

SISTERS OF MERCY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

SISTERS OF MERCY

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SISTERS OF MERCY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees	Sister Anne O'Connell, Sister in Charge Sister Magdalene Reilly Sister Elizabeth O'Hara Sister Dolores Nicholl Sister Paul Farrar
Charity registered number	200376
Principal office	St Joseph's Convent of Mercy Hillside Drive Gravesend Kent DA12 1NY
Independent auditors	Hedley Dunk Limited Chartered Accountants and Statutory Auditors Trinity House 3 Bullace Lane Dartford Kent DA1 1BB
Bankers	Barclays Bank PLC PO Box No 449 Dartford DA1 1FE
Solicitors	Martin Tolhurst Partnership 7 Wrotham Road Gravesend Kent DA11 0PD

SISTERS OF MERCY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2022 to 31 March 2023.

Objectives and activities

a. Policies and objectives

It is the policy of the Charity to undertake a broad range of charitable activities. The principal areas in which the Charity is involved are set out below:

1. Social and Pastoral Care

The Sisters of Mercy, Gravesend continue to support the work of the House of Mercy at 1 Edwin Street, Gravesend, Kent including making the charity's properties available for their use. McAuley House at 17 Albion Road, Gravesend is fully occupied. Mary Anne Doyle House, Seymour Road, Gravesend opened on 29th September 2014. Edmund Rice House, Gravesend has had all the conversion work finished in the year in preparation for use by House of Mercy and was officially opened on 10th June 2019.

Members of the Congregation also undertake work in community based programmes and local parish work, providing childcare and family support, helping the homeless and giving religious and material assistance.

2. Education

From 1 September 2006 the school was transferred to a separate charitable company. The Congregation continues to be involved with the St Joseph Convent Preparatory School by sitting on the board of Governors and providing pastoral support. The school closed during the year on 31st August 2021.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

The Province has some 7 members, the majority of whom have given most of their working lives to the charitable activities of the Congregation. When this work is outside the Charity, any earnings are covenanted to the Charity.

SISTERS OF MERCY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The number of new vocations is declining and therefore the average age of membership is tending to increase. Younger members, although taking up important charitable work, tend either to work within the charity or, if working outside, in lowly paid jobs. These factors mean that there is a general reduction in the income generated by members. The Charity has a continuing commitment to support members of the Congregation, most of whom continue to carry out charitable work long past the normal retirement age.

Incoming resources in the year was £431,436 (2022: £385,352), a £46,084 increase due mainly to the increase in dividend income from investments and the increase in the members pensions. Resources expended were £1,681,959, (2022: £829,575), a £2,511,534 decrease due mainly to the sale of the St Joseph's Preps school premise, a connected charity that closed during the prior year on 31st August 2021. Resources expended excluding the profit made on the school building sale were £649,501.

The capital performance of the investments was generally in line with the trend of the stock market. Investment income was higher this year despite the closure of the school, and no rent received.

At the end of the year to 31 March 2023 the total funds of the Charity were £14,270,839. Of this £2,324,883 represents fixed assets needed for the work of the Charity and it is represented by a designated fund. £6,000,000 is designated to provide for the support of older members of the Congregation. The balance of £5,945,956 in General Funds represents approximately eleven years operating expenditure. The Trustees consider that given the activities of the charity, a fund representing approximately two to three years expenditure should be held in reserve. The Trustees review the reserves to ascertain the ongoing levels required and consider specific charitable causes that can be supported.

Structure, governance and management

a. Constitution

Sisters of Mercy is a registered charity, number 200376, and is constituted under a Trust deed made on 22nd May 1933 by 29 members of the congregation and subsequent deeds dated 25 April 1950, 11 November 1950, 11 October 1960, 3 March 1961, 21 June 1962, 3 July 1962, 6 July 1964 and 14 January 1965.

These Trust Deeds declared trusts "as a Congregation or Community of Roman Catholic Women founded in or about the year 1831 as a charity for the purpose of visiting and nursing the sick poor in their homes, of nursing the sick in hospitals or infirmaries and of feeding the poor and of teaching the children of the poor, and of conducting and serving orphanages and institutions for the care of the poor."

The Deeds set out the uses of assets which the Sister in Charge for the time being of the Congregation shall from time to time direct as either:

- 1) Residences for members of the Congregation;
- 2) Training schools for members of the Congregation;
- 3) Schools for general education both religious and secular;
- 4) Hospitals or refuges or homes for the sick and poor;
- 5) Rest or retreat houses for members of the Roman Catholic Church desiring instruction in the doctrines of religion;
- 6) Generally as places for the exercise of any such charitable purpose or purposes as in the opinion of the Sister in Charge may be conducive to the advancement or maintenance of the Roman Catholic Religion in Great Britain.

b. Methods of appointment or election of Trustees

The Charity has 5 Trustees, the Sister in Charge and 4 other members of the Congregation. The power of appointing new Trustees rests with the community who can also remove any Trustee.

The Trustees are aware of the need for training in respect of charity law and responsibilities of Trustees. They obtain guidance from their legal and financial advisors and Trustees attend courses on an ad hoc basis as required.

SISTERS OF MERCY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Hedley Dunk Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Sister Anne O'Connell

Date: 31 January 2024

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SISTERS OF MERCY

Opinion

We have audited the financial statements of Sisters Of Mercy (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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.

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SISTERS OF MERCY (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Charities (Accounts and Reports) Regulations 2008 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 financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements 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 financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditors' responsibilities for the audit of the financial statements

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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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:

SISTERS OF MERCY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SISTERS OF MERCY (CONTINUED)

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Through these procedures, we became aware of no actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Hedley Dunk Limited

Chartered Accountants and Statutory Auditors
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

31 January 2024

Hedley Dunk Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SISTERS OF MERCY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	1,797	1,797	-
Charitable activities	4	219,502	219,502	207,459
Investments	5	210,137	210,137	177,893
Total income		431,436	431,436	385,352
Expenditure on:				
Raising funds	6	18,035	18,035	19,697
Charitable activities	7	(1,699,994)	(1,699,994)	809,878
Total expenditure		(1,681,959)	(1,681,959)	829,575
Net income/(expenditure) before net (losses)/gains on investments		2,113,395	2,113,395	(444,223)
Net (losses)/gains on investments		(492,184)	(492,184)	531,569
Net movement in funds		1,621,211	1,621,211	87,346
Reconciliation of funds:				
Total funds brought forward		12,649,628	12,649,628	12,562,282
Net movement in funds		1,621,211	1,621,211	87,346
Total funds carried forward		14,270,839	14,270,839	12,649,628

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 10 to 21 form part of these financial statements.

SISTERS OF MERCY

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	2,324,883	2,748,158
Investments	13	8,638,434	9,118,423
		<u>10,963,317</u>	<u>11,866,581</u>
Current assets			
Debtors	14	718,149	140,216
Cash at bank and in hand		2,612,426	675,930
		<u>3,330,575</u>	<u>816,146</u>
Creditors: amounts falling due within one year	15	(23,053)	(33,099)
Net current assets		<u>3,307,522</u>	<u>783,047</u>
Total assets less current liabilities		<u>14,270,839</u>	<u>12,649,628</u>
Net assets excluding pension asset		<u>14,270,839</u>	<u>12,649,628</u>
Total net assets		<u><u>14,270,839</u></u>	<u><u>12,649,628</u></u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds			
Designated funds	16	8,324,883	8,748,158
General funds	16	5,945,956	3,901,470
Total unrestricted funds	16	<u>14,270,839</u>	<u>12,649,628</u>
Total funds		<u><u>14,270,839</u></u>	<u><u>12,649,628</u></u>

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

Sister Anne O'Connell

Date: 31 January 2024

The notes on pages 10 to 21 form part of these financial statements.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Sisters Of Mercy, Gravesend is an unincorporated charity registered in the United Kingdom. The address of its registered office is St Joseph's Convent of Mercy, Hillside Drive, Gravesend, DA12 1NY. This is also the principal place of business. The charity's operations and principal activities are disclosed in the Trustees' report which accompanies the financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

2.2 Income

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

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

2.3 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Interest receivable

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 institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 4 years

2.6 Investments

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

Investments held as fixed assets are shown at cost less provision for impairment.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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

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

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Financial instruments

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

2.11 Pensions

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

2.12 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	1,797	1,797	-
	<u>1,797</u>	<u>1,797</u>	<u>-</u>

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities - Social and Pastoral Care	219,502	219,502	207,459
	<u>219,502</u>	<u>219,502</u>	<u>207,459</u>

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income	-	-	18,180
Dividends	111,895	111,895	149,194
Interest	98,242	98,242	10,519
	<u>210,137</u>	<u>210,137</u>	<u>177,893</u>
Total 2022	<u>177,893</u>	<u>177,893</u>	

6. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	<u>18,035</u>	<u>18,035</u>	<u>19,697</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Social and Pastoral Care	<u>(1,699,994)</u>	<u>(1,699,994)</u>	<u>809,878</u>
Total 2022	<u>809,878</u>	<u>809,878</u>	

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Social and Pastoral Care	(1,824,617)	124,623	(1,699,994)	809,879
Total 2022	768,087	41,792	809,879	

Analysis of direct costs

	Social and Pastoral Care 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	43,743	43,743	43,919
Depreciation	54,735	54,735	80,025
Telephone	9,563	9,563	5,733
Rates and Water	32,812	32,812	4,290
PPS	1,672	1,672	2,281
Light and Heat	42,753	42,753	36,191
Motor Expenses	14,726	14,726	12,491
Insurance	7,190	7,190	7,585
Household	24,812	24,812	25,637
Repairs & Maintenance	37,730	37,730	23,460
Profit/Loss on disposal of fixed assets	(2,331,460)	(2,331,460)	-
General Office	1,837	1,837	531
Chapel	1,496	1,496	1,873
School closure costs	-	-	13,294
Bank Charges	156	156	114
House of Mercy closure costs	97,076	97,076	-
Missions and Charitable Grants	44,258	44,258	37,330
Sisters Welfare	39,590	39,590	37,732
Loans forgiven	52,694	52,694	435,601
	(1,824,617)	(1,824,617)	768,087
Total 2022	768,087	768,087	

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Social and Pastoral Care 2023 £	Total funds 2023 £	Total funds 2022 £
Professional Fees	117,123	117,123	35,442
Profit/Loss on disposal of fixed assets	-	-	(1,150)
Governance costs	7,500	7,500	7,500
	<u>124,623</u>	<u>124,623</u>	<u>41,792</u>
Total 2022	<u>41,792</u>	<u>41,792</u>	

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,000 (2022 - £4,932).

10. Staff costs

	2023 £	2022 £
Wages and salaries	42,256	42,376
Social security costs	1,095	1,211
Contribution to defined contribution pension schemes	392	332
	<u>43,743</u>	<u>43,919</u>

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

	2023 No.	2022 No.
Staff	<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. Trustees' remuneration and expenses

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

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

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2022	3,874,441	91,680	89,984	4,056,105
Disposals	(770,000)	-	-	(770,000)
At 31 March 2023	3,104,441	91,680	89,984	3,286,105
Depreciation				
At 1 April 2022	1,132,377	85,586	89,984	1,307,947
Charge for the year	52,704	2,031	-	54,735
On disposals	(401,460)	-	-	(401,460)
At 31 March 2023	783,621	87,617	89,984	961,222
Net book value				
At 31 March 2023	2,320,820	4,063	-	2,324,883
At 31 March 2022	2,742,064	6,094	-	2,748,158

From 1 September 2006 the buildings and equipment relating to St Joseph's Convent Preparatory School Gravesend have been leased to a charitable company. The buildings and equipment have continued to be depreciated as part of the charitable activities of the charity.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2022	7,467,347	1,651,077	9,118,424
Additions	-	30,552	30,552
Disposals	(18,358)	-	(18,358)
Revaluations	(492,184)	-	(492,184)
At 31 March 2023	<u>6,956,804</u>	<u>1,681,629</u>	<u>8,638,433</u>
Net book value			
At 31 March 2023	<u>6,956,804</u>	<u>1,681,629</u>	<u>8,638,433</u>
At 31 March 2022	<u>7,467,347</u>	<u>1,651,077</u>	<u>9,118,424</u>

14. Debtors

	2023 £	2022 £
	<u>-</u>	<u>-</u>
Due within one year		
Other debtors	79,245	116,939
Prepayments and accrued income	638,904	23,277
	<u>718,149</u>	<u>140,216</u>

The concessionary loans to St Joseph's Convent Preparatory School Gravesend have been forgiven in the year and recognised as an expense following the closure of the school. A provision for further closure costs has also been provided for.

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other creditors	3,730	3,730
Accruals and deferred income	19,323	29,369
	<u>23,053</u>	<u>33,099</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed Asset Fund	2,748,158	-	(54,735)	(368,540)	-	2,324,883
Support of older members fund	6,000,000	-	-	-	-	6,000,000
	<u>8,748,158</u>	<u>-</u>	<u>(54,735)</u>	<u>(368,540)</u>	<u>-</u>	<u>8,324,883</u>
General funds						
General Funds	<u>3,901,470</u>	<u>431,436</u>	<u>1,736,694</u>	<u>368,540</u>	<u>(492,184)</u>	<u>5,945,956</u>
Total Unrestricted funds	<u>12,649,628</u>	<u>431,436</u>	<u>1,681,959</u>	<u>-</u>	<u>(492,184)</u>	<u>14,270,839</u>

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Fixed Asset Fund	2,820,058	-	(80,025)	8,125	-	2,748,158
Support of older members fund	6,000,000	-	-	-	-	6,000,000
	<u>8,820,058</u>	<u>-</u>	<u>(80,025)</u>	<u>8,125</u>	<u>-</u>	<u>8,748,158</u>
General funds						
General Funds	<u>3,742,224</u>	<u>385,352</u>	<u>(749,550)</u>	<u>(8,125)</u>	<u>531,569</u>	<u>3,901,470</u>
Total Unrestricted funds	<u><u>12,562,282</u></u>	<u><u>385,352</u></u>	<u><u>(829,575)</u></u>	<u><u>-</u></u>	<u><u>531,569</u></u>	<u><u>12,649,628</u></u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	8,748,158	-	(54,735)	(368,540)	-	8,324,883
General funds	<u>3,901,470</u>	<u>431,436</u>	<u>1,736,694</u>	<u>368,540</u>	<u>(492,184)</u>	<u>5,945,956</u>
	<u><u>12,649,628</u></u>	<u><u>431,436</u></u>	<u><u>1,681,959</u></u>	<u><u>-</u></u>	<u><u>(492,184)</u></u>	<u><u>14,270,839</u></u>

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	8,820,058	-	(80,025)	8,125	-	8,748,158
General funds	3,742,224	385,352	(749,550)	(8,125)	531,569	3,901,470
	<u>12,562,282</u>	<u>385,352</u>	<u>(829,575)</u>	<u>-</u>	<u>531,569</u>	<u>12,649,628</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,324,883	2,324,883
Fixed asset investments	8,638,434	8,638,434
Current assets	3,330,575	3,330,575
Creditors due within one year	(23,053)	(23,053)
Total	<u>14,270,839</u>	<u>14,270,839</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,748,158	2,748,158
Fixed asset investments	9,118,423	9,118,423
Current assets	816,146	816,146
Creditors due within one year	(33,099)	(33,099)
Total	<u>12,649,628</u>	<u>12,649,628</u>

SISTERS OF MERCY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £392 (2022 - £332). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

20. Connected Charities

St Joseph's Convent Preparatory School Gravesend

Loans of £103,782 were forgiven as the school was closed on 31 August 2021. A provision of £66,088 has been made for further closure costs.

House of Mercy

This charity has 2 of the same trustees as the Sisters of Mercy. House of Mercy provides care and a place to stay to the homeless of Gravesend. This charity provides rent free, 4 premises from which the House of Mercy operates. The charity closed on 30th September 2023. The charity had loaned the House of Mercy £15,000 which has been forgiven in the year and has been recognised as an expense in the profit and loss. A further £80,000 was paid to the charity as well as £17,076 given towards redundancy costs have also been recognised as expenses.