

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

---

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

---

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

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	
		£	£	£	£
<b>Fixed assets</b>					
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
<b>Current assets</b>					
Debtors	14	327,110		95,249	
Cash at bank and in hand		2,673,754		2,629,708	
			3,000,864		2,724,957
<b>Creditors: amounts falling due within one year</b>	15	(327,201)		(290,537)	
Net current assets			2,673,663		2,434,420
<b>Total assets less current liabilities</b>			31,628,121		31,373,098
<b>Income funds</b>					
<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	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(560,015)		(867,105)
<b>Investing activities</b>					
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	
<b>Net cash generated from investing activities</b>			604,652		701,523
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			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
<b>Cash and cash equivalents at end of year</b>			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

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 Combined £</b>
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

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

### 5 Raising funds

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 Combined £</b>
<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
	<hr/>	<hr/>
Investment management costs	344,675	110,905
	<hr/>	<hr/>

# 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
<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	£	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
	£	£	£	£	£
<b>Cost</b>					
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
<b>Depreciation and impairment</b>					
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
<b>Carrying amount</b>					
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
	£
<b>Fair value</b>	
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	1,838,563	1,838,563

### 13 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	7,558,100
Additions	837,195
Movement in fair value	13,410
Disposals	(863,121)
At 31 December 2020	7,545,584
<b>Carrying amount</b>	
At 31 December 2020	7,545,584
At 31 December 2019	7,558,100

# 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)
<b>Cash absorbed by operations</b>	<b>(560,015)</b>	<b>(867,105)</b>

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.