Dublin, the ministries include Jewish Christian Relations and interfaith dialogue. In Manchester, Birmingham, Salisbury and Worthing, members of the Order are engaged in a combination of some of the following activities; pastoral ministries, catechesis, bible study groups, spiritual direction and retreats. One member of the Order is engaged as the interfaith Diocesan Advisor in Manchester, a need which continues to develop.

Our house in Central London welcomes sisters and friends from around the world who come for meetings and study. One member of the Order there is involved in Spiritual Accompaniment.

The work of the Sion Centre for Dialogue and Encounter in Central London continues to offer courses on spirituality, Jewish Christian Relations and other faith issues. They continue to assess the needs of today and how they can be addressed. They also host meetings of other bodies when they fit into the ethos of the Centre.

One member of the Order in South London is also involved in parish work and in ministry for those sentenced to life imprisonment under the whole life order. Even when members of the Order are officially retired, they continue to be involved in the above activities.

Since early 2020, a new coronavirus, known as Covid-19 has caused disruption in the ministries of the Order. However, the impact has not been great and where possible, the ministries of the Order has continued in another way.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Activities and Achievements

The Order continues to be involved in Jewish Christian Relations and interfaith dialogue in various towns and cities in the United Kingdom and the Republic of Ireland. The work of the Diocesan Advisor in interfaith continues to develop in Manchester. The Order gives courses in Judaism and Jewish Christian Relations at tertiary level.

The Order continues to run courses from home and in parishes on Biblical study, Judaism and interfaith relations and are meeting an increased interest in this area. They also organise catechetical programmes for young people in parishes and schools.

Some members of the Order offer spiritual guidance in various situations and accompany people on their faith journey. Others are able to offer holistic therapies. There is also involvement in Church ministry.

The Centre for Dialogue and Encounter continues to offer courses on scripture, Jewish Christian relations and spirituality. These have been well attended and the conference facilities have been in demand by outside groups who fit into our ethos.

The Order cares for all the sisters and as the age profile of the Order changes so too does the need to provide more and increasingly expensive care for the members. The particular care needs of each member will be addressed as necessary, and the appropriate care will be provided for each member of the Order.

The trustees consider that the Order continues to meet its objectives.

Financial review

The charity is part of the wider Congregation of Our Lady of Sion. The Order is undergoing a global restructuring which includes resources being shared and managed at a global level, this is known as shared management of resources. As part of this restructuring surplus funds are transferred to Congregation of Notre Dame de Sion Limited (Charity Number 1178995), a connected charity under the common control of the same Order.

The charity will be provided with funds to meet its requirements from the Global Fund and is no longer expected to hold its own reserves. An annual budget will be prepared and approved and if the charity is forecast to have a deficit in funds the shortfall will be met by Congregation of Notre Dame de Sion Limited. Should additional funds be required due to unforeseen circumstances, an application for additional funding would be made to Congregation of Notre Dame de Sion Limited that would be reviewed and supported on case-by-case basis.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Position

The balance sheet shows total funds of £23,477,020. During the previous year the retirement reserve of £3.1m has been transferred back to general funds as the financial requirements of the members of the Order's care needs is now guaranteed by the Congregation of Notre Dame de Sion Limited (Charity Number 1178995).

Financial Performance

The total income of the Unrestricted Fund for the year was £585,175 (2020: £1,454,777). The decrease is mainly due to the charity's investment portfolios amounting to £7,447,284 (2020: £Nil) being donated to the Congregation of Notre Dame de Sion Limited as a consequence the investment income received was significantly reduced. In addition due to Covid 19 rent reductions were offered to the tenants of the two investment properties.

The total resources expended during the year out of the Unrestricted Fund was £9,593,199 (2020: £1,198,600) (see notes 5 and 6). The main reason for the increase in expenditure was the donation of the investment portfolios and cash reserves of £8,700,830 to Congregation of Notre Dame de Sion Limited.

Net gains of £856,923 (2020: £1,154 loss) in the year was mainly due to an increase in value of the investment properties which are broadly in line with the wider property market.

During the year, the investment portfolios of £7,447,284 (2020: £Nil) were transferred to Congregation of Notre Dame de Sion Limited as part of the shared management of resources. The loss on the investments during the period the investments were held was £88,077 (2020: £1,154).

Reserves policy

As explained above the charity carries out a variety of both long term and short term projects including the care and support of its members of the Order.

The trustees have examined the requirement for the free reserves which are those unrestricted funds not invested in fixed assets, investment properties, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Order's work, the global shared management of resources with the wider Congregation, the reserve should represent approximately 24 months expenditure. The estimated free reserves at 31st December 2021 were £865,872 (2020: £8,332,851). The free reserve at the year-end does not cover the estimated expenditure for the 24 month period after the year end date. The deficit will be funded by Congregation of Notre Dame de Sion Limited.

Principal funding sources

The charity does not receive any external funding except under the shared management of resources from Congregation of Notre Dame de Sion Limited as described above. The Order's main investments are in property.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the level stated above will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which are faced and confirm that systems have been established to mitigate the significant risks.

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

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The charity will work towards developing as an international organisation by working more closely with Sisters of Our Lady of Sion throughout the World. In the coming year there will be a greater emphasis on working internationally.

As mentioned above the charity has donated funds to the connected charity Congregation of Notre Dame de Sion Limited which will be supporting the international charitable work.

Structure, governance and management

The charity is a company limited by guarantee and governed by Memorandum & Articles of Association dated 30 January 2019. The Charity is a registered charity with the UK Charity Commissioner under charity number 1183036.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sister Brenda McCole (Term ended 1 April 2022)

Sister Brenda Dorrian

Sister Anne Lee

Sister Maureen Cusick (Appointed 1 April 2022)

Appointment of trustees

The trustees are eligible, in committee, to appoint additional trustees under the terms of the Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees comprises members who meet regularly and are responsible for the strategic direction and policy of the charity. The Order meets regularly throughout the year to make decisions on operational matters, including finance, employment and other performance related activities.

Trustee induction and training

The trustees are usually familiar with the practical work of the charity before being appointed. To date, all trustees have been appointed from among the members of the Order.

Related parties

The Congregation of Our Lady of Sion (UK) is affiliated to the Generalate, an entity based in Rome. The Congregation attends international meetings in various countries and implements policy decisions passed down by the Generalate.

The charity is also connected to the Congregation of Notre Dame de Sion Limited, a charitable company, registered in England and Wales, by virtue of being under the common control of members of the same Order.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

The trustees, who are also the directors of Congregation of Our Lady of Sion (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

In accordance with the company's articles, a resolution proposing that Sanders be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Sister Brenda Dorrian

Trustee

Dated: 27 September 2022

Sister Anne Lee

Trustee

Dated: 27 September 2022

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinion

We have audited the financial statements of Congregation of Our Lady of Sion (UK) (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements 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.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011)
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Smith (Senior Statutory Auditor)
for and on behalf of Sanders

28 September 2022

Chartered Accountants
Statutory Auditor

1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	3	254,316	833,643
Investments	4	330,859	621,134
Total income		585,175	1,454,777
<u>Expenditure on:</u>			
Raising funds	5	53,092	344,675
Charitable activities	6	9,540,107	853,925
Total expenditure		9,593,199	1,198,600
Net gains/(losses) on investments	10	856,923	(1,154)
Net (expenditure)/income for the year/ Net movement in funds		(8,151,101)	255,023
Fund balances at 1 January 2021		31,628,121	31,373,098
Fund balances at 31 December 2021		23,477,020	31,628,121

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	4,541,148		4,283,874	
Investment properties	12	18,070,000		17,125,000	
Investments	13	-		7,545,584	
		22,611,148		28,954,458	
Current assets					
Debtors	14	185,639		327,110	
Cash at bank and in hand		847,344		2,673,754	
		1,032,983		3,000,864	
Creditors: amounts falling due within one year	15	(167,111)		(327,201)	
Net current assets		865,872		2,673,663	
Total assets less current liabilities		23,477,020		31,628,121	
Income funds					
Unrestricted funds - general		23,477,020		31,628,121	
		23,477,020		31,628,121	

The financial statements were approved by the Trustees on 27 September 2022

Sister Brenda Dorrian
Trustee

Sister Anne Lee
Trustee

Company Registration No. 11798424

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(1,887,508)		(560,015)	
Investing activities					
Purchase of tangible fixed assets		(268,852)		(36,638)	
Proceeds on disposal of tangible fixed assets		3,000		-	
Purchase of investments		-		(1,071)	
Investment income received		326,950		642,361	
Net cash generated from investing activities			61,098		604,652
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,826,410)		44,637
Cash and cash equivalents at beginning of year			2,673,754		2,629,708
Effect of foreign exchange rates			-		(591)
Cash and cash equivalents at end of year			847,344		2,673,754

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Congregation of Our Lady of Sion (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Bickenhall Mansions, Bickenhall Street, London, W1U 6BP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Income from donations and legacies

- Pension and salaries income is accounted for on a receivable basis.
- Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorised under the following headings:

- Costs of raising funds include the fees paid in relation to investment management, investment property management and the upkeep costs of investment properties.
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Support costs are allocated directly to support of members of the Congregation and their ministry.

1.6 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 are those designed as, and used wholly or mainly for, private residential accommodation. Where the original cost of certain freehold properties is not readily available, it has been estimated by the trustees. Otherwise all other properties are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to freehold land and buildings are accounted for on legal completion of the relevant transaction.

Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities where the amount can be quantified with reasonable accuracy.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at trustees' estimate of fair value based on guidance from estate agents and professional valuers at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Where held as an ongoing investment they are included as fixed assets.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charity is exempt from tax on its charitable activities.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Foreign exchange

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

1.16 Funds

The unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2 Critical accounting estimates and judgements

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:

- estimating the residual value of tangible fixed assets;
- estimating the market value of investment properties

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	9,633	439,684
Pensions and salaries	244,683	393,959
	<u>254,316</u>	<u>833,643</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	321,022	466,926
Income from listed investments	9,837	151,078
Interest receivable	-	3,130
	330,859	621,134

5 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Investment management costs</u>		
Portfolio management	10,472	38,028
Investment property management	34,569	34,407
Upkeep of rental properties	8,051	272,240
Investment management costs	53,092	344,675

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Staff costs	68,102	69,136
Care services	239,990	375,516
Sisters' living and ministry expenses	112,085	101,796
Donations and gifts	8,714,573	13,006
Premises and support costs	255,084	167,242
Education, training and spiritual direction	31,248	22,722
	<u>9,421,082</u>	<u>749,418</u>
Share of support costs (see note 7)	101,025	92,507
Share of governance costs (see note 7)	18,000	12,000
	<u>9,540,107</u>	<u>853,925</u>

Charitable activities costs are in support of members of the Congregation and their ministries. Included in the above amounts is a foreign exchange loss of £127 (2020: £592).

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Accountancy	51,992	-	51,992	42,399	-	42,399
Legal and professional	49,033	-	49,033	50,108	-	50,108
Audit fees	-	18,000	18,000	-	12,000	12,000
	<u>101,025</u>	<u>18,000</u>	<u>119,025</u>	<u>92,507</u>	<u>12,000</u>	<u>104,507</u>
Analysed between						
Charitable activities	<u>101,025</u>	<u>18,000</u>	<u>119,025</u>	<u>92,507</u>	<u>12,000</u>	<u>104,507</u>

Total fees payable to the auditors are £124,040 (2020: £102,500). Of this £18,000 (2020: £12,000) are for audit fees, £92,936 (2020: £79,268) are for other accountancy and consultancy services and £13,104 (2020: £11,232) are property management fees. Property management fees are included in Raising Funds in Note 5 and all other costs are included in Governance costs.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

No employee received emoluments more than £60,000 per annum. The average monthly number of employees and full time equivalent during the year was:

	2021 Number	2020 Number
	4	4
Employment costs	2021 £	2020 £
Wages and salaries	67,112	65,848
Social security costs	66	1,901
Defined contributon pension costs	924	1,387
	68,102	69,136

10 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Gain/(loss) on sale of investments	(88,077)	(1,154)
Revaluation of investment properties	945,000	-
	856,923	(1,154)

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2021	4,241,241	264,890	35,681	100,971	4,642,783
Additions	256,385	4,072	-	8,395	268,852
Disposals	-	-	-	(6,445)	(6,445)
At 31 December 2021	4,497,626	268,962	35,681	102,921	4,905,190
Depreciation and impairment					
At 1 January 2021	-	250,139	30,237	78,533	358,909
Depreciation charged in the year	-	2,098	1,600	7,880	11,578
Eliminated in respect of disposals	-	-	-	(6,445)	(6,445)
At 31 December 2021	-	252,237	31,837	79,968	364,042
Carrying amount					
At 31 December 2021	4,497,626	16,725	3,844	22,953	4,541,148
At 31 December 2020	4,241,241	14,751	5,444	22,438	4,283,874
				2021 £	2020 £
Freehold				3,881,743	3,881,743
Long leasehold				615,883	359,498
				4,497,626	4,241,241

Land and buildings are used by the Sisters for their own occupation and these buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that the residual value of these properties is not materially less than their book value.

12 Investment property

	2021 £
Fair value	
At 1 January 2021	17,125,000
Net gains or losses through fair value adjustments	945,000
At 31 December 2021	18,070,000

Investment property comprises freehold properties. The fair value of the investment property has been arrived at using the trustees' estimation of market value for similar properties in the relevant locations and based on guidance from estate agents and professional valuers.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2021 £	2020 £
Cost	1,838,563	1,838,563
Accumulated depreciation	-	-
Carrying amount	1,838,563	1,838,563

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	7,545,584
Movement in fair value	(98,300)
Disposals	(7,447,284)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	7,545,584

	2021 £	2020 £
Investments at fair value comprise:		
UK fixed interest	-	2,107,263
UK equity shares	-	1,828,413
Overseas equity shares	-	2,270,926
Other overseas investments	-	1,169,545
Cash held by investment managers for reinvestment	-	169,437
	-	7,545,584

The historic cost of the fixed asset investments at the year end is £Nil (2020: £6,478,983). During the year, all the fixed asset investments were donated to a connected charity, Congregation of Notre Dame de Sion Limited at market value.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	149,270	313,649
Prepayments and accrued income	36,369	13,461
	<u>185,639</u>	<u>327,110</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	968	4,727
Trade creditors	-	9,960
Other creditors	613	210
Accruals and deferred income	165,530	312,304
	<u>167,111</u>	<u>327,201</u>

Accruals and deferred income includes deferred income of £57,937 (2020: £65,000) in respect of rent invoiced for periods after the year end.

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £924 (2020 - £1,387).

17 Unrestricted funds

Unrestricted funds

- General funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£
General fund	31,628,121	585,175	(9,593,199)	856,923	23,477,020
	<u>31,628,121</u>	<u>585,175</u>	<u>(9,593,199)</u>	<u>856,923</u>	<u>23,477,020</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 31 December 2021 are represented by:		
Tangible assets	4,541,148	4,283,874
Investment properties	18,070,000	17,125,000
Investments	-	7,545,584
Current assets	865,872	2,673,663
	<u>23,477,020</u>	<u>31,628,121</u>

19 Operating lease commitments

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	<u>194,488</u>	<u>246,488</u>

The charity leases one of its properties on a long term lease. However, the lessee has the right to cancel the lease with 1 years notice. The contracted rents above included 1 years rent in respect of that long lease.

20 Events after the reporting date

Sine the year end, three properties that were classified as fixed assets were sold for a total of £4,715,000 and the net sales proceeds of £4,630,594 were donated to Congregation of Notre Dame de Sion Limited.

21 Related party transactions

During the year the charity entered into the following transactions with related parties:

Sister B Dorrian and Sister A Lee, Trustees of the charity, were also trustees/directors of Our Lady of Sion School, Worthing until June 2020. From June 2020 the charity and Our Lady of Sion School were no longer related parties. The transactions that occurred when the entities were related party was rent received £141,087 and repairs obligations under the lease was £256,681.

The Congregation of Notre Dame de Sion Limited is a related party by virtue of being under common control of the members of the same Order.

During the year, the charity recognised donations from Congregation of Notre Dame de Sion Limited totalling £Nil (2020: £434,040). During the year, the charity donated £8,700,830 (2020: £Nil) to Congregation of Notre Dame de Sion Limited.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22	Cash generated from operations	2021 £	2020 £
	(Deficit)/surplus for the year	(8,151,101)	255,023
	Adjustments for:		
	Investment income recognised in statement of financial activities	(330,859)	(621,134)
	Non cash expenditure	7,461,416	-
	Gain on disposal of tangible fixed assets	(3,000)	-
	Loss on disposal of investments	88,077	1,154
	Fair value gains and losses on investment properties	(945,000)	-
	Depreciation and impairment of tangible fixed assets	11,578	8,342
	Movements in working capital:		
	Decrease/(increase) in debtors	141,471	(253,064)
	(Decrease)/increase in creditors	(160,090)	49,664
	Cash absorbed by operations	(1,887,508)	(560,015)

Cash and cash equivalents consist of cash at bank and in hand amounting to £847,344 (2020: £2,673,754).

23 Analysis of changes in net funds

The charity had no debt during the year.

CONGREGATION OF OUR LADY OF SION (UK)

England & Wales - Charity number 1183036

Accounts

Charity Registration No. 1183036

Company Registration No. 11798424 (England and Wales)

CONGREGATION OF OUR LADY OF SION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CONGREGATION OF OUR LADY OF SION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sister Brenda McCole Sister Brenda Dorrian Sister Anne Lee
Charity number	1183036
Company number	11798424
Principal address	34 Chepstow Villas London W11 2QZ
Registered office	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Auditor	Sanders 1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN
Investment advisors	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ Charles Stanley & Co Limited 55 Bishopsgate London EC2N 3AS

CONGREGATION OF OUR LADY OF SION (UK)

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 9
Statement of financial activities	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 26

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The object of the Order is to promote a world of justice, peace and love by promoting racial and social harmony. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives.

The policies adopted to achieve that object and which have been unchanged during the year remain in the fields of inter-faith work, education, spirituality and the caring services. These will be developed both short term and long term as the needs arise.

In common with many religious Congregations in the United Kingdom & Ireland, the age profile of the members of the Congregation is changing as existing members grow older and the number of new vocations becomes minimal. The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to promote peace and justice and education.

The Order is organised with various teams to oversee planning.

Many of the activities of previous years' reports remain true but always there are adjustments and developments and sometimes closure of certain activities. During the year, in Dublin, the ministries include Jewish Christian Relations and interfaith dialogue. In Manchester, Birmingham and Worthing, sisters are engaged in a combination of some of the following activities; pastoral ministries, catechesis, bible study groups, spiritual direction and retreats. One sister is engaged as the interfaith Diocesan Advisor in Manchester, a need which continues to develop.

Our house in Central London welcomes sisters and friends from around the world who come for meetings and study. One sister there is involved in Spiritual Accompaniment.

The work of the Sion Centre for Dialogue and Encounter in Central London continues to offer courses on spirituality, Jewish Christian Relations and other faith issues. They continue to assess the needs of today and how they can be addressed. They also host meetings of other bodies when they fit into the ethos of the Centre.

One sister in South London is also involved in parish work and in ministry for those sentenced to life imprisonment under the whole life order. Even when sisters are officially retired, they continue to be involved in the above activities.

Since early 2020, a new coronavirus, known as Covid-19 has caused disruption in the ministries of the sisters. However, the impact has not been great and where possible, the ministries of the sisters has continued in another way.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Activities and Achievements

The company was incorporated on 30 January 2019 and obtained charitable status on 18 April 2019. The charitable activities commenced on 1 January 2020. The connected charity Congregation of Our Lady of Sion Region of the United Kingdom & Ireland (OLOS) transferred its assets and liabilities and all of its activities to the charity on 1 January 2020 when the activities of OLOS ceased. The purpose of the transfer was to enable the Charities activities to be carried on in an incorporated entity rather than by the previous unincorporated business. The accounts of the charity are prepared under the merger accounting method in accordance with UK GAAP, and treat the charity as ongoing entity.

The sisters continue to be involved in Jewish Christian Relations and interfaith dialogue in various towns and cities in the United Kingdom and the Republic of Ireland. The work of the Diocesan Advisor in interfaith continues to develop in Manchester. Sisters give courses in Judaism and Jewish Christian Relations at tertiary level.

Sisters continue to run courses from home and in parishes on Biblical study, Judaism and interfaith relations and are meeting an increased interest in this area. They also organise catechetical programmes for young people in parishes and schools.

Some sisters offer spiritual guidance in various situations and accompany people on their faith journey. Others are able to offer holistic therapies. There is also involvement in Church ministry.

The Centre for Dialogue and Encounter continues to offer courses on scripture, Jewish Christian relations and spirituality. These have been well attended and the conference facilities have been in demand by outside groups who fit into our ethos.

The Congregation cares for all the sisters and as the age profile of the Congregation changes so too does the need to provide more and increasingly expensive care for the sisters. The particular care needs of each sister will be addressed as necessary, and the appropriate care will be provided for each sister.

The trustees consider that the Order continues to meet its objectives.

Financial review

As disclosed in the Activities and Achievements section of this Trustees' Report, the financial statements have been prepared using the merger accounting method, treating the Charity as an ongoing entity. As a result of this treatment the comparative figures through-out these accounts are for the combined entity and do not correspond to the figures shown in COLOS's 2019 statutory accounts.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level approximately equivalent to two years expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Position

The balance sheet shows total funds of £31,628,121. In the previous year £3.1m was designated as a retirement reserve to provide for sisters' future care needs. During the current year the retirement reserve has been transferred back to general funds as the financial requirements of the sisters' care needs is now guaranteed by the Congregation of Notre Dame de Sion Limited (Charity Number 1178995), a connected charity with the same objectives as this charity, but operating on a global basis.

Financial Performance

The total income of the Unrestricted Fund for the year was £1,454,777 (2019: £837,635). The increase is mainly due to exceptional donations received from the Congregation of Notre Dame de Sion Limited of £434,040 (2019: £ Nil). Also, the previous year's rental income was reduced following the recognition of a refund due to a lessee.

The total resources expended during the year out of the Unrestricted Fund was £1,198,600 (2019: £1,083,668) (see note 6). The main reason for the increase in expenditure was the provision for the cost of a the repair to one of the investment properties.

During the year the total recognised loss on investments was £1,154 (2019: gains £3,198,046). The majority of the gains in 2019 were due to revaluations of investment properties of £2,475,000. The investment portfolio performance was mixed with one fund manager returning a solid return despite the pandemic. The other fund made a loss in the period which negated the gain on the other fund to deliver an overall small loss. The loss-making fund performed poorly as it had insufficient exposure to long dated bonds and US technology stocks which performed well. The poor performing fund's focus was too UK centric and was caught by the biggest recession since the great depression or in the case of the UK, the Great Frost of 1709.

Reserves policy

As explained above the charity carries out a variety of both long term and short term projects including the care and support of its sisters.

The trustees have examined the requirement for the free reserves which are those unrestricted funds not invested in fixed assets, investment properties, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Order's work, the current low interest rate environment and other possible investment returns this should represent approximately 24 months expenditure, which gives flexibility to cover temporary timing differences for adequate working capital for core costs and allows time to respond quickly to issues where immediate finance is needed. Estimated free reserves as at 31st December 2020 were £8,332,851 (2019: £5,003,136) and after making an appropriate allowance for stock market volatility, the Trustees believe that this position adequately covers the expected requirements.

Principal funding sources

The charity does not receive any external funding. The Order's main investments are in property and in equity and fixed interest portfolios. The management of the portfolios is outsourced to Rathbone Investment Management Limited and Charles Stanley & Co Limited.

Since the year end the charity has donated all its investments held by the fund managers to its connected charity Congregation of Notre Dame De Sion Limited. This is part of a global centralisation of funds. This is internally known as shared resources.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Investment policy and objectives

The investment objective is for a mixed return of income and capital growth.

Accepting a level of risk appropriate for the Order's charitable status and overall assets, the Order has advised its investment managers to ensure that all its equity investments are suitable for a religious organisation.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the level stated above will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which are faced and confirm that systems have been established to mitigate the significant risks.

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

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The charity will work towards developing as an international organisation by working more closely with Sisters of Our Lady of Sion throughout the World. In the coming year there will be a greater emphasis on working internationally.

As mentioned above the charity has donated funds to the connected charity Congregation of Notre Dame de Sion Limited which will be supporting the international charitable work.

Structure, governance and management

The charity is a company limited by guarantee and governed by Memorandum & Articles of Association dated 30 January 2019. The Charity is a registered charity with the UK Charity Commissioner under charity number 1183036.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sister Brenda McCole

Sister Brenda Dorrian

Sister Anne Lee

Appointment of trustees

The trustees are eligible, in committee, to appoint additional trustees under the terms of the Articles of Association. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees comprises members who meet regularly and are responsible for the strategic direction and policy of the charity. The Sisters meet regularly throughout the year to make decisions on operational matters, including finance, employment and other performance related activities.

Trustee induction and training

The trustees are usually familiar with the practical work of the charity before being appointed. To date, all trustees have been appointed from among the Sisters of the Order.

CONGREGATION OF OUR LADY OF SION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Related parties

The Congregation of Our Lady of Sion (UK) is affiliated to the Generalate, an entity based in Rome. The Congregation attends international meetings in various countries and implements policy decisions passed down by the Generalate.

The charity is also connected to the Congregation of Notre Dame de Sion Limited, a charitable company, registered in England and Wales, by virtue of being under the common control of members of the same Order.

Statement of trustees' responsibilities

The trustees, who are also the directors of Congregation of Our Lady of Sion (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Sanders were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Sister Brenda McCole
Trustee
Dated: 10 August 2021

Sister Anne Lee
Trustee
Dated: 10 August 2021

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinion

We have audited the financial statements of Congregation of Our Lady of Sion (UK) (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements 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.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011)
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls .

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error .

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

CONGREGATION OF OUR LADY OF SION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONGREGATION OF OUR LADY OF SION (UK)

Other matters which we are required to address

The corresponding figures of Congregation of Our Lady of Sion (UK) for the year ended 31 December 2019 were not audited.

The corresponding figures presented in these financial statements are the combined results of Congregation of Our Lady of Sion (UK), a charitable company, and Congregation of Our Lady of Sion Region of United Kingdom & Ireland, an unincorporated charity. The reason for and the basis of the combination are described in Note 19 Merger.

The corresponding figures of Congregation of Our Lady of Sion Region of United Kingdom & Ireland for the year ended 31 December 2019 were audited.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Iain McManus (Senior Statutory Auditor)
for and on behalf of Sanders

10 August 2021

Chartered Accountants
Statutory Auditor

1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 Combined £
<u>Income from:</u>			
Donations and legacies	3	833,643	323,309
Investments	4	621,134	514,326
Total income		1,454,777	837,635
<u>Expenditure on:</u>			
Raising funds	5	344,675	110,905
Charitable activities	6	853,925	972,763
Total resources expended		1,198,600	1,083,668
Net gains/(losses) on investments	10	(1,154)	3,198,046
Net income for the year/ Net movement in funds		255,023	2,952,013
Fund balances at 1 January 2020		31,373,098	28,421,085
Fund balances at 31 December 2020		31,628,121	31,373,098

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020		2019 Combined	
		£	£	£	£
Fixed assets					
Tangible assets	11	4,283,874		4,255,578	
Investment properties	12	17,125,000		17,125,000	
Investments	13	7,545,584		7,558,100	
			28,954,458		28,938,678
Current assets					
Debtors	14	327,110		95,249	
Cash at bank and in hand		2,673,754		2,629,708	
			3,000,864		2,724,957
Creditors: amounts falling due within one year	15	(327,201)		(290,537)	
Net current assets			2,673,663		2,434,420
Total assets less current liabilities			31,628,121		31,373,098
Income funds					
<u>Unrestricted funds - general</u>					
General unrestricted funds	17	31,628,121		28,273,098	
Pension reserve	17	-		3,100,000	
			31,628,121		31,373,098
			31,628,121		31,373,098

The financial statements were approved by the Trustees on 10 August 2021

Sister Brenda McCole
Trustee

Sister Anne Lee
Trustee

Company Registration No. 11798424

CONGREGATION OF OUR LADY OF SION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019 Combined	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	23		(560,015)		(867,105)
Investing activities					
Purchase of tangible fixed assets		(36,638)		(8,875)	
Purchase of investments		(1,071)		-	
Proceeds on disposal of investments		-		18,713	
Investment income received		642,361		691,685	
Net cash generated from investing activities			604,652		701,523
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			44,637		(165,582)
Cash and cash equivalents at beginning of year			2,629,708		2,791,530
Effect of foreign exchange rates			(591)		3,760
Cash and cash equivalents at end of year			2,673,754		2,629,708

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Congregation of Our Lady of Sion (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Bickenhall Mansions, Bickenhall Street, London, W1U 6BP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Merger accounting

The company was incorporated on 30 January 2019 and obtained charitable status on 18 April 2019. The charitable activities commenced on 1 January 2020. The connected charity Congregation of Our Lady of Sion Region of the United Kingdom & Ireland (OLOS) transferred all of its assets and liabilities and all of its activities to the charity on 1 January 2020 when the activities of OLOS ceased.

Under such circumstances UK GAAP requires that the company should treat the transfer as an acquisition and account for it accordingly. However, the 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 UK and Republic of Ireland (FRS 102) stipulates that this treatment would not give a True and Fair view of the entity's accounts, as the charity's activities have continued unchanged. The Trustees have concluded that they should depart from UKGAAP and apply a True and Fair override. As a result of this the accounts of the charity have been prepared using the merger accounting principal. These accounts therefore present the combined results of both entities prior to OLOS's activities ceasing and the transfer of all of its assets and liabilities occurring.

The impact of this is the 2019 figures shown will be different to the numbers previously reported by this charity. As mentioned earlier the 2019 figures in the SOFA, balance sheet and cash flow statement will be an amalgamation of the two entities removing inter-charity activities.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Covid-19

Since early 2020, a new coronavirus, known as COVID-19 has caused negative disruption to global businesses and economic activity. Although inherent uncertainties remain in respect of the virus, the trustees believe that the charity has the resources and has taken the necessary measures to minimise the financial impact of the pandemic, and they therefore anticipate that the charity will be able to continue as a going concern.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

Income from donations and legacies

- Pension and salaries income is accounted for on a receivable basis.
- Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorised under the following headings:

- Costs of raising funds include the fees paid in relation to investment management, investment property management and the upkeep costs of investment properties.
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Support costs are allocated directly to support of members of the Congregation and their ministry.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 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 are those designed as, and used wholly or mainly for, private residential accommodation. Where the original cost of certain freehold properties is not readily available, it has been estimated by the trustees. Otherwise all other properties are stated at cost or deemed cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Disposals and additions to freehold land and buildings are accounted for on legal completion of the relevant transaction.

Permanent diminution in the value of fixed assets is charged to the Statement of Financial Activities where the amount can be quantified with reasonable accuracy.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% straight line
Computers	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at trustees' estimate of fair value based on guidance from estate agents and professional valuers at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities.

1.8 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Where held as an ongoing investment they are included as fixed assets.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charity is exempt from tax on its charitable activities.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.15 Foreign exchange

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

1.16 Funds

The unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

2 Critical accounting estimates and judgements

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:

- estimating the residual value of tangible fixed assets;
- estimating the market value of investment properties
- estimating the size of the designated funds created in order to provide for the continuing care of the members in their retirement.

3 Donations and legacies

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 Combined £
Donations and gifts	439,684	24,659
Pensions and salaries	393,959	298,650
	<u>833,643</u>	<u>323,309</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 Combined £
Rental income	466,926	312,920
Income from listed investments	151,078	193,271
Interest receivable	3,130	8,135
	<u>621,134</u>	<u>514,326</u>

5 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 Combined £
<u>Investment management costs</u>		
Portfolio management	38,028	49,062
Investment property management	34,407	21,840
Upkeep of rental properties	272,240	40,003
	<u>344,675</u>	<u>110,905</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 Combined £
Staff costs	69,136	72,429
Care services	375,516	387,528
Sisters' living and ministry expenses	101,796	125,649
Donations and gifts	13,006	12,834
Premises and support costs	167,242	233,307
Education, training and spiritual direction	22,722	32,155
	<u>749,418</u>	<u>863,902</u>
Share of governance costs (see note 7)	104,507	108,861
	<u>853,925</u>	<u>972,763</u>

Charitable activities costs are in support of members of the Congregation and their ministries. Included in the above amounts is a foreign exchange loss of £592 (2019: £3,760).

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 Combined £
Audit fees	-	12,000	12,000	-	12,000	12,000
Accountancy	-	42,399	42,399	-	58,829	58,829
Legal and professional	-	50,108	50,108	-	38,032	38,032
	<u>-</u>	<u>104,507</u>	<u>104,507</u>	<u>-</u>	<u>108,861</u>	<u>108,861</u>
Analysed between						
Charitable activities	-	104,507	104,507	-	108,861	108,861
	<u>-</u>	<u>104,507</u>	<u>104,507</u>	<u>-</u>	<u>108,861</u>	<u>108,861</u>

Total fees payable to the auditors are £102,500 (2019: £86,159). Of this £12,000 (2019: £12,000) are for audit fees, £79,268 (2019: £61,679) are for other accountancy and consultancy services and £11,232 (2019: £12,480) are property management fees. Property management fees are included in Raising Funds in Note 5 and all other costs are included in Governance costs.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

No employee received emoluments more than £60,000 per annum. The average monthly number of employees and full time equivalent during the year was:

	2020 Number	2019 Combined Number
	4	4
Employment costs	2020 £	2019 Combined £
Wages and salaries	65,848	65,423
Social security costs	1,901	4,613
Defined contributon pension costs	1,387	2,393
	69,136	72,429

10 Net gains/(losses) on investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 Combined £
Gain/(loss) on sale of investments	(1,154)	723,046
Revaluation of investment properties	-	2,475,000
	(1,154)	3,198,046

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	4,241,241	257,734	32,820	74,350	4,606,145
Additions	-	7,156	2,861	26,621	36,638
At 31 December 2020	4,241,241	264,890	35,681	100,971	4,642,783
Depreciation and impairment					
At 1 January 2020	-	248,689	28,737	73,141	350,567
Depreciation charged in the year	-	1,450	1,500	5,392	8,342
At 31 December 2020	-	250,139	30,237	78,533	358,909
Carrying amount					
At 31 December 2020	4,241,241	14,751	5,444	22,438	4,283,874
At 31 December 2019	4,241,241	9,045	4,083	1,209	4,255,578

	2020	2019
	£	Combined £
Freehold	3,881,743	3,881,743
Long leasehold	359,498	359,498
	4,241,241	4,241,241

Land and buildings are used by the Sisters for their own occupation and these buildings are not depreciated. Their value and condition are reviewed annually by the trustees who are satisfied that the residual value of these properties is not materially less than their book value.

12 Investment property

	2020
	£
Fair value	
At 1 January 2020 and 31 December 2020	17,125,000

Investment property comprises freehold properties. The fair value of the investment property has been arrived at using the trustees' estimation of market value for similar properties in the relevant locations and based on guidance from estate agents and professional valuers.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2020 £	2019 Combined £
Cost	1,838,563	1,838,563
Accumulated depreciation	-	-
Carrying amount	<u>1,838,563</u>	<u>1,838,563</u>

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	7,558,100
Additions	837,195
Movement in fair value	13,410
Disposals	(863,121)
At 31 December 2020	<u>7,545,584</u>
Carrying amount	
At 31 December 2020	<u>7,545,584</u>
At 31 December 2019	<u>7,558,100</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments (Continued)

	2020	2019 Combined
	£	£
Investments at fair value comprise:		
UK fixed interest	2,107,263	2,020,453
UK equity shares	1,828,413	2,121,845
Overseas equity shares	2,270,926	2,069,308
Other UK investments	-	48,580
Other Overseas investments	1,169,545	1,143,571
Cash held by investment managers for reinvestment	169,437	154,343
	<u>7,545,584</u>	<u>7,558,100</u>

The historic cost of the fixed asset investments at the year end is £6,478,983 (2019: £6,497,258).

14 Debtors

	2020	2019 Combined
	£	£
Amounts falling due within one year:		
Other debtors	313,649	65,000
Prepayments and accrued income	13,461	30,249
	<u>327,110</u>	<u>95,249</u>

15 Creditors: amounts falling due within one year

	2020	2019 Combined
	£	£
Other taxation and social security	4,727	3,601
Trade creditors	9,960	37,067
Other creditors	210	184,869
Accruals and deferred income	312,304	65,000
	<u>327,201</u>	<u>290,537</u>

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £1,387 (2019 Combined - £2,393).

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Unrestricted funds

Unrestricted funds

- General funds are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

- Designated fund (Retirement fund) consists of funds which the trustees have set aside in order to provide for sisters' future care needs. The valuation of the retirement fund is based on actuarial methods.

	Balance at 1 January 2020	Incoming resources	Movement in funds			Balance at 31 December 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
General fund	28,273,098	1,454,777	(1,198,600)	3,100,000	(1,154)	31,628,121
Retirement fund	3,100,000	-	-	(3,100,000)	-	-
	<u>31,373,098</u>	<u>1,454,777</u>	<u>(1,198,600)</u>	<u>-</u>	<u>(1,154)</u>	<u>31,628,121</u>

In the previous year £3.1m was designated as a retirement reserve to provide for Sisters' future care needs. During the current year the retirement reserve has been transferred back to general funds as the financial requirements of the Sisters' care needs is now guaranteed by the Congregation of Notre Dame de Sion Limited. This is linked in with the donation by the charity in 2021 of its listed investments to Congregation of Notre Dame de Sion Limited as part of the shared resources.

18 Analysis of net assets between funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 Combined £
Fund balances at 31 December 2020 are represented by:		
Tangible assets	4,283,874	4,255,578
Investment properties	17,125,000	17,125,000
Investments	7,545,584	7,558,100
Current assets/(liabilities)	2,673,663	2,434,420
	<u>31,628,121</u>	<u>31,373,098</u>

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Operating lease commitments

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2020	2019 Combined
	£	£
Within one year	246,488	272,488

The charity leases one of its properties on a long term lease. However, the lessee has the right to cancel the lease with 1 years notice. The contracted rents above included 1 years rent in respect of that long lease

20 Merger

The company, Congregation of Our Lady of Sion (UK) (COLOS), was incorporated on 30 January 2019 and obtained charitable status on 18 April 2019. The charitable activities commenced on 1 January 2020. The connected charity Congregation of Our Lady of Sion Region of the United Kingdom & Ireland (OLOS) transferred its assets and liabilities and all of its activities to the charity on 1 January 2020 when the activities of OLOS ceased. The accounts of the charity are prepared under the merger accounting method in accordance with UK GAAP, these accounts treat the charity as on going entity.

The merger occurred on the first day of the current accounting period, all of the results included in the entity's Statement of Financial Activities (SoFA) for the year ended 31 December 2020 relate to the merged Charity.

COLOS had limited activity in the period ended 31 December 2019, the only transactions reported in its SoFA for that year were Charitable activities costs of £141. All other results shown in the merged SoFA for the year ended 31 December 2019 relate to OLOS.

The aggregate carrying amount of the net assets for each party to the merger were as follows: -

COLOS - (£141) - all unrestricted

OLOS - £31,373,239 - all unrestricted

The merger occurred due to the incorporation of a previously unincorporated charity, as a result it was not necessary to make any significant adjustments in order to align accounting policies.

21 Events after the reporting date

Since the year end, all of the investments disclosed in note 13 have been donated to the Congregation of Notre Dame de Sion Limited, the fair value of those investments when donated was £7,447,284, This is part of an agreement across all the Sion charities for each region around the world to share resources.

CONGREGATION OF OUR LADY OF SION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Related party transactions

During the year the charity entered into the following transactions with related parties:

Sister B Dorrian and Sister A Lee, Trustees of the charity, were also trustees/directors of Our Lady of Sion School, Worthing until June 2020. The charity owns the property from which the school operates and during the year the school paid rent to the charity of £141,087 (2019: £142,488).

During the previous year, it was recognised that the school had paid rent in excess of that required by the lease. During that year approximately £177,000 was recognised as repayable to the school and this was reflected in the 2019 accounts by a reduction of rental income.

The Charity has met its repair obligations under the lease with the school. The cost of repairs included in these accounts was £256,681 (2019: £Nil).

The Congregation of Notre Dame de Sion Limited is a related party by virtue of being under common control of the members of the same Order.

During the year, the charity recognised donations from Congregation of Notre Dame de Sion Limited totalling £434,040 (2019: £Nil).

23 Cash generated from operations	2020 £	2019 Combined £
Surplus for the year	255,023	2,952,013
Adjustments for:		
Investment income recognised in statement of financial activities	(621,134)	(514,326)
Loss/(gain) on disposal of investments	1,154	(723,046)
Fair value gains and losses on investment properties	-	(2,475,000)
Depreciation and impairment of tangible fixed assets	8,342	3,544
Movements in working capital:		
(Increase) in debtors	(253,064)	(14,209)
Increase/(decrease) in creditors	49,664	(96,081)
Cash absorbed by operations	(560,015)	(867,105)

Cash and cash equivalents consist of cash at bank and in hand amounting to £2,673,754 (2019: £2,629,708).

24 Analysis of changes in net funds

The charity had no debt during the year.