

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO
(Registered Charity Number: 1189174)

REPORT AND ACCOUNTS

31 DECEMBER 2022

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NUMBER **1189174**

CONSTITUTION

The Charity is governed by a Charitable Incorporated Organisation constitution registered with the Charity Commission on 23 April 2020.

TRUSTEES OF THE CHARITY

Sister Anne Morris	Provincial Superior and trustee
Sister Margaret Abbott	Provincial Councillor and trustee
Sister Dympna Connolly	Provincial Councillor and trustee
Sister Eileen Gorman	Provincial Bursar and trustee

PRINCIPAL ADDRESS

Provincial House
103 Harlestone Road
NORTHAMPTON
NN5 7AQ

BANKERS

Barclays Bank plc
PO Box 3261
Ashton House
497 Silbury Boulevard
MILTON KEYNES
BX3 2BB

SOLICITORS

Pothecary Witham Weld
70 St George's Square
LONDON
SW1V 3RD

AUDITOR

Buzzacott LLP
130 Wood Street
LONDON
EC2V 6DL

INVESTMENT ADVISORS

Charles Stanley & Co Limited
55 Bishopsgate
LONDON
EC2N 3AS

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are pleased to present their report for the year ended 31 December 2022.

The charity (Registered Charity Number: 1189174) became active at midnight on 31 December 2020, when all the assets, liabilities, commitments and activities of the predecessor charitable trust (The English Province of the Congregation of the Daughters of the Holy Ghost – Registered Charity Number: 234520) were transferred to the CIO. Details of the transfer are set out in note 21 to the financial statements.

The Congregation of the Daughters of the Holy Spirit (The Congregation) is an International Roman Catholic Religious Congregation with communities in England, Wales, Ireland, France, Nigeria, Cameroon, Burkina Faso, Chile, Peru and the U.S.A. It was founded in Brittany, where the Generalate is located, in 1706. For administrative purposes it is divided into 3 provinces and 3 vice-provinces and one delegation. It is governed by its own constitution.

OBJECTS OF THE CHARITY

The object of the CIO is such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction of the Province as the Trustees with the approval of the Provincial Superior shall from time to time think fit. If the province shall cease to exist or shall cease to carry on any charitable work then the assets may be applied for such lawful charitable purposes which advance the religious and charitable work for the time being carried on by or under the direction of the Congregation.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission in determining the activities undertaken by the Charity

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Province is administered by the Provincial Superior, her Councillors, and the Provincial Bursar who are appointed by the General Council. The Provincial visits each community at least once every 12 months.

The General Chapter of the Congregation, which is held every six years, took place in July/August 2021. Between Chapters, province meetings are held on an annual basis to review the past year and to set objectives for the following year. The Provincial and her Council meet every month to discuss the needs of the Province. This year, some meetings of the sisters in the Province have taken place by Zoom but we have also gathered as a Province.

The trustees of the charity are the members of the Provincial Council, together with the Provincial Bursar. As all the trustees are members of the Congregation, they have a detailed knowledge of the work of the charity and of its structure. They meet on a monthly basis to review developments with regard to the charity and make important decisions. When necessary, they seek advice and support from the charity's professional advisers including its property consultants, investment managers, solicitors, accountants and insurance brokers. Regular financial reviews are carried out. The structure of the Congregation and its Council militates against dominance by any one individual. There is regular contact with the Generalate and the General Bursar, and the accounts are sent to them on an annual basis.

Training has taken place during the year: two trustees have attended the Bursar's Conference and all the Trustees have followed Zoom meetings, covering various topics related to their role as governors, for example, Safeguarding, modern day slavery, climate justice, health and care of the elderly, and an employment law update.

Key management

The trustees consider that the key management of the charity consists of themselves and, in particular, the Province Leader and Provincial Bursar to whom much of the running of the day-to-day operation devolves. As religious sisters, under a vow of poverty, the trustees do not receive remuneration.

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IN ORDER TO REALISE OUR OBJECTIVES

1. We maintain 10 religious communities. The Sisters work in 10 parishes where, according to their age, capacities and training, they serve the local Catholic and Civic Community professionally or on a voluntary basis. We keep in mind the mission of the province and the objects of the charity.
2. Sisters work in Spiritual Formation, Health and Pastoral Work ensuring each one has the necessary training which enables her to bring to her ministry:
 - ◆ Christian values
 - ◆ Attentiveness to the disadvantaged
 - ◆ Respect for the value and dignity of the individual
3. We provide for the needs of our sick and elderly sisters wherever they may be.

OUR MISSION

Rule of Life Ch.1: 'The first Daughters of the Holy Spirit chose to live together to serve the poor, the sick, the children.'

Below, we give examples of some of the various ministries carried out by the sisters (The Daughters of the Holy Spirit), undertaken to fulfil the charity's objectives to care for the poor, the sick and the deprived. Key to enabling the charity to achieve its objectives is the contribution of individual members in volunteering their time. We are committed to:

- Providing – spiritual support by inviting people to pray with us in our communities.
- Working with the poor and deprived in the areas in which we live.
- Visiting the sick and elderly in hospital and in their own homes – providing spiritual support and friendship.
- Supporting ecumenism and interfaith activities.
- Working to promote justice and peace issues.
- Supporting our Missions in France, Africa, Chile and Peru.

Spiritual Support

Rule of life Ch.4: 'We share in the prayer of the people among whom we live and it is with other believers that we try to hear the word that God speaks.'

We received the following letter from a parishioner attending St. Lawrence's Church, Olney:

*Dear Sisters,
I would like to thank you, the sisters, for the way you have brought the service of 'the stations of the Cross' to involve so many of the parishioners. To see all the people so directly involved in remembering the last journey of Jesus was, very genuinely, one of the best experiences I have had as a Christian.
I have known for many years that you have helped to bring holiness into Our Lady and St. Laurence Parish, last night was a perfect illustration.
God Bless You,
Charles.*



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Spiritual Direction



Sister Anne Morris was previously deputy director in a retreat centre. She now combines her work of province leader with spiritual direction. She directs 20 people living in various parts of the country. Previously conducting face-to-face meetings, Sister Anne has carried out this mission throughout the pandemic by Zoom meetings and telephone conversations. The participants have appreciated the continuity of her input at a time when the country was in lockdown.

One participant writes:

Last year I was presented with the issue of having to find a new Spiritual director. I was uncertain as to how this would work out, given the ongoing pandemic situation. Not only was I aware that some directors may not be comfortable working in a “virtual” environment, but I also had personal reservations about how comfortable I would feel about establishing a new spiritual direction relationship when it would be impossible to meet together face to face.

Looking back and reflecting on the way this new relationship has developed, I realise just how important it was to trust the flexible and dynamic nature of the process. It was also important for me to build trust in my director and feel that I was being held in a safe space where I could share what I needed to share about my spiritual journey alongside my day-to-day life and experience. This need for a safe space and a compassionate gaze seems heightened in the isolation and restrictions of lockdown.

Although Spiritual Direction on Zoom is different in many ways from a face-to-face encounter there are so many essential elements that still hold true even in a “virtual” world. When a director really pays attention and listens deeply this can be communicated to the directee in spite of the limitations of Zoom.

Over the past year my time of spiritual direction has become a really important time of sharing, and reflection. A time when I feel that I am not doing this journey on my own, but in the company of fellow travellers. I am looking forward to the time when my director and I can meet face-to-face, however, because in her words: “After all, we don’t even know how tall we both are!”

Rule of Life Ch.5: ‘We must hear the cry of the poor and make it our own.’

Northampton Cathedral Centre



Over the last three years a project group led by Bishop Peter Doyle has worked to develop plans for a new purpose-built Cathedral Centre. The Cathedral is home to a vibrant, committed and active Catholic community which has been increasing and the limitations of current facilities have prevented the Cathedral from hosting gatherings or offering hospitality to visitors and worshippers.

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Northampton Cathedral Centre (continued)

The new Centre will deliver a venue for diocesan events such as days of recollection, catechetical programmes, musicians lay formation and training courses, educational and celebratory events. Rooms available to parishes and groups with a common interest drawn from across the diocese.

Although the above centre is now ready for use, due to the pandemic, it has not been possible to use it as planned. Nevertheless, the Roman Catholic Diocese of Northampton is delighted to welcome a new initiative in a brand-new building!



Thirty-two families received boxes of food donated through Revolution Zero. The delivery and packing service aims to reach those in most need across the town of Northampton over the coming months. Ten volunteers work to make this project a reality at a time when we know many families need it most. The project was housed temporarily at St Thomas Becket School until the completion of the building at the Cathedral. The partnership between the school and Cathedral has made a great impact on those receiving the food who are always so grateful.

The St Thomas Centre is based at The Catholic Cathedral on Primrose Hill in Northampton. The centre has been almost eight years in the planning and four years in the building. Dean of the Cathedral, Canon Mark Floody said:

"We always said that we wanted this facility to serve the local community and especially those in most need. I am delighted that this project is the first to happen in our new centre and I hope that it is the beginning of a fresh mission here in Northampton".

It is hoped that the food store project will give life to the building and the town at a time when many people are struggling.

A sister from the Provincial House community volunteers her time, packing the food and then delivering it week after week, to support those in need.

Mission to the poor and deprived

One of our sisters has become a patron of this Charity and also supports it through fund raising.

Street Talk was founded in 2005 by an NHS therapist. She realised that women in street-based prostitution found themselves excluded from care. She contacted an umbrella organisation for people involved in prostitution and asked whether there was any mental health help out there for them. Very kindly, they circulated her original email to those in the sector and she was inundated with responses telling her there was nothing for those people. She decided to try to discover for herself whether there was a way of making therapy accessible to women in street prostitution.



She found her way to Maze Marigold, a drop-in service for women in street-based prostitution in Dalston. It was in a beaten up, open plan, church hall with a toilet with no door. I introduced myself to the women in the drop-in and listened to them and gradually, over months, they came to trust me and ask for me and that is how it started.

Mission to the poor and deprived (continued)

Ruth grew up in care and missed out on her education as she was frequently moved between foster homes.

When she came to Street Talk, she was in her late twenties and on crutches as a result of falling from a balcony while high on drugs. At that time, she was very mentally unwell, homeless, sex working and using drugs.

Over time Ruth formed a good relationship with her counsellor who very quickly saw what an intelligent woman she was. Gradually her mental health improved and her use of drugs reduced. After eight months she began to talk about what she might like to do with her own life and to start to dream about what she might be capable of.



The person working for Street Talk in this area writes:

“These last few years have been a time, dominated by the pandemic. Your continued support for this work has helped women already on the margins, made even more vulnerable by the pandemic. Lockdown changed the landscape for our women overnight. Many have no recourse to public funds and subsist on a £5.00 daily asylum seekers’ allowance. They rely on day centres for hot food and for company.

In spite of all that has been going on this year, there have been some positives. Street Talk has two new patrons, filmmaker Ken Loach and the Provincial of the Daughters of the Holy Spirit, Sr. Anne Morris”.

We, the Daughters of the Holy Spirit, are in the process of selling one of our properties in Wales. We retained any items that will be of help and support to these women who live on the margins. They are grateful to receive bedding, kitchen utensils, small items of furniture if they have a room or accommodation. Sister Anne receives other donations such as toys for the children, these are also very welcome. Any items not needed by the women, are given to Pippa (the lady in the photograph and the founder of Street Talk), who sells them on her stall in Hitchin Market to provide money to fund Street Talk.

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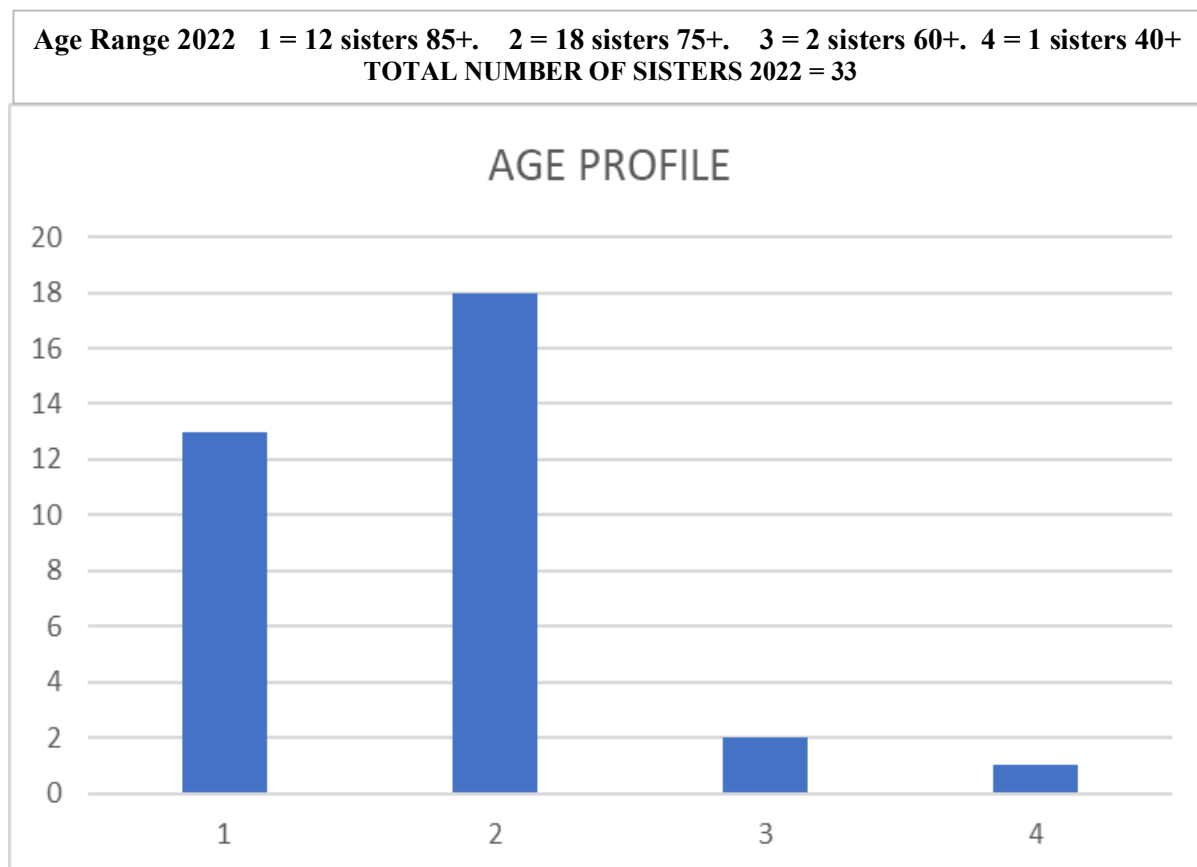
Mission to the poor and deprived (continued)



Toys and children's clothes donated to support Street Talk.

Caring for Members

The age profile of the members of the EIW Province is increasing. The age profile in England, Ireland and Wales is shown graphically below.



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Marie Balavenne Catholic College, Ilogbo, Nigeria

The sisters in the Province have retained close links with our mission in Nigeria, as that Vice Province was founded by Irish and English sisters in 1964.

In 2021 work on the school complex in Ilogbo continued, in spite of Covid. A building to accommodate male students was built between 2020 and 2021



The completed sleeping area is L- shaped. It comprises twelve rooms for the students, two rooms for the boarding supervisors, plus toilets and showers. The students used to sleep in classrooms that had been temporarily converted into dormitories.

The cost of the work was around 365,000 euros, financed by the Congregation. In pounds about £314,000.



The building was completed in the summer of 2021 and the students were able to move in September 2021.

Safety work is planned for 2022 and future expansion is possible, with the construction of a second wing. The English Province contributed 50,840.00 towards the cost of this building project.

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Marie Balavenne Catholic College, Ilogbo, Nigeria (continued)



Rule of Life

‘Our fellowship in the congregation is expressed essentially by our living out that fellowship in community and in the help communities give one another.’

RISK MANAGEMENT

The Trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the Charity should those risks materialise.

The key risks identified include the age profile of the sisters and the need to ensure that charity has sufficient resources to continue to care for them and their needs. This is mitigated through the existence of the retirement fund represented by the charity's investments. Listed investments are subject to stock market movements – both up and down. The risk is mitigated by the fact that the charity uses professional managers and monitors performance regularly. Donations sent overseas are made by bank transfer and reports are always obtained confirming receipt and use of the funds.

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.

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FUNDRAISING POLICY

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

FINANCIAL REVIEW

A summary of the results for the year ended 31 December 2022 can be found on page 16 of this report and accounts.

Total income for the year was £1.23m (2021: £963.0k plus £18.18m in respect of the transfer of assets from the Charitable Trust). It included investment income of £345.7k (2021: £342.1k) and voluntary income of £630.3k (2021: £620.9k), as well as gains on foreign exchange of £3.4k (2021: £nil) and a net surplus on the disposal of tangible fixed assets of £24.8k (2021: £nil). Voluntary income includes the salaries and pensions of members of the Congregation donated to the charity under Deed of Covenant or Gift Aid.

Expenditure for the year to 31 December 2022 amounted to £1.05m (2021: £1.12m). Expenditure includes the cost of supporting members of the Congregation and their ministry and donations to third parties.

Net income before investment losses for the year amounted to £177.3k (2021: £18.02m including the transfer from the Charitable Trust but before investment gains). Investment losses amounted to £1.72m (2021: gains of £1.46m). The overall result was a net decrease in funds of £1.54m (2021: net increase in funds of £19.48m).

INVESTMENT POLICY

The charity has a discretionary investment management agreement with Charles Stanley & Co Limited. There are no restrictions on the charity's power to invest. The investment strategy is set 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 excluding investment in any company which has significant business interests in activities which are contrary to the teachings of the Christian Church

INVESTMENT PERFORMANCE

The trustees meet with the fund managers once every four months and ensure that the fund is managed in accordance with their written guidelines and with the religious and ethical principles of the charity. The target set for the fund manager is to achieve a certain return of both income and capital growth with no more than a moderate level of risk, within the ethical guidelines set out by the Trustees.

In the year they suffered a total loss of around -10.3% (2021: generated a return of +15.1%). This was broadly in line with the returns shown by published benchmarks for the performance of charity portfolios in the year. The trustees are therefore satisfied with the returns generated, but will continue to monitor investment performance closely.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

RESERVES POLICY

The charity requires investment in tangible fixed assets to enable it to continue its charitable work. A fund of £1.65m (2021: £1.31m) has been designated to reflect the amount of reserves represented by tangible fixed assets.

The charity also has an ongoing commitment to provide for the retirement and old age of Sisters, none of whom have resources of their own. The funds set aside for this purpose have been assessed and the calculations, based on annuity tables, indicated that a fund of approximately £10.9m is needed. At the end of the year, the Fund designated for this purpose was £10.9m (2021: £10.9m).

Undesignated Funds stood at just under £5.4m, which is broadly equivalent to five years' expenditure, and is thus above the target range of approximately two years' expenditure. However, the investment losses suffered in the year, highlight the transitory nature of some asset values in the current volatile macro-economic and geopolitical climate. Given the uncertainty arising from this volatility, the trustees consider the level of the charity's reserves to be adequate but not excessive at the present time.

FUTURE PLANS

- ◆ To enable all members of the Congregation to continue with their individual ministries for as long as possible. In some communities it is now necessary to install adaptations in order to aid and improve the quality of life of the sisters, thus allowing them to remain and work in their local parishes.
- ◆ To continue to provide ongoing care for our sick and elderly sisters in third-party owned care homes following the closure of our own care facility in Olney in March 2021.
- ◆ To continue to contribute financially to the upkeep and mission of the communities in Africa, Latin America, and to the functioning of the Generalate in France.
- ◆ To provide opportunities for on-going formation for our sisters at all stages of life including exchanges from other units of the Congregation. (General Chapter 2008).

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees of the Charity are required to prepare for each financial year accounts 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 period. In preparing those financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the on-going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements and with the Constitution registered 23 April 2020. 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.

The Trustees are responsible for the maintenance and integrity of the charity and finance information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the Trustees on 3rd October 2023 and signed as authorised on their behalf by:

Sister Eileen Gorman
Provincial Bursar
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DAUGHTERS OF THE HOLY SPIRIT CIO

Opinion

We have audited the accounts of Daughters of the Holy Spirit CIO (the 'charity') for the year to 31 December 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient and proper accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF DAUGHTERS OF THE HOLY SPIRIT CIO
(continued)**

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and Safeguarding Regulations as they affect the direct charitable activities of the charity; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and representatives from the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing on expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF DAUGHTERS OF THE HOLY SPIRIT CIO
(continued)**

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

13 October 2023

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

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Total £	2021 Total £
INCOME from:			
Donations and legacies	1	630,341	620,863
Investment income and interest receivable	2	345,670	342,137
Other Income			
Gain on translation of foreign currencies		3,463	-
Surplus on disposal of tangible fixed assets	3	247,818	-
Total income before transfers from predecessor charity		1,227,292	963,000
Transfer of assets from English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520)	21	-	18,180,320
Total income		1,227,292	19,143,320
EXPENDITURE on			
Cost of raising funds			
Investment management fees		71,519	75,914
Charitable expenditure			
Costs of charitable activities	4	978,460	1,045,967
Total expenditure		1,049,979	1,121,881
Net income before (losses)/gains on investments		177,313	18,021,439
Net (losses)/gains on investments		(1,717,576)	1,455,680
Net (expenditure)/income and net movement in funds for the year	6	(1,540,263)	19,477,119
Reconciliation of funds			
Fund balances brought forward		19,477,119	-
Fund balances carried forward		£17,936,856	£19,477,119

All of the above activities derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

All of the above income and expenditure related to unrestricted funds in the above year.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	10	1,645,296	1,306,131
Investments	11	11,511,329	13,293,795
		<u>13,156,625</u>	<u>14,599,926</u>
CURRENT ASSETS			
Debtors	12	86,125	290,586
Cash at bank and in hand		4,728,619	4,625,950
		<u>4,814,744</u>	<u>4,916,536</u>
CREDITORS: Amounts falling due within one year	13	(34,513)	(39,343)
		<u></u>	<u></u>
NET CURRENT ASSETS		4,780,231	4,877,193
TOTAL NET ASSETS		<u>£17,936,856</u>	<u>£19,477,119</u>
Represented by:			
General fund		5,391,560	7,270,988
Designated funds	14	10,900,000	10,900,000
Tangible fixed assets fund	15	1,645,296	1,306,131
		<u>£17,936,856</u>	<u>£19,477,119</u>

Approved by the trustees and signed on their behalf by:

Approved by the Council of Trustees on 3rd October 2023 and signed on its behalf by

EILEEN GORMAN

Sister Eileen Gorman
Provincial Bursar
Trustee

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(148,573)	(710,726)
Cash flows from investing activities		
Dividends and interest from investments	345,670	342,137
Payments to acquire tangible fixed assets	(492,375)	-
Receipts from sales of tangible fixed assets	333,057	-
Payments to acquire investments	(716,365)	(1,553,304)
Receipts from sales of investments	781,255	1,640,040
Net cash provided by investing activities	251,242	428,873
Change in cash and cash equivalents in year	102,669	(281,853)
Cash and cash equivalents at 1 January 2022	4,625,950	-
Cash transferred from English Province of the Daughters of the Holy Ghost (registered charity number 234520)	-	4,907,803
Cash and cash equivalents at 31 December 2022	£4,728,619	£4,625,950
	£	£

Notes to the Cash Flow Statement

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

Net movement in funds

(as per the Statement of Financial Activities)	(1,540,263)	19,477,119
Adjustments for:		
Transfer from Charitable Trust	-	(18,180,320)
Losses/(gains) on investments	1,717,576	(1,455,680)
Dividends and interest from investments	(345,670)	(342,137)
Depreciation	67,971	62,027
Net (surplus)/deficit on disposal of tangible fixed assets	(247,818)	3
Decrease/(increase) in debtors	204,461	(249,886)
Decrease in creditors	(4,830)	(21,852)

Net cash used in operating activities	£(148,573)	£(710,726)
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B. Analysis of cash and cash equivalents

Cash at bank and in hand	4,728,619	4,625,950
Total cash and cash equivalents	£4,728,619	£4,625,950

C. Analysis of changes in net debt i.e. cash funds

At 1 January 2022 £	Cashflow £	At 31 December 2022 £
£4,625,950	£102,669	£4,728,619

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates.

The key areas in the accounts where these judgements and estimates have been made relate to estimating the useful economic life of tangible fixed assets for the purpose of determining an annual depreciation charge and determining the amount to be set aside as a designated fund to provide for the retirement and care of the Sisters.

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 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. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and other income including gains on the translation of foreign currencies and the surplus on the disposal of tangible fixed assets.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds due under the contract for sale and the net book value of the relevant asset prior to disposal less those direct costs, including legal fees, incurred in connection with the disposal. The surplus is accounted for at the time of legal completion.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and enabling their ministry including governance costs.

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.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned on the basis of estimated use.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

◆ Freehold land and buildings

Freehold properties are included at cost with the exception of those which were owned at 31 December 1996 and for which cost figures were not available when the accounting requirements of the Charities Act came into force. These have been included at a Trustees' valuation determined as at that date and this is now the deemed cost of such assets. The value attributed to land is not depreciated but the value of the buildings element is depreciated over a fifty-year period on a straight line basis.

◆ Leasehold land and buildings

Leasehold properties are included at cost. The value attributed to land is not depreciated but the value of the buildings element is depreciated over a fifty-year period on a straight line basis.

◆ Fixtures, fittings and office equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated over a four-year period, based on the estimated useful life of the asset, on a straight line basis.

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four-year period, on a straight line basis, in order to write off the cost of each asset over its estimated useful life.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Charity does not acquire put options, derivatives or other complex financial instruments.

As noted above, the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Charity has established a pension scheme for certain Sisters. The scheme is a Deferred Annuity Contract whereby a certain guaranteed sum is payable to the charity at a fixed future date. No current value can be attributed to the contract as future returns are dependent on bonuses which in turn depend on investment return and inflation.

The asset included in the balance sheet in respect to this scheme is therefore valued on the basis of premiums paid to date in respect to Sisters still in the scheme. Receipts on maturity are recognised as investment gains net of the relevant premiums paid and the annual premiums are included as additions to the Deferred Annuity Contract.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

The tangible fixed assets fund comprises the net book value of Charity's tangible fixed assets, the existence of which is fundamental to the Charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Services provided by members of the Congregation

For the purposes of these 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 contributions due for the year. There were no outstanding contributions at the year end. The Charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. DONATIONS AND LEGACIES	2022 Total £	2021 Total £
Sisters' salaries and pensions donated	595,840	574,335
Other donations	34,501	46,528
	<u>£630,341</u>	<u>£620,863</u>
2. INVESTMENT INCOME AND INTEREST RECEIVABLE	2022 Total £	2021 Total £
Bank interest	6,160	375
Income from listed investments	339,510	341,762
	<u>£345,670</u>	<u>£342,137</u>
3. SURPLUS ON DISPOSAL OF TANGIBLE FIXED ASSETS	2022 Total £	2021 Total £
Property		
Proceeds net of disposal costs	331,357	-
Net book value	(74,452)	-
	<u>256,905</u>	<u>-</u>
Other		
Proceeds net of disposal costs	1,700	-
Net book value	(10,787)	-
	<u>(9,087)</u>	<u>-</u>
	<u>£247,818</u>	<u>£-</u>
4. CHARITABLE EXPENDITURE	2022 Total £	2021 Total £
Support of members of the Congregation and their ministry		
Sisters' living Expenses	556,068	523,411
Staff costs	43,663	141,007
Premises	223,438	217,342
Education, training & spiritual renewal	30,402	30,534
Administration	50,975	45,482
Loss on currency conversion	-	4,830
Overseas mission	59,578	57,165
Other	56	2,796
Governance costs (note 5)	14,280	23,400
	<u>£978,460</u>	<u>£1,045,967</u>

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CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

5. GOVERNANCE COSTS

	2022 Total £	2021 Total £
Auditor's remuneration		
Current year	9,600	12,310
Prior year over-provision	(3,240)	-
	<hr/> 6,360	<hr/> 12,310
Other legal and professional fees	7,920	11,090
	<hr/> £14,280	<hr/> £23,400

6. NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR

	2022 £	2021 £
This is stated after charging/(crediting):		
Staff costs (see note 7)	43,663	141,007
Auditor's remuneration (including VAT)	6,360	12,310
Depreciation	67,971	62,027
(Gains)/losses on currency conversion	(3,463)	4,830
(Surplus)/deficit on disposal of tangible fixed assets	(247,818)	3
	<hr/> £14,280	<hr/> £23,400

7. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	41,093	105,598
Social security costs	-	3,512
Other pension costs	474	1,265
	<hr/> 41,567	<hr/> 110,375
Statutory redundancy pay	2,096	30,632
	<hr/> £43,663	<hr/> £141,007

The average number of employees (analysed by function) was:

	2022	2021
Support of members of the Congregation and their ministry	5	9

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer's pension contributions) during the year

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

8. KEY MANAGEMENT, TRUSTEES' EXPENSES & REMUNERATION AND TRANSACTIONS WITH TRUSTEES

The Trustees consider that they comprise the key management of the charity in charge of directing and controlling running and operating the charity on a day-to-day basis.

The charity's trustees are all members of the Congregation and consequently their living and personal expenses, all of which are consistent with amounts paid in respect of other members of the Congregation, are borne by the charity. No trustee received any remuneration or reimbursement of expenses in connection with their duties as Trustees.

As members of the Congregation, none of the Trustees have resources of their own. As well as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total donated by the trustees was £91,718 (2021: £88,920).

9. TAXATION

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

10. TANGIBLE FIXED ASSETS	Residential Properties Freehold	Residential Properties Leasehold*	Fixtures and Equipment	Motor Vehicles	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 January 2022	2,427,134	-	88,814	111,532	2,627,480
Additions	191,609	279,766	-	21,000	492,375
Disposals	(145,481)	-	(69,135)	(11,170)	(225,786)
At 31 December 2022	2,473,262	279,766	19,679	121,362	2,894,069
DEPRECIATION					
At 1 January 2022	1,145,464	-	74,345	101,540	1,321,349
Charge for the year	49,465	5,596	2,105	10,805	67,971
Disposals	(71,029)	-	(60,984)	(8,534)	(140,547)
At 31 December 2022	1,123,900	5,596	15,466	103,811	1,248,773
NET BOOK VALUE					
At 31 December 2022	£1,349,362	£274,170	£4,213	£17,551	£1,645,296
At 31 December 2021	£1,281,670	£-	£14,469	£9,992	£1,306,131

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

11. INVESTMENTS	2022 Total £	2021 Total £
Value at 1 January 2022	13,293,795	-
Transfer of Assets from English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520) (note 21)	-	11,924,851
Less: Disposals (at opening market value; proceeds – £781,255; realised losses – £151,495)	(932,750)	(1,511,378)
Add: Acquisitions	716,365	1,553,304
Net gains/(losses) on revaluation	(1,566,081)	1,327,018
Value at 31 December 2022	<u>£11,511,329</u>	<u>£13,293,795</u>
At Market Value:		
Listed on UK Stock Exchange	11,006,645	12,888,772
Bank deposits	483,318	384,362
	<u>11,489,963</u>	<u>13,273,134</u>
At Cost:		
Deferred annuity contracts	21,366	20,661
	<u>£11,511,329</u>	<u>£13,293,795</u>
Cost of Investments:		
At 31 December 2022	<u>£8,845,568</u>	<u>£8,661,300</u>

All investments other than cash and deferred annuity contracts are quoted on a recognised UK Stock Exchange and or valued by reference to investments listed on a recognised Stock Exchange.

12. DEBTORS	2022 £	2021 £
Monies held by solicitors pending property purchase	8,630	215,000
Prepayments	77,495	75,586
	<u>£86,125</u>	<u>£290,586</u>

13. CREDITORS: Amounts falling due within one year	2022 £	2021 £
Accruals	<u>£34,513</u>	<u>£39,343</u>

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

14. DESIGNATED FUNDS

The trustees have designated funds out of the unrestricted funds for specific purposes as follows:-

Retirement Fund	2022 £	2021 £
At 1 January 2022	10,900,000	-
Transfer of assets from the English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520) (note 21)	-	11,900,000
Transfers	-	(1,000,000)
	<u>£10,900,000</u>	<u>£10,900,000</u>
Balances at 31 December 2022	<u>£10,900,000</u>	<u>£10,900,000</u>

Retirement Fund

A fund has been designated for the Charity's commitment to provide for the retirement and care in old age of its members.

The Trustees have estimated that a fund of at least £8.9m will be required to make provision for the ongoing needs of members after taking account of their occupational pension rights. The Trustees have designated an investment portfolio and the deferred annuity contracts pension scheme established for certain sisters.

15. TANGIBLE FIXED ASSETS FUND

	2022 £	2021 £
At 1 January 2022	1,306,131	-
Transfer of assets from the English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520) (note 21)	-	1,368,161
Movements in year	339,165	(62,030)
	<u>£1,645,296</u>	<u>£1,306,131</u>
Balances at 31 December 2022	<u>£1,645,296</u>	<u>£1,306,131</u>

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets used for the support of the Sisters and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

16. ANALYSIS OF NET ASSETS

Fund balances at 31 December 2022 were represented by:

	Designated Funds			
	General Fund	Retirement Fund	Tangible Fixed Assets Fund	Total
	£	£	£	£
Tangible fixed assets	-	-	1,645,296	1,645,296
Investments	4,148,074	7,363,255	-	11,511,329
Current assets	1,277,999	3,536,745	-	4,814,744
Current liabilities	(34,513)	-	-	(34,513)
Total Net Assets	£5,391,560	£10,900,000	£1,645,296	£17,936,856

Fund balances at 31 December 2021 were represented by:

	Designated Funds			
	General Fund	Retirement Fund	Tangible Fixed Assets Fund	Total
	£	£	£	£
Tangible fixed assets	-	-	1,306,131	1,306,131
Investments	4,820,879	8,472,916	-	13,293,795
Current assets	2,489,452	2,427,084	-	4,916,536
Current liabilities	(39,343)	-	-	(39,343)
Total Net Assets	£7,270,988	£10,900,000	£1,306,131	£19,477,119

The total unrealised gains constitute movements on revaluation and are as follows:

	2022	2021
	£	£
Unrealised gains included above		
On investments	£2,665,761	£4,632,495
Reconciliation of movement of unrealised gains		
Unrealised gains at 1 January 2022	4,632,495	-
Transfer of assets from the English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520) (note 21)	-	3,763,147
In respect to disposals in the year	(400,653)	(457,670)
Net unrealised (losses) gains arising on revaluation in the year	(1,566,081)	1,327,018
Total unrealised gains at 31 December 2022	£2,665,761	£4,632,495

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

17. ULTIMATE CONTROL

The charity, which is constituted as a CIO, was controlled throughout the period by the Congregation of the Daughters of the Holy Ghost by virtue of the fact that the Sister Provincial of the Province appoints the trustees. The Province does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the English Province are vested in the trustees of the charity, who undertake all transactions entered into the course of the Province's charitable activities.

18. LIABILITY OF MEMBERS

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

19. CAPITAL COMMITMENTS

	2022 £	2021 £
Authorised but not contracted for	<u>£580,000</u>	<u>£-</u>

The above commitment relates to the purchase of a property in Lucan, Dublin.

20. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 31 December 2022 or the year ended 31 December 2021 other than the transactions between the charity and its trustees disclosed in note 8.

CONGREGATION OF THE DAUGHTERS OF THE HOLY SPIRIT CIO

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

21. TRANSFER OF ACTIVITIES, ASSETS AND LIABILITIES

The Congregation of the Daughters of the Holy Spirit CIO, a Charitable Incorporated Organisation (CIO) (the charity), was registered as a charity on 23 April 2020. The trustees of the charity were also trustees of the English Province of the Daughters of the Holy Ghost (Registered Charity Number 234520) (the Charitable Trust). With effect from midnight on 31 December 2020, the activities, assets and liabilities of the Charitable Trust were transferred to the charity in accordance with a legal deed of transfer.

The net assets transferred at that date comprised the following:

	£	£
Fixed Assets at net book value		
Cost	2,644,465	
Depreciation	(1,276,304)	
		1,368,161
Investments at market value		11,533,630
Debtors and prepayments		40,700
Portfolio bank accounts	371,265	
Deferred annuity contracts	19,956	
Cash at bank and in hand	4,907,803	
		5,299,024
Cash at bank and in hand		
Creditors		(61,195)
		£18,180,320
The net assets were represented by		
Unrestricted Funds		
- General Fund	4,912,159	
- Designated Funds	11,900,000	
- Tangible Fixed Assets Fund	1,368,161	
		18,180,320
		£18,180,320