

Charity Registration No. 1188025

Company Registration No. CE020748 (England and Wales)

**SISTERS OF ST JOSEPH OF THE APPARITION CIO
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

SISTERS OF ST JOSEPH OF THE APPARITION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees'	Sister J Arrowsmith Sister M McNamara Sister T Cooney Sister A Callaghan
Charity number	1188025
Company number	CE020748
Principal address	Convent of St. Emilie Grange Road Bowdon Vale Cheshire WA14 3EZ
Auditors	Azets Audit Services Alpha House 4 Greek Street Stockport Cheshire SK3 8AB United Kingdom
Bankers	Royal Bank of Scotland plc Commercial Banking UK 1 Spinningfields Square Deansgate Manchester M3 3AP

SISTERS OF ST JOSEPH OF THE APPARITION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Wardhadaway Solicitors
10 Chapel Walks
Manchester
M2 1HL
United Kingdom

Stone King LLP
Broad Quay House
Bristol
BS1 4DJ

Investment managers

Barclays Wealth and Investment Management
1st Floor 3 Hardman Street
Spinningfields
Manchester
M3 3AX

SISTERS OF ST JOSEPH OF THE APPARITION CIO

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SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and accounts for the year ended 31 December 2021

INTRODUCTION

The Sisters of St Joseph of the Apparition CIO 1188025 (previously Charitable Trust 226571) is part of an international Roman Catholic Religious Congregation supporting many Sisters worldwide. It was founded in France in 1832 and is divided into individual provinces. Its Generalate is now located in Rome.

The accounts accompanying this report are the accounts of the CIO of which the assets of the Congregation in England are held.

MISSION

The Sisters of St Joseph of the Apparition CIO aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives within the Congregation.

Their overall objective is to further the knowledge of God's love for humanity through the lives and actions of its members working for the wellbeing of people, whether directly through their own involvement, or indirectly when that is impossible, by financially supporting other charities in a position to do so.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of individual sisters and lay staff, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on the advancement of religion and fee charging.

The original objective or mission of the Charity in this Province was to provide care homes for aged, infirm and indigent people who could contribute according to their means, the deficiency in their contributions being made up, as far as possible, by donations from friends.

These objectives were subsequently widened - in line with the spirit of the Order and the needs and opportunities which arose - to include the provision of schools, hospitals and social work.

In recent years (as the Charitable Trust 226571) our direct involvement has been considerably reduced due to the lack of candidates to the Religious Life and the consequent increase in the average age of the Sisters of the Province.

However, they are currently involved in:

- Caring for the members of the congregation
- Social and pastoral work
- Operation of a nursing home
- Supporting their Religious Order International missionary work
- Supporting other Charities who do similar work.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

In terms of Canon Law, the Congregation is governed at an international level by the Superior General and her General Council live in Rome. The General Council Members are elected every six years at a General Chapter which is a meeting of representatives of all the Provinces of the Congregation.

The English congregation became part of a larger European Province in 2019. The management of this Province consists of a European Provincial Sister and a team of Sisters, called Councillors.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In terms of Civil Law the Charity is governed by the Constitution of the Sisters of St Joseph of the Apparition CIO, agreed by the applicants on 03 January 2020, and registered on 18 February 2020. Registered Charity number 1188025.

- **Current Trustees**

Sister Mary McNamara – Chair of Trustees and Bursar
Sister Janet Arrowsmith - Management Team
Sister Gabriel Cooney – Management Team
Sister Anita Callaghan – Management Team

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities. When necessary, the trustees seek advice and support from the charity's professional advisers.

The day to day management of the Lady of the Vale Nursing Home is delegated to the external management company Careport Limited with appropriate members of the qualified management team in house.

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise, and report on the same in their annual report, the trustees have looked at the risks the Congregation faces and have reviewed the measures already in place or needing to be put in place, to deal with them.

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

Public benefit

In the opinion of the trustees the activities of the Charity are clearly for public benefit, as evidenced by the objectives and activities noted below. The Trustees have considered the Charities Commission's Public Benefit Guidance when carrying out activities.

ACTIVITIES AND SPECIFIC OBJECTIVES AND RELEVANT POLICIES

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

1. Caring for the members of the Congregation

The Congregation has an obligation to provide care for its members, none of whom have resources of their own and all of whom, as committed members, have devoted a significant part of their lives to the care of the elderly, poor and marginalized in society. The Trustees feel they must make adequate arrangements for any contingencies which might arise.

2. Spiritual, Social and pastoral work

The aims of the trustees in this area, where possible, are to enable all members of the Congregation to carry out meaningful social and pastoral work within the community after assessing their skills and the needs of the local area

SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. Lady of the Vale Nursing Home

The philosophy of care at the home is to ensure a homely, friendly and open atmosphere among residents and staff whilst maintaining the privacy, dignity, rights and quality of life of all residents. In operating the Home the trustees aim to provide excellent care by employing high quality staff, and ensure that the home meets the required standards and is financially viable.

4. Supporting International missionary work

The Charity provides the only financial support for the Congregation's healthcare and educational mission in Peru and supports international projects wherever a need arises.

5. Donations and support of missionary work and ministry

Donations in support of missionary work and ministry overseas are decided on by the Trustees. The Charity supports the work of several other charities, especially CAFOD, serving needs in underdeveloped countries. The Charity also gives support to organisations in the United Kingdom whose work is within the objects of the Charity. The Charity does not regard itself as a grant-making entity.

Other Specific Objectives and Relevant Policies:

Protection of Children and Vulnerable Adults

Along with all other organisations who serve in the community, the Trustees recognise the absolute necessity of ensuring the protection and safety of all those the Charity serves. The Trustees are committed to implementing all policies and procedures of the Catholic Safeguarding organisations. One of the sisters has been nominated as Safeguarding link.

Investment policy

The Charity's investments are managed by Barclays. There are no restrictions on the Charity's power to invest. The investment strategy is authorised by the Trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the Trustees from time to time. There is also an Ethical Policy precluding investment in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

The performance of the portfolio and the Charity's investment strategy are reviewed by the Trustees who meet with the investment managers every three months.

Property Management Policy

The trustees have adopted the management of their property portfolio by an annual review of the properties and land held within the charity. Decisions may be made at different times if, for example, a let property becomes vacant.

The suitability of the accommodation for the ageing sisters will be fully reviewed each year, as the desire is to keep the Sisters in their own community home for as long as possible.

Consideration will be made of the sustainability of any property in order to avoid situations where costs will be incurred on a property that will be closed in the very near future.

Before signing any contract concerning property, the trustees must discuss the issue in depth with advice from external professionals. All major decisions have to be submitted to the European Provincial. Permission is then obtained to sell or buy through the new Provincial who is obliged to obtain permission from the General Superior in Rome.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE

1. Care of members of the Congregation

The Charity continued to assist members of the Congregation in charitable and religious work, and also attend to their physical and spiritual needs. Members of the congregation are given the opportunity for private worship and to continue to develop their knowledge and trust in Jesus through quiet prayer, study of the Bible and spiritual retreat.

2. Spiritual, Social and pastoral work

The Sisters, where possible, continued throughout the year to carry out as many forms of social and pastoral work in order to fulfil their individual ministries. This work enables the Charity to reach out to those in need within society generally. Two Sisters from Myanmar now work here under our sponsorship. One sister is based in the deprived area of Wythenshawe, Manchester and one sister is the Superior of the Bowdon Convent in Cheshire.

3. Lady of the Vale Nursing Home

The quality of care being provided in the Home has been maintained and continues to meet the requirements of the Quality Care Commission.

The Trustees made the decision to employ an external Management Company Careport Ltd to oversee the day to day management of the Nursing Home in place of the Sisters themselves, and also to further improve the Nursing Home. The Trustees continue to monitor the management of the nursing home.

The Charity donated £4,452 to the Home, from a restricted fund to assist families in need of financial help. They also donated £25,000 to assist with Wi-Fi upgrade.

The trustees feel that this is an important work to support and are prepared to assist financially in special circumstances, such as COVID19 has affected the occupancy levels and therefore the income of the home.

4. International missionary work

During the year the charity transferred £212,194 in Solidarity giving to various countries. The Trustees again supported their work in Peru - £40,000. The English Charity now supports the Irish charity - £88,068 and they contributed £44,124 towards the running costs of the European Province.

5. Donations and support of missionary work and ministry

General Fund Alms giving totalled £139,286. This was donated to both UK and overseas charities and individuals.

Restricted Fund Alms giving totalled £633,686. This includes a final donation of £500,000 was given to Mosscaire/St Vincent de Paul in a joint project to improve senior living in managed communities in Manchester.

FUTURE PLANS

The Trustees decided in 2019, following the advice of professional lawyers, to change the Charitable Trust to that of a "CIO". This took place at 31 December 2020.

The charity finances have suffered, again in 2021, by the impact of the Pandemic, "COVID19"; this has had negative financial implications on the Charity, reducing income and increasing costs.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees will monitor the activities of the charity and make changes where necessary as they continue to:

- care for the sisters and to monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members. To encourage our fundamental missionary spirit, in facilitating international communities while living and helping in a multicultural area.
- operate a care home, via a management company, and, in particular to provide quality of care for residents in a dignified and friendly environment:
- support the Congregation's work in the Far East, Latin America and the Middle East and for the trustees to satisfy themselves that the funds are applied for their intended purpose.
- make donations to charities such as CAFOD to enable missionary and ministry work to be carried out around the world to further the knowledge of God's love for humanity.

RESERVES POLICY AND FINANCIAL POSITION

The balance sheet shows total reserves of £37,718,895. Of this £32,405,015 is represented by properties plus investments used to support the work of the Sisters.

The remaining funds include:

- Designated funds relating to the Lady of the Vale Nursing Home. This is designated by the Trustees to be applied in future years towards development of the Nursing Home and for ensuring its continued work. A second Designated fund is the Sisters Pension Fund. This is to provide support for the sisters in their retirement.
- Funds belonging to two Restricted Funds, one is available to help aged people who are unable to defray their own nursing expenses, to be cared for in registered homes and the other to support the work of the Sisters in Peru. Such funds are not available to fund the other works of the Charity or of the Sisters.

The reader will discern from the foregoing that the charity carries out a diverse range of activities and is responsible for care and support of sisters whose average age is increasing and whose needs are changing.

The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work and its commitments, the level of free reserves should be approximately equal to 8 months' expenditure.

In the year ended 31 December 2021, total incoming resources amounted to £2,248,001. Of the incoming resources, a total of £1,504,234 related to fees receivable by the Lady of the Vale Nursing Home.

Investment income received in the year totalled £483,195, and other income totalled £227,986, of which £151,299 related to salaries and pensions received by the Sisters.

Voluntary income received in the year totalled £32,586.

Total resources expended amounted to £3,445,931. The total expenditure of the Lady of the Vale Nursing Home amounted to £1,701,977

Donations made in the year were £985,289. Expenditure on fees paid to the charity's investment managers during the year amounted in total to £104,244.

Net outgoing resources before investment gains/losses for the year were a loss of £1,197,930. Disposals and revaluations of investments resulted in a gain of £3,374,324.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees', who are also the directors of Sisters of St Joseph of the Apparition CIO for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees' to prepare accounts 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 accounts, 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; and
- prepare the accounts 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 accounts 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.

Disclosure of information to auditors

Each of the Trustee's 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 auditors are aware of such information.

Auditors

Azets Audit Services were appointed auditors to the company, a resolution proposing that they be re-appointed will be put to the members.

On behalf of the board of trustees'

Kim McNamara

Sister M McNamara

Trustee

Dated: 23/08/22.....

SISTERS OF ST JOSEPH OF THE APPARITION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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SISTERS OF ST JOSEPH OF THE APPARITION CIO

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF ST JOSEPH OF THE APPARITION CIO

Opinion

We have audited the financial statements of Sisters of St Joseph of the Apparition CIO for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 '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 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 annual report other than the financial statements and our auditor's report thereon. The are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF ST JOSEPH OF THE APPARITION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 responsibilities, the trustees 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 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SISTERS OF ST JOSEPH OF THE APPARITION CIO

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Ward (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment of a company under section 1212 of the Companies Act 2006

Date: 30/8/2022.

Charity Commission Number: 1188024

Company Registration Number: CE020748

SISTERS OF ST JOSEPH OF THE APPARITION CIO

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Incoming resources from generated funds</u>						
Donations and legacies	3	32,441	-	145	32,586	-
Trading activities	4	-	1,504,234	-	1,504,234	-
Investment income	5	337,932	101,210	44,053	483,195	-
		370,373	1,605,444	44,198	2,020,015	-
Other incoming resources	6	15,751	212,235	-	227,986	-
Total incoming resources		386,124	1,817,679	44,198	2,248,001	-
<u>Resources expended</u>						
<u>Costs of generating funds</u>						
Investment management costs	7	71,968	22,257	10,019	104,244	-
Net incoming resources available		314,156	1,795,422	34,179	2,143,757	-
<u>Charitable activities</u>						
Donations		351,479	-	633,810	985,289	-
Convent costs		567,586	30,950	17,468	616,004	-
Total charitable expenditure		919,065	30,950	651,278	1,601,293	-
Trading activities	4	-	1,701,977	-	1,701,977	-
Total charitable and trading expenditure		919,065	1,732,927	651,278	3,303,270	-
Governance costs	8	31,944	6,473	-	38,417	-
Total resources expended		1,022,977	1,761,657	661,297	3,445,931	-
Net (outgoing)/incoming resources		(636,853)	56,022	(617,099)	(1,197,930)	-
<u>Other recognised gains and losses</u>						
Net movement in investments		2,512,664	558,618	303,042	3,374,324	-
Net movement in funds		1,875,811	614,640	(314,057)	2,176,394	-
Fund balances at 1 January 2021		26,061,908	6,393,040	3,087,643	35,542,591	-
Fund balances at 31 December 2021		27,937,719	7,007,680	2,773,586	37,718,985	-

SISTERS OF ST JOSEPH OF THE APPARITION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	3,899,649		-	
Investments	13	32,405,015		-	
		<u>36,304,664</u>			
Current assets					
Debtors	14	1,131,506		-	
Cash at bank and in hand		543,217		-	
		<u>1,674,723</u>			
Creditors: amounts falling due within one year	15	(260,402)		-	
Net current assets		<u>1,414,321</u>			
Total assets less current liabilities		<u>37,718,985</u>			
Income funds					
General funds		27,937,719			
Restricted funds		2,773,586			
Designated funds		7,007,680			
		<u>37,718,985</u>			

The accounts were approved by the Board on

S. J. Arrowsmith
Sister J Arrowsmith
Trustee

M. McNamara
Sister M McNamara
Trustee

Charity Registration No. 1188025
Company Registration No. CE020748

SISTERS OF ST JOSEPH OF THE APPARITION CIO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net cash (outflow)/inflow from operating activities	17	(1,687,515)	-
Capital expenditure			
Payments to acquire tangible fixed assets		(6,990)	-
Investments			
Investment income		483,195	-
Investment movements		(402,008)	-
Net cash inflow		74,197	-
Decrease in cash	18	(1,613,318)	-

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Sisters of St Joseph is an unincorporated charity with registered charity number 118025. Its headquarters are located at Convent Lodge, Grange Road, Bowden, Altrincham, WA14 3EZ.

1.1 Basis of preparation

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts 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 accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds are funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Freehold land is not depreciated

Freehold buildings 0% as the residual value is deemed the fair value

Plant and machinery 20% straight line

Motor vehicles 20% 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 Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 at bank and in hand 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 receipts 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.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the terms of the relevant lease.

2 Critical account estimates and judgement

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	1,435	145	1,580	-
Legacies receivable	31,006	-	31,006	-
	<u>32,441</u>	<u>145</u>	<u>32,586</u>	<u>-</u>

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Trading activities

	2021	2020
Nursing home fees	1,504,234	-
Staff costs	(1,243,501)	-
Repairs and equipment	(180,075)	-
Management fees	(60,493)	-
Water, power and rates	(68,436)	-
Consumables and amenities	(90,775)	-
Other costs	(58,697)	-
Net income (loss) from trading activity	(197,743)	-

5 Investment income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Rental income	25,560	1,694	-	27,254	-
Dividends	233,322	71,231	31,566	336,119	-
Investment interest	79,050	28,285	12,487	119,822	-
	337,932	101,210	44,053	483,195	-

6 Other incoming resources

	Unrestricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Other income	15,751	60,936	76,687	-
Sisters' pensions	-	151,299	151,299	-
	15,751	212,235	227,986	-

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Total resources expended

	2021 £	2020 £
Costs of generating funds		
Investment management costs from unrestricted funds	104,244	-
Investment management costs	104,244	-
Charitable activities		
<u>Donations</u>		
Donations from restricted funds	633,810	-
Donations from unrestricted funds	351,479	-
Total	985,289	-
<u>Convent costs</u>		
Restricted convent costs	48,418	-
Unrestricted convent costs	567,586	-
Total	616,004	-
Trading activities		
Care home costs from designated funds	1,701,977	-
	3,303,270	-

8 Governance costs

	2021 £	2020 £
Accountancy	22,914	-
Legal	8,935	-
Other costs	6,568	-
	38,417	-

9 Trustees'

None of the trustees' (or any persons connected with them) received any remuneration or expenses during the year.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
71	-

Employment costs

	2021 £	2020 £
Wages and salaries	363,915	-
Social security costs	21,890	-
Other pension costs	6,430	-
	392,235	-

No employees earned £60,000 per annum or more.

The Trustees received no remuneration in the period.

11 Taxation

As the order is a registered charity, no provision is made for either current or deferred taxation.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible assets

	£	£	£	£
	Land and buildings	Plant and machinery	Motor vehicles	Total
Cost/valuation				
At 1 January 2021	-	-	-	-
Transferred to entity	3,840,000	144,310	35,916	4,020,226
Additions	-	6,990	-	6,990
Disposals	-	-	(8,991)	(8,991)
At 31 December 2021	3,840,000	151,300	26,925	4,018,225
Depreciation and impairment				
At 1 January 2021	-	-	-	-
Transferred to entity	-	72,633	24,741	97,374
Depreciation charge for the year	-	26,091	4,102	30,193
Eliminated in respect of disposals	-	-	(8,991)	(8,991)
At 31 December 2021	-	98,724	19,852	118,576
Carrying amount				
At 31 December 2021	3,840,000	52,576	7,073	3,899,649
At 31 December 2020	-	-	-	-

The fixed assets of Sisters of St Joseph of the Apparition were transferred into the CIO on 1 January 2021 at the presented net book value.

Land and buildings were revalued at market value in 2019 by Trafford Surveyors Limited, Chartered Surveyors.

The historical cost of land and buildings was £2,199,085.

13 Fixed asset investments

	£
Listed investments	
Market value at 1 January 2021	-
Transferred to entity	27,583,682
Gains and losses on investments	1,887,395
Stockbroker fees	(97,989)
Capital introduced	500,000
Dividends	336,119
Interest	118,635
Funds forwarded to sisters	(454,756)
Increase in market value	1,486,929
Market value at 31 December 2021	31,360,015

SISTERS OF ST JOSEPH OF THE APPARITION CIO

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

13	Fixed asset investments		(Continued)
	Investment property		
	Market value at 1 January 2021		-
	Transferred to entity		1,045,000
	Gains (losses) on revaluation		-
	Market value at 31 December 2021		1,045,000
	Total fixed asset investments		32,405,015

14	Debtors	2021	2020
		£	£
	Trade debtors	31,101	-
	Other debtors	1,100,405	-
		1,131,506	-

Amounts falling due after more than one year and included in the debtors above are:

	2021	2020
	£	£
Other debtors due over 1 year	991,366	-

Included on other debtors is a balance of £991,366 due from Sligo Convent, an Irish charity linked through the Catholic Church.

15	Creditors: amounts falling due within one year	2021	2020
		£	£
	Trade creditors	57,100	-
	Other creditors	90,026	-
	Accruals	109,872	-
	Deferred income	3,404	-
		260,402	-

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	General funds £	Designated funds £	Restrctited funds £	Total £
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	3,777,073	52,576	70,000	3,899,649
Investments	22,764,323	6,964,642	2,676,050	32,405,015
Current assets	1,419,976	224,474	30,273	1,674,723
Creditors: amounts falling due within one year	(23,653)	(234,012)	(2,737)	(260,402)
	<u>27,937,719</u>	<u>7,007,680</u>	<u>2,773,586</u>	<u>37,718,985</u>

General Fund

The general fund is a free fund of the Trust; it is not tied as are the other funds, which are used for a particular defined purpose.

The general fund represents the activities of the convents within one community and includes the "Province" account which is used to accumulate the funds of each convent at the end of the financial year.

General funds includes a property revaluation reserve of £1,640,915 and an investment property revaluation reserve of £115,000.

Designated Fund

The designated fund relates to a nursing home. Their funds are not paid into the "Province account" at the end of the financial year but are used to fund operations in the coming year. Monies set aside for the Sisters on their retirement are also included in this fund. The designated fund also includes the pension fund.

Restricted Fund

The restricted fund represents monies:

- (i) set up in trust for the purpose of providing nursing care and assistance for the benefit of elderly people in the United Kingdom;
- (ii) held for the work of sisters in Peru to benefit the people of that country

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17	Net cash (outflow)/inflow from operating activities	2021 £	2020 £
	Reconciliation to changes in resources		
	Changes in resources before revaluations	(1,197,930)	-
	Investment income	(483,195)	-
	Depreciation of tangible fixed assets	30,194	-
	Increase in debtors	(74,660)	-
	Increase in creditors	38,076	-
		<u>(1,687,515)</u>	<u>-</u>

18	Reconciliation of net cash flow to movement in net funds	2021 £	2020 £
	Decrease in cash	(1,613,318)	-
	Net funds at 1 January 2021	2,156,535	-
	Net funds at 31 December 2021	<u>543,217</u>	<u>-</u>

19	Analysis of net cash balances	At 1 January 2021 £	Cash flow £	Non-cash changes £	At 31 December 2021 £
	Cash at bank and in hand	2,156,535	(1,613,318)	-	543,217
		<u>2,156,535</u>	<u>(1,613,318)</u>	<u>-</u>	<u>543,217</u>

20 Contingent liabilities

At 31 December 2021 there were no commitments to expenditure, and no provision was deemed necessary.

SISTERS OF ST JOSEPH OF THE APPARITION CIO

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Commitments under operating leases

At 31 December 2021 the company had annual commitments under operating leases as follows:

	2021 £	2020 £
Expiry date:		
Within one year	23,572	-
Between two and five years	90,714	-
In over five years	26,218	-
	<u>140,504</u>	<u>-</u>

22 Related parties

The trustees of the CIO were also the trustees of the Sisters of St Joseph of the Apparition Province of England and Ireland (Charity Registration Number 226571).

With effect from 1 January 2021, the activities, assets and liabilities of the Charity were transferred to the CIO in accordance with a legal deed of transfer.

The net assets transferred were:

	£
Tangible fixed assets	3,922,852
Investment properties	1,045,000
Investments	27,583,682
Debtors	1,056,848
Cash at bank	2,156,535
Creditors	(222,326)
Total net assets	35,542,591

Representing:

General funds	25,623,340
Revaluation reserve	438,568
Designated funds	6,393,040
Restricted funds	3,087,643
Total funds	35,542,591