

Charity number: 1194230

The Order of St. Augustine of the Mercy of Jesus

Trustees' report and financial statements

for the year ended 31 December 2023

The Order of St. Augustine of the Mercy of Jesus

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The Order of St. Augustine of the Mercy of Jesus

Reference and administrative details of the charity, its Trustees and advisers for the year ended 31 December 2023

Trustees Sister Elizabeth Denny, Trustee
Sister Agnes Dunne, Trustee
Sister Mary Josephine Dolan, Trustee
Sister Mary Condron, Trustee
Martin William Dodds, Trustee

Charity registered number 1194230

Principal office The Admin Centre
St George's Park
Ditchling Road
Burgess Hill
West Sussex
RH15 0US

Independent auditors Kreston Reeves LLP
Chartered Accountants
9 Donnington Park
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PO20 7AJ

Bankers Barclays Bank plc
1 Churchill Place
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E14 5HP

Solicitors BDB Pitmans LLP
One Bartholomew Close
London
EC1A 7BL

Solicitors Dentons UK and Middle East LLP
One Fleet Place
London
EC4M 7WS

The Order of St. Augustine of the Mercy of Jesus

Trustees' report for the year ended 31 December 2023

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year from 1 January 2023 to 31 December 2023

The charity and the group also trade under the name Augustinian Care.

Trustees

The Trustees of the Charity during the year under review and to the date of this report were (Order name in brackets):-

Agnes Dunne	(Sister Mary Thomas)
Miriam Condron	(Sister Miriam)
Mary Dolan	(Sister Mary Carmel)
Elizabeth Denny	(Sister Mary Monica)
Martin William Dodds	-

The Superior General in England of the Order may exercise the power of appointing and removing trustees.

Senior Management Team

Chief Executive Officer	Philip Smith
Estates Director	Stuart Warren
Facilities Director	Paul Ray-Gain
Finance Manager	David Pithie
Training & Development Manager	Adrian Muir
Senior HR Manager	Amanda Clark

Structure, Governance and Management

From 1 January 2022 the Charitable Incorporated Organisation (CIO), The Order of St Augustine of the Mercy of Jesus (Registered Charity No. 1194230), became the principal group operating entity on transfer of the undertaking of the unincorporated Order of the same name (Registered Charity No. 229662). The charity's objects are the relief of sickness and suffering by in particular the provision or the facilitation of provision of care, accommodation and associated amenities, services and other assistance, the principal activity being the provision of nursing care for infirm and elderly people and those living with Dementia and Alzheimers on the charity's site at St George's Park, Burgess Hill.

The group structure to achieve the above objectives is as follows:

- The Order of St. Augustine of the Mercy of Jesus – Charitable Incorporated Organisation and Registered Charity No. 1194230 whose main activity is to run Care Homes (with Nursing).
- St. George's - Augustine Care (Company limited by guarantee) – Registered Charity wholly owned by the charity and set up to develop the Retirement Village.
- The Order of St. Augustine of the Mercy of Jesus – a charitable trust and Registered Charity No.229662 which continues to hold certain property assets held for sale along with some limited retained rights to income and obligations to settle expenditure.
- St. George's Park Ltd – a trading company, wholly owned by St. George's – Augustinian Care set up mainly to sell apartments, run the Retirement Village and offer Domiciliary Care services.

The Trustees are ultimately responsible for all assets of the charity and for all Policies and Procedures which are updated by the person in charge of each department are available on the intranet. They meet four times a year to review activities of the charity and to make important decisions. When necessary the Trustees seek advice from the charity's professional advisers including property consultants, solicitors and accountants.

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The Senior Management team report to the Trustees at the quarterly meetings and at any ad hoc meetings if necessary and hold bi-weekly meetings with the Care Home Managers and Deputy Managers. The Managers hold their own staff meetings for all care and ancillary staff. In addition, the managers prepare monthly reports on the service performance to include: improvement to the quality of care, review of performance including incidents, accidents and complaints, safeguarding and staff performance. The Managers report all safeguarding issues to the Trustees.

The charity is controlled by the Order, a Diocesan Roman Catholic Religious Community by virtue of the fact that the Superior General appoints the Trustees.

The Trustees are familiar with their obligations with regard to the appointment, selection and induction of new Trustees who are not required to be Religious Sisters of the Order.

New trustees undertake an induction which covers the ethos and values of charity, charity governance, and introduces the Charity Commissions' 'The Essential Trustee' guidance. Existing trustees undertake appropriate training to ensure they remain fully conversant with the role and responsibilities of a charity trustee.

Objectives and activities

The work of the charity is carried out principally through the charity's provision of two Care Homes, St Rita's and St Clare's, and Assisted Living apartments at Trinity Lodge. The two Care Homes each have 60 en-suite bedrooms which provide person-centred care to promote well-being enabling individuals to lead valued and fulfilled lives. Trinity Lodge which opened in March 2023 has 27 rented assisted living apartments.

Each Care Home is run with the following complement of staff:

- Manager
- Deputy Manager
- Administrator
- Staff Nurses
- Team Leader
- Care Assistants
- Ancillary Staff and
- Maintenance Staff.

Trinity Lodge has proved extremely successful, with virtually full occupancy. The services include a daily hot meal, cleaning of apartments, and support to ensure that the residents are living independently with the minimum of help.

A Domiciliary Care Agency, operated by St George's Park Limited and registered with CQC, provides domiciliary assistance which promotes independence and security for Residents in the Retirement Village at St George's Park and supports the residents at Trinity Lodge.

The Sisters provide pastoral care to the residents of the Care Homes and their relatives and friends, which is especially comforting at the end of life. They also provide pastoral care to residents of the Retirement Village and Trinity Lodge.

The Sisters support the parish priests, both Catholic and Church of England, to celebrate mass, administer the Sacrament of Reconciliation and Anointing and provide other services to meet the needs of the residents. The Sisters bring Communion to the residents on a weekly basis or as requested.

The Chapel is used for funeral and other services by the residents of the Retirement Village. There is a memorial package in place which allows the use of the cemetery by residents of the care homes and the retirement village. This allows for burials in the cemetery and the planting of trees or shrubs around the grounds.

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Two qualified nursing sisters also provide care and support to residents in the Care Homes and residents in St George's Park.

One Sister supports the Cardinal, where she organises care and visits elderly priests in their own homes or Care Homes. Two Sisters from St George's Retreat are part of the St Vincent de Paul team who assist with social activities and visit people in their own homes and the Care Homes.

The Sisters support a number of charities including the homelessness charity 'Crisis for Christmas' by sending clothing for both men and women and in 2023 for the people of the Ukraine by collecting and sending much needed items for the many people who have lost their homes and belongings.

One Sister continues to live in Ireland, supporting family and friends and is part of the Local Church and Community.

Public Benefit

The Trustees of the charity are aware of their responsibilities as charity trustees. Below is a table showing the fees for residents in care, which shows that 23% are on lower fees. Whilst setting up plans and objectives for the future, the Trustees will give careful consideration to the Charity Commission's guidance on public benefit.

Residents in Care Homes as at 31st December 2023

	St. Clare's	St. Rita's	Total	Percentage
Private Full Fees	41	42	83	76.9%
Private Low Fee	1	1	2	1.9%
DSS Funded	12	8	20	18.5%
CHC/CCG Funded	3	0	3	2.8%
Total	57	51	108	100.0%

Achievements and Performance Overview

The focus of 2023 has been two-fold, to complete the development and letting of Trinity Lodge and to ensure our Care Homes are well-run, places where residents are safe and cared for, and their families feel confident their relatives well-being is at the heart of what we do. We aim to provide person centred care where each individual is valued, engaged and able to make choices.

The Care Homes have up-to-date modern facilities, bedrooms with en-suite facilities and nice views from the windows (many across St George's Park), small lounges and seating areas at the end of corridors with nice views. We have also worked hard to make our Homes more dementia friendly, with themed areas in the Homes such as woodlands, lakes and sensory areas with lights and sound boxes. We hope these different themes and scenes engage and stimulate our residents. Our Homes' occupancy is very important for the financial stability of the group and whilst in 2023 occupancy rates dropped below our budgeted level we were able to maintain income levels..

Ensuring we always have the appropriate level of staffing is crucial to the well-being of our residents, and we staff care shifts at a higher level than the minimum number required to give us flexibility and the opportunity to provide more activities for Residents. In addition, we have had a focused recruitment campaign, including using the Government's inclusion of Care Staff in the Skilled Worker Visa list, recruiting applicants who require Certificates of Sponsorship, which has led to a significant reduction in the use for Agency staff. Of course, there will always be staff turnover and we work hard to keep our permanent staffing levels as high as possible.

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Trinity Lodge, the new Assisted Living accommodation opened on 6th March 2023, providing 27 apartments with supporting facilities. By developing the new Assisted Living accommodation to complete the path of support from the Retirement Village to our Care Homes the charity looks to be able to offer the right accommodation and support for residents whatever their needs.

Care Quality Commission

At the last inspection in February 2023 the Care Homes were rated as Requires Improvement, however at St. Rita's this is because one of the five categories was rated by CQC as Requires Improvement, while the other four were rated as GOOD. At St. St. Clare's there were three points which CQC rated Required Improvement. We fell short predominantly on paperwork and recordkeeping. Since the inspection in February 2023 we have implemented changes having listened to our service users and visitors to the Homes.

There are regular family and friends meetings where useful information is cascaded. We regularly audit Care Plans and Risk Assessments, which are both on our IT System, PCS, and on paper to ensure that all health needs are properly managed to ensure good care of the residents in our service. This will ensure that all health needs are reported to the appropriate authority for investigation and diagnosis as required.

We have placed a large white board in the Reception area of both Homes where residents family can make suggestions, the principle being - 'YOU SAID' 'WE DID' . For resident who are unable to verbally communicate due to living with Dementia, we use picture cards to enable them to make choices in particular with regards to meals. Activity Co-ordinators spend time with residents who are bed-bound and talk and read to them.

Gold Standard Framework

During the year, St Rita's and St Clare's engaged with the Gold Standard Framework team, achieving the Gold Standard Framework 'Platinum' status for sustaining the high quality of care provided to those in the final years of life. Both Homes have been revalidated from 2022 to 2025.

Environment Social Governance (ESG)

The group has prepared an ESG policy setting out its commitment to sustainable development, meeting the needs of the present without compromising the ability of future generations to meet their own needs, as a guiding principle within our work. Social conscientiousness and concern for the environment are integral and fundamental parts of this commitment. Our aim is to reduce the impact of our operations on the environment and on society, ensuring the highest ethical standards, and considering environmental sustainability and social responsibility in all that we do.

The group has already several environmental projects in hand, including the following:

- Energy Saving Opportunity Scheme (ESOS3)
- Tree planting (with Woodland Trust)
- A largescale photovoltaic installation (2 fields)
- Installation of two electric vehicle charging points

As well as ongoing work:

- Upgrading lighting with Low Energy Devices (LED's)
- Waste Recycling.

Employee Involvement and Employment of the Disabled

The Charity and the Group have a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Health and Safety Policy.

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All the policies are available on the Charity's intranet and are updated regularly.

In accordance with the Charity and the Group's Equal Opportunities Policy, the Charity and the Group have long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the Charity and the Group's offices.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually by the Trustees. When arriving at an increase, the Trustees take into consideration the following:

- Increase in national average earnings in the general economy
- Account of any relevant professional qualifications the individual member of staff holds
- The local labour market
- The national labour market
- The increased cost of daily living expenses.

GDPR

We continue to review our GDPR compliance, the Finance Manager is the nominated GDPR Officer for the group.

Financial Review

After the difficult years of navigating the Covid crisis the charity has been able to return to a more stable position, albeit with the benefit of a £400,000 legacy received in the year. Without the legacy, the account would have shown a loss of £46,832, 0.4% of the annual income, due primarily to the lower than usual bed occupancy levels in the two care homes. 2024 has seen a return to the normal occupancy, with the consequent improvement in the financial position. Additionally, 2024 will include a full years' occupation of Trinity Lodge, which will also increase the surplus and help to build a firm basis upon which to continue to deliver long term stability for the group and high standards of accommodation and care to residents.

The group's consolidated statement of financial affairs shows net income before taxation and other recognised gains/losses for the year of £353,168 (2022 net income: £20,538). The principal sources of funding during the year were fees charged to residents, rents and sales of retirement apartments.

All material fixed assets of the charity are used for direct charitable purposes.

The consolidated balance sheet discloses that the group had net current assets of £4,154,908 at 31 December 2023 and net assets of £37,247,626. The Trustees consider that the assets of the charity and group are sufficient to meet the current obligations of the group. The charity's governing document does not restrict the powers of investment of the Trustees and therefore all assets held by the charity have been acquired with the powers available to them.

At 31 December 2023 there were loans due to the Charity within the group amounting to £1,005,918 (2022: £1,562,578).

The funding environment for the care sector continues to remain challenging and a key financial issue outside the control of the charity is the level of local authority fees which are significantly less than private fees and not sufficient to cover costs.

The charity does not actively fundraise, however it benefitted from donations of £617,846, this includes an interim legacy from Geraldine Rogan amounting to £400,000. As explained in the post balance sheet note, note 25, it has not been possible to substantiate the remaining amount as the total value of the estate remains unknown.

Going Concern

The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the

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for the year ended 31 December 2023

going concern basis of preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves Policy

The Trustees approved a general reserves policy as follows:

Minimum – a level of 2 months expenditure to be maintained

Maximum – no more than 4 month's expenditure

Target: - To aim to achieve and hold reserves at a level of 3 months expenditure.

Total funds at 31 December 2023 were £37,247,626 (2022: £36,934,656) of which £763,713 (2022: £790,582) were restricted. Unrestricted funds at 31st December 2023 of £33,092,718 (2022 - £32,930,642) were invested in tangible fixed assets to be used by the charity. The charity therefore had free reserves at 31 December 2023 of £3,391,195 (2022 £3,213,632).

In the future a Sisters' Reserve will be established to meet the income required to support the Community of Sisters. It was considered that an appropriate target for this reserve would be £2million. The reserve is a secondary consideration to the principal of securing the future of the Charity to deliver its' services. The Trustees will review the levels of the reserves each year:

- Decide whether the previous determined requirements remain appropriate
- If they are not, what is to be done to achieve them in the future?
- If excess reserves have been established, what is to be done with them?
- And to consider future plans to ensure excess monies are not excessively tied up in the operation.

Risk Management and Internal Control

The Board of Trustees has examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risk facing the charity is to ensure the wellbeing of residents in our care. The Trustees will continue to implement policies and procedures which protect their health and safety and maintain the operations integrity.

The other main risk to the charity is that of financial risk in the continuing, challenging environment facing the care sector especially the challenge of meeting the increasing costs.

The charity maintains high level of occupancy and the Trustees and staff continue to look to increase other sources of income to ensure the viability of the charity.

The Board has overall responsibility to ensure the charity has systems of internal control. Such a system of control can provide reasonable, not absolute assurance against errors or fraud. The controls in place include clearly documented accounting procedures, delegation of the authority of the Board of Trustees through the Chief Executive to the rest of the charity.

The charity operates an annual planning and budgeting system with an annual budget approved by the Board. Any changes to the Budget require specific approval from the Senior Management Team, during monthly reviews of income and expenditure, when revised budgets are compared with previous years.

Future Plans

The Trustees are focussed on providing integrated care through their Care Homes and assisted living accommodation on the St George's Park site associated to the independent living apartments developed by the group previously in the Retirement Village.

The charity has allowed the planning permission to provide a further 72 Assisted Living apartments and a Day Centre at the St. George's site to lapse. This project will be reviewed with the benefit of experience from running Trinity Lodge and when funding allows.

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St. Raphael's Care Home

The sale of the home is currently being assessed.

Trustees' responsibilities statement

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period in preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent:
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time for financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Account and Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other regularities.

This report was approved by the Trustees, on 17th June 2024 and signed on their behalf by:

.....
Sister Agnes Dunne
Trustee

The Order of St. Augustine of the Mercy of Jesus

Consolidated Statement of financial activities for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	617,846	-	617,846	369,014
Charitable activities	5	9,415,235	-	9,415,235	7,982,542
Other trading activities		1,196,547	-	1,196,547	912,543
Investments	6	235,687	-	235,687	200,790
Other income	7	97,701	-	97,701	762,283
Total income		11,563,016	-	11,563,016	10,227,172
Expenditure on:					
Raising funds	8	753,316	-	753,316	1,192,510
Charitable activities	9	10,429,663	26,869	10,456,532	9,014,124
Total expenditure		11,182,979	26,869	11,209,848	10,206,634
Net income/(expenditure) before taxation		380,037	(26,869)	353,168	20,538
Taxation	13	(22,218)	-	(22,218)	(1,446)
Net movement in funds before other recognised gains/(losses)		357,819	(26,869)	330,950	19,092
Other recognised gains/(losses):					
(Losses)/gains on revaluation of fixed assets		(17,980)	-	(17,980)	301,600
Net movement in funds		339,839	(26,869)	312,970	320,692
Reconciliation of funds:					
Total funds brought forward		36,144,074	790,582	36,934,656	36,613,964
Net movement in funds		339,839	(26,869)	312,970	320,692
Total funds carried forward		36,483,913	763,713	37,247,626	36,934,656

The Order of St. Augustine of the Mercy of Jesus

Consolidated balance sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	33,092,718	32,930,642
		<u>33,092,718</u>	<u>32,930,642</u>
Current assets			
Stocks	15	76,821	69,915
Debtors	16	1,244,578	1,073,665
Bank and cash balances		692,745	934,942
Fixed assets held for sale		3,417,655	3,417,655
		<u>5,431,799</u>	<u>5,496,177</u>
Creditors: amounts falling due within one year	17	(1,276,891)	(1,492,163)
Net current assets		<u>4,154,908</u>	<u>4,004,014</u>
Total assets less current liabilities		<u>37,247,626</u>	<u>36,934,656</u>
Total net assets		<u><u>37,247,626</u></u>	<u><u>36,934,656</u></u>
Charity funds			
Restricted funds	18	763,713	790,582
Unrestricted funds	18	36,483,913	36,144,074
Total funds		<u><u>37,247,626</u></u>	<u><u>36,934,656</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Sister Agnes Dunne

.....
Sister Elizabeth Denny

Date: 17 June 2024

The notes on pages 17 to 35 form part of these financial statements.

The Order of St. Augustine of the Mercy of Jesus

Charity balance sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	31,761,407	31,535,222
		<u>31,761,407</u>	<u>31,535,222</u>
Current assets			
Stocks	15	76,821	69,915
Debtors	16	2,110,343	2,014,126
Fixed assets held for sale		3,417,655	3,417,655
Cash at bank and in hand		370,311	406,070
		<u>5,975,130</u>	<u>5,907,766</u>
Creditors: amounts falling due within one year	17	(1,026,847)	(1,267,994)
Net current assets		<u>4,948,283</u>	<u>4,639,772</u>
Total assets less current liabilities		<u>36,709,690</u>	<u>36,174,994</u>
Total net assets		<u><u>36,709,690</u></u>	<u><u>36,174,994</u></u>
Charity funds			
Restricted funds	18	763,713	790,582
Unrestricted funds	18	35,945,977	35,384,412
Total funds		<u><u>36,709,690</u></u>	<u><u>36,174,994</u></u>

The charity's net movement in funds for the year was £534,696 (2022 - £713,626).

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Sister Agnes Dunne

.....
Sister Elizabeth Denny

Date: 17 June 2024

The notes on pages 17 to 35 form part of these financial statements.

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Consolidated statement of cash flows for the year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	76,080	288,618
Cash flows from investing activities		
Dividends, interests and rents from investments	235,687	200,790
Proceeds from the sale of fixed assets	421,785	736,714
Purchase of tangible fixed assets	(957,769)	(4,990,611)
Proceeds from sale of assets for sale	-	573,694
(Loss)/Gains on revaluations of fixed assets	(17,980)	301,600
Net cash used in investing activities	(318,277)	(3,177,813)
Change in cash and cash equivalents in the year	(242,197)	(2,889,195)
Cash and cash equivalents at the beginning of the year	934,942	3,824,137
Cash and cash equivalents at the end of the year	692,745	934,942

The notes on pages 17 to 35 form part of these financial statements

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Notes to the financial statements for the year ended 31 December 2023

1. General information

The Order is engaged principally in the provision of accommodation for elderly and infirm residents at convents and houses at the under noted location:-

St.George's Retreat, Burgess Hill (the mother house).

The principal activities of its subsidiary companies are as set out in note 26, and were all carried out at its Burgess Hill site.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Order of St. Augustine of the Mercy of Jesus meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist.

The trustees have considered the level of funds which will remain and the expected level of income and expenditure for 12 months from authorising these financial statements and consider that the charity will have sufficient cash funds available to cover ongoing costs to fulfil the operational objectives.

**Notes to the financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Notes to the financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.6 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax expense for the year comprises current tax on income arising in the subsidiary entities which is not covered by the above exemptions. This is recognised in the Consolidated Statement of Financial Activities. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the subsidiary companies operate and generate income. Accordingly the tax assessed for the year on this income is at the standard rate of corporation tax in the UK of 24% (2022: 19%).

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- straight line over 75 years
Long-term leasehold property	- straight line over 75 years
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Chapel - structural works	- straight line over 100 years
Chapel - refurbishment works	- straight line over 40 years

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Notes to the financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the financial statements
for the year ended 31 December 2023**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The fair value of the investment properties which are sensitive to fluctuations in the property market.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	217,846	217,846	369,014
Legacies	400,000	400,000	-
	<u>617,846</u>	<u>617,846</u>	<u>369,014</u>

All donations and legacies in the current and prior year were unrestricted.

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Residents' fees and extras	<u>9,415,235</u>	<u>9,415,235</u>	<u>7,982,542</u>

All charitable income in the current and prior year was unrestricted.

The Order of St. Augustine of the Mercy of Jesus

Notes to the financial statements for the year ended 31 December 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income and interest receivable	235,687	235,687	200,790

All investment income in the current and prior year was unrestricted.

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income	74,116	74,116	501,875
Gains on disposals of fixed assets	23,585	23,585	260,408
	97,701	97,701	762,283

All other incoming resources in the current and prior year was unrestricted.

**Notes to the financial statements
for the year ended 31 December 2023**

8. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Work in progress write offs	-	-	460,847
Cost of sales	9,732	9,732	4,743
Distribution expenses	30,021	30,021	33,682
Administration expenses	123,384	123,384	174,821
Establishment expenses	12,672	12,672	6,101
Cost of sales staff costs	320,461	320,461	271,742
Distribution staff costs	49,798	49,798	43,835
Administration staff costs	207,248	207,248	196,739
	<u>753,316</u>	<u>753,316</u>	<u>1,192,510</u>

All trading expenditure in the current and prior year was from unrestricted funds.

**Notes to the financial statements
for the year ended 31 December 2023**

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Total funds 2023 £	Total funds 2022 £
Residents' fees and extras	10,456,532	10,456,532	9,014,124

Analysis of direct costs

	Residents' fees and extras 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	6,481,604	6,481,604	5,548,632
Establishment and care expenses	2,212,704	2,212,704	1,644,340
Staff costs, agency and training	432,509	432,509	746,205
Bad and doubtful debts	-	-	(13,334)
Bank charges	20,025	20,025	31,133
Depreciation on tangible fixed assets	378,100	378,100	196,471
Farm costs	60,050	60,050	35,153
Legal and professional	110,986	110,986	101,137
Repairs and maintenance	689,818	689,818	677,701
Governance costs	70,736	70,736	46,686
	10,456,532	10,456,532	9,014,124

Included within the direct costs are restricted costs which total £28,869 (2022: £nil).

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £61,800 (2022 - £63,800), and other professional services to the charity including advisory services to the trustees and management amounting to £21,540 (2022 - £10,060).

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Notes to the financial statements for the year ended 31 December 2023

11. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	6,278,049	5,406,938	5,761,260	4,946,015
Social security costs	625,693	526,153	578,582	486,676
Contribution to defined contribution pension schemes	155,369	127,857	141,762	115,941
	<u>7,059,111</u>	<u>6,060,948</u>	<u>6,481,604</u>	<u>5,548,632</u>

The average number of persons employed by the charity during the year was as follows:

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Services to residents	210	217	194	202
Management and administration	29	28	26	25
	<u>239</u>	<u>245</u>	<u>220</u>	<u>227</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	6	7
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

The senior management team, as described on page 2, have employee benefits totalling £499,936 (2022: £431,322) in the parent charity. The employee benefits of the senior management team for the group totalled £584,015 (2022: £543,732).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

**Notes to the financial statements
for the year ended 31 December 2023**

13. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on net income/(expenditure) for the year	22,218	1,446
Taxation on net income/(expenditure)	<u>22,218</u>	<u>1,446</u>

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 24% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Net income/(expenditure) before tax	<u>353,168</u>	<u>20,538</u>
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 24 (2022 - 19%).	84,760	3,902
Effects of:		
Exclude tax on CIO surplus as not subject to tax	(56,542)	(2,456)
Gift aid relief	(24,000)	-
Trust tax charge	18,000	-
Total tax charge for the year	<u>22,218</u>	<u>1,446</u>

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**Notes to the financial statements
for the year ended 31 December 2023**

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Assets under construction £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation							
At 1 January 2023	11,038,208	12,984,635	10,859,044	298,391	1,689,913	7,000	36,877,191
Additions	254,880	-	531,741	28,839	142,309	-	957,769
Disposals	(398,200)	-	-	-	-	-	(398,200)
Transfers between classes	-	11,390,785	(11,390,785)	-	-	-	-
Revaluations	(17,980)	-	-	-	-	-	(17,980)
At 31 December 2023	10,876,908	24,375,420	-	327,230	1,832,222	7,000	37,418,780
Depreciation							
At 1 January 2023	675,356	1,514,304	-	259,781	1,497,108	-	3,946,549
Charge for the year	50,387	232,187	-	8,588	88,351	-	379,513
At 31 December 2023	725,743	1,746,491	-	268,369	1,585,459	-	4,326,062
Net book value							
At 31 December 2023	10,151,165	22,628,929	-	58,861	246,763	7,000	33,092,718
At 31 December 2022	10,362,852	11,470,331	10,859,044	38,610	192,805	7,000	32,930,642

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**Notes to the financial statements
for the year ended 31 December 2023**

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Long-term leasehold property £	Assets under construction £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2023	11,038,208	11,598,435	10,859,044	254,555	1,648,328	35,398,570
Additions	254,880	-	531,741	28,839	142,309	957,769
Transfers intra group	-	63,200	-	-	-	63,200
Disposals	(398,200)	-	-	-	-	(398,200)
Transfers between classes	-	11,390,785	(11,390,785)	-	-	-
Revaluations	(17,980)	-	-	-	-	(17,980)
At 31 December 2023	10,876,908	23,052,420	-	283,394	1,790,637	36,003,359
Depreciation						
At 1 January 2023	675,356	1,514,304	-	217,338	1,456,350	3,863,348
Charge for the year	50,387	232,187	-	8,230	87,800	378,604
At 31 December 2023	725,743	1,746,491	-	225,568	1,544,150	4,241,952
Net book value						
At 31 December 2023	10,151,165	21,305,929	-	57,826	246,487	31,761,407
At 31 December 2022	10,362,852	10,084,131	10,859,044	37,217	191,978	31,535,222

The Order of St. Augustine of the Mercy of Jesus

Notes to the financial statements for the year ended 31 December 2023

14. Tangible fixed assets (continued)

Charity (continued)

Freehold properties include land with a net book value of £5,310,216 (2022: £5,310,216) which is not depreciated.

Freehold properties include investment properties of £3,715,300 (2022: £3,876,000).

Leasehold properties include investment properties amounting to £632,000 (2022: £568,800).

Leasehold properties include interest capitalised of £595,000 at the Bank of Ireland base rate plus 1.75%.

Investment properties under Freehold Properties were subject to independent, professional valuation at 31 December 2015. The valuation was undertaken by various local estate agents with good knowledge of the properties and their locations. The value was reviewed by Stuart Warren DipSurv (CEM) MRICS MBIFM before the amounts were approved to be included within the accounts. In 2023 the investment properties were reviewed and some of the properties were revalued.

Investment properties held within Long term leasehold property were subject to an independent, professional valuation at 31 December 2018. The valuation was undertaken by Cuthbert Lake, Chartered Surveyors. It is assumed that the value of these investment properties is in line with their market value and the values are deemed appropriate still as at 31 December 2023.

Assets under construction relate to Trinity Lodge which was completed in our year and transferred to Long term leasehold properties.

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Notes to the financial statements for the year ended 31 December 2023

15. Stocks

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Farm valuation	76,821	69,915	76,821	69,915

16. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	490,553	431,241	454,351	421,771
Amounts owed by group undertakings	-	-	1,005,918	1,149,362
Other debtors	135,033	285,240	132,443	278,487
Prepayments and accrued income	618,992	357,184	517,631	164,506
	<u>1,244,578</u>	<u>1,073,665</u>	<u>2,110,343</u>	<u>2,014,126</u>

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	266,686	359,432	256,249	358,663
Corporation tax	22,218	1,446	-	-
Other taxation and social security	222,068	130,575	197,060	116,683
Other creditors	680,479	226,660	500,823	41,828
Accruals and deferred income	85,440	774,050	72,715	750,820
	<u>1,276,891</u>	<u>1,492,163</u>	<u>1,026,847</u>	<u>1,267,994</u>

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Notes to the financial statements for the year ended 31 December 2023

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General Funds	35,361,474	11,563,016	(11,205,197)	-	35,719,293
Revaluation reserve	782,600	-	-	(17,980)	764,620
	<u>36,144,074</u>	<u>11,563,016</u>	<u>(11,205,197)</u>	<u>(17,980)</u>	<u>36,483,913</u>
Restricted funds					
Bursary fund	500,000	-	-	-	500,000
Fleur Cowles Charitable Foundation	237,812	-	-	-	237,812
David Maskell	52,770	-	(26,869)	-	25,901
	<u>790,582</u>	<u>-</u>	<u>(26,869)</u>	<u>-</u>	<u>763,713</u>
Total of funds	<u><u>36,934,656</u></u>	<u><u>11,563,016</u></u>	<u><u>(11,232,066)</u></u>	<u><u>(17,980)</u></u>	<u><u>37,247,626</u></u>

The Order of St. Augustine of the Mercy of Jesus

Notes to the financial statements for the year ended 31 December 2023

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds	35,342,382	10,227,172	(10,208,080)	-	35,361,474
Revaluation reserve	481,000	-	-	301,600	782,600
	<u>35,823,382</u>	<u>10,227,172</u>	<u>(10,208,080)</u>	<u>301,600</u>	<u>36,144,074</u>
Restricted funds					
Bursary fund	500,000	-	-	-	500,000
Fleur Cowles Charitable Foundation	237,812	-	-	-	237,812
David Maskell	52,770	-	-	-	52,770
	<u>790,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,582</u>
Total of funds	<u>36,613,964</u>	<u>10,227,172</u>	<u>(10,208,080)</u>	<u>301,600</u>	<u>36,934,656</u>

The Bursary Fund has been set up to comply with the section 106 agreement in respect of the new care village development. It will be made available to residents for the purpose of subsidising the care fees of, or providing financial assistance to, only those residents who prior to becoming a resident were not resident in the area of either West or East Sussex Social Services, or have been residents for no more than 5 years. The transfer from the unrestricted funds is based on a percentage of income received in St George's Park Limited in relation to ground rent, apartment sales and sales uplifts.

Fleur Fenton Cowles was an American write, editor and artist best known as the creative force behind the short-lived Flair magazine, published in the early 1950's. She moved to Europe in 1955 where she was a successful painter and illustrator. She also designed tapestries, accessories and china for Denby Ltd. She died on June 5 2009 at St Raphael's aged 95 leaving £493,000 towards the maintenance and upkeep of the home.

David Maskell - for the general purposes of the Retreat, this has been allocated towards the chapel refurbishment costs and has also been used to create the Memorial Garden and to refurbishing parts of the Convent and grounds

**Notes to the financial statements
for the year ended 31 December 2023**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	33,092,718	-	33,092,718
Current assets	4,668,086	763,713	5,431,799
Creditors due within one year	(1,276,891)	-	(1,276,891)
Total	36,483,913	763,713	37,247,626

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	330,950	19,092
Adjustments for:		
Depreciation charges	379,513	196,471
Loss/(Gains) on revaluations on fixed assets	17,980	(301,600)
Dividends, interests and rents from investments	(235,687)	(200,790)
(Gain)/Loss on the sale of fixed assets	(23,585)	(260,408)
(increase)/decrease in stocks	(6,906)	433,321
Increase in debtors	(170,913)	(196,724)
(Decrease)/increase in creditors	(236,044)	598,799
Taxation paid	(1,446)	(989)
Taxation charge	22,218	1,446
Net cash provided by operating activities	76,080	288,618

21. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash at bank and in hand	692,745	934,942
Total cash and cash equivalents	692,745	934,942

**Notes to the financial statements
for the year ended 31 December 2023**

22. Analysis of changes in net debt

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	934,942	(242,197)	692,745
	<u>934,942</u>	<u>(242,197)</u>	<u>692,745</u>

23. Capital commitments

	Group 2023 £	Group 2022 £
Contracted for but not provided in these financial statements		
Purchase, construction or development of investment property	-	690,374
	<u>-</u>	<u>690,374</u>

24. Related party transactions

St George's Park Limited and St George's - Augustinian Care

During the year recharges of employees' salaries for work carried out relating to the subsidiaries were made. A total of £249,821 (2022 - £229,622) was recharged to St George's Park Limited.

At the year end the balance due from St George's - Augustinian Care was £199,332 (2022 - £648,544) and the amount due from St George's Park Limited was £775,584 (2022 - £914,034).

25. Post balance sheet events

Following the year end the charity received an interim payment of a legacy which totalled £400,000. Per the correspondence with the solicitors a further amount is expected, however we are unable to substantiate the remaining amount as the total value of the estate remains unknown. Therefore we have only accrued in the interim receipt of £400,000.

The Order of St. Augustine of the Mercy of Jesus

Notes to the financial statements for the year ended 31 December 2023

26. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding
St George's - Augustinian Care	04718235	1105835	100%
St George's Park Limited	05225007		100%
The Order of St. Augustine Of The Mercy Of Jesus		229662	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
St George's - Augustinian Care	255,000	1,362	256,362	(156,854)
St George's Park Limited	1,156,014	(788,536)	367,478	628,392
The Order of St. Augustine Of The Mercy Of Jesus	16,950	(194,300)	(177,350)	66,400