

**St Teresa's Home CIO**  
**Annual Report and Accounts**

31 March 2023

Charity Registration Number  
1189921

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## Reference and administration details of the charity, its trustees, and advisers

<b>Trustees</b>	Sister Patricia Mary Heller David Hince Gabriel MacGregor Sister Mary Josephine Hannigan Sister Jennifer Rosemary Brown
<b>Correspondence Address</b>	12 Lansdowne Road Wimbledon London SW20 8AN
<b>Charity registration number</b>	1189921
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	National Westminster Bank plc Wimbledon Branch 16 Wimbledon Hill Road Wimbledon London SW19 7NN
<b>Principal investment managers and advisers</b>	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
<b>Solicitors</b>	Irwin Mitchell LLP Mercantile House 18 London Road Newbury RG14 1JX  Stone King LLP Boundary House 91 Charterhouse Street London EC1M 4BS

The trustees present their report together with the accounts of the St Teresa's Home CIO (the "charity" or the "CIO") for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 16 to 20 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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) have been followed in the preparation of this report and accounts.

### **Introduction**

St Teresa's Home CIO was registered with the Charity Commission on 12 June 2020. The charity operates one care home for the elderly and is registered as a 'Care Home with Nursing' with the CQC (Care Quality Commission).

The charity is governed by a Constitution.

### **Objective**

The aim of the charity is to relieve sickness by reason of age, illness, or disability.

The charity commenced activity on 1 December 2021. With effect from midnight on 30 November 2021, the assets, liabilities and activities of St Teresa's Home for the Elderly in Wimbledon, London (St Teresa's or the Home), previously part of the Congregation of the Sisters of St Anne Charitable Trust (Charity Registration No. 233808), were transferred to the charity in accordance with a legal transfer deed.

The aim of the charity is to operate the Home and provide a happy, homely, and relaxed atmosphere where the residents are cared for until the end of their days. To that end, all the staff are encouraged to work as a team maintaining a high professional standard of care for the residents' total needs ensuring the dignity of each individual is upheld. The residents will be supported and enabled to maintain their independence for as long as possible.

### **Activities, specific objectives and relevant policies**

#### ***Activities and specific objectives***

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.

The Home provides long-term residential and nursing care for the elderly. It also offers short-term respite care for those coming out of hospital or to enable carers to take a break.

There are 24 rooms at St Teresa's, many with en-suite facilities. Each room has a telephone and television and is linked to the call system. All areas of the Home are accessible by either stairs or lifts, and residents are encouraged to take meals in the dining room. The Home has spacious communal areas where residents are encouraged to sit and talk to one another, watch television or partake in one of the very many activities or social events organised by the staff. The Home has a chapel and landscaped grounds.

**Activities, specific objectives and relevant policies** (continued)

***Activities and specific objectives*** (continued)

In operating this Home, the trustees of the charity aim to:

- ◆ Provide excellent residential and nursing care to elderly men and women, ensuring that their needs are met fully and that they enjoy as high a quality of life as possible;
- ◆ Employ high quality staff to care for the elderly residents ensuring that all such staff obtain the necessary qualifications and training needed for their work;
- ◆ Ensure that the Home meets the requirements of the Care Quality Commission and that any recommendations arising from inspections are acted upon quickly and effectively; and
- ◆ Maintain the financial security of the Home through careful budgeting and by setting fees at levels that ensure the viability of the Home is not threatened.

The trustees remain aware at all times of the need to provide public benefit and they have had regard to the Charity Commission's guidance on this.

***Achievements and performance***

Although we had a few cases where residents and staff have contracted Covid-19 over the past year, all coped remarkably and came through it – the home's staff, in particular, have been exemplary. In the aftermath of the pandemic, we have been able to return to letting visitors come into the home and that has been beneficial to all. Following Government guidelines, all families were kept informed of any changes regularly regarding visiting etc.

During the year, Matron and her Deputy applied for the Gold Standards Framework Award (end of life care of residents in their final months/weeks, which they have been doing since 2012). The Home was presented with a Platinum Award 2022 to 2025, and then was nominated for Home Of The Year Award (with many other Homes), which gave the staff morale a great boost. It is the dignity with which all are cared for that matters not only for our residents but their families also.

Some staff have moved on in their careers and we have been able to recruit others through our own staff which has been a great asset in the climate of recruiting staff in our field today.

***Investment policy***

Rathbone Investment Management Limited manage the charity's listed investments on a discretionary basis. 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 managers' 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 Catholic Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees who meet with the investment managers annually.

## **Activities, specific objectives and relevant policies (continued)**

### ***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. The charity has received no complaints about its fundraising activities.

### **Financial review**

#### ***Results for the year***

A summary of the year's results can be found on page 13 **Error! Bookmark not defined.** of this report and accounts.

With effect from midnight on 30 November 2021, the net assets of £1,992,925 were transferred to the charity from The Congregation of the Sisters of St Anne Charitable Trust. Therefore, the results for the period to 31 March 2022 represent four months of activity.

Income for the year was £1,447,227 (2022 - £465,423). £1,418,024 (2022 - £444,850) related to fees receivable from the charity's care home.

Expenditure totalled £1,504,063 (2022 - £501,910) with staff costs representing a significant proportion of this and amounting to £1,202,938 (2022 - £385,704).

Therefore, net expenditure for the year before investment losses was £56,836 (2022 – net expenditure for the four months before the transfer of assets and before investment losses was £36,487). After accounting for net investment losses of £40,718 (2022 – net investment losses of £36,131) there was a decrease in funds for the year of £97,554 (2022 – net increase in funds of £1,920,307 including the transfer of net assets from The Congregation of the Sisters of St Anne Charitable Trust).

#### ***Investment performance***

At 31 March 2023, the charity had a portfolio of listed investments with a market value of £638,729 (2022 - £679,499) and the investment managers held a further £51,733 (2022 - £50,376) of cash for re-investment.

The charity's investments achieved income of £13,105 (2022 - £2,370). The investment managers continue to invest in accordance with the trustees' investment policy set out earlier in this report and to comply with the ethical guidelines given to them. At the end of the year, the charity's portfolio of listed investments comprised 53.75% (2022 – 51.97%) UK equities, 14.35% (2022 - 7.72%) UK fixed interest stocks, and 31.91% (2022 – 40.31%) overseas unit trusts.

## **Financial review** (continued)

### ***Reserves policy and financial position***

#### *Reserves policy*

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, the level of free reserves should be approximately equal to six to twelve months' expenditure.

#### *Financial position*

The balance sheet shows total reserves of £1,822,753 (2022 - £1,920,307). Of this, £1,071,852 (2022 - £1,126,889) is represented by properties and other tangible fixed assets essential for the work of the Home.

Funds available to support the work of the charity in the future are shown as general funds (i.e. free reserves) on the balance sheet and amount to £750,901 (2022 - £793,418). This figure needs to be considered in the light of annual expenditure of £1.5m.

The trustees believe that free reserves are adequate at the present time and consistent with the above reserve policy albeit at the lower end of the policy. The trustees remain cautious about the impact of the current macroeconomic and geopolitical climate on the charity.

## **Governance, structure, and management**

### ***Governance***

The charity is a Charitable Incorporated Organisation (CIO) governed by a Constitution and registered with the Charity Commission on 12 June 2020.

The members of the CIO are the charity's trustees. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and have no personal responsibility for settling its debts and liabilities.

The names of the trustees are given on page 1 of this document.

### ***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 and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including investment managers, solicitors, and accountants.

### ***Trustees***

At any time there must be a minimum of three trustees.

There is no maximum number of trustees that may be appointed to the CIO.

In selecting individuals for appointment the charity trustees have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

**Governance, structure, and management** (continued)

***Trustees' responsibilities statement***

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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 judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 proper 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 Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. 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.

***Key management personnel***

The trustees consider that they, together with the Registered Care Manager of St Teresa's Home, the Administrator and the Office Manager comprise the key management personnel of the charity.

The trustees receive no remuneration in respect of their duties.

***Risk management***

The trustees have identified and considered the major risks to which the charity is exposed. Systems have been established to mitigate those risks and the risk policies which have been developed will be regularly updated and adapted as circumstances change.



***Governance, structure, and management (continued)***

***Risk management (continued)***

The trustees intend to 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 will 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.

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.

Key risks are described below together with the principal ways in which they are mitigated:

- ◆ Operationally the charity works with vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that staff and volunteers must obtain clearance from the Disclosure and Barring Service (DBS). In addition, the trustees have established systems of on-going safeguarding training; to update internal policies; and to ensure staff and volunteers are kept informed about good practice in work.
- ◆ St Teresa's Home operates in a highly regulated field of activity and as such is subject to regular inspection by a number of agencies. The result of this degree of scrutiny is that operational risk policies are very well developed in the areas of quality of service, health and safety of residents and employees and employment issues. The Registered Manager with experience of running health care organisations advises the trustees of the myriad of clinical, care and other risks associated with the operation of the care home including, for example, safeguarding (see above); the chronic shortage of qualified nurses and care assistants; the impact of the changes in the provision of care funding with effect from April 2020 as a result of the Care Act 2014; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by a reputable investment manager who adheres to a policy agreed by the trustees. The trustees meet with the investment manager and the manager's performance and that of the portfolio are monitored.

**Future plans**

It is the intention of the trustees to continue to operate one high quality care home and, in particular:

- ◆ To provide the highest possible quality of care for the residents in a dignified and friendly environment;
- ◆ To achieve average occupancy rates in excess of 90%;
- ◆ To meet the requirements laid down by law and continue to attain high success rates in inspections carried out by the Care Quality Commission;
- ◆ To continue the rolling programme of refurbishment with the possibility of updating bathrooms and bedrooms;
- ◆ To continue to employ high quality staff and ensure that they are given appropriate and relevant training;
- ◆ To continue to provide high standard 'in house' training for 'moving and handling' and fire lectures, which are obligatory; and
- ◆ To have regard to the impact of the requirements of the Care Act 2014 on the home.

Signed on behalf of the trustees

Patricia Heller

Trustee

Approved by the trustees on: 12<sup>th</sup> December 2023

**Independent auditor's report to the trustees of St Teresa's Home CIO**

**Opinion**

We have audited the accounts of St Teresa's Home CIO (the charity) for the year ended 31 March 2023, 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 March 2023 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.

**Other information** (continued)

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' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

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

***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 representatives from the 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) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives from the trustees and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of 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 of expenditure including the authorisations 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.

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

***How the audit was considered capable of detecting irregularities including fraud***  
(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 accounts 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](http://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.

Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

12 December 2023

## Statement of financial activities Year to 31 March 2023

		Unrestricted Funds	
	Notes	2023 £	2022 £
<b>Income from:</b>			
Donations and legacies		9,117	870
Investments and interest receivable		13,105	2,370
Charitable activities			
. Provision of care for the elderly	1	1,418,024	444,850
Other sources			
. Miscellaneous income		—	10
. Covid-19 Infection Control grant		—	17,323
. Local authority grant		6,981	—
		<u>1,447,227</u>	<u>465,423</u>
Transfer from The Congregation of the Sisters of St Anne Charitable Trust (Charity Registration No. 233808)	16	—	1,992,925
<b>Total income</b>		<u>1,447,227</u>	<u>2,458,348</u>
<b>Expenditure on:</b>			
Raising funds			
. Investment management fees		9,929	3,754
Charitable activities			
. Provision of care for the elderly	2	1,494,134	498,156
<b>Total expenditure</b>		<u>1,504,063</u>	<u>501,910</u>
<b>Net (expenditure) income before net investment losses</b>	4	(56,836)	1,956,438
Net investment losses		(40,718)	(36,131)
<b>Net (expenditure) income and net movement in funds</b>		<u>(97,554)</u>	<u>1,920,307</u>
<b>Reconciliation of funds</b>			
Balances brought forward at 1 April 2022		<u>1,920,307</u>	—
Balances carried forward at 31 March 2023		<u>1,822,753</u>	<u>1,920,307</u>

The Home has no recognised gains and losses other than those shown above and, therefore, no separate statement of total recognised gains and losses has been presented.

All activities of the Home derived from continuing operations during the above two financial periods. The charity's activities commenced with effect from 1 December 2021 and hence the comparative figures represent four months' activity only.

## Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	8		<b>1,071,852</b>		1,126,889
Investments	9		<b>690,462</b>		729,875
			<b>1,762,314</b>		1,856,764
<b>Current assets</b>					
Debtors	10	<b>126,169</b>		134,701	
Cash at bank and in hand		<b>216,267</b>		145,190	
		<b>342,436</b>		279,891	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<b>(281,997)</b>		(216,348)	
<b>Net current assets</b>			<b>60,439</b>		63,543
<b>Total net assets</b>			<b>1,822,753</b>		1,920,307
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted income funds					
. Tangible fixed assets fund	12		<b>1,071,852</b>		1,126,889
. General fund			<b>750,901</b>		793,418
			<b>1,822,753</b>		1,920,307

Approved by the trustees  
and signed on their behalf by:

Patricia Heller

Trustee

Approved on: 12<sup>th</sup> December 2023



## Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	<b>67,735</b>	(48,642)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>12,885</b>	2,306
Proceeds from the disposal of investments		<b>137,250</b>	48,939
Purchase of investments		<b>(137,198)</b>	(55,178)
Purchase of tangible fixed assets		<b>(8,238)</b>	—
<b>Net cash provided by (used in) investing activities</b>		<b>4,699</b>	(3,933)
<b>Change in cash and cash equivalents in the year</b>		<b>72,434</b>	(52,575)
<b>Cash and cash equivalents at 1 April 2022</b>		<b>195,566</b>	—
<b>Cash and cash equivalents transferred from The Congregation of the Sisters of St Anne (Charity Registration No. 233808)</b>	B	<b>—</b>	248,142
<b>Cash and cash equivalents at 31 March 2023</b>	B	<b>268,000</b>	195,566

### Notes to the statement of cash flows for the year to 31 March 2023.

#### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(97,554)</b>	1,920,307
<b>Adjustments for:</b>		
Donation of net assets from The Congregation of the Sisters of St Anne (Charity Registration No. 233808)	<b>—</b>	(1,992,925)
Depreciation charge	<b>61,139</b>	23,246
Losses on investments	<b>40,718</b>	36,131
Loss on disposal of tangible fixed assets	<b>2,136</b>	—
Investment income and interest receivable	<b>(13,105)</b>	(2,370)
Decrease (increase) in debtors	<b>8,752</b>	(36,608)
Increase in creditors	<b>65,649</b>	3,577
<b>Net cash provided by (used in) operating activities</b>	<b>67,735</b>	(48,642)

#### B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<b>216,267</b>	145,190
Cash held by investment managers	<b>51,733</b>	50,376
<b>Total cash and cash equivalents</b>	<b>268,000</b>	195,566

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

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 period for the year to 31 March 2023 with comparative figures for the year to 31 March 2022. The charity was dormant for the period from incorporation (12 April 2020) until 1 December 2021 when it commenced activity. The comparative figures, therefore, represent four months' activity only.

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 (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 items in the accounts where these judgments and estimates have been made include:

- ◆ assessing the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ assessing the recoverability of any debts for residential and care home fees and the need for a provision against doubtful or bad debts;
- ◆ determining the probability of the receipt of legacies which are measurable and to which the charity is entitled; and
- ◆ estimating the future income and expenditure flows of the charity in order to assess the going concern (see below).

#### **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 at least one year from the date of approval of these accounts.

**Assessment of going concern** (continued)

Whilst the current macroeconomic and geopolitical climate will present some challenges, 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.

**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, legacies, investment income, interest receivable, fees and related charges in respect to residential and nursing care provision and other income.

Donations and grants are recognised when the charity and/or the charity has confirmation of both the amount and settlement date. In the event of donations and/or grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant 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.

In accordance with the Charities SORP FRS 102, no value has been placed on services provided by volunteers.

Legacies are included in the statement of financial activities when the charity and/or 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.

Investment income is 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.

**Income recognition** (continued)

Fees and related charges in respect to the provision of residential and nursing care are measured at fair value of the consideration received or receivable being the invoiced amount excluding discounts and rebates. Provision is made against any amount deemed irrecoverable or where the debt is doubtful.

All other income, including grants received, is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably. It is measured at fair value and accounted for on an accruals basis.

**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. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprising investment management fees.
- ◆ Expenditure on the provision of residential and nursing care facilities for the elderly at the Home

All expenditure is stated inclusive of irrecoverable VAT.

**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.

All expenditure on support and governance is attributed directly to the provision of nursing and residential care. Hence, there has been no apportionment between expenditure headings.

**Tangible fixed assets**

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised. The tangible fixed assets were transferred to the charity with effect from midnight on 30 November 2021 with the cost and accumulated depreciation reflecting the values transferred across from the Congregation of the Sisters of St Anne Charitable Trust as at that date. These values represented the original cost of the assets to the Congregation of the Sisters of St Anne Charitable Trust and the depreciation charged on the assets up to the date of transfer.

**Tangible fixed assets** (continued)

- ◆ Freehold land and buildings  
Freehold land and buildings are included at cost. Depreciation calculated using a straight line basis is provided at 2% per annum in order to write the buildings off over their estimated useful economic life.
- ◆ Freehold improvements  
Improvements to facilities and refurbishment projects are capitalised and depreciated over a ten year period on a straight line basis.
- ◆ Furniture and equipment  
Furniture and equipment is included in the accounts at cost and depreciated over a four year period on a straight line basis.
- ◆ Motor vehicles  
Motor vehicles are capitalised at cost and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle 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.

A key 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 changes in sentiment concerning equities and within particular sectors or sub sectors.

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.

**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**

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity, the trustees have identified separately those funds representing tangible fixed assets (see note 12).

**Pensions**

The charity offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

**1 Income from: Provision of care for the elderly**

	2023 £	2022 £
Residential and nursing care fees	1,468,409	452,507
Less: subsidies to residents	(50,385)	(7,657)
	<b>1,418,024</b>	<b>444,850</b>

**2 Expenditure on: Provision of care for the elderly**

	2023 £	2022 £
Staff costs	1,202,938	385,704
Premises	98,388	37,098
Provisions	52,456	17,157
Residents' welfare and medical expenses	27,213	8,553
Depreciation	61,139	23,246
Other support and governance costs	52,000	26,398
	<b>1,494,134</b>	<b>498,156</b>

**3 Governance costs**

	2023 £	2022 £
Audit fees	7,800	10,400

**4 Net expenditure (income) before net investment losses**

This is stated after charging (crediting):

	2023 £	2022 £
Staff costs (note 5)	1,202,938	385,704
Depreciation	61,139	23,245
Loss on disposal of tangible fixed assets	2,136	—
Audit fees	—	—
. 2021	—	2,000
. 2022	(1,200)	8,400
. 2023	9,000	—

## 5 Staff costs and key management personnel

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	1,066,625	343,732
Social security costs	108,490	33,716
Pension contributions	27,247	8,096
	<b>1,202,362</b>	<b>385,544</b>
Agency staff	576	160
	<b>1,202,938</b>	<b>385,704</b>

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000.

The average number of employees, analysed by function, was:

	2023	2022
Residential and nursing care	33	34
Management	4	2
	<b>37</b>	<b>36</b>

### **Key management personnel**

The key management personnel of the Home in charge of directing and controlling, running and operating the Home on a day to day basis comprise the trustees together with the Registered Care Manager, the Administrator and the Office Manager. The trustees have delegated the responsibility of running the Home to the Administrator, Sister Patricia Heller, who is also a trustee. Nursing staff report to the Registered Care Manager. All other staff report to the Administrator. The total remuneration (including taxable benefits) of the key management personnel for the year was £150,379 (2022 - £28,027).

### **Higher paid staff**

The number of employees whose employee benefits (excluding employer pension and employer national insurance costs) fell within the following bands was:

	2023 Number	2022 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	—

The employer's pension contributions in respect to these employees were £4,843 (2022 - £1,613).



## 6 Trustees' remuneration and expenses

The Administrator is a member of the Roman Catholic Congregation of the Sisters of St Anne. A charitable contribution of £37,354 (2022 – £11,299) is made by the Home to The Congregation of the Sisters of St Anne Charitable Trust in recognition of her services as Administrator of the Home. This contribution and the pay of the Registered Care Manager of the Home is reviewed annually by the trustees. The payments generally are increased in line with average earnings within the Home.

Two of the trustees received remuneration totalling £49,765 (2020 - £15,523) directly from the Home in respect of their services.

No trustee received reimbursement of expenses during the year (2022 - £nil).

No amounts were donated by the trustees to the charity in the year to 31 March 2023 (2022 - £nil).

## 7 Taxation

St Teresa's Home CIO is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 8 Tangible fixed assets

	Freehold land and buildings – specialised £	Freehold improvements £	Furniture, equipment and improvements £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2022	1,595,954	97,841	452,204	17,023	<b>2,163,022</b>
Additions	—	—	8,238	—	<b>8,238</b>
Disposals	—	—	(3,207)	—	<b>(3,207)</b>
At 31 March 2023	<u>1,595,954</u>	<u>97,841</u>	<u>457,235</u>	<u>17,023</u>	<b><u>2,168,053</u></b>
<b>Depreciation</b>					
At 1 April 2022	634,958	32,434	351,718	17,023	<b>1,036,133</b>
Charge for the period	30,236	1,957	28,946	—	<b>61,139</b>
Disposals	—	—	(1,071)	—	<b>(1,071)</b>
At 31 March 2022	<u>665,194</u>	<u>34,391</u>	<u>379,593</u>	<u>17,023</u>	<b><u>1,096,201</u></b>
<b>Net book values</b>					
At 31 March 2023	<u><b>930,760</b></u>	<u><b>63,450</b></u>	<u><b>77,642</b></u>	<u><b>—</b></u>	<b><u>1,071,852</u></b>
At 31 March 2022	<u>960,996</u>	<u>65,407</u>	<u>100,486</u>	<u>—</u>	<u>1,126,889</u>

## 9 Investments

	2023 £	2022 £
Market value at 1 April 2022	679,499	—
Transferred from The Congregation of the Sisters of St Anne Charitable Trust (Charity Registration No. 233808)	—	709,391
Additions at cost	137,198	55,178
Disposals at book value (see below)	(150,532)	(54,484)
Net unrealised losses	(27,436)	(30,586)
Market value at 31 March 2023	638,729	679,499
<b>Cash held by investment managers for reinvestment</b>	<b>51,733</b>	<b>50,376</b>
	<b>690,462</b>	<b>729,875</b>
Cost at 31 March 2023	518,391	505,377

Disposals at book value included above are made up of the following:

	2023 £	2022 £
Proceeds	137,250	48,939
Realised losses	13,282	5,545
Disposals at book value	150,532	54,484

Listed investments held at 31 March 2023 comprised the following:

	2023 £	2022 £
UK fixed interest	91,639	52,473
UK equities	343,297	353,116
Overseas unit trusts	203,793	273,910
	638,729	679,499

At 31 March 2023 the following individual investment holdings were deemed material holdings in the context of the market value of the entire listed portfolio as at that date:

	2023	
	Market value of holding £	% of total portfolio
Wisdomtree Metal Securities Ltd Physical Gold (USD)	61,634	9.65
Treasury 1/4% Gilt 31/01/2025	33,702	5.28

All listed investments were dealt in on a recognised stock exchange.

## 10 Debtors

	2023 £	2022 £
Residents' fees	102,632	118,226
Prepayments and accrued income	23,537	16,475
	<b>126,169</b>	<b>134,701</b>

## 11 Creditors: amounts falling due within one year

	2023 £	2022 £
Residents' fees in advance	112,933	98,390
Expense creditors	8,863	973
Accruals	159,541	113,701
Other creditors	660	3,284
	<b>281,997</b>	<b>216,348</b>

## 12 Tangible fixed assets fund

	2023 £	2022 £
At 1 April	1,126,889	—
Net movement in the year (including transfer)	(55,037)	1,126,889
At 31 March	<b>1,071,852</b>	<b>1,126,889</b>

The tangible fixed assets fund represents the net book value of the Home's tangible fixed assets. A decision was made to separate this fund from the general funds of the Home in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the Home and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

## 13 Analysis of assets between funds

	General fund £	Tangible fixed assets fund £	31 March 2023 £
<b>Fund balances at 31 March 2023</b>			
Tangible fixed assets	—	1,071,852	1,071,852
Investments	690,462	—	690,462
Net current assets	60,439	—	60,439
	<b>750,901</b>	<b>1,071,852</b>	<b>1,822,753</b>
	General fund £	Tangible fixed assets fund £	31 March 2022 £
<b>Fund balances at 31 March 2022</b>			
Tangible fixed assets	—	1,126,889	1,126,889
Investments	729,875	—	729,875
Net current assets	63,543	—	63,543
	<b>793,418</b>	<b>1,126,889</b>	<b>1,920,307</b>

**13 Analysis of assets between funds (continued)**

	2023 £	2022 £
Unrealised gains on investments included above:	120,338	174,122
<b>Reconciliation of movement on unrealised gains on investment assets</b>		
Unrealised gains at 1 April 2022	174,122	—
Transferred from The Congregation of the Sisters of St Anne Charitable Trust (Charity Registration No. 233808)	—	228,406
Net losses arising on revaluation in the year	(27,436)	(30,586)
Less: in respect of disposals in period	(26,348)	(23,698)
At 31 March 2023	120,338	174,122

**14 Liability of the members**

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

**15 Related parties**

During the year the following transactions took place between the St Teresa's Home CIO and the Congregation of the Sisters of St Anne Charitable Trust (Charity Registration No. 233808). These are deemed to be related party transactions on the basis that St Teresa's Home CIO was previously part of the Charitable Trust, and three of the trustees of the Charitable Trust are also trustees of St Teresa's Home CIO.

- ♦ St Teresa's Home CIO contributed £87,119 (2022 - £26,821) to St Anne's in recognition of the services provided by members of the Congregation of the Sisters of St Anne;
- ♦ St Teresa's Home CIO received £12,902 (2022 - £8,612) from St Anne's towards the cost of medical care for a member of the St Anne's Congregation.

There were no other related party transactions requiring disclosure (2022 - none).

**16 Capital commitments**

At 31 March 2023, the Home has capital commitments of £24,000 in respect to the installation of a new lift on the upper floor of the Home which had been contracted for as at that date (2022 – no capital commitments).

# **17 Transfer of activities, assets and liabilities**

St Teresa's Home CIO, a Charitable Incorporated Organisation, was registered with the Charity Commission (Charity Registration Number: 1189921). With effect from midnight 30 November 2021, the activities, assets and liabilities of St Teresa's Home for the Elderly, previously part of The Congregation of St Anne's, were transferred to the CIO. The net assets transferred at midnight on 30 November 2021 comprise:

	£
Tangible fixed asset	
. Cost	2,163,022
. Depreciation	(1,012,888)
	1,150,134
Fixed asset investments	709,391
Cash held by investment manager	57,065
Debtors	98,029
Cash at bank and in hand	191,077
Creditors: amounts falling due within one year	(212,771)
	1,992,925

The assets and liabilities transferred were represented by the following funds:

	£
Unrestricted funds	
. General funds	842,791
. Tangible fixed assets	1,150,134
	1,992,925

## **St Teresa's Home CIO**

(Previously a foundation of the  
Congregation of the  
Sisters of St Anne  
Charitable Trust)

### **Detailed income and expenditure account**

Year to 31 March 2023

## Detailed income and expenditure account Year to 31 March 2023

This page does not form part of the audited statutory accounts.

	2023 £	2022 £
<b>Operating income</b>		
Incoming resources from charitable activities		
. Residential and nursing care charges	<b>1,418,024</b>	1,261,424
<b>Operating expenditure</b>		
<b><i>Residential and nursing care costs</i></b>		
Staff costs	<b>1,054,423</b>	929,562
Pension contributions	<b>24,130</b>	18,997
Agency staff – domestic	<b>576</b>	1,473
	<b>1,079,129</b>	950,032
Provisions	<b>52,456</b>	51,385
Depreciation	<b>61,139</b>	49,581
Premises costs		
. Maintenance and refurbishment to buildings and grounds	<b>26,876</b>	24,983
. Light, heat and water	<b>40,157</b>	32,490
. Rent, rates and refuse collection	<b>11,489</b>	43,637
. Furniture, equipment and household	<b>2,414</b>	3,643
. Insurance	<b>14,900</b>	13,362
. Cleaning and laundry	<b>2,552</b>	3,668
	<b>98,388</b>	121,783
Residents' welfare etc		
. Residents' welfare	<b>8,740</b>	7,518
. Medical expenses	<b>18,473</b>	17,048
	<b>27,213</b>	24,566
Administrative and support costs		
. Staff costs	<b>123,809</b>	129,635
. Registration fees	<b>4,333</b>	8,540
. Staff training	<b>3,024</b>	3,448
. Bank charges	<b>1,979</b>	1,337
. Travel and motor expenses	<b>1,955</b>	1,580
. Professional fees	<b>14,861</b>	30,072
. Bad debt write off	<b>(3,614)</b>	579
. Accountancy fees	<b>7,800</b>	12,120
. Office stationery and expenses	<b>13,820</b>	15,916
. Other expenses	<b>7,842</b>	1,296
	<b>175,809</b>	204,523
<b>Total operating expenditure</b>	<b>1,494,134</b>	1,401,870

**Detailed income and expenditure account** Year to 31 March 2023

This page does not form part of the audited statutory accounts.

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Operating deficit</b>	<b>(76,110)</b>	(140,446)
<b>Other income (expenditure)</b>		
Investment income and interest receivable	<b>13,105</b>	10,217
Donations and legacies	<b>9,117</b>	2,457
Covid-19 Infection Control grant	<b>—</b>	46,727
Local authority grant	<b>6,981</b>	—
Miscellaneous income	<b>—</b>	10
Investment management fees	<b>(9,929)</b>	(10,213)
<b>Net deficit before investment (losses) gains</b>	<b>(56,836)</b>	(91,248)
Net investment (losses) gains	<b>(40,718)</b>	38,202
<b>Net deficit for the year</b>	<b>(97,554)</b>	(53,046)