

**GRACE AND COMPASSION BENEDICTINES CIO**  
**(Registered Charity Number 1187262)**

**TRUSTEES' REPORT AND ACCOUNTS**

**30 SEPTEMBER 2021**

**GRACE AND COMPASSION BENEDICTINES CIO**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Trustees (all appointed as first trustees)</b>	Kathryn Yeeles Carmel Murtagh Thaya Moses Metilda George Beatrice Ajwari
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The Trustees who served during the year and since the year end are listed above.

<b>Prioress General</b>	Kathryn Yeeles
<b>Principal Office</b>	Grace and Compassion Convent St Mary's House 38/39 Preston Park Avenue Brighton BN1 6HG
<b>Named Correspondent</b>	D.J. Clark FCA 1st Floor, Church House 61 College Road Bromley BR1 3QG
<b>Governing Instrument</b>	CIO Association registered 8 January 2020
<b>Charity Registration Number (England and Wales)</b>	1187262
<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Solicitors</b>	Stone King 13 Queen Square Bath BA1 2HJ
<b>Bankers</b>	National Westminster Bank Plc 8 Pavilion Buildings Castle Square Brighton BN1 1DP
<b>Investment Managers</b>	Charles Stanley & Co. Limited 55 Bishopsgate London EC2N 3AS
<b>Investment Powers</b>	Under the Congregation's Trust Deed there are no limitations in the Trustees' powers of investment.

# **GRACE AND COMPASSION BENEDICTINES CIO**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Trustees are pleased to present their report for the year ended 30 September 2021.

The charity has not yet become active but will do so when it takes over the operations, assets, liabilities and commitments of its predecessor charity, the Grace and Compassion Benedictines, a charitable trust (registered charity number 1056064) through which the sisters currently conduct their charitable affairs in England and Wales.

## **CHARITABLE OBJECTIVES**

The objects of the CIO are for the public benefit:

- the promotion of religion and education and the relief of poverty and sickness in accordance with the doctrines of the Roman Catholic Church; and
- any other charitable purpose which shall advance the religious, educational and other charitable work for the time being carried on, directed or supported by the Congregation;

in such manner as the Trustees with the consent of the Prioress General shall from time to time think fit.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Trustees and Organisational Structure**

The Congregation is administered by its General Council which consists of the Prioress General and her four Councillors. These Sisters are elected by the General Chapter for a term of eight years and four years respectively, and are currently the Charity's Trustees. They are widely experienced in senior management of the charitable trust's Care Homes and other activities, closely monitoring all aspects of its work, and meeting frequently. They are assisted by an Advisory Body consisting of priests and lay members experienced in social justice and finance, law and property, and a small committee meets throughout the year to advise the Trustees with their professional expertise.

### **Appointment of Trustees**

The first Trustees are as follows and are appointed for the following terms:

Sister Kathryn Yeeles	Until the end of her term as Prioress General
Sister Carmel Murtagh	Until the end of her term as General Councillor
Sister Thaya Moses	Until the end of her term as General Councillor
Sister Metilda George	Until the end of her term as General Councillor
Sister Beatrice Ajwari	Until the end of her term as General Councillor

Apart from the first Trustees, every appointed Trustee must be appointed by a resolution in writing by the Prioress General.

Trustees may retire by giving written notice and may, be removed "inter-alia", by a resolution of the Trustees.

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

#### **Key Management Personnel**

The Trustees consider that the key management of the Charity consists of themselves as much of the day to day running of the Charity's operations will devolve to them. As religious Sisters, under a vow of poverty, the Trustees do not receive, nor intend to receive any remuneration.

#### **PUBLIC BENEFIT**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to their aims and objectives, as described elsewhere in this report

#### **INTENDED ACTIVITIES**

The policy of the charity will be to provide comfort and security in a loving family atmosphere for those in need, e.g. the elderly in the UK. Each person is valued, independent and their privacy respected; there will be maximum freedom, opportunity for development of interests and spiritual care; plenty of activity, yet opportunity for space.

#### **Strategy**

The Charity's strategy will be as follows:

- To continue to maintain and improve services to the elderly and frail in the UK, having in mind, also, the expected growth in the U.K's elderly population; to support the Congregation's overseas communities in their activities and service.
- To respond to newly encountered needs within our scope; in the UK, and in Africa, India, Sri Lanka, development will be demand-led.
- Providing financial support to back up the overseas Sisters' own income-generating and fund-raising efforts.
- To review houses and activities in order to concentrate human and financial resources where most needed.
- To foster the international Congregation's development and multi-cultural unity, including the training of Sisters in diverse roles to fulfil the Charity's work and develop their religious lives which underpin it.

## GRACE AND COMPASSION BENEDICTINES CIO

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### INTENDED ACTIVITIES (continued)

##### *Care and Accommodation in UK*

##### **Retirement Accommodation**

Consists of flats for the active elderly where residents cater for themselves and have maximum independence. Discreet help is available from lay people or the Sisters according to the location and circumstances.

		Numbers Accommodated
Oakampton House and Gate House	Bury St. Edmunds, Suffolk	22
Padua House	Woodingdean, Brighton	16
Brighton Flats	17 Harrington Villas	3
Holy Cross Priory	Heathfield, E. Sussex	55
TOTAL		96

##### **Care Homes**

For the frailer person, 24 hour care is provided in the charity's care homes where residents are comfortable and safe in their own en suite rooms. Facilities include laundry, chiropody, hairdressing, personal shopping, games, outings, interests, and library. There are opportunities for worship - Roman Catholic chapel, Anglican services, and provision for other denominations. The Sisters are committed to loving service, respect for human dignity and the development of each person, valuing their uniqueness. Over the years, the age of residents coming to live in the charity's residential accommodation has increased and the majority are well over 90 years of age.

Holy Cross Care Home provides nursing care for the very frail and dying in a loving family atmosphere, where the Sisters and lay staff are privileged to give physical and spiritual help to both the residents and to their relatives and friends.

Some residents pay privately while others receive funding from their local authority. The work of providing accommodation for the elderly has grown steadily from 1954, when it was founded at St Mary's House in Brighton.

		Registered Capacity
Holy Cross Care Home	Heathfield, E. Sussex	60
Montana	Bury St. Edmunds, Suffolk	19
More Hall Convent	Stroud, Gloucestershire	10
St. Mary's House	Brighton, E. Sussex	12
TOTAL		101

In its 60 years or so of existence the Congregation has acquired a considerable estate. This is derived largely from legacies and gifts made by those who are interested in its work or who have benefited from it. The administration of this estate and its proper use has increased and improved through the dedication of the Sisters, who do not receive salaries, and it is the generosity of our benefactors that has enabled the charity to develop.

## GRACE AND COMPASSION BENEDICTINES CIO

### TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### INTENDED ACTIVITIES (continued)

##### Support of Overseas Missions

The Congregation's work in the Missions follows the same policy, although there is diversification according to local needs, such as destitution, sickness and lack of employment:

##### India

- *Grace and Compassion Priory, Tiruvannamalai*

A home for destitute old people; a nursery school for poor children; a hospital and village clinics with the full range of treatment, maternity and preventative care for all ages

- *St. Benedict's, Adaiyur, Tiruvannamalai*

Nursing School for those from disadvantaged backgrounds.

- *House of Peace, Yercaud, Salem*

Retreat and Conference Centre, Guest House.

- *Our Lady of Light, Bangalore*

A home for frail elderly people.

- *St. Scholastica's, Makkiyad*

Residential and nursing care for the elderly and mentally challenged.

- *St. Joseph's, Piravom*

A newly built home for the elderly was opened in 2018

##### Sri Lanka

- *Melville, Moratuwa*

The Sisters run a care home for the frail elderly which has recently been renovated and extended.

- *St. Joan's, Ja-Ela*

Care for frail elderly, some of whom are unable to pay. The Sisters also carry out parish work.

- *Villa Maria, Mugunuatawan, Chilaw*

Home for the elderly.

- *Mattakelle*

A small group of Sisters are working in a rural parish where there is a Montessori School.

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

#### **INTENDED ACTIVITIES (continued)**

##### **Support of Overseas Missions Sri Lanka (continued)**

- *Millewa, Horana*

A new home for the elderly was completed in June 2019 and officially opened in September 2019.

##### **Kenya**

- *Grace and Compassion Convent, Mundika, Busia*

The Sisters have a home for destitute old people, and Sisters support a number of elderly in the local villages. They also perform some parish work, tailoring, candle-making, host baking and run a small shop which generates some income. The sisters run a nursery and primary school. A Guest House provides accommodation for up to 32 people and is a source of income and a valuable facility for both local and overseas visitors.

There is also a small house in Nairobi to provide a base for Sisters who are studying.

- *Grace and Compassion Convent, Chebukaka*

A small community moved into a former diocesan retreat centre where the sisters run a vocational school.

- *Kibabii*

Following a donation of land near Bungoma the Sisters have built a hostel to provide accommodation for female religious and students who are attending the local Universities. This was opened in July 2020.

##### **Uganda**

- *Grace and Compassion Convent, Irundu, Jinja District*

The Sisters perform parish work, and run a nursery and primary school.

- *St Mary's House, Jinja*

This house is used as a base for studies and some parish work. Adjacent to the original building we have purchased a second house with some land where the Sisters are growing maize, vegetables and fruit. The property has been renovated and the Sisters have moved into the new convent and a Chapel has been built. A small nursery school was opened in January 2017.

All the overseas houses run farms to provide food and income. Strenuous efforts are made towards self-support, but some shortfall is inevitable as the work is for the poor. Grants are made by the Grace and Compassion Benedictines' UK charity to its partners administered by the Sisters overseas. Capital expenditure is met through applications to grant making charities made by the overseas Communities; appeals in the UK specifically for our Mission work; allocation of legacies made by benefactors wishing to support our Missions.

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

### **PLANS FOR THE FUTURE**

The Trustees intend to make the transfer from the Charitable Trust to the CIO as soon as possible. The date of transfer is dependent upon certain factors which are beyond the control of the Trustees; they hope to complete the process once circumstances permit.

The Trustees do not intend to make significant changes to activities and management of the undertaking.

The charity has no long-term plans to create new care homes and retirement villages, but will continue to improve its existing portfolio of properties in order to provide an up to date and comfortable environment for its elderly residents and tenants.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees 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).

The law applicable to charities in England & Wales 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 of the charity for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- adopt the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Trustees are responsible for keeping proper 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 Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 6 April 2022 and signed on their behalf by:

K Yeeles  
Trustee

**GRACE AND COMPASSION BENEDICTINES CIO**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The CIO did not become active until after the year-end. Therefore, no transactions fall to be recorded in the Statement of Financial Activities, in either the current or a preceding financial period.

**BALANCE SHEET**

**AS AT 30 SEPTEMBER 2021**

As the CIO did not receive any income or assets prior to the year-end, there were no assets or liabilities to record in its Balance Sheet as at that date.

Approved by the Trustees on 6 April 2022 and signed on their behalf by:

K Yeeles  
Trustee

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **PRINCIPAL ACCOUNTING POLICIES**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

#### **Basis of preparation**

The financial statements have been prepared in accordance with all statutory requirements and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Figures are presented in sterling and rounded to the nearest pound.

#### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees to make significant judgements and estimates. There are no such items in these accounts.

#### **Assessment of going concern**

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

The Trustees of the charity have concluded that there are no other material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. Any significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 30 September 2022, the most significant factors likely to affect the financial future of the charity are the uncertain economic outlook, particularly that which applies to all organisations providing care services, and the pressure on Local Authority finances with its consequent effect on fee levels and the rate of increase in care costs which is tending to run at above the general rate of inflation.

#### **General Information**

The Charity is registered in England and Wales (charity no: 1187262). The Charity's principal office address is Grace and Compassion Convent, St Mary's House, 38/39 Preston Park Avenue, Brighton, BN1 6HG.

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **PRINCIPAL ACCOUNTING POLICIES**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

##### **Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either:

- the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, and
- when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of care services service is deferred until the criteria for income recognition are met.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

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

##### **Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's Nursing and Care Homes and its Retreat Centres as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations and direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.
- Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision to terminate employment is made and communicated to the relevant employee(s).

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment..

## GRACE AND COMPASSION BENEDICTINES CIO

### PRINCIPAL ACCOUNTING POLICIES

#### FOR THE YEAR ENDED 30 SEPTEMBER 2021

##### Tangible fixed assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

	Annual rate
Freehold land	Nil
Freehold buildings	2% to 2.5%
Furniture, fittings and equipment	10 %
Motor vehicles	25%

##### Financial Instruments and investments

The charity will only hold financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Quoted investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains or losses on investments are disclosed in the statement of financial activities as a combined figure for realised gains or losses from investment sales in the year (sale proceeds less market value last year) and unrealised gains or losses arising from the increase/decrease in value during the year of investments still held.

##### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

##### Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

##### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **GRACE AND COMPASSION BENEDICTINES CIO**

### **PRINCIPAL ACCOUNTING POLICIES**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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

##### **Foreign currencies**

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

##### **Pension contributions**

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the employer's share of contributions. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions, as calculated each month and paying across the deductions for both employer's and employees' contributions.