

FMM Generalate UK CIO

Annual Report and Accounts

31 December 2023

Charity Registration Number
(England and Wales) 1200913

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Reference and administrative details

Trustees	Sister Jolanda Delleman (appointed 4 November 2022) Sister Helen Fennell (appointed 4 November 2022) Sister Narelle Therese Skeers (appointed 4 November 2022)
General Treasurer	Sister Jolanda Delleman
Sector Treasurer	Sister Helen Fennell
Sector Address	5 Vaughan Avenue London W6 0XS
Telephone	020 8748 4077
Website	www.fmmuk.org
Charity Registration Number (England and Wales)	1200913
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal Bankers	The Royal Bank of Scotland plc London Corporate Service Centre 4th Floor Devonshire Square London EC2M 4XJ
Investment Managers	BlackRock Investment Management (UK) Limited Throgmorton Avenue London EC2N 2DL
Solicitors	Stone King LLP Upper Borough Court 3 Upper Borough Walls Bath BA1 1RG

The trustees present the report and accounts of FMM Generalate UK CIO, a Charitable Incorporated Organisation (CIO) ("the charity" or "the CIO") for the period from the establishment of the CIO on 4 November 2022 to 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 20 of the attached accounts and comply with the charity's Constitution, the Charities Act 2011, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP FRS 102).

Objectives and activities

With effect from midnight on 31 December 2022, the fixed assets investments and cash held by BlackRock Investment Management (UK) Limited of The English Province of the Institute of Franciscan Missionaries of Mary Charitable Trust, Charity Commission Number 249515 (the Charitable Trust) were transferred to FMM Generalate UK CIO (established 4 November 2022, Charity Registration Number 1200913). Further information regarding this transfer is given in the notes to the accounts.

The object of the CIO is the advancement of the Roman Catholic religion through the religious and other charitable work of the Institute as the Trustees with the approval of the Superior General shall from time to time think fit.

Support for the Sisters:

The income from the investments held at BlackRock has been used to support the sisters of the Franciscan Missionaries of Mary UK CIO in their retirement.

During the year withdrawals of £2.7 million were authorised to fulfil this objective and this included payment toward the building of an extension to the Institute's Care facility in London, which was completed and opened in October 2023.

Achievements and performance

As detailed in the financial review the charity's listed investments yielded an income of 2.42% and a capital yield of 3.15% during the year. The trustees consider this an acceptable achievement towards the aim of supporting the sisters.

Public benefit

When setting the objectives and planning the work of the charity for the year, which involves the individual ministries of sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Charity fulfils its public benefit duties by directly supporting the work of the connected charity Franciscan Missionaries of Mary UK CIO in the advancement of the Roman Catholic Religion through work in its local and global mission.

Financial review

Results for the period

A summary of the results for the period from establishment of the CIO on 4 November 2022 to 31 December 2023 can be found on page 15 of this report and accounts.

The CIO was operational from 1 January 2023 and hence the income and expenditure and gains represent the activities for the 12-month period to 31 December 2023.

Total income excluding the transfer of the fixed asset investments and cash from the Charitable Trust amounted to £589,201, of which £565,919 related to income from listed investments and bank interest. The transfer (or donation) of the fixed asset investments and cash from the Charitable Trust at midnight on 31 December 2022 totalled £24,451,772 to give total income of £25,040,973.

Expenditure totalled £2,721,927, of which £2,700,000 represented donations to Franciscan Missionaries of Mary UK CIO (Charity Registration Number 1199658) and to the Generalate of the Institute of the Franciscan Missionaries of Mary.

The net expenditure for the period before investment gains and the transfer from the Charitable Trust was £2,132,726. Net investment gains totalled £735,361. After accounting for net investment gains (excluding the transfer from the Charitable Trust), the net decrease in funds for the period amounted to £1,397,365.

Investment performance

The charity's listed investments achieved an income yield of 2.42% and a capital yield of 3.15%. The performance of the portfolio reflected the condition of the markets generally throughout the period. The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report, complying with the ethical guidelines given to them.

At the end of the period the charity's portfolio of listed investments comprised 100% of UK charity authorised investment funds.

Further details about investments, are provided in note 9 to the accounts.

Reserves policy and financial position

Financial position

The charity's balance sheet showed total funds of £23,054,407, which are all unrestricted. This was predominantly comprised of the investment portfolio of £23,053,055.

Financial review (continued)

Reserves policy and financial position (continued)

Reserves policy

The vision behind the establishment of the charity is to ensure that there is a central pool of funds that might be available long into the future to assist with the financing of the Institute's ministry in parts of the world where the Sisters' work continues to flourish and/or develop but where it is difficult or impossible to generate income to cover the costs associated with that mission. In particular, the intention is to use the funds to help support the Sisters in the United Kingdom as their age demographics increase and their care needs become greater. The view of the trustees, therefore, is that the charity should continue to build up its general or free reserves to a level that facilitates such financial assistance in the future and enables the ongoing support of the work of the Institute wherever it may take place. The exact level of free reserves that will be needed is impossible to project but it is anticipated that it will become clearer over time as the demographics and work of the Institute evolves over the next decade. At present, the trustees would be entirely comfortable with free reserves to be as high as possible but accept that in due course this policy may need to be reviewed and refined.

All of the charity's funds are unrestricted and represent the free reserves held at year end. The income from the investments held at BlackRock will be used to support the sisters of the Franciscan Missionaries of Mary UK CIO as the Sisters grow older and their care needs increase.

The Trustees consider the level of free reserves to be acceptable as the funds above allow them to pursue their charitable objectives.

Future plans

As part of its planning for the future the Institute has undertaken a process of Regionalisation. From 31 October 2023 the previous Provinces of which there were 47 have now been replaced by Regions which number 17.

Assuring the life and mission of the Institute here in the UK and around the world is the responsibility of the Superior General and her Council.

Governance, structure, and management

Governance

In accordance with Canon law the Institute is governed by the Superior General, along with the General Council. They are elected during the General Chapter which takes place every six years and is the organ that expresses collegiality on the Institute level, and as such it has supreme authority when in session. The mandate of the Superior General and her Council is six years renewable once.

The last General Chapter took place in 2022 in Rome. One of its main objectives was the immediate preparations for the establishment of the new Regions which became a reality on the 31st October 2023 around the world.

Governance, structure, and management (continued)

Governance (continued)

Under the new structure each Region is governed by a Regional Superior assisted by Regional Councillors the number of which was determined at Regional level. The nomination of sisters for these positions was made by the Superior General and her Council after a consultation ballot in the respective provinces. The mandate of the Regional Superiors is six years non-renewable, and for the Regional Councillors four years renewable once.

The financial structure has also changed, regions now have a Regional Treasurer who is nominated by the Superior General with Sector Treasurers who continue to carry out the functions of the old provincial bursars. The Regional Treasurer liaises directly with the General Treasurer in Rome for all financial matters of the Region.

At the local level each community is governed by a local superior, who is appointed by the Regional after consultation with her Council and the community concerned.

In terms of Civil law, the charity is governed by a Constitution dated 4 November 2022. It is a registered charity in England and Wales. The registered charity number for England and Wales is 1200913.

There must be at least three trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the trustees to request the Superior General to appoint a new trustee. There is no maximum number of trustees that may be appointed to the CIO.

The names of the trustees who served during the period are set out as part of the reference and administrative details on page 1.

Newly appointed trustees must be appointed by a resolution in writing by the Superior General. In selecting individuals for appointment as appointed Trustees, the Superior General must take into consideration their knowledge, experience, and suitability for appointment. All trustees must be members of the Institute and have a detailed knowledge of the work of the charity and its structure. To support them in the carrying out of their responsibilities they meet with the Institute's legal, accounting, investment and property advisers who provide them with a full briefing of their responsibilities and the charity's position.

The names of all sisters who served as Trustees during 2023 are set out as part of the reference and administrative details on page 1 of this annual report and a brief biography of each one is set out below:

Governance, structure, and management (continued)

Governance (continued)

Sister Jolanda Delleman

Sister Jolanda from Holland entered the Institute of the Franciscan Missionaries of Mary in December 1983 in Amsterdam. As a young religious she was sent to French Guiana, and served several years in refugee camps as a teacher and was at the same time involved in social work with Caritas. She made her final profession in 1990 in Guadeloupe (Caribbean) where she was involved in pastoral work, especially with basic Christian communities and with youth groups. Being called to Rome for the first time, she served in the general team. After 6 years she joined the Democratic Republic of Congo to become the provincial treasurer of the Lubumbashi province. From there she was called back to her province of origin: Belgium-Holland-Island-Faroe Islands to become the provincial superior, until she was elected again to the general team in Rome. Since 2022 she has taken up the service of General Treasurer.

Sister Narelle Skeers

Sister Narelle is from Australia, she joined the FMM in 1972 and after her initial formation was sent to the Middle East. She spent 19 years in Damascus where she worked with intellectually challenged children and adults as well as serving in a baby clinic with young mothers from the numerous villages surrounding the city. After this she was missioned to Israel where she did pastoral ministry with the Hebrew Catholic community. She was elected as Provincial of the province of the Middle East and moved to Amman in Jordan where she was based until her election to the General leadership team in Rome where she has served for past 10 years.

Sister Helen Fennell

Sister Helen is from Dublin, Ireland and entered the Institute of the Franciscan Missionaries of Mary in October 1980 in Canterbury. She is a qualified nurse and spent 13 years on mission in Ethiopia, where she worked as a nurse and then as Hospital Administrator in our rural hospital a position she held for 10 years. After returning to the Province of UK, Ireland and Malta she then graduated with a BA in Theology and a Higher diploma in adult religious education. She has worked in adult faith formation, youth retreat work and vocations promotion for the Province. She served as the Provincial Bursar from 31 October 2018 until 31 October 2023 and now continues her service as Sector Treasurer for UK, Ireland and Malta.

The Trustees have attended many on-line training sessions provided by their professional advisors.

The Superior General of the Institute is automatically, by virtue of holding that office, ex officio the sole member of the CIO for as long as she holds that office. If the charity is wound up, the member of the charity has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Governance, structure, and management (continued)

Key management personnel

The trustees are the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

Investment policy

During the period, the charity's investments were managed by BlackRock Investment Management (UK) Limited. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium term.

The policy aims to maximise total return through a diversified portfolio whilst providing a level of income advised by the trustees from time to time. There is an Ethical Policy precluding investment in any company, which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Catholic Church.

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

Fundraising policy

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

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report in the same in their annual report, the trustees have looked at the risks the charity faces currently in England and Wales and have reviewed the measures already in place, or needing to be put in place, to mitigate them.

The following main areas where risks may occur have been identified:

- ◆ Governance and management
The Superior General works closely with her team ensuring that responsibility and information regarding the charity is shared. This mitigates the risk of one key person holding all the responsibility and information for the charity.

Governance, structure, and management (continued)

Risk management (continued)

- ◆ Financial

The finance team comprising the General Treasurer together with the Sector Treasurer and finance manager review the budget and accounts and present financial information to the trustees regularly.

- ◆ Investments

The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to an ethical policy agreed by the trustees. The manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future. Whilst the macroeconomic and geopolitical climate gives rise to concerns over potential volatility in world stock markets, we acknowledge also that we are long term investors. As such, the charity will be able to wait for markets to stabilise over time whilst we, as trustees, keep a watching brief.

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 requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently.
- ◆ observe the methods and principles of 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 judgments 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.

Governance, structure, and management (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions with reasonable accuracy and disclose at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (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.

Employees, volunteers, and members of the Institute

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Institute, without whom we would not be able to do the work we do. Their dedication and positive approach are very much appreciated.

Approved by the trustees and signed on their behalf by:

Trustee: Helen Fennell

Approved by the trustees on: 28 June 2024

Independent auditor's report to the trustees of FMM Generalate UK CIO

Opinion

We have audited the accounts of FMM Generalate UK CIO (the 'charity') for the period from 4 November 2022 ended 31 December 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

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

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

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

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

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

How the audit was considered capable of detecting irregularities including fraud
(continued)

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 entries posted to the trial balance 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 accounts disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

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

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

We did not identify any irregularities, including fraud.

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

Use of our report

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

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 3 July 2024

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

Statement of financial activities Period to 31 December 2023

	Notes	Total funds Period from 4 November 2022 to 31 December 2023 £
Income from:		
Donations	1	23,282
Investments and interest receivable	2	565,919
		<u>589,201</u>
Transfer from Charitable Trust (note 11)		24,451,772
Total income		<u>25,040,973</u>
Expenditure on:		
Charitable activities		
. Administration costs	3	21,927
. Donations paid	5	2,700,000
		<u>2,721,927</u>
Total expenditure		<u>2,721,927</u>
Net income for the period before net investment gains		22,319,046
Net investment gains	9	735,361
Net income and net movement in funds	6	<u>23,054,407</u>
Reconciliation of funds:		
Total funds brought forward at 4 November 2022		<u>—</u>
Total funds carried forward at 31 December 2023		<u>23,054,407</u>

FMM Generalate UK CIO, a Charitable Incorporated Organisation (CIO) (the charity), was registered as a charity on 4 November 2022. One of the trustees of the charity is also a trustee of The English Province of the Institute of Franciscan Missionaries of Mary Charitable Trust, Charity Commission Number 249515 (the Charitable Trust). With effect from midnight on 31 December 2022, some of the assets of the Charitable Trust were transferred to FMM Generalate UK CIO (details of this transfer are included in note 11).

The statement of financial activities includes all recognised gains and losses recognised in the period.

Balance sheet 31 December 2023

	Notes	2023 £
Fixed assets		
Investments	9	23,053,055
Current assets		
Cash at bank and in hand		1,352
Net current assets		1,352
Total net assets		<u>23,054,407</u>
The funds of the charity:		
Unrestricted income funds		<u>23,054,407</u>
		<u>23,054,407</u>

Approved by the trustees and signed on their behalf by:

Trustee: Jolanda Delleman

Approved by the trustees on: 28 June 2024

Charity Registration Number (England and Wales): 1200913

Statement of cash flows Period to 31 December 2023

	Notes	Period from 4 November 2022 to 31 December 2023 £
Cash flows from operating activities:		
Net cash used in operating activities	A	(2,698,645)
Cash flows from investing activities:		
Investment income and interest received		565,919
Proceeds from disposal of investments		23,247,527
Purchase of listed investments		(21,835,338)
Net cash provided by investing activities		1,978,108
Change in cash and cash equivalents in the period		(720,537)
Cash and cash equivalents at 4 November 2022	B	—
Cash and cash equivalents transferred from the Charitable Trust (note 11):		748,880
Cash and cash equivalents at 31 December 2023	B	28,343

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

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

	Period from 4 November 2022 to 31 December 2023 £
Net movement in funds (as per the statement of financial activities)	23,054,407
Adjustments for:	
Gains on investments	(735,361)
Transfer from the Charitable Trust (note 11)	(24,451,772)
Investment income and interest receivable	(565,919)
Net cash used in operating activities	(2,698,645)

B Analysis of cash and cash equivalents

	At 4 November 2022 £	Transfer from Charitable Trust (note 12) £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	—	—	1,352	1,352
Cash held by investment managers	—	722,530	(721,889)	641
Cash instruments	—	26,350	—	26,350
Cash and cash equivalents	—	748,880	(720,537)	28,343

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

Principal accounting policies 31 December 2023

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

Basis of preparation

These accounts have been prepared for the period from the date of establishment of the CIO on 4 November 2022 to 31 December 2023.

These are the first accounts of the charity. The charity was incorporated on 4 November 2022. It remained dormant until 31 December 2022. With effect from midnight on 31 December 2022, the fixed assets investments and cash held by BlackRock Investment Management (UK) Limited of The English Province of the Institute of Franciscan Missionaries of Mary Charitable Trust, Charity Commission Number 249515 (the Charitable Trust) were transferred to the charity.

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 Charities Act 2011 and applicable Regulations.

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

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

Critical accounting estimates and areas of judgement

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

There are no items in the accounts where key judgements and estimates have been made.

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.

With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that may affect the carrying value of their assets are the level of investment return and the performance of the investment markets (see the investment policy section of the trustees' report for more information).

The trustees of the charitable trust have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable trust to continue as a going concern. The trustees are of the opinion that the charitable trust will have sufficient resources to meet its liabilities as they fall due.

Income recognition

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

Income comprises donations, and investment income and interest receivable.

Donations 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.

Investment income is recognised once the dividend has been declared and notification has been received of the amount 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

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.

The majority of expenditure relates to IT costs and governance costs.

Expenditure is stated inclusive of irrecoverable VAT.

Governance costs

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

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.

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.

Investments (continued)

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.

Fund structure

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

There are no restricted or designated funds.

1 Income from: Donations

	Total funds Period from 4 November 2022 to 31 December 2023 £
Gifts in kind	13,282
Other donation	10,000
	23,282

Gifts in kind relate to expenses paid for by the Franciscan Missionaries of Mary UK CIO on behalf of the charity.

2 Income from: Investments and interest receivable

	Total funds Period from 4 November 2022 to 31 December 2023 £
Income from listed investments . UK Charity Authorised Investment Fund	556,867
Interest received . Cash held by investment managers	9,052
	565,919

3 Expenditure on: Charitable activities – administration expenses

	Total funds Period from 4 November 2022 to 31 December 2023 £
Office expenses	11,486
Bank charges	1
Governance costs (note 4)	10,440
	21,927

4 Governance costs

Included within expenditure are governance costs as detailed below:

	Total funds Period from 4 November 2022 to 31 December 2023 £
Legal and professional fees	10,440

5 Expenditure on: Donations

Donations of £2,700,000 consist of £1,738,866 paid to Franciscan Missionaries of Mary UK CIO directly from BlackRock together with £961,134 paid to the Generalate of the Institute of the Franciscan Missionaries of Mary. One of the trustees of the charity is also a trustee of the Franciscan Missionaries of Mary UK CIO.

6 Net income and net movement in funds

This is stated after charging:

	Total funds Period from 4 November 2022 to 31 December 2023 £
Auditor's remuneration (including VAT)	
. Statutory audit services	10,440

7 Staff costs, key management and trustees' remuneration

The charity did not employ any staff during the period from 4 November 2022 to 31 December 2023.

The trustees consider that they alone comprise the key management of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. They received no remuneration or reimbursement of expenses in connection with their duties as trustees during the period from 4 November 2022 to 31 December 2023.

8 Taxation

FMM Generalate UK 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.

9 Investments

	2023 £
Market value at 4 November 2022	—
Transfer from Charitable Trust (note 12)	23,702,892
Additions at cost	21,835,338
Disposals at book value (see below)	(23,702,892)
Net unrealised gains	1,190,726
Market value at 31 December 2023	23,026,064
Cash instruments	26,350
Cash held by investment managers for re-investment	641
	23,053,055
Cost of listed investments at 31 December 2023	21,835,338

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

	2023 £
Disposal proceeds	23,247,527
Realised losses	455,365
Disposals at book value	23,702,892

9 Investments (continued)

All listed investments are either dealt in on a recognised stock exchange or comprise pooled funds, the underlying investments of which are dealt in on a recognised stock exchange.

At 31 December 2023 listed investments included the following individual holding deemed material when compared with the overall portfolio valuation as at that date:

	2023 Market value of holding £	2023 Percentage of portfolio %
BlackRock Catholic Charities Growth and Income Fund	23,026,064	100

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

	2023 £
Unrealised gains included above:	
On listed investments	1,190,726
	<u>1,190,726</u>
Reconciliation of movements in unrealised gains	
Unrealised gains at 4 November 2022	—
Unrealised gains transferred from the Charitable Trust (note 12)	6,294,212
In respect to disposals in the period	(6,294,212)
Net gains arising on revaluation in the period	1,190,726
Total unrealised gains at 31 December 2023	<u>1,190,726</u>

10 Ultimate control

If the CIO is wound up, the member of the CIO has no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The Superior General for the time being shall automatically, by virtue of holding that office, be ex-officio the sole member of the CIO for as long as she holds that office.

11 Transactions with connected charities

FMM Generalate UK CIO, a Charitable Incorporated Organisation (CIO) (the charity), was registered as a charity on 4 November 2022. One of the trustees of the charity was also a trustee of The English Province of the Institute of Franciscan Missionaries of Mary Charitable Trust, Charity Commission Number 249515 (the Charitable Trust). With effect from midnight on 31 December 2022 the Charitable Trust's activities, assets and liabilities were transferred to two charitable incorporated organisations. Details of the transfers to FMM Generalate UK CIO are as follows:

	Total £
Fixed asset investments (note 9)	23,702,892
Cash instruments	26,350
Cash held by investment managers	722,530
Total net assets	24,451,772

The net assets were represented by the following funds:

	Total £
Unrestricted income funds	24,451,772
	24,451,772

During the period from 4 November 2022 to 31 December 2023, the charity received a donation of £10,000 from the Franciscan Missionaries of Mary UK CIO. In addition, audit fees of £10,440 and office expenses of £2,842 were paid for by the Franciscan Missionaries of Mary UK CIO on behalf of the charity and these have been treated as a donation. During the period from 4 November 2022 to 31 December 2023, the charity made a donation of £1,738,866 to the Franciscan Missionaries of Mary UK CIO. One of the trustees of the charity is also a trustee of the Franciscan Missionaries of Mary UK CIO.

12 Related party transactions.

Other than as outlined in note 11, there were no other related party transactions during the period.