

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO
(Registered Charity Number: 1200125)

REPORT AND ACCOUNTS

31 MARCH 2023

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NUMBER **1200125**

CONSTITUTION

The Charity is governed by a Charitable Incorporated Organisation constitution registered with the Charity Commission on 18 August 2023

TRUSTEES OF THE CHARITY (all appointed as first Trustees)

Sister Margaret Mary O'Reilly
Sister Elisabetta Maccariello
Sister Eileen Cristina Daly
Sister Helen Mary Louise Randles
Sister Patricia Mary Trussell

PRINCIPAL OFFICE

LSU Provincialate
53 Croftdown Road
London, NW5 1EL

BANKERS

Barclays Bank plc
Hatton Garden Business Centre
99 Hatton Garden
London, EC1N 8DN

SOLICITORS

Stone King
Upper Borough Court (UBC)
Upper Borough Walls
Bath
BA1 1RG

INVESTMENT ADVISORS

Brewin Dolphin
12 Smithfield Street
London, EC1 9BD

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

INTRODUCTION

The Trustees are pleased to present their report for the period 18 August 2022 (the date on which the CIO was registered with the Charity Commission) to 31 March 2023.

The charity (Registered Charity Number: 1200125) did not become active until midnight on 31 August 2023, when all the assets, liabilities, commitments, and activities of the predecessor charitable trust were transferred to the CIO. Hence no transactions, assets or liabilities fall to be recorded in these accounts.

The Congregation of La Sainte Union Des Sacres Coeurs UK CIO (The Congregation) is an international religious congregation with a Province in the United Kingdom, and which includes responsibility for the sisters living in the Republic of Ireland and Tanzania.

Transfer from Charitable Trust

In order to bring the Congregation's constitutional arrangements into line with latest best practice, the Trustees decided to establish this Charitable Incorporated Organisation (CIO) to take over the assets and activities of the former charity through which the charitable activities of the Congregation in England and Wales were conducted. This was a charitable trust known as the Anglo-Hibernian Province of the Congregation of La Sainte Union des Sacres Coeurs (registered charity number 233872).

Trustees had acknowledged that it would become increasingly difficult to fulfil all the responsibilities placed upon them in the near future. Declining numbers of available sisters to become Trustees highlights the need for more professionals who could shoulder some of the responsibilities. In planning for this, the first stage was to update the civil and legal identity of the charity from a Charitable Trust (since 1964) to a Charitable Incorporated Organisation. The CIO's wider articles will enable the appointment of Trustees who are not members of the Congregation in the future. At all times, the majority of Trustees will continue to be members of the Congregation. (Article 9: clause 3(b) Constitution.) Registration was granted by the Charity Commission 18th August 2022. As outstanding work took longer than initially anticipated, it remained dormant until the CIO took over from the Trust on 1st September 2023. At midnight on 31 August 2023, all of the assets, liabilities, commitments, and activities of the charitable trust were transferred to the CIO.

Principal Objects

The principal object of the CIO is "the advancement of the religious and other charitable work carried on, by or with the support of the Congregation, anywhere in the world, as the Charity Trustees shall from time to time think fit."

Number of Trustees

There must be at least four charity Trustees (one Nominated Trustee and not less than three appointed Trustees) and at all times the majority of the charity Trustees must be members of the Congregation. The maximum number of appointed Trustees is seven (Art 9:3(a) & (b)).

The Trustees consider that the key management of the Charity will consist of themselves and, in particular, the Province Leader and Provincial Bursar to whom much of the running of the day -to- day operation will devolve. As religious sisters, under a vow of poverty, the Trustees do not receive remuneration.

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

OBJECTIVES, POLICIES AND ACTIVITIES

It will be the policy of the Charity to undertake a broad range of charitable activities. All sisters within the Province work in the pursuit of the Charity's aims, often long past normal retirement age. Much of this work is now in a voluntary capacity but where a salary or stipend is received, it is all paid to the Charity to support its ongoing work. In addition to performing work through the sisters, the Charity also provides grants and financial support to a variety of charitable projects.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The activities are:

1. Education

The Charity's principal aim is the development of society through education in all of its forms in both the developed and the developing world. We therefore view this as a key area in which we achieve a public benefit. Through education we seek to promote self-acceptance, concern for others and an understanding of the dignity of human living. We provide buildings and land for schools as well as nominating Foundation Governors/Directors. Day to day management of the schools is delegated by the Trustees to the Governing Body/Board of Directors of each school.

In the five educational institutions in which it is involved, the Charity seeks to attain a high level of academic achievement as well as providing a broad programme of extra-curricular activities. It emphasises the Christian message and values of the Roman Catholic faith.

2. Healthcare

In common with many religious congregations in Great Britain, as existing members grow older and the number of new vocations in Europe becomes minimal, the age profile of the Province members is increasing.

The Province has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to (a) education at primary, secondary and college level, and/or (b) the care of the elderly, poor and marginalized in society.

The sisters are all under a vow of poverty and therefore providing them with support is considered to be an important element of the Charity's work.

The Trustees are attentive to the impact of continuing numbers of sisters requiring care and are attentive to the impact upon:

- (i) the work of individual members
- (ii) the property requirements and
- (iii) the financial implications. In this regard, the aims of the Trustees over the forthcoming years include:
 - Ensuring all members of the Province receive a high level of care to provide them with a good quality of life.
 - Enabling all members of the Province to continue with their individual ministries for as long as possible.
 - Considering the most efficient means of providing care.
 - Reviewing the suitability of properties for communities of elderly sisters. Those properties identified as being unsuitable will be sold to support the increasing healthcare costs being incurred.

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

OBJECTIVES, POLICIES AND ACTIVITIES (continued)

3. Social and Pastoral Care

The work of the Charity encompasses a broad range of activities that make a positive contribution to society and a positive difference to the lives of many who are in need, physically, emotionally, or spiritually. Among the activities undertaken by sisters are:

- Working in parishes, visiting, and helping parishioners develop their spiritual lives,
- Pastoral care, and providing a sympathetic ear to people who are housebound,
- Advocacy and support for asylum seekers and refugees,
- Activities in local communities in support for older people,
- Training programmes in the facilitation of workshops with individuals and groups in the UK, Ireland, and Africa, enabling them to set up and run their own workshops in the future,
- Collaborating with other groups in running food banks,
- Hosting a community organisation which enables local people of all ages to have a voice through organising planning and running meetings on local issues such as costs of funerals, and the state of local environments. It also enables local people, to challenge election candidates when elections have been called.
- Working with others in environmental projects,

SAFEGUARDING

The La Sainte Union Sisters continue their ongoing commitment to the One Church Policy on safeguarding and are fully paid members of the Religious Life Safeguarding Service (RLSS).

The Catholic Standards Safeguarding Agency (CSSA) review of its policies and procedures undertaken by the Social Care Institute for Excellence (SCIE) identified strengths and weakness in existing resources and will make the necessary improvements. La Sainte Union Sisters Safeguarding Lead completed the CSSA questionnaire as part of the desire of CSSA to allow all stakeholders to play an important part in shaping the future of safeguarding. We await the new developments and improvements which will be forthcoming.

The next Trustee Report will give details of the RLSS AGM and Conference to be held early in 2024.

INVESTMENT POLICY AND PERFORMANCE

The portfolio will be managed by Brewin Dolphin under a discretionary investment management agreement. Brewin Dolphin will also act as a nominee for the investments of the Charity. The Trustees will meet with the fund managers at least three times a year and ensure that the fund is managed in accordance with their guidelines and with the religious and ethical principles of the Province. The target for the fund managers will be to achieve a certain return of both income and capital growth with no more than a medium degree of risk.

The Trustees intend that the real value of the assets be maintained and enhanced over the long term by investment in a portfolio of equities, fixed income stocks and cash. The Trustees have instructed the fund manager to adopt an ethical policy consistent with the teachings of the Roman Catholic church and to use their best endeavours to avoid investment in companies that are predominately involved in the production of armaments or tobacco products. The fund manager's performance is regularly reviewed by the Trustees.

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

RISK MANAGEMENT

The Trustees have considered the major risks to which the Charity is exposed. They have created a risk management database to manage any major risks to the charity as well as looking at mitigations in place. Every effort is being made to mitigate those risks which are prioritised and evaluated. The key areas of risk for the charity, as identified by the Trustees, are listed below,

Operational

- Safeguarding
- Employment issues

Governance and Management

- **Governing the charity/** Lack of relevant skills or experience
- Loss of key (employed) personnel.
- Maintenance of Fixed Assets
- Schools

Finance

- Dependency on income sources
- Reserves
- Fraud or error

Compliance

- With legislation and regulations

FUTURE PLANS

The long-term strategy of the charity remains largely unchanged from that of its predecessor charity – to serve its charitable purposes that advance the religious and other charitable work through a wide range of charitable activities. Key policies are:

- To provide for the healthcare needs of the sisters in the UK and Ireland.
- To continue to provide our 5 existing schools with buildings on a rent-free basis.
- To increase the number of professional people who work with us in a variety of roles, including the trusteeship of the La Sainte Union CIO.
- To support the living and working lives of our sisters in areas of the Congregation which cannot fully support themselves, through the Congregation Fund and direct donations.

Plans for the short to mid-term include:

- To provide for the future inspirational, legal, and financial responsibilities of school trusteeship through completing the transfer of the schools to the Gaudete Trust, ensuring their future as La Sainte Union schools and enabling more opportunities for collaboration for staff and pupils,
- To continue the review of all properties owned by the charity in line with current and future needs.
- To complete the transition of the charity from a charitable trust to a CIO. Outstanding items include new bank accounts, and the transfer of the schools once the Department of Education has granted permission (there having been a backlog holding this up).

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

TRUSTEES' ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees of the Charity are required to prepare for each financial year accounts which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements and with the Constitution registered 18 August 2022. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees on 26 January 2024 and signed as authorised on their behalf by:

Pat Trussell
TRUSTEE

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 MARCH 2023

The CIO did not become active until after the period-end. Therefore, no transactions fall to be recorded in the Statement of Financial Activities, in either the current or a preceding financial period.

BALANCE SHEET

AS AT 31 MARCH 2023

As the CIO did not receive any income or assets prior to the period-end, there were no assets or liabilities to record in its Balance Sheet as at that date.

Approved by the trustees and signed on their behalf by:

Approved by the Council of Trustees on 26 January 2024 and signed on its behalf by

Pat Trussell
TRUSTEE

CONGREGATION OF LA SAINTE UNION DES SACRES COEURS UK CIO

PRINCIPAL ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31 MARCH 2023

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

Statement of compliance

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

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

General information

The charity is registered in England and Wales (charity number: 233872). The charity's registered office is shown on page 1.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- estimating the economic useful life of tangible fixed assets.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

The Trustees have estimated the impact on their finances and they are confident that not only will the charity be able to meet all its liabilities and commitments for at least one year, it will also have sufficient cash reserves to enable it maintain its investment portfolio intact until at least the end of March 2024.

THE ANGLO - HIBERNIAN PROVINCE OF THE CONGREGATION OF LA SAINTE UNION DES SACRES COEURS

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, 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(s) to the Trust 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, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

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

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

Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fees paid in respect of fund management advice in relation to the charity's portfolio of quoted investments, which is managed under a discretionary management agreement.
- Expenditure on charitable activities includes the costs of running the charity's convents as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs include charitable grants and donations, direct and support costs in respect to the support of members of the Congregation and their ministry. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. A provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Support costs are allocated to activities on the basis of estimated usage and are currently entirely allocated to Support of Members of the Congregation and their ministry.

**THE ANGLO - HIBERNIAN PROVINCE OF THE CONGREGATION OF
LA SAINTE UNION DES SACRES COEURS**

PRINCIPAL ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Tangible fixed assets

Individual fixed assets costing £2,500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

	Annual rate
Freehold land	Nil
Freehold buildings	2%
Fixtures, fittings and equipment	20%
Motor vehicles	25%

No depreciation is charged on Fixed Assets under the course of construction until they are brought into use.

Financial Instruments

The charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investments

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets.

Realised gains are the difference between sales proceeds and the carrying value of the investment. The carrying value is the fair value at the beginning of the year or the purchase cost where the investment was acquired during the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Deposits for more than three months and up to 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 where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**THE ANGLO - HIBERNIAN PROVINCE OF THE CONGREGATION OF
LA SAINTE UNION DES SACRES COEURS**

PRINCIPAL ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Services provided by members of the Congregation

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

Foreign currencies

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

Funds

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds are set out in the notes to the accounts.

Restricted income funds comprise unexpended balances of donations and grants held in trust to be applied for specific purposes.

Employee benefits

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. No charity contributions were paid during the period. And there were no outstanding contributions at the period-end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

1. AFTER-DATE TRANSFER OF ASSETS FROM CHARITABLE TRUST

With effect from midnight on 31 August 2023, in accordance with a legal transfer of undertakings, all the assets, liabilities, commitments and activities of the charitable trust ((The Congregation of La Sainte Union des Sacres Coeurs Anglo-Hibernian Province) (registered charity number 233872) were transferred to the charity.

The net assets transferred at that date comprised the following:

	£	£
Fixed Assets at net book value		
Cost	4,900,238	
Depreciation	(1,146,589)	
	<hr/>	3,753,649
Investments at market value		22,231,503
Debtors and prepayments		38,374
Portfolio bank accounts		
Cash at bank and in hand	3,375,004	
	<hr/>	3,375,004
Cash at bank and in hand		3,375,004
Creditors		(1601,881)
		<hr/>
		£27,796,649
		<hr/> <hr/>
The net assets were represented by		
ACCUMULATED FUNDS		
- Unrestricted Funds	1,043,000	
- Designated Funds	26,753,649	
	<hr/>	27,796,649
		<hr/>
		£27,796,649
		<hr/> <hr/>

The net assets / reserves shown above will be reflected in the financial statements of the CIO as received on 1 September 2023