

# FMDM Foundation Charitable Incorporated Organisation (CIO)

## Report & Accounts

31 December 2023



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*Canticle of Creation Artwork in Ladywell Refectory,  
created by Catherine A. Johansen of Scribble & Think*



*Ladywell Convent*



The Trustees present their report together with the accounts of the Franciscan Missionaries of the Divine Motherhood Foundation Charitable Incorporated Organisation (CIO) ('the Charity') for the year ended 31 December 2023.

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***Message from Chris Iley, Trustee and Chair of FMDM Foundation CIO***

2023 was a pivotal year in the history of the Franciscan Missionaries of the Divine Motherhood (FMDM). It was the year the transition towards the vision of the Sisters, to ensure the longevity and legacy of FMDM, began. The first step was the unwinding of the old charitable trust and the transfer of all assets into the newly established FMDM Foundation Charitable Incorporated Organisation (CIO) in January 2023.

The Foundation CIO is aptly named, as its objects include provision of support and resources to enable FMDM to deliver on its mission. That mission will ultimately be primarily delivered, it is hoped, via two new CIO's, the Franciscan Centre Ladywell CIO and the FMDM CIO, which will be launched in 2024 and 2025 respectively. A key objective of the Foundation CIO in 2023 was the successful incubation of these CIOs in preparation of their launch as separate legal entities.



We are delighted to report that, under the leadership of George White, Chair elect of the Franciscan Centre Ladywell CIO, and Shona Cahill, the Director, rapid progress has been made in getting the Franciscan Centre Ladywell up and running, exceeding all expectations. The Centre is clearly meeting a need in people who are searching for an experience of God. The team's ministry is rooted in Franciscan values including inclusiveness, care for creation, healing, peace and reconciliation - values so urgently needing expression in our world today.

Critical to FMDM's vision is the involvement of Lay Trustees who can add both experience and expertise and also provide continuity over the long term as the active management involvement of the Sisters inevitably declines. We have been fortunate to have recruited Trustees for the CIO's who provide a variety of experience across multiple disciplines and importantly who believe in the vision, are motivated by the mission, and share the values of FMDM. We are extremely grateful to all of them for giving so much of their time voluntarily during 2023.

While the 3 CIO framework will provide a robust structure that allows both for mutual support and individual focus, it presents challenges of communication and coordination. These need to be achieved across the CIO's and between the Senior Management Team (SMT) and other Mission Partners, the Trustees and the Congregational Leadership Team (CLT). To ensure this, the Foundation board established 3 sub-committees with broad representations from all these groups. The sub-committees reflect the key priorities of the Foundation: Investment (for financial returns and risk management), Finance (for financial planning and control) and Quality Assurance (for the care of the Sisters and policy compliance). Much of the detailed work is done in these sub-committees freeing up the Board to focus on strategic, governance, risk and policy issues.

The journey FMDM has embarked on is a multi-year process. Managing this amount of change is never easy and challenges remain. However, 2023 was an excellent start. The building blocks are in place, and we look forward to further significant progress towards realising the vision in 2024.



***Message from Sister Jane Bertelsen, Trustee and  
Congregational Leader of FMDM Foundation CIO***

I am very conscious as I write these few words that it is for the first Annual Report of the FMDM Foundation Charitable Incorporated Organisation (CIO) which marks an important moment on our FMDM journey in terms of the civil, financial and legal structures which underpin our life and mission across the world.

Chris Iley, the Chair of the FMDM Foundation CIO, has written in this report about this significant step. I would like to express, on behalf of the Congregational Leadership Team and all our Sisters, our deep gratitude to all our Trustees, Mission Partners and other colleagues who have given so much of their time, expertise, patience and energy to the birthing of this new CIO. As Chris remarked, change always brings more than its fair share of challenges and, together, we have navigated our way through and look forward with faith and hope to the ongoing unfolding of our new governance structure.



FMDM are a small group of energetic, committed Franciscan women living and ministering across eight countries in Europe, Africa and the Asia Pacific. We still have one sister based in Jerusalem overseeing projects in Gaza although, at the time of writing, this is an impossible task. For us to fulfil our missionary outreach most effectively we need strong governance structures which this new CIO provides. We have endeavoured throughout the year to offer our new Trustees and Mission Partners support and formation in our FMDM charism and mission to enable them to do their work from a place rooted in our Franciscan values. This aspect is developed more in our Mission Director's message following.

FMDM Sisters around the world are witnessing to the 'Joy of the Gospel' in a wide variety of ways and we hope this is reflected in this report. Always you will find our Sisters living and working amongst the people in their local communities; be it sustainable farming in Northeast Zambia, peace building and reconciliation at grass roots community level in Northern Nigeria; living amidst the poor in high rise flats in Singapore, reaching out to those in prison in England ..... the list is endless. We seek to witness to the love and compassion of the Gospel through simply 'being sister' to those around us. An emerging development in 2023 in Zimbabwe, Nigeria and England has been to seek ways of more intentionally sharing our Franciscan Spirituality with people searching for meaning and a deeper relationship with God, their sisters and brothers, and our created world.

We have been gifted with so much and we continue to strive to be faithful stewards of all the precious resources we have as we seek to live our charism of conceiving, birthing and nurturing Christ in our world today and truly listening to the voice of the Spirit as we hear repeated, in our time, what St Francis said to his brothers as he died:

*"I have done what is mine to do; may Christ teach you what is yours."*

***Message from Sheila Isaac, Mission Director of FMDM Foundation CIO***



Now that the FMDM Foundation CIO is live, we have been continuing to ensure that the vision and dream of the FMDM Sisters is kept alive and that mission remains at the heart of what we do. This is being addressed in various ways. One area of focus is the development of a strategic Formation Programme around the Franciscan Tradition, Catholic Social Teaching, and the unfolding story of the FMDM that is delivered consistently across the Congregation yet is sufficiently adaptable to be relevant to its participants.

While the three groups that make up the FMDM - Sisters, Mission Partners, and Associates (lay people who commit to live the Gospel in union with the FMDMs) have a different role, they all share the same objectives. In recognising that we are stronger together, April 2023 saw Ladywell host over forty Sisters, Mission Partners, and Associates from seven countries to discuss the theme: 'One FMDM Family on Mission – Co-Creating our Future.'

Guest speakers inspired conversations around how our Franciscan Values run like a golden thread through our ministries, projects and, for many, their lives. This led to a better understanding of what is needed to ensure that Mission Partner Formation is intentional and more uniform across the Congregation. By the end of the week, it was acknowledged that if the FMDM Charism is to continue, Mission Partnership should be part of our language, recruitment, discernment and in our planning for the future. When Sisters, Mission Partners and Associates commit to regular Formation, the FMDM Mission benefits from the richness and gifts that Mission Partners bring. Regular communication means that we share resources worldwide; and those Sisters, Associates and Mission Partners who lead on Formation are empowered to adapt the materials to be relevant to the recipients and their ministries.

A second approach to keep mission at the heart of all that we do is to regularly review and update the Terms of Reference for our FMDM Projects and the Constitutions of our Projects' Boards. This ensures that Mission Partners take seriously their responsibilities as leaders in Catholic Franciscan ministries and see themselves as active participants in keeping the FMDM vision alive - they are not merely foot soldiers who work for a charity. For example, the FMDM Sisters never had a stated mission to provide education for school age children, yet they set up Little Assisi Day Care & Special School in N'gombe compound Lusaka, Zambia. Rather, the school was established as an expression of the FMDM Mission to be 'brother and sister to all of creation' and to uphold the God-given dignity of all people, particularly the marginalised. In this case, 'the marginalised' were children with learning disabilities from poor families. It was the FMDM Sisters who saw the need and had the vision to serve the children, and the school would not be running today without the professionalism and experience of Mission Partners, who are supported by a few Sisters. Together they provide quality and affordable Special Education to local children with disabilities.

However, it is crucial to recognise that the school does more than provide education: it is building a community of families who now have a safe space to share their struggles and is transforming how others view learning disability. No longer isolated in their homes to be pitied, the children are seen out and about; are loved and cherished as children of God and taught to become active participants in society in whatever ways they can. This is the bigger picture and the lived experience of the Sisters' vision – of being brother and sister to all creation and upholding each other's God given dignity.

In these two ways - addressing Formation and setting out clear objectives for our ministries, we are building a solid mission focused foundation for the future and in doing so, we are bringing ourselves and our ministries more fully to life.



## OBJECTIVES AND ACTIVITIES

When setting the objectives and planning the work of the Charity every year, the Trustees take into consideration the Charity Commission's guidance on public benefit, because public benefit lies at the heart of the mission of the Catholic Church and is central, therefore, to the mission of any Religious Congregation.

The objectives set out by the Charity are as follows: (1) to care for individual members of the Congregation throughout their lives, (2) to enable and support Sisters to fulfil their mission through a variety of charitable and religious works, and (3) to establish the support staff and structures required to ensure our Franciscan legacy.

### 1) Caring for members of the Congregation

The Charity undertakes the following activities to meet its objective to care for members of the Congregation, according to their individual and evolving needs:

#### a) Operation of care facilities

The Congregation has a moral and legal obligation to care for its members, none of whom have resources of their own, and all of whom have devoted a significant part of their lives and their livelihoods, to the care of the sick, elderly, poor, and marginalised, in society. As the Congregation ages, more of our Sisters need a greater level of care and providing high-quality care to meet their needs increases the overall cost of their care. The care of our elderly Sisters in England and throughout the world is therefore central to the Charity's ministry.

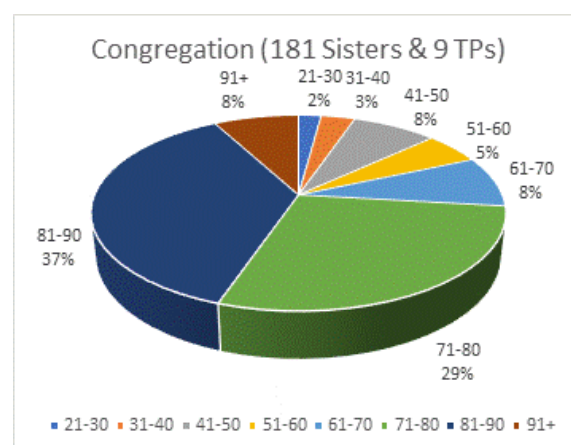
The Congregation owns and operates a purpose-built care home, La Verna, at Ladywell for Sisters needing part and full-time care. In 2023, La Verna provided care to 32 Sisters during the year, in addition to some Sisters short stays for rehabilitation and recuperation.

In Ireland, Malaysia, and Singapore the Congregation owns and operates similar facilities to provide part-time and full-time care to those of our Sisters requiring care. In Australia, the Congregation outsources care according to the Sisters' individual needs.

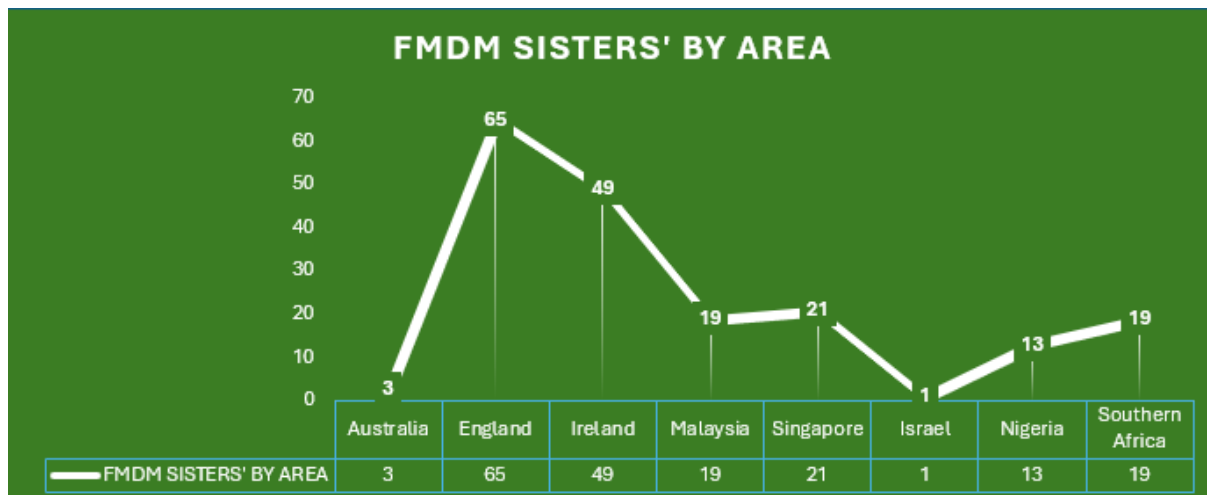
#### b) Adapting our housing and facilities to the evolving needs of our Congregation

The age profile of the members of the Congregation is increasing, as the Sisters age and the number of new vocations is very low. The age profile of the Congregation is shown graphically opposite:

For the foreseeable future, the Trustees expect the number of Sisters requiring care to remain high. Accordingly, the Trustees carefully consider the impact on the work of individual members of the Congregation, the property requirements of the Congregation, and the financial implications for the Charity.



The Congregation maintains a considerable international presence. Housing and facilities are managed in co-ordination with Mission Partners and Sisters. In Nigeria and Southern Africa (Zambia and Zimbabwe) the growing missionary operations of the Congregation necessitates the development of housing and mission facilities.



The 11-month refurbishment project of the St Francis building at Ladywell Convent commenced in May 2023. The aim of the project was to extend and improve the office space and parking for the growing team of FMDM support staff who act as the central hub to support the 3 separate CIO's. The project also created the Gate House as a separate 3 bedroomed dwelling, to provide accommodation for families and visitors of the Sisters.



*The CLT opening the new St Francis building, May 2024*

The 3-month renovation project of St Clare's Convent in Clapham commenced in September 2023. The works included structural repairs, providing ensuite bathrooms to meet safeguarding best practise, creating an improved kitchen and utility room and redecorating throughout.

### **c) Appointing Mission Partners (lay staff) to care for and support Sisters**

During 2023, we continued to develop our partnership with the lay staff who work alongside and share their professional skills with the Congregation as Mission Partners. Mission Partners work collaboratively with Sisters in all the areas where the Congregation is active – in spiritual programmes, service and construction projects, care, catering, finance, administration, communications and estates and facilities teams.

Our Senior Management Team, which was formed in late 2020, continues to work closely with the Trustees to support the management of the affairs of the Congregation, as well as the Leadership Teams internationally across the Congregation.



## **2) The Franciscan Centre Ladywell**

The Franciscan Centre Ladywell (FCL) has been created to allow people from all walks of life to be with God and engage closely with the Franciscan charism generally and as lived from the perspective of the Franciscan Missionaries of the Divine Motherhood. It offers a welcoming, prayerful and reflective space to invite guests to spend time with God. The Centre provides chapels, reading rooms, sitting rooms, dual purpose conference rooms, a shop for books and goods and a refreshment area.



*The Franciscan Centre*



*Creation Chapel*

Attention was then turned to advertising across several forums and channels to make known the availability of the FCL. Networking across the Franciscan family and reaching out to well-known teachers and scholars to come and offer programmes and retreats.

The FCL went from strength to strength during 2023. The efforts to advertise the Centre across a variety of forums and channels, along with reaching out to well-known teachers and scholars, has paid dividends, as it is now a busy hub for groups and individuals. Glowing feedback has been received about the beauty and serenity of Ladywell and of the retreat sessions offered. The team has grown as the Director has employed new members to help with the day to day running of the centre and bringing to life the vision. Francis Abanga and Chee Yan Shek are engaged in administration and the day to day running of the Centre. David Beresford has been employed to bring forward to vision of our youth ministry and an OFM Friar, Caoimhin O Laoide joined in a voluntary capacity to offer sacraments and retreats. Our other wonderful volunteers are Emily Grace Sainsbury and Charlotte McDowell, who are available to offer a hand in our busy Centre. We also have a team of Spiritual Directors: Sr Marie Grogan FMDM, Sr Oneng Mendoza FMDM and Sr Janet Audu DHS, who look after our Individually Guided Retreats and Sr Mary Burke FMDM who offers spiritual direction for those who come for short retreats and quiet days.

The FCL is a place of hospitality and welcome. Inclusivity is an important value in our Franciscan charism. Therefore, we welcome an array of different individuals and groups. We have several different Catholic and Christian groups, Buddhist and Hindu, Yoga, Silent Retreat Groups and many more. We offer our own program of events each year which are becoming more and more popular, some offered by external guests and others offered by the FCL team. These events allow guests to become more familiar with our Franciscan spirituality, theology and way of seeing the world.

A number of individuals come for silent retreats and meet with a Spiritual Director each day. Again, these are becoming increasingly popular. Other guests wish to be with us for private time. It is a constant balance at the FCL between those who long for peace and quiet and those who have come for a mix of reflection and dialogue with others.



Another exciting development is our youth ministry, headed up by David Beresford and supported by Francis Abanga. We have started to welcome youth groups to our Centre for retreats with a strong emphasis on our Franciscan charism. Currently, we are inviting day groups who come for school or parish retreat days but the hope, in time, is to develop this to include residential stays.

2023 was a busy year for the Director and FCL team and 2024 is proving to be even busier with much of the year booked up and unable to meet the demand required.

The presence of the FMDM Sisters is an attractive aspect of the Franciscan Centre Ladywell adding to the prayerful ambience of the place. We have active, semi-retired and retired Sisters all living at Ladywell, approximately 50, some of whom are engaged in our ministry here at the Centre. It is a gift to have them with us.



*Ladywell Chapel*



*Duns Scotus Conference room at Ladywell*

### **3) Enabling and supporting Sisters in a variety of charitable and religious works**

The charity supports and enables the common religious and charitable works that each of the missions comprises of in the UK and internationally.

The Sisters are supported, enabled and encouraged to:

- Live the Gospel through their life of individual and communal prayer, and annual retreats;
- Study the Scriptures to deepen their relationship with Christ and share their faith with others;
- Provide practical and spiritual support to those who are sick, impoverished or homeless and engaging in outreach work in local communities, such as interreligious dialogue, women and youth empowerment and education.

The Sisters' charitable and religious works are all undertaken on a voluntary basis and with any stipends they earn paid directly to the Congregation.

#### **a) Charitable and religious works in England**

For almost 10 years, the St. Clare's community based in Clapham has been a Formation House for our Temporary Professed Sisters to complete their Spiritual Year Programme. The Congregation offers this year as a time to study, deepen a connection with Christ and embrace the FMDM way of life, away from the pressure of ministry. Topics covered in the study programme include Scripture, the Franciscan heritage, human development, pastoral reflections, prayer and community life. In 2023 we welcomed three Temporary Professed Sisters Lucy Ng'uni, Patience Amenger and Salome Igawe for a study year, before they returned to their respective communities in Nigeria, Zambia and Zimbabwe.

St Clare's Convent also operates as a Hospitality Community which welcomes Sisters to visit London and use the chapel for prayer and offers the opportunity to discern the will of God for themselves.

Sr Biatar Ndlovu as Community Leader and Sr Rogita Bonaventure support the Temporary Professed Sisters with their religious studies, in addition to their tireless support of ongoing and diverse ministry. They feed the homeless in collaboration with the Redemptorist Community of Priests and Brother in the ACE of Clubs, a local Drop-in Centre in Clapham, volunteer at St. Peter's, a local Nursing Home run by the Sisters of the Poor in Vauxhall and accommodate refugees at St Clare's through the Jesuit Relief Services. They also work alongside women's groups, chaplaincies of Nigeria, Zambia and Zimbabwe and attend Diocesan and religious functions in the local parish in Balham, in addition to visiting communities across the UK and the Sisters at Ladywell. At the end of 2023 Sr Biatar was missioned back to Zimbabwe and Rogita prepared for the next group of Sisters arriving from Africa.



*April Formation meeting at Ladywell*



*Farewell mass for the Temporary Professed sisters*

In 2023, the Sisters in La Verna observed Lent, unencumbered by the restrictions of the past COVID years. Every Friday, they gathered in the La Verna chapel or community room to collectively pray the Stations of the Cross. Various Sisters, alongside Liza Reintges, one of the Pastoral Leads, took turns offering reflections on Christ's journey of suffering and death, highlighting both the sombre realities of the world and God's profound love for all. The Easter Triduum liturgies were presided over by Fr. Adrian Peelo OFM, who stayed on to enrich the prayer experience during the Formation Meeting starting on Easter Tuesday. The presence of many Sisters, Mission Partners, and Associates from Malaysia, Singapore, Zambia, Zimbabwe and Nigeria added to the beauty of the gathering.

### **b) Charitable and religious works in our missions overseas**

The Charity helps support our Sisters working in healthcare, social, educational, justice, peace-making, prison ministry, parish and pastoral fields in Zimbabwe, Zambia, Nigeria, Australia, Singapore, Malaysia, Ireland, and Palestine. Wherever they live and work, our Sisters' mission is to respond to the cry of the poor, to support the vulnerable and to care for creation. This work is wide ranging and is comprised of our Sisters' individual ministries within their communities. The work encompasses the following areas:



Peace-making



Children with Disabilities



Education



Agriculture & Sustainability



Spiritual



Healthcare



Pastoral Ministries



Economic Empowerment



In both Nigeria and Southern Africa, the Congregation has a wide and growing range of projects and operations; as well as formation communities for younger women discerning to join the Congregation.

### **Peace-Making**



**NIGERIA** - Following the example of St Francis of Assisi and his encounter with the Sultan at Damietta in 1219, the Charity is involved in peace-making work using Franciscan values of right relationships, harmony, reconciliation and care of creation. It is a leading organisation for the Franciscan-inspired Damietta Peace Initiative (DPI) which operates across Africa in areas where differences often result in violent conflict. The Sisters coordinate the DPI work using these values, working with local communities. PACTS (Pan Africa Conciliation Teams) and Enablers (leaders of these groups), have been created in Nigerian communities to ensure the peaceful coexistence between Christians and Muslims. They are community led groups, that seek peaceful solutions to local tensions. They have links with Ward Heads, Community leaders, Security and State Agencies and with the Justice and Peace Commission.

In 2023, DPI activities focused on the communities in Plateau, Adamawa, Taraba and Yobe States. Initiatives included trauma and resilience training for those impacted by loss, advocacy visits to involve local stakeholders and community leaders, inter-community projects and violence prevention training.

Examples of the training on offer were a 3-day Trauma workshop, held in June for 30 beneficiaries of men, women and youths in Dogo Na Hawa, Plateau State. The sessions helped the participants understand and cope with grief and loss, develop a mutual support group between themselves and improve their confidence and self-worth to feel positive about the future. 30 beneficiaries also benefitted from the 3-day workshop on Human Trafficking sponsored by Arise and learnt how to report any form of trafficking that took place in their communities via the National Agency for the Prohibition of Trafficking in Persons (NAPTIP).



*Creating awareness of Human Trafficking in Plateau State*



*June Trauma workshop in Dogo Na Hawa*



*Sensitization on Human Trafficking in the Dong community*

DPI activities in Plateau State included visits to the Young People's Home every Wednesday and to the Jos prison every Thursday. A variety of PACT groups achieved great successes: as part of the core value of caring for the environment, the Angwan Doki Ladies PACT was commended by the community leader for organising a sanitation exercise to clear communal land that had been used as a dumping ground and clearing blocked drainage. In addition, the Sacred Heart School PACT of Rantya cleared drains and repaired the roads near the school. Both achievements made a significant impact on the local area.

Widows from the Dadin Kowa PACT chose to care for God's creation by celebrating Sallah with children from the CLAPAI Orphanage in Kangan. They offered support and advice to the orphans and now regularly visit them. The women of the Angwan Doki PACT visited their two local hospitals and distributed soap, detergents and tissues to the sick and infirm.

### **Children with Disabilities**

**ZAMBIA** – The Charity has a long history of working with children with disabilities (historically also providing education and care in Ireland and Zimbabwe). Today the Charity operates the Little Assisi Day Care and Special School (LADCSS) in N'gombe Compound, Lusaka, Zambia. There are not enough government schools to accommodate the growing demand of special needs pupils in the area. The majority of special needs' schools are privately owned and are unaffordable for most. The only other facility nearby was the fee charging American Special Hope Network, which has since closed down. Hence LADCSS provides a vital lifeline for the children and their families.

The aim of the school is to improve the quality of life for persons with disabilities by promoting acceptance and independence, to ensure that each pupil fully realises his or her potential. The facility has grown from a classroom with less than 10 children in 2005, to 67 children registered at the end of 2023, ranging in ages from one to twenty-five years old. The children have cerebral palsy, down syndrome, epilepsy, hydrocephaly, post meningitis and sight/hearing/speech impairments. The number of pupils in the school fluctuates on an ongoing basis for a variety of reasons, including illness and domestic issues.

In addition to the services offered at LADCSS, 11 children are sponsored to attend primary and secondary education at St Mulumba Special School at Choma in the Southern Province of Zambia, 3 children are sponsored for secondary and tertiary education within Lusaka, 5 children are home schooled and 4 attend skills development classes at LADCSS.

The Charity assists families who could not afford to pay for private schooling. It has a successful track record of working with other donors and receives regular funding from Liliane Fonds, to help with the boarding school fees at specialist schools for some of its pupils. The Sisters also support families with early awareness, support of medical costs, and making home visits to the children who are too unwell to attend Little Assisi.





The construction of the new school has entered its second year, and the facility will become functional in 2024 and will be completed in 2026. The children will enjoy state-of-the-art facilities, including autism sensory rooms, physio and occupational rooms, computer rooms as well as play equipment. This project has been enabled through the generous funding of Misan Cara, the Congregation, the Hilton Fund for Sisters, MZF Missionszentrale der Franziskaner and from private donations, friends and relatives of the Sisters, as well as from individuals and business entities in Zambia. Staff have been acquiring ongoing professional training and development in preparation for this new purpose built school.



*On the left, the existing Little Assisi Day Centre & Special School, with the new, purpose-built school on the right*

### Education



**ZAMBIA** – The Charity also runs St Francis Primary school in the rural village of Kasanka. In 2023 the school had 265 students and 12 staff members. The Charity engages closely with the parents and the children, who come from Kasanka and the surrounding villages on various health awareness and safeguarding initiatives. The school was generously supported by St Edmund's Parish in Godalming, who provided the funds for a drip irrigation system, which will enable the school to be self-sufficient, producing tomatoes, rapeseed and maize. Surplus crops will be sold to the local community and the profits will be reinvested in the school. The children also benefit from learning about basic agricultural skills in the school garden. A significant improvement over the year has been the installation of a toilet block, funded by FMDM, which has greatly improved hygiene and created an enhanced learning and work environment.



*The new facilities at the St Francis Community School, Kasanka and the first Graduation Day in October 2023*



**NIGERIA** – The Sisters opened a school in Tunkus, Nigeria in 2018; a rural area with historically high levels of illiteracy. The charity helps fund the staff salaries in order to ensure the availability of the best quality teachers for the children. The Assisi Primary



School has grown during the 2023/2024 term, with 340 children and 22 staff. During the academic year the pupils have enjoyed experiences to broaden their horizons, they went on school trips to Quan-pan and Damiano farm, learnt about the founding journey of the FMDMs and won a football match against a local high school team, scoring two goals to nil. During 2023, the Assisi Primary school had its first graduation and speech day with a prize giving for its pupils. As with the farm in Kasanka, Zambia, there is close engagement with the parents and the community on various health and safeguarding initiatives.



*The winning football team*



*First graduation and prize giving at Tunkus School*



**PALESTINE** – The Charity continues to support St Joseph's, a small nursery in Bethlehem which has been run by Dominican Sisters since 2015 (who had fled from ISIS and their convent in Syria). We have a close and longstanding relationship with the Dominican Sisters (who took over their ministries in Jordan) as well as the local staff team. St Joseph's offers an education for Arab Christian children; and provides early years guidance for mothers. Attendance at the nursery fluctuated between 27 and 35 pupils during 2023. A flu epidemic swept through the Adha refugee camp and badly affected the local children. The dedicated staff offered support to the families affected and strive to support the dwindling number of Christian families in the Bethlehem area.



### **Agriculture & Sustainability**

Following the Franciscan precept of care for creation, the Charity seeks to minimise its impact on the planet through sustainable energy use and sustainable farming. For the former, the Charity has solar panelling providing electricity in many of its offices and convents in Europe, Africa and Asia.

The Charity also owns and operates farms in Tunkus, Nigeria and in Kasanka, Zambia. These farms are run by the Sisters working with Mission Partners and provide food for the Congregation run schools in these remote, rural areas.

In 2023, the Tunkus farm has continued with a mixture of livestock such as pigs, cattle, rabbits, fish, birds, turkey, and geese, as well as harvesting guinea corn and rice. This hybrid model ensures improved financial security and also improved soil quality, which is poor in the area. The farm has continued to collaborate with the members of the community to integrate old methods of farming with newer sustainable methods. The farm staff have received training on how to grow and develop the farm and the DPI PACT groups meet on a monthly basis, to share their knowledge and experience with the whole community. This sharing of lessons learned benefits all, in for example, working towards improving the soil in an environmentally friendly way.





*Harvesting rice*



*The piggery at Tunkus farm*

The Kasanka farm has good quality soil for arable use. In 2023 the farm produced maize, beans, sweet potatoes and groundnuts. The farm covers several hectares, and it aims to use sustainable farming techniques, to provide food for the school children and also to become a sustainable social enterprise.

### Spiritual



The Sisters are involved in various spiritual ministries in parishes and communities wherever they are based. This includes formal programmes as well as the daily engagement of Sisters meeting with, supporting and praying for, families and individuals who seek their help and guidance. An ongoing example of a more formal spiritual programme is the Prayer Companion's work in Lusaka with the *Zambian Association of Sisters (ZAS)*. Here, lay adult retreatants join the Sisters and volunteers, to attend a retreat series on relationships and prayer over several weeks that they can fit around their normal everyday lives. Having attended the course, retreatants have reported improved marital relationships and a better ability to deal with relationship issues. They in turn often become involved as volunteers and facilitators.

Alongside the Franciscan Centre Ladywell, there are plans to have two additional Franciscan Centres in Yola, Nigeria and in Bulawayo, Zimbabwe. The land for these has been procured and the intention is for them to become places of Franciscan spirituality in their regions. The aim is to share our Franciscan spirituality and understanding of the world and bring aid and support to the poor and marginalized in society, in the spirit of Francis and Clare of Assisi.

### Healthcare



The Sisters have a long history in healthcare. In Zimbabwe, they maintain close relationships with Mater Dei Hospital in Bulawayo.

In Palestine, the partnership with Caritas Jerusalem has in the past enabled FMDM to provide an ongoing Mobile Medical Team, offering preventative medicine and treatment to families who would otherwise have no access to healthcare in the Gaza Strip, and support to severely disabled children. Due to the conflict in Gaza, it has not been possible to continue these projects and instead, the project funding has been reallocated to the direct support of 350 families through the local Churches. This have provided a valuable lifeline to these families, who have lost their homes, are living in sheltered accommodation and suffering from devastation caused in the area.

### **Pastoral Ministries**



There is a wide range of activities undertaken by the Sisters to work with vulnerable people, following the charism of St Francis to live among the poorest. This includes prison ministries, general and poor funds maintained by the Sisters for those critically destitute, as well as supporting those who are homeless.

In Zambia, the Sisters work in partnership with the Footprints Foundation, which protects homeless children against sexual and physical abuse. The children are removed from the hazardous jobs that they work in, are offered alcohol and drugs rehabilitation options where necessary and are empowered with a basic education, life skills and vocational training in collaboration with different partners. The charity works with families and social services to find any kinship links or near kinship options, so that the children can be returned to a family environment where possible. Alternatively, a safety zone is established for each child by finding them a place in an orphanage or care home. The Sisters and Mission Partners get involved in varying aspects of this ministry, such as re-integration, teaching, skills support and community outreach.

### **Economic Empowerment**



The Charity works with vulnerable widows in Zambia and Zimbabwe developing their farming skills and self-sufficiency.

Nigeria received funding from Missio Germany for a project to provide Economic Empowerment for 50 widows and young women. (See Performance and Achievements for further details.)

### **c) Grants, donations and support of mission and ministry**

Grants, donations, and other payments in support of mission and ministry are decided on by the Trustees in consultation with other members of the Congregation, as appropriate; except where the donor has specified which area or project they would like the money to go towards. For unspecified donations in the main, the Charity supports the ministries of the Congregation of the Franciscan Missionaries of the Divine Motherhood in overseas countries, inviting them to apply formally for grants from the FMDM Projects Fund, to support their mission.

### **4) Establishing the support staff and structures required to ensure the Franciscan legacy**

As the number of active Sisters decreases, and the Charity's resources are increasingly administered by Mission Partners, Trustees are deliberate in their support and formation of all Mission Partners and are in the process of establishing the structures required to ensure the charitable works of the Charity are fulfilled and their Franciscan legacy secured.



## ACHIEVEMENTS AND PERFORMANCE

In the context of FMDM's objectives, our achievements and performance this year are as follows:

### 1) Caring for members of the Congregation

Following the implementation of the new staffing structure in 2022, an external benchmarking exercise was undertaken in 2023 to ensure that all roles at Ladywell are fairly remunerated, with adjustments made to some roles during the course of the year.

The housekeeping team were brought in house following a TUPE consultation, ensuring greater flexibility to meet the needs of the Sisters in La Verna and elsewhere around Ladywell. The Franciscan Centre team grew with two new Team Members joining during the course of 2023, to enable a wide variety of support to visitors at the Centre working alongside Sisters in the St. Clare's community. The business and administrative functions of FMDM, based at Ladywell, continued working within the Franciscan Centre whilst renovations to the St. Francis building were completed. Within this team a new Head of Congregational Administration and Communications was recruited, as were two new HR Mission Partners, providing additional support to the now larger, staff team.

### 2) Enabling and supporting Sisters in their religious and charitable work

#### **Palestine – Intergenerational activities to reduce social isolation and encourage community service amongst the youth in Palestine**

A 10-month project finished in June 2023 in which 20 young adults were recruited to meet elderly people at weekends, to get to know them and to assist with simple everyday tasks. The aim of the project was to raise awareness of the isolation and neglect that this demographic suffers and the need for the government and other providers to address this growing social problem. An important component of the project was to collaborate with other organisations such as the Palestinian Ministry of Health and the Ministry of Social Affairs, as well as local NGO's and charitable organisations.

#### **Nigeria – Widows Economic Empowerment, Plateau State**

The aim of this Missio Germany funded project was to empower widows, and girls who have dropped out of school in Jos North and Jos South, by improving their standard of living and quality of life through skills acquisition, entrepreneurship and trauma healing.

The DPI team carried out 3 community-based sensitisations, which benefited 91 participants in the Jos North and South areas. The beneficiaries learnt about their rights and how to protect themselves from any form of abuse in their communities and beyond.

Trauma consciousness and resilience training was offered to 25 widows, all of whom had suffered the loss of their husbands through sickness or war, their homes were taken from them, and they were ostracised by the community. The training was also offered to 25 young girls, who had lost their parents and were enduring financial hardship or who had taken part-time jobs instead of schooling and risked a variety of harms as they took various cash-in-hand jobs in the area.

The beneficiaries then attended a 6-month skills acquisition training programme in trades such as leather work, tailoring, livestock farming, hairdressing and catering in order that they could become self-sufficient. They also attended a financial literacy workshop, to equip the new entrepreneurs with the understanding of how to manage their finances.

The DPI invited Light Microfinance Bank and Baobab Microfinance Bank to speak at the event and to encourage the women and girls on the importance of setting aside savings and of acting as a cooperative. The beneficiaries opened bank accounts with these institutions and will be able to access loans should they wish to expand their businesses. Indeed, the women and girls developed a strong network of friends and associates during this programme, based on sharing their similar experiences and now extend those links with their businesses.

A graduation ceremony was held on 31 October 2023 and was attended by 25 widows and 24 young girls, who all received starter packs and delighted in their newfound skills. The event was attended by community leaders of Tudun Wada, Congo Russia, Dadin Kowa, Bulbula, Angwan Keke and the Commissioner of Youths and Sports.



*Financial Literacy workshop*



*6-month skills acquisition tailoring training*



*Cooperative training*



*Distribution of hairdressing starter packs to beneficiaries*



### 3) Establishing staff and structures required to ensure our Franciscan legacy – Archives and the Heritage Centre

The Archives team is comprised of Jo Halford, Sr Teresa Mitchell FMDM and Sr Claudia Lee FMDM, formerly Congregational General Secretary, who enhances the team with her organisational skills and knowledge of the Congregation.

In addition to performing the usual archive tasks of taking in new material and answering research enquiries, the archives database was refined during 2023 using the Axiell Collections secure, cloud-based platform. This allowed detailed catalogue entries to be recorded along with the ability to add digital copies of documents to enable remote access.

During the year, particular attention was given to raising awareness of the importance of the international nature of the archive. Jo provided inputs for the Ladywell, England and Ireland Visitations which stressed that the archive is not just at and for Ladywell. She reinforced that the archive belongs to every Sister and showed how the documents can be used to celebrate the heritage of FMDM communities throughout the world. During her visit to Ireland, she spent some time familiarising herself with the important collection of archival material held at Ballinasloe and met with Sr Rosaleen Sheils FMDM who looks after the collection. A catalogue of this material has been added to the database.

The team also supported the Congregation by developing and maintaining the bespoke Axiell database for Sisters' records. Srs Teresa and Claudia have been adding records of deceased sisters and updating and checking existing records for accuracy. This work has meant that the database has become a powerful tool, enabling swift searching of and detailed reporting on Sisters' records.

Jo showcased 'Our Heritage Project' at the Catholic Archives Society Conference, by delivering a talk which evidenced how the FMDM archives enhance the Franciscan Centre Ladywell experience by bringing FMDM history to life in the Centre's exhibition space. Delegates were particularly interested to learn about the production of the Talking Heads' videos and interactive mission map.



*Jo Halford spoke at the Catholic Archives Society Conference, May 2023*

## **FUTURE PLANS**

The Trustees will continue working with the Congregation and the relevant professional bodies to meet the three objectives outlined above, as follows:

### **1) Caring for members of the Congregation**

The Charity will continue to employ high quality staff and ensure they are appropriately trained to provide increasing levels of support for Sisters. This care and support will continue to be provided in La Verna care home at Ladywell, to Sisters needing full-time care at our care home in Ireland, and to those needing care in Malaysia and Singapore. In Australia we have a Memorandum of Understanding with the Institute of the Sisters of Mercy of Australia and Papua New Guinea (ISMAPNG) to provide financial, administrative and management services for FMDM Sisters. The Sisters also receive pastoral support for their ongoing life and mission from ISMAPNG and the Mercy Sisters themselves.

Sisters who are still physically active, will be encouraged and supported to remain in the wider community, continuing their ministries among the people for as long as their age and health allow. We will also continue to review our existing community houses regarding their suitability to meet the needs of Sisters, as these evolve.

### **2) Enabling and supporting Sisters in their religious and charitable works**

Wherever Sisters are located around the world, they will continue to remain focused on the importance of prayer in their individual lives and to the overall mission of the Charity.

The Charity will continue to care for and provide support to the Sisters to enable them to carry out their pastoral work and ministry.

Focus and funding will continue to be given to assisting and caring for the most vulnerable and marginalised, in accordance with the Franciscan charism, and Sisters will continue to be encouraged and supported to reach out to as many people as possible.

### **3) Establishing the support staff and structures required to ensure FMDM's Franciscan legacy**

With the evolution of FMDM, it became clear that to future-proof the organisation, a structural change would be required from a Charitable Trust to a Charitable Incorporated Organisation (CIO). On 1 January 2023, the FMDM Foundation CIO was created, to fund and support the mission and to care for the Sisters in Europe, Asia and Australia, being a grant making body for the Congregation. It is comprised of FMDM Sisters (2 members of the CLT) and Lay Trustees. The process to date has been a transfer of all the assets from the FMDM Trust Deed to FMDM Foundation CIO and over time, the intention is to distribute assets to the other CIOs in order that they too can fulfil their mission.

The other two CIOs are the Franciscan Centre Ladywell (FCL) CIO and the FMDM CIO, which are currently dormant, but will go live in due course.

The Congregational Leadership Team is working with the Foundation CIO Trustees and the relevant professionals to establish a lease agreement for the FCL CIO. It continues to work with the Sisters across the Congregation on the mission, discerning and responding wholeheartedly, within their personal and material resources, to respond to the needs of the people today.

The FCL CIO will promote the Franciscan mission in the world and preserve the FMDM heritage. The Trustees are comprised of FMDM Sisters (2 members of the CLT) and Lay Trustees. The team in the Franciscan Centre Ladywell has expanded during 2023 to include staff who are engaged in the daily running of the Centre, a Head of Youth Ministry, a team of Spiritual Directors and volunteers.



The Franciscan Centre Ladywell has extended its online presence from a Facebook page to an inviting new website, which explains its vision and mission, the facilities available and showcases the events being held.

The FMDM CIO will fund and support all aspects of the ongoing life, work and mission of the Congregation globally, with particular emphasis on Africa. The Trustees are FMDM Sisters (the 4 members of the CLT).

The Trustees work with the SMT, which oversees the day-to-day running of the Charity. It provides an 'Admin/HR/Finance Hub' for the 3 CIO's. To enable their work, the Trustees approved a Decision-Making Matrix for the SMT.

The Mission Director runs an ongoing programme of spiritual formation as part of the induction process for new Mission Partners and Trustees. An example of this was the Assisi pilgrimage which took place in October 2023 for Mission Partners, Trustees and Associates from across the Congregation. The Mission programme ensures that the Franciscan spirit and values are embedded within the culture and are part of daily life.

### **Investment policy**

The Charity had a portfolio of listed investments with a market value of £75.2m on 31 December 2023. During 2023 our investments were managed by Cazenove Capital, CCLA and L&P Cantor Fitzgerald, who all operated within specific guidelines that are set out and regularly reviewed by the Trustees. 2023 was an up and down year for the financial markets, as illustrated by the fluctuation in the UK FTSE 100 index below.

**UK FTSE 100 Stock Market Index**



Whilst capital growth is beneficial to the Charity, it should be remembered that the key element to our investment strategy is to maximise long-term total return.

At present our investment guidelines include 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. There are no restrictions on the Charity's power to invest. The investment strategy is set by the Trustees, having taken advice from their Investment Committee, and takes into account income requirements, the risk profile and the Investment Manager's view of the market prospects in the medium term.

The overall investment objectives are to maximise total return through a diversified portfolio whilst providing a level of income advised by the Trustees from time to time. As reported elsewhere in this report, the Trustees are keen to ensure its investments align with FMDM's Franciscan values, so will continue to explore ethical and impact investing opportunities.

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

### **FINANCIAL REPORT FOR THE YEAR**

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

A summary of the year's results can be found on page 35 of the accounts.

The figures set out below relate to the CIO's first period of account and as such, no comparatives are presented. The activities of the Charity were previously undertaken by the CIO's predecessor Charity, Franciscan Missionaries of the Divine Motherhood Charitable Trust (Charity registration number 232098 (England & Wales), SC039352 (Scotland)). Accounts for the predecessor Charity may be



obtained from the online public registers of the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator (OSCR).

For the year ended 31 December 2023 total income amounted to £104,049,877, with £98,257,321 representing the net assets transferred from Franciscan Missionaries of the Divine Motherhood Charitable Trust (Charity Registration Number 232098), £3,595,191 being received by way of donations and legacies and £1,892,441 being the income returned by the Charity's investments. Other income was £304,924, comprised mainly of income from our newly launched Franciscan Centre Ladywell (£232,664).

Expenditure for the year totalled £9,767,400. Expenditure incurred on maintaining the members of the Congregation and supporting them in their ministry amounted to £5,934,594. Expenditure on grants, donations and the support of missionary work amounted to £3,803,138. The expenditure on Investment Manager's fees was £29,668

Net income before investment gains for the year was therefore £94,282,477.

After accounting for the net investment gains of £7,440,010, the net income for the year and the overall net increase in funds was £101,722,487.

### **Investment performance**

The Charity's listed investment portfolio, managed by Cazenove Capital, CCLA and L&P Cantor Fitzgerald had a market value of £75.2m and represents the funds available to care for members of the Congregation in later life, the overseas projects fund and part of the general funds.

The Investment Managers continued to invest in accordance with the Trustees' Investment Policy set out earlier in this report. Further details of the investment portfolio are provided in note 12 to the attached accounts.

### **Reserves policy**

The reader will discern from the review of the year that the Charity carries out a diverse range of activities and is responsible for care and support of Sisters whose average age is increasing and whose needs are changing. The Trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the Charity's work and its commitments, the level of free reserves should be approximately four months' expenditure.

### **Financial position**

The balance sheet shows total reserves of £101.7m. Of this, £25.5m is represented by properties and other tangible fixed assets essential for the support and work of the Sisters and forms the tangible fixed assets fund.

In addition, the Trustees have set aside £70m to meet the costs of the care and welfare of the Sisters in later life. The funds set aside to provide for the Sisters in later life, none of whom have resources of their own, have been re-assessed during the year. The calculations, based on actuarial methods, indicated that £90.5m is needed to be set aside in order to provide £35,000 per annum for Sisters over 65 years of age and, because of the greater health needs, £38,500 per annum for Sisters over 75 years of age. In these accounts £70m has been set aside for this purpose constrained by the funds available to the Charity.

In addition to the above, £1m has been set aside to provide for the longer-term care and provision for Sisters native to Nigeria, Zambia and Zimbabwe. These Sisters have limited access to salaries and pensions or other income that will be available to help them look after themselves in later life.

Of the remaining funds £149,124 are restricted funds held mainly on behalf of overseas missions. Funds available to support the work of the Sisters in the future, in particular the support of the Congregation's missionary and healthcare work overseas, are shown as general funds on the balance sheet, which amounts to £5.1m.

***The trustees are of the opinion that the free reserves are adequate but not excessive. Tax exemptions***

The beneficiaries of the work of the Charity have the assurance that all the income of the Charity must be applied for charitable purposes in furtherance of the Charity's object of advancing the religious and other charitable work of the Congregation connected with the advancement of the Roman Catholic religion. The FMDM Foundation CIO enjoys tax exemption on income from its activities and on its investment income and gains, provided these are applied for its charitable aims. As a Charity, it is also entitled to a reduction of 80% on business rates on the properties it occupies for its charitable purposes. The financial benefits received as a result of these exemptions are all applied for the purposes of advancing the religious and other charitable work of the Congregation connected with the advancement of the Roman Catholic religion. This enables and supports the Sisters to live out their faith and to put that faith into practice through a wide variety of religious and other charitable works. The nature of the Charity's activities means that it is unable to reclaim VAT input tax on its costs as it is exempt for VAT purposes. The Charity also pays tax as an employer through the national insurance contributions it makes.

The Charity provides substantial benefits to local communities and society in general through the social and pastoral work provided by Sisters (often on a voluntary basis). In addition, the Charity creates social assets without cost to the Exchequer through the significant amount of voluntary work carried out by the Sisters.

### **Fundraising**

The Charity on occasions receives donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with parishes, donors, and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial church councils, donors, and supporters. It applies best practice to protect their 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 activities in respect to raising funds and does not employ the services of professional fundraisers. The Charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the Charity received no formal complaints about its activities for raising funds.

### **Governance**

In terms of Canon law, the Congregation is governed at an international level by the Superior General (Congregational Leader) and her General Council in England, who form the Congregational Leadership Team (CLT). The General Chapter of the Congregation, which is held every six years, elects the Superior General and at least 3 Councillors.

The Sisters are chosen for their personal qualities, their understanding and experience of the ministries of the Sisters throughout the world, and to secure a good skills mix. The Congregation is divided up, in most cases according to country. In some countries there is a Country Leader, who is appointed by the Superior General and her Council, but others are overseen by management teams consisting of Sisters and Mission Partners.



In terms of Civil law, the Charity is governed by a Constitution dated 1 July 2022 and is registered with the Charity Commission in England and Wales, Charity Registration Number 1199520.

The First Councillor and a General Councillor are currently Trustees, along with 4 Lay Trustees. They ensure that they attend trustee training days throughout their term as Trustees. Where the Trustees and members of the General Council do not have the relevant skills, advice is taken from professional advisors and standing advisory committees.

The Superior General and her Council generally meet every thirteen weeks to review developments regarding the Charity including personnel changes, ministry developments and other issues of governance and mission.

There is a system of accountability within the Congregation to ensure that the Superior General and her Council are fully aware of the progress and development of the ministries carried out by the Sisters of the Congregation.

All Sister Trustees are members of the Franciscan Missionaries of the Divine Motherhood and as such their living and personal costs are borne by the Charity.

The Trustees are incorporated under the provisions of Part 12 of the Charities Act 2011 as 'The Incorporated Trustees of the Franciscan Missionaries of the Divine Motherhood'.

The following Trustees were in office during the year:

- Sister Jane Bertelsen
- Sister Helen Doyle
- Sister Helena McEvilly
- Sister Monica Weedon



*L to R: Sister Jane Bertelsen, Sister Monica Weedon, Sister Helena McEvilly and Sister Helen Doyle*

Since the year end, Sister Jane Bertelsen and Sister Helen Doyle have stood down, to be replaced by the following lay Trustees:

- Chris Iley (Chairman)
- Julian Hills
- Georgina Hovey
- John Herring

The lay Trustees were known to the Congregation, and were chosen for their particular skills, acquired through working for many years in relevant key areas such as finance, investment management, diocesan management and governance.

### **Statement of Trustees' responsibilities**

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

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the 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 in 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, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Charity's 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.

### **Structure and management reporting**

The English Region comprises of 65 Sisters, living in 5 different locations and communities. The community houses are generally located in those areas where it is believed that the Sisters can provide the most help to the poor and marginalised. The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet every thirteen weeks to review developments with regard to the Charity or its activities and make any important decisions.



The day-to-day management of the Charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff, including the Director of Finance and Business Administration, the Director of the Franciscan Centre Ladywell, the Mission Director, and the General Manager for Ladywell Campus. The Senior management Team report to the Trustees and have easy access to them.

#### **Remuneration of key management personnel**

The Trustees consider that they and the Senior Management Team (Director of Finance and Business Administration, Director of the Franciscan Centre Ladywell and the Mission Director) comprise the key management of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis.

In view of the nature of the work, the Trustees benchmark pay rates against pay levels in other similar organisations. Senior management staff salaries are reviewed annually by the Trustees. Pay is normally increased in accordance with average earnings. Remuneration is based on published pay rates for similar posts and takes account of responsibilities to ensure that remuneration paid is fair, and not out of line with that paid for similar roles. When deemed necessary, the Trustees seek advice on benchmarking from specialist consultants.

Trustees receive no remuneration in connection with their duties or responsibilities as Trustees, though Lay Trustees are able to claim reimbursement of expenses.

#### **Risk management**

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees have assessed the major risks to which the Charity is exposed. These risks are divided between those affecting the governance, in particular those relating to the specific operational areas of the Charity, its investments and its finances, and those outside the Charity's control such as changes in government policy, laws and regulations. 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 systems to mitigate those risks.

The following key risks have been identified for the Charity and are described below along with the principal ways in which they are mitigated:

#### ***Safeguarding children and vulnerable adults***

The Charity's beneficiaries include children and adults in vulnerable groups and the Trustees recognise the absolute necessity of ensuring the protection and safety of all those served. The following steps have been taken to manage this risk:

- ◆ As a Congregation we are committed to complying with and implementing all safeguarding policies and procedures of the Catholic Church in England and Wales;
- ◆ The Charity has a Safeguarding Lead who will be responsible for ensuring this policy is adhered to in respect to all Sisters living and working in the United Kingdom;
- ◆ All Sisters who are in any kind of ministry in England have to obtain clearance from the Disclosure and Barring Service (DBS); and
- ◆ The General Manager is responsible for ensuring that the care home gets clearance from the Disclosure and Barring Service (DBS) for all staff and volunteers.

### ***Long term financial support of the members of the Congregation***

The Congregation has a moral and legal obligation to care for the older members. Records show that the average age of the members in England is 75 years as at 31<sup>st</sup> December 2023. Members of the Congregation have no financial resources of their own. All earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. As the age profile increases so too does the need for care and different kinds of support. The following steps have been taken to manage this risk:

- ◆ Ensuring the Charity has the financial resources to meet the needs of care both now and into the future by setting aside assets in a designated fund, the value of which is based on actuarial principles;
- ◆ Ensuring regular evaluations are in place to monitor the needs and ministries of individual Sisters. Offering pastoral care and discernment to those who need it to review their individual workloads, encouraging members towards less demanding ministries and identifying those who need extra care and assistance; and
- ◆ Providing basic practical assistance that enables Sisters to carry on external ministry as long as they wish and, within what is reasonably possible.
- ◆ Producing a 20-year forecast of our income and expenditure, to clarify our financial position going forward.

### ***Managing the support of overseas missions***

The Charity donates significant sums of money to support the work of the wider Congregation. It also supports other organisations with similar objectives. The vast majority of donations are sent overseas to fund the international works of the Franciscan Missionaries of the Divine Motherhood. It is important that the funding is directed where it is most needed and applied for the purpose for which it was intended. The following steps have been taken to manage this risk:

- ◆ Ensuring Trustees are familiar with the works of the Charity, whether in the UK or overseas, and all requests for donations have a clear process;
- ◆ Ensuring annual budgets are prepared in-country and presented to the Country Leader and her Team prior to presenting to the Trustees;
- ◆ Ensuring clear deadlines are in place for all reporting and ensuring these are adhered to. Monthly Management Reports (MMRs) are sent to the Charity's UK finance office, 6 monthly and annual reports are sent to the Trustees for their consideration. These are presented to the Charity's Finance Committee;
- ◆ In as far as possible, ensuring all funds are transferred via bank transfer. A second clarification of request is made prior to transferring funds. Proof of receipt is obtained and (always in the case of monies sent overseas) a written report of how the monies have been utilised and applied is obtained from the recipients; and
- ◆ All Small Project Funding must have written approval from the Country Leader/Management Team prior to being presented to the Project Sub-committee for consideration.



***Volatility of stock markets***

The Charity's principal assets comprise listed investments, the value of which is dependent on movements in UK and world stock markets. The future financial position of the Charity is therefore exposed to the downside risk attached to such investments. The following steps have been taken to manage this risk:

- ◆ The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustees;
- ◆ The Investment Committee meet with the investment managers quarterly; their performance and that of the portfolio are monitored; and
- ◆ The Charity's Investment strategy is assessed regularly to ensure it remains appropriate to the Charity's needs – both now and into the future.

**ACKNOWLEDGEMENTS**

**Employees, volunteers, and members of the Congregation**

The Trustees wish to record their recognition of the professionalism and commitment of all their Mission Partners, volunteers, and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

Approved by the Trustees and signed on their behalf by:



Trustee

Approved by the Trustees on: 12<sup>th</sup> August 2024

<b>Trustees</b>	<p>Sister Helena McEvilly Sister Monica Weedon Christopher Iley (appointed 11 January 2024) Julian Hills (appointed 11 January 2024) John Herring (appointed 11 January 2024) Georgina Hovey (appointed 11 January 2024)</p> <p>Sister Jane Bertelsen (resigned 10 January 2024) Sister Helen Doyle (resigned 10 January 2024)</p> <p>The Trustees are incorporated under the Charities Act 2011</p>		
<b>Congregational Leader (Superior General)</b>	Sister Jane Bertelsen		
<b>General Bursar</b>	Sister Helena McEvilly		
<b>Address</b>	<p>Ladywell Convent Ashstead Lane Godalming Surrey GU7 1ST</p>		
<b>Charity registration number</b>	1199520		
<b>Auditors</b>	<p>Buzzacott LLP 130 Wood Street London EC2V 6DL</p>		
<b>Bankers</b>	<p>National Westminster Bank plc PO Box 299 High Street Guildford GU1 3ZU</p>		
<b>Investment managers</b>	<p>Cazenove Schroder &amp; Co. Ltd 1 London Wall Place London EC2Y 5AU</p>	<p>CCLA Senator House 85 Queen Victoria St London EC4V 4ET</p>	<p>L&amp;P Cantor Fitzgerald 23 St. Stephen's Green Dublin 2</p>
<b>Solicitors</b>	<p>Stone King LLP 13 Queen Square Bath BA1 2HJ</p>		



**Independent auditor's report to the trustees of FMDM Foundation CIO****Opinion**

We have audited the accounts of FMDM Foundation CIO (the 'charity') for the eighteen-month period ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the eighteen-month period 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, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

*How the audit was considered capable of detecting irregularities including fraud*

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



- ◆ The engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and 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 with management and those charged with governance and review of minutes of trustees' meetings.

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

- ◆ Making enquiries of management 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;
- ◆ Reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of the meetings of the 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.

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 15 August 2024

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



		Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
	Notes			
<b>Income from:</b>				
Donations and legacies	1	3,042,430	552,761	3,595,191
Investments and interest receivable	2	1,892,441	—	1,892,441
Other sources	3	304,924	—	304,924
		<u>5,239,795</u>	<u>552,761</u>	<u>5,792,556</u>
Transfer from Franciscan Missionaries of the Divine Motherhood Charitable Trust (Charity Registration Number 232098)	22	98,088,069	169,252	98,257,321
<b>Total Income</b>		<u>103,327,864</u>	<u>722,013</u>	<u>104,049,877</u>
<b>Expenditure on:</b>				
Raising funds	4	29,668	—	29,668
Charitable activities				
. Grants, donations and support of missionary work and ministry	5	3,230,249	572,889	3,803,138
. Support of the members of the Congregation and their ministry	6	5,934,594	—	5,934,594
<b>Total expenditure</b>		<u>9,194,511</u>	<u>572,889</u>	<u>9,767,400</u>
<b>Net income for the year before investment gains</b>		<u>94,133,353</u>	<u>149,124</u>	<u>94,282,477</u>
Net gains on the revaluation and disposal of investments	12	7,440,010	—	7,440,010
<b>Net income for the year and net movement in funds</b>	8	<u>101,573,363</u>	<u>149,124</u>	<u>101,722,487</u>
<b>Reconciliation of funds</b>				
Total funds at 1 July 2022		—	—	—
Total funds carried forward at 31 December 2023		<u>101,573,363</u>	<u>149,124</u>	<u>101,722,487</u>

All recognised gains and losses are included in the above statement of financial activities.

The CIO was registered with the Charity Commission on 1 July 2022 and remained dormant until 1 January 2023. With effect from 1 January 2023, the activities, transactions, assets and liabilities of Franciscan Missionaries of the Divine Motherhood Charitable Trust (the charitable trust), were transferred to the CIO (see note 22).

The table below shows the income (excluding the transfer of net assets), expenditure, gains and losses of the CIO for the eighteen-month period to 31 December 2023, representing a dormant six-month period and twelve months of activity, compared to that of the charitable trust for the year to 31 December 2023:

	<b>FMDM Foundation CIO</b>	Franciscan Missionaries of the Divine Motherhood Charitable Trust
	<b>18 month period to 31 December 2023</b>	Year to 31 December 2023
	<b>£</b>	<b>£</b>
Income	<b>5,792,556</b>	4,626,618
Expenditure	<b>(9,767,400)</b>	(7,552,570)
Net gains (losses) on listed investments	<b>7,440,010</b>	(9,973,199)
Net income (expenditure)	<b>3,465,166</b>	(12,899,151)



	Notes	31 December 2023 £	31 December 2023 £
<b>Fixed assets</b>			
Tangible fixed assets	11		25,464,423
Investments	12		75,218,486
			<u>100,682,909</u>
<b>Current assets</b>			
Debtors	13	560,420	
Cash at bank and in hand		<u>1,718,500</u>	
		2,278,920	
<b>Liabilities</b>			
Creditors: amounts falling due within one year	14	<u>(1,239,342)</u>	
<b>Net current assets</b>			1,039,578
<b>Total net assets</b>			<u>101,722,487</u>
<b>The funds of the charity</b>			
<b>Income funds:</b>			
Restricted funds	15		149,124
Unrestricted funds			
. Tangible fixed assets fund	16		25,464,423
. Designated funds	17		71,000,000
. General funds			<u>5,108,940</u>
			<u>101,722,487</u>

Approved by the trustees  
and signed on their behalf by:

Trustee

Approved by the trustees on: 12<sup>th</sup> August 2024

	Notes	18 month period to 31 December 2023 Total funds £
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	A	(4,747,171)
<b>Cash flows from investing activities:</b>		
Dividends and interest from listed investments		1,885,554
Proceeds from the disposal of tangible fixed assets		15,937
Purchase of tangible fixed assets		(3,547,890)
Proceeds from the disposal of listed investments		14,782,286
Purchase of listed investments		(10,481,912)
<b>Net cash provided by investing activities</b>		<b>2,653,975</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(2,093,196)</b>
<b>Cash and cash equivalents transferred from Franciscan Missionaries of the Divine Motherhood Charitable Trust (Charity Registration Number 232098)</b>		<b>3,965,915</b>
<b>Cash and cash equivalents at 1 July 2022</b>	B	<b>—</b>
<b>Change due to foreign exchange movement</b>		<b>(153,891)</b>
<b>Cash and cash equivalents at 31 December 2023</b>	B	<b>1,718,828</b>

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

A

#### Reconciliation of net income for the year to net cash used in operating activities

	18 month period to 31 December 2023 Total funds £
<b>Net income for the year (as per the statement of financial activities)</b>	<b>101,722,487</b>
<b>Adjustments for:</b>	
Depreciation charge	540,355
Loss on disposal of tangible fixed assets	4,140
Gains on listed investments	(7,440,010)
Foreign exchange losses	153,891
Transfer from Franciscan Missionaries of the Divine Motherhood Charitable Trust (Charity Registration Number 232098)	(98,257,321)
Investment income and interest receivable	(1,892,441)
Decrease in debtors	58,468
Increase in creditors	363,260
<b>Net cash used in operating activities</b>	<b>(4,747,171)</b>



**B Analysis of cash and cash equivalents**

	18 month period to 31 December 2023 Total funds £
Cash at bank and in hand	1,718,500
Cash held by investment managers	328
<b>Total cash and cash equivalents</b>	<b>1,718,828</b>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

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 eighteen-month period ended 31 December 2023. The CIO was incorporated on 1 July 2022 and, as such, this is the first period of account and there are no comparative figures.

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) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include those in respect to:

- ◆ the estimation of legacy income to which the charity has entitlement but has not yet received;
- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds; and
- ◆ estimating future income and expenditure flows for the purpose of assessing the charity's 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 and have concluded that it is appropriate for the accounts to be prepared on a going concern basis. The trustees are of the opinion that the charity will have sufficient resources to meet their liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, i.e. the year ending 31 December 2024, the most significant areas that may affect the carrying value of the assets held by that charity are the level of investment return and the performance of the investment markets.



**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 and legacies, investment income, interest receivable and sundry income.

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

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

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

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

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 from other sources including retreat house charges is accounted for on an accruals basis and is stated at fair value net of any discounts.

**Services provided by members of the Congregation**

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

**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. All expenses are allocated or to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
- ◆ Grants and donations payable which, in the main, relate to the support of the other parts of the worldwide Congregation's and its overseas missions. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.
- ◆ Expenditure on the support of members of the Congregation and their ministry enables the members to carry out the charitable work of the Congregation in the areas of the advancement of the Roman Catholic faith, the provision of nursing care, the advancement of education and the relief of poverty. Such expenditure includes governance costs which 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 is stated inclusive of irrecoverable VAT.

#### **Pension costs**

Contributions to employees' personal pension plans and defined contribution pension schemes are debited to the statement of financial activities in the year in which they are payable.

#### **Tangible fixed assets**

All assets costing more than £3,000 and which have an expected life exceeding one year are capitalised.

- ◆ Freehold land and buildings
  - ◇ Freehold land and buildings, and major improvements to buildings, are included in the accounts at cost, with the exception of one property which is included at fair value at the date of its reclassification from being an investment property in 2019.
  - ◇ Non-specialised buildings i.e. those designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value. Any depreciation thereon, therefore, would be immaterial.
  - ◇ Specialised buildings are defined as those comprising the charity's large residential convents. With the exception of buildings under construction, depreciation is provided at 2% per annum on a straight line basis in order to write the buildings off over their estimated useful economic life to the charity. Buildings under construction are not depreciated.
  - ◇ Properties previously held for investment purposes and transferred to tangible fixed assets upon change of use are transferred at their most recent carrying value, which would be an estimate of its market value. Following transfer, the market value is taken to be the assets deemed cost.



◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is capitalised and depreciated between four and ten years on a straight line basis. A full year's depreciation charge is provided in the year of acquisition where the tangible fixed asset was purchased in the first half of the financial year. No depreciation is charged on purchases made during the second half of the financial year.

◆ Motor vehicles

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

### Investments

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

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

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

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

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

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

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

**Foreign currencies**

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



**1 Income from donations and legacies**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
Covenanted salaries and pensions of individual religious	711,633	—	711,633
Contributions and transfers from other overseas regions of the Franciscan Missionaries of the Divine Motherhood	1,393,381	—	1,393,381
Donations to be applied towards overseas regions	39,976	551,861	591,837
General donations and legacies	897,440	900	898,340
	<b>3,042,430</b>	<b>552,761</b>	<b>3,595,191</b>

Included within the restricted funds for 'donations to be applied towards overseas regions' are amounts received from Misesan Cara in support of overseas projects. The associated expenditure is reported within note 5 to these accounts.

**2 Income from investments and interest receivable**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
Income from listed investments			
. UK equities	95,748	—	95,748
. UK fixed interest pooled funds	1,387	—	1,387
. UK other pooled funds	1,442,153	—	1,442,153
. Overseas pooled funds	229,432	—	229,432
	<b>1,768,720</b>	<b>—</b>	<b>1,768,720</b>
Interest receivable			
. Cash instruments	123,721	—	123,721
	<b>123,721</b>	<b>—</b>	<b>123,721</b>
<b>Total</b>	<b>1,892,441</b>	<b>—</b>	<b>1,892,441</b>

**3 Income from other sources**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
Retreat house charges	232,664	—	232,664
Sundry income	72,260	—	72,260
	<b>304,924</b>	<b>—</b>	<b>304,924</b>

**4 Expenditure on raising funds**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
Investment manager's fees	29,668	—	29,668

**5 Expenditure on charitable activities:****Grants, donations and support of missionary work and ministry**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
<b>Support of missionary work and ministry</b>			
Grants in support of the missionary work and ministry of the Congregation in Africa			
. Nigeria	193,318	7,576	200,894
. Zambia	284,349	141,051	425,400
. Zimbabwe	202,486	13,173	215,659
Grants towards the support of members of the Congregation in Ireland and other regions	2,246,642	—	2,246,642
	<b>2,926,795</b>	<b>161,800</b>	<b>3,088,595</b>
<b>Donations of £1,000 or more to institutions</b>			
Age UK			
. Towards their work with older people	1,000	—	1,000
CAFOD			
. To assist their work tackling poverty and encouraging development of the world's poorest and disadvantaged people	3,000	—	3,000
Emotional intelligence			
. Building structures for Community Resilience and Peace Building as a way of life in Plateau, Adamawa, Yobe & Taraba State	9,340	—	9,340
St Mark's foodbank			
. To help buy specialised items, e.g. baby milk	1,000	—	1,000
Caritas			
. Misesan Cara funding:			
.. Mobile Medical Team	—	156,847	156,847
. Misesan Cara funding: Improving Health for Seniors & Young Children in Gaza	—	152,510	152,510
. Towards their work in Gaza	5,000	—	5,000
Balance carried forward	<b>19,340</b>	<b>309,357</b>	<b>328,697</b>



			18 month period to 31 December 2023
	Unrestricted funds £	Restricted funds £	Total funds £
Balance brought forward	19,340	309,357	328,697
The Living Well			
. Towards their work	1,000	—	1,000
Dominican Sisters, Bethlehem			
. Towards the running cost of St Joseph's nursery	15,000	—	15,000
Durham University			
. FMDM Fellowship at the Centre for Catholic Studies	68,337	—	68,337
. Supporting their 'The Franciscan Tradition: Retrieval & Innovation' conference	5,000	—	5,000
Catholic Trust for England and Wales			
. Towards their safe spaces project	2,000	—	2,000
FMDM Nigeria			
. Build a borehole at Bwari Property	8,920	—	8,920
. Build a borehole at the Franciscan Centre	3,156	—	3,156
. Towards their work with the poor	6,000	—	6,000
. Tree planting	2,000	—	2,000
Mater Dei Hospital, Zimbabwe			
. Towards hospital equipment	3,000	—	3,000
Medaille Trust			
. To help stop trafficking of women	2,000	—	2,000
FMDM Zambia			
. Staff salaries for Little Assisi & Kasanka schools	43,473	—	43,473
San Andres Parish, Checca, Peru			
.monthly food hampers for vulnerable elderly	8,463	—	8,463
FMDM Zimbabwe			
. Tent and equipment for a new Franciscan Centre	28,315	—	28,315
. Toilets at St Francis school	7,684	—	7,684
. Education and Mother's support	3,000	—	3,000
Tunkus School, Nigeria			
. Staff salaries for six months	3,763	—	3,763
Archbishop Kaigama's Parish in Abuja, Nigeria			
. Towards the Archbishop's work in the Parish	3,000	—	3,000
The Manna Society			
. Towards their work	1,000	—	1,000
Guildford Action			
. Towards their work supporting vulnerable people in Guildford, Surrey	1,000	—	1,000
Mediation Surrey			
. Towards their work providing mediation	1,000	—	1,000
Misean Cara			
. Towards the charity's work	10,628	—	10,628
Catholic Diocese of Shendam, Nigeria			
. Towards the construction of St Augustine School	5,000	—	5,000
Cardinal Hume Centre			
. Towards the centre's work	1,000	—	1,000
Little Assisi, Kasanka, Zambia			
. Misean Cara funding: Expansion of a non-residential special needs school for CWDs	—	101,732	101,732
Balance carried forward	253,079	411,089	664,168

**Expenditure on charitable activities:****Grants, donations and support of missionary work and ministry (continued)**

			18 month period to 31 December 2023
	Unrestricted funds £	Restricted funds £	Total funds £
Balance brought forward	253,079	411,089	664,168
The Passage			
. Towards the charity's work	5,000	—	5,000
Mzolo Health Clinic, Northern Zimbabwe			
. Towards building a health clinic	4,380	—	4,380
Other donations to institutions (all less than £1,000)	8,786	—	8,786
<b>Total donations to institutions</b>	<b>271,245</b>	<b>411,089</b>	<b>682,334</b>
<b>Donations to individuals</b>			
Donations of £1,000 or more	13,775	—	13,775
Other donations (all less than £1,000)	18,434	—	18,434
	<b>32,209</b>	<b>—</b>	<b>32,209</b>
<b>Total</b>	<b>3,230,249</b>	<b>572,889</b>	<b>3,803,138</b>

Donations of £1,000 or more were made to 3 individuals.

**6 Expenditure on charitable activities:****Support of members of the Congregation and their ministry**

			18 month period to 31 December 2023
	Unrestricted funds £	Restricted funds £	Total funds £
Premises	751,880	—	751,880
Sisters' living and personal expenses	715,200	—	715,200
Education, training and spiritual renewal	289,008	—	289,008
Depreciation	540,355	—	540,355
Staff costs (note 9)	2,881,245	—	2,881,245
Retreat centre expenses	80,913	—	80,913
Foreign exchange losses	153,891	—	153,891
Other support costs	480,062	—	480,062
Loss on disposal of fixed assets	4,140	—	4,140
Governance costs (note 7)	37,900	—	37,900
	<b>5,934,594</b>	<b>—</b>	<b>5,934,594</b>



**7 Governance costs**

	Unrestricted funds £	Restricted funds £	18 month period to 31 December 2023 Total funds £
Legal and professional fees	37,900	—	37,900

**8 Net income for the year and net movement in funds**

This is stated after charging:

	18 month period to 31 December 2023 Total £
Staff costs (note 9)	2,881,245
Auditor's remuneration (including VAT)	
• Statutory audit services	22,740
• Non-audit and advisory services	15,160
Depreciation	540,355

**9 Staff costs and remuneration of key management personnel**

	18 month period to 31 December 2023 Total £
Staff costs during the year were as follows:	
Wages and salaries	2,516,930
Social security costs	219,800
Other pension costs	94,797
	2,831,527
Self-employed and agency staff	49,718
	2,881,245

All staff costs relate to the support of members of the Congregation and their ministry.

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

	Full-time equivalent 18 month period to 31 December 2023 Total £	Headcount 18 month period to 31 December 2023 Total £
Support of members of the Congregation and their ministry	85	108

One employee earned between £60,000 and £70,000 per annum (2022 – one) and one employee earning between £70,000 and £80,000 (2022 – one) (including taxable benefits but excluding employer pension contributions) during the year.

The trustees consider that they and the Senior Management Team – the Director of Finance and Business Administration, the Director of Mission, the Director of Operations and the Director of the Franciscan Centre – comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The total remuneration (including taxable benefits, employer's pension contributions, and employer's social security costs) of the key management personnel for the year was £303,923.

As members of the Congregation, the living and personal expenses of the trustees were borne by the charity during the year. However, they received no remuneration and no reimbursement of expenses incurred in connection with their roles during the year (2022 – £nil).

## 10 Taxation

The FMDM Foundation CIO is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

## 11 Tangible fixed assets

	Freehold land & buildings		Furniture and equipment	Motor vehicles	Total
	Non-specialised £	Specialised £	£	£	£
<b>Cost</b>					
At 1 July 2022	—	—	—	—	—
Transfer of net assets from Franciscan Missionaries of the Divine Motherhood Charitable Trust (note 22)	5,836,963	21,002,191	915,013	280,120	<b>28,034,287</b>
Additions	1,514,123	1,963,081	58,092	12,594	<b>3,547,890</b>
Disposals	—	—	(24,487)	(43,567)	<b>(68,054)</b>
At 31 December 2023	<u>7,351,086</u>	<u>22,965,272</u>	<u>948,618</u>	<u>249,147</u>	<u><b>31,514,123</b></u>
<b>Depreciation</b>					
At 1 July 2022	—	—	—	—	—
Transfer of net assets from Franciscan Missionaries of the Divine Motherhood Charitable Trust (note 22)	—	4,807,094	520,607	229,621	<b>5,557,322</b>
Charge for the year	—	419,727	107,976	12,652	<b>540,355</b>
Released on disposal	—	—	(24,487)	(23,490)	<b>(47,977)</b>
At 31 December 2023	<u>—</u>	<u>5,226,821</u>	<u>604,096</u>	<u>218,783</u>	<u><b>6,049,700</b></u>
<b>Net book values</b>					
At 31 December 2023	<u>7,351,086</u>	<u>17,738,451</u>	<u>344,522</u>	<u>30,364</u>	<u><b>25,464,423</b></u>
At 1 July 2022	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>



It is likely that there are material differences between the open market values of the charity's land and buildings and their net book values. These arise from the specialist nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which in the opinion of the trustees, is not justified in terms of the benefit to the users of the accounts.

As at 31 December 2023, the charity had contractual commitments for £2,360,388 of capital expenditure in respect to the refurbishment of part of the site at Ladywell which are not provided for in the financial statements.

## 12 Investments

	2023 £
<b>Listed investments</b>	
Fair (market) value at 1 January 2023	—
Transfer of net assets from Franciscan Missionaries of the Divine Motherhood Charitable Trust (note 22)	72,078,522
Additions at cost	10,481,912
Proceeds from disposal	(14,782,286)
Realised gains on disposal	768,175
Disposals at book value	(14,014,111)
Unrealised gains	6,671,835
Fair (market) value at 31 December 2023	75,218,158
<b>Cash held by investment manager for reinvestment</b>	<b>328</b>
	<b>75,218,486</b>
 Cost of listed investments at 31 December 2023	 <b>68,768,784</b>

Listed investments held at 31 December 2023 comprised the following:

	2023 £
UK equities	3,240,678
UK fixed interest pooled funds	3,211,979
UK other pooled funds	45,038,451
Overseas equity pooled funds	5,604,637
International equity	18,122,413
	<b>75,218,158</b>

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

At 31 December 2023, listed investments included the following individual holdings deemed material when compared with the overall portfolio's market valuation as at that date.

	2023 £	2023 %
CCLA Charity Ethical Fund	44,854,592	59.6%

**13 Debtors**

	2023 £
Investment income receivable	357,229
Prepayments and accrued income	153,594
Other debtors	49,597
	<u>560,420</u>

**14 Creditors: amounts falling due within one year**

	2023 £
Monies administered by the charity on behalf of individual members of the Franciscan Missionaries of the Divine Motherhood	116,123
Amounts due to and held on behalf of other overseas regions of the Franciscan Missionaries of the Divine Motherhood	168,128
Social security and other taxes	77,153
Other creditors	659,336
Accruals and deferred income	218,602
	<u>1,239,342</u>

**15 Restricted funds**

The income funds of the charity included restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 July 2022 £	Transfer to FMDM Foundation CIO (note 22)	Income £	Expenditure £	At 31 December 2023 £
Misean Cara funds	—	—	411,089	(411,089)	—
Other mission funds	—	164,067	140,772	(161,800)	143,039
Other restricted funds	—	5,185	900	—	6,085
	<u>—</u>	<u>169,252</u>	<u>552,761</u>	<u>(572,889)</u>	<u>149,124</u>

Misean Cara funds comprised monies received from Misean Cara, Ireland, for the support of specific projects which are being undertaken by the Congregation in Africa and Gaza. Other mission funds comprised monies to be applied towards the Congregation's missions overseas. Other restricted funds comprise donations received principally at community level where the donation was subject to donor-imposed conditions.

**16 Tangible fixed assets fund**

	2023 £
At 1 July 2022	—
Transfer from Franciscan Missionaries of the Divine Motherhood Charitable Trust (note 22)	22,476,965
Net movement in year	2,987,458
At 31 December 2023	<u>25,464,423</u>



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

## 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 July 2022 £	Transfer from Charitable Trust (note 22) £	Utilised/ Released £	At 31 December 2023 £
Sisters' retirement fund	—	70,000,000	—	70,000,000
Missionary sisters' retirement fund	—	1,000,000	—	1,000,000
	—	71,000,000	—	71,000,000

The funds have been designated for the following purposes:

### ◆ Sisters' retirement fund

This consists of monies which the trustees have set aside in order to provide for the sisters in later life. The calculations indicate that £90.5 million should be set aside in order to provide £35,000 per annum for sisters over 65 years of age and, because of the greater health needs, £38,500 per annum for sisters over 75 years of age. In these accounts £70.0 million (2022 – £70.0 million) has been set aside for this purpose, constrained by the funds available to the charity.

### ◆ Missionary sisters' retirement fund

The missionary sisters' retirement fund comprises monies set aside to provide for the longer term care and provision for sisters native to Nigeria, Zambia and Zimbabwe. These sisters have limited access to salaries and pensions or other income that will be available to help them look after themselves in later life.

## 18 Analysis of net assets between funds

Fund balances at 31 December 2023 represented by:

	General funds £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2023 £
<b>Fund balances at 31 December 2023 are represented by:</b>					
Tangible fixed assets	—	25,464,423	—	—	25,464,423
Investments	4,218,486	—	71,000,000	—	75,218,486
Net current assets	890,454	—	—	149,124	1,039,578
<b>Total net assets</b>	<b>5,108,940</b>	<b>25,464,423</b>	<b>71,000,000</b>	<b>149,124</b>	<b>101,722,487</b>

The total unrealised gains as at 31 December 2023 constituted movements on revaluation of listed investments and are as follows:

	2023 £
<b>Total unrealised gains at 31 December 2023</b>	<b>6,449,702</b>
<b>Reconciliation of movements in unrealised gains</b>	
Unrealised gains at 1 July 2022	—
Unrealised losses transferred from charitable trust	(1,981,325)
In respect to listed investment disposals in the year	1,759,192
	<b>(222,133)</b>
Net gains arising on revaluation of listed investments in year	6,671,835
<b>Total unrealised gains at 31 December 2023</b>	<b>6,449,702</b>

## 19 Related party transactions

Income from donations includes the salaries and pensions of the trustees of the Congregation received under Gift Aid or deed of covenant. During the year ended 31 December 2023, no trustees were in receipt of pensions income and therefore there were no donations to the trust by the trustees.

There were no other related party transactions requiring disclosure.

## 20 Ultimate control

The charity, which is constituted as a Charitable Incorporated Organisation, was controlled throughout the year by the Congregation of the Franciscan Missionaries of the Divine Motherhood by virtue of the fact that the members of the Congregation elect the Superior General and the General Councillors at the General Chapter held ever six years and the General Bursar is appointed by the Superior General every three years. The Congregation does not hold any assets, incur liabilities or enter into any transactions in its own right within England. Assets and liabilities in England are vested in the trustees of the charity, who undertake all transactions entered into in the course of the Congregation's charitable activities.

## 21 Lease commitments

At 31 December 2023, the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2023 £
<b>Office equipment:</b>	
Amount due within one year	408
Amounts due between two and five years inclusive	—
	<b>408</b>

## 22 Transfer from the Franciscan Missionaries of the Divine Motherhood Charitable Trust

The Trustees of the CIO were also trustees of the 'Franciscan Missionaries of the Divine Motherhood Charitable Trust' (Charity Registration Numbers 232098 (England and Wales) and SC039352 (Scotland)) (the 'charitable trust').



With effect from 1 January 2023, the activities, assets and liabilities of the charitable trust were transferred to the CIO in accordance with a legal transfer of undertaking deed. The net assets at that date comprised:

	2023 £
<b>Tangible Fixed Assets</b>	
. Cost	28,034,287
. Depreciation	<u>(5,557,322)</u>
	22,476,965
 Investments	
. Listed investments	72,078,522
. Cash held for re-investment	1,154,359
Debtors	612,002
Cash at bank	2,811,556
Creditors amounts falling due within one year	<u>(876,083)</u>
	<u>98,257,321</u>

The net assets transferred at midnight on 1 January 2023 were represented by the following funds and reserves:

	2023 £
<b>Restricted funds</b>	169,252
<b>Unrestricted funds</b>	
. Tangible fixed assets fund	22,476,965
. Designated funds	71,000,000
. General funds	<u>4,611,104</u>
	<u>98,257,321</u>