

Institute of Charity

Annual Report and Accounts

31 December 2020

Charity Registration Number 222508

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Reference and administrative information

Trustees	Rev Father Antonio Belsito I.C. Rev Father Anthony J Furlong I.C. Rev Father Chris Fuse I.C. Rev Father David J Myers I.C. Rev Father Tom Thomas IC (appointed 1 March 2020)
Provincial Superior	Rev Father Chris Fuse I.C.
Provincial Administrator	Rev Father Antonio Belsito I.C.
Principal address	200 Leeming Lane North Mansfield Woodhouse Nottinghamshire NG19 9EX
Telephone	01633 672 334
Website	www.rosminians.org.uk
Charity registration number	222508
Accountants	L&P Trustee Services 75 St Stephens Green Dublin 2 Ireland
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment Managers	Barclays Wealth 2 nd Floor Windsor Court 1-3 Windsor Place Cardiff CF10 3BX
Bankers	Royal Bank of Scotland plc RBS Corporate Services 1 st Floor 62-63 Threadneedle Street London EC2R 8HP

Reference and administrative information

Solicitors	Geldards LLP Dumfries House Dumfries Place Cardiff CF10 3ZF
	Farrer & Co LLP 66 Lincoln's Inn Field London WC2A 3LH
Property Agents	BTF Partnership LLP Euston House 82 High Street Heathfield Sussex TN21 8JE
	Jeffrey Ross Limited 38 Westfield Road Penylan Cardiff CR24 3PB

The Trustees present their report together with the accounts of the Institute of Charity (the Charity) for the year to 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 35 to 40 of the attached accounts and comply with the Charity's trust deed, applicable laws and the requirements 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).

INTRODUCTION

The Institute of Charity (Rosminians) (the Congregation) is a Roman Catholic religious congregation of Priests and Brothers. The Congregation was established by Blessed Antonio Rosmini-Serbati (1797-1855) in 1828 at Monte Calvario, Domodossala, in the Piedmont area of northern Italy. Blessed Rosmini was well known in Italy as a critical thinker and writer on matters political, philosophical and theological. He wanted members of his Congregation to be at the service of the Roman Catholic Church and to dedicate themselves to their own spiritual growth and to improving the lives of people in need. The Rosminians are an International Religious Congregation divided into a number of separate Provinces and Regions and have foundations in Italy, Tanzania, Kenya, Venezuela, India, the UK, Ireland, the USA and New Zealand.

The accounts accompanying this report are those of the charitable trust on which the assets of the Congregation in England and Wales are held. The trust is governed by a trust deed dated 1 April 1927, as amended by a deed of amendment dated 11 October 1996 and a scheme dated 14 October 1999. The trust is registered with the Charity Commission, Charity Registration Number 222508.

As at 31 December 2020, there were 40 members the Institute of Charity (Rosminians), English Province, living in England and Wales. During that period, the Congregation in the UK was responsible for eight parishes, a retirement house and a Centre of Rosminian Study. The Congregation also supported a school.

The Congregation has been facing the continuing decline in the number of its members and a steady increase in their average age. The Congregation continued to be supported in the UK by members of the Congregation from India and Kenya, whose presence enabled the Congregation to continue to operate a number of commitments. In the face of greatly reduced energies and resources, the Congregation continues to do its best to live by faith, hope and love.

MISSION

The Charity aims to support the religious and other charitable works carried on in the name of the Congregation and to care for the members of the Congregation throughout their lives.

The works of the Charity are as follows:

- ◆ Rosminian parish ministry;
- ◆ Chaplaincy;
- ◆ Retreat and renewal;
- ◆ Overseas missionary work and donations;
- ◆ Social and pastoral work;
- ◆ Education;
- ◆ Communications;
- ◆ Safeguarding of children and vulnerable adults; and
- ◆ Support of members of the Congregation and their mission.

When setting the objectives and planning the work of the Charity for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

As noted above under *Mission*, the activities of the charity can be divided into nine main areas and these are expanded on below. The outbreak of COVID-19 and the associated control measures affected the majority of the Charity's activities and this is expanded on later.

Rosminian Parish Ministry

The Charity administers eight Parishes, seven of which are part of the Charity:

- ◆ St Theresa of Lisieux, 53 Front Street, Birstall, Leicester
- ◆ St Mary's Loughborough, Ashby Road, Loughborough
- ◆ St Marie's Rugby, Oak Street, Rugby
- ◆ St Peter's, St. Peter's Street, Cardiff
- ◆ St Joseph's, New Zealand Road, Cathays, Cardiff
- ◆ St Patrick's, 151 Cromwell Road, Newport
- ◆ St Etheldreda's, 14 Ely Place, Holborn, London

Members of the Charity also administer a parish in St Joseph's, Leicester, which is independent of the Charity.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Rosminian parish ministry (continued)

Rosminians are passionate about the Gospel and equally passionate about sharing the Gospel message of God's love for all people with all sectors of society, but especially with those who live on the edges of church and society. There is a special place in the Rosminians' hearts for those who feel abandoned and who have difficulty in finding their way in life.

As noted above, the outbreak of COVID-19 and the associated control measures affected the majority of the Charity's activities. This was particularly true of the Rosminian Parish Ministry as, in line with government advice, Churches were closed initially in March 2020 and again in November 2020. The Charity followed both Government and Church guidance for the safe use of places of worship. The Charity was very grateful to be able to re-open for Christmas celebrations.



St Peter's Parish Cardiff: a crib constructed by a parishioner to commemorate the Birth of Jesus. So many took photos of their family members near the Christmas Crib as it raised funds for charity.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Rosminian parish ministry (continued)

The Churches in our parishes are first and foremost a place of welcome and sanctuary. They are open seven days a week for worship, private prayer and reflection. In a non-COVID year, the average combined Sunday mass attendance is about 2,400 each week, drawn from every section of the community. The range of Church Ministry carried out in each location includes the celebration of Mass and general pastoral ministry:

- ◆ Confessions
- ◆ Devotions
- ◆ Baptism, marriage and funeral services
- ◆ Other liturgical services as appropriate
- ◆ Bereavement groups
- ◆ Preparation of Children and their families for the Sacraments



St Peter's Parish Cardiff: at Christmas, the altar was adorned with a golden cloth brought from India, with Father Denis being the donor. It was most befitting for this solemn occasion.

Throughout the year the Parish Churches operated by the Charity ministered effectively, providing daily and weekly sacramental services; along with counselling and support services as appropriate.

The Parishes responded to requests for baptisms and marriages. Attendance on a daily and weekly basis remains consistent. Efforts were made at local level to ensure relevant preaching and to encourage a more welcoming atmosphere in all our churches.

The St Peter's Parish, Cardiff, continues to offer the Community Hall to the Winter Homeless Project. The Hall is also open for local residents and parishioners to meet over tea and coffee on a weekly basis and the improved facilities are starting to appeal to other groups looking for a reasonably priced local venue.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Rosminian parish ministry (continued)

Also in St Peter's, the traffic was brought to a standstill in the city of Cardiff, as the crane lifted the new flagpole to the top of the church tower in February. Soon after, the flag of St Peter flew proudly over the church of the same name. The work of dismantling the broken pole and carefully erecting the new one was invisible to the crowds watching from the street level.



St Peter's Parish Cardiff: erecting the flag of St Peter over the church

It is the aim of the Trustees to continue to provide the Rosminian Parish Ministry.

Chaplaincy

Members of the Congregation work as Chaplains in the following educational establishments:

- ◆ Ratcliffe College, a co-educational Catholic independent school based in Leicestershire for boys and girls aged 3-19.
- ◆ University Hospital of Wales, Cardiff, a major 1,000-bed teaching hospital of Cardiff University School of Medicine. A member of the Congregation works as a chaplain on a part-time volunteer basis.

It is the aim of the Trustees to continue to provide the Chaplaincy Ministry.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Retreat and renewal

The Charity operates the Rosmini Centre, which is based at Ratcliffe-on-the-Wreake, Leicester. The Centre consists of a beautiful chapel dedicated to Blessed Antonio Rosmini, a library for private study, a residential house with six self-contained rooms for visitors, the religious house, and over 100 acres of land, planted with trees, available for walks. The Centre also provides lectures on Catholic faith, study of the Scriptures, and relevant philosophical, theological, spiritual courses on a regular basis. It helps in promoting knowledge of the writings of Blessed Antonio Rosmini. A member of the Province, Father Meredith, is Rector of Rosmini Centre.

The close tie with Ratcliffe College offers the students of the College opportunities to learn about the history of their College together with religious teaching of the Christian gospel and the teaching and ethos of Blessed Antonio Rosmini.

It is the aim of the Trustees to continue to operate the Rosmini Centre.



Rosmini Centre, school retreat

Overseas missionary work and donations

The Charity is mindful of very poor parts of the world where Rosminians have had historical links. In the past Rosminians from the UK have worked in East Africa and South India. These 'missions' are now in the hands of local Rosminians and Rosminians from the UK aim to support other members of the Congregation in India, Tanzania and Kenya and their charitable works carried on in the name of the Congregation. The Charity received approval in 2016 to participate in Mission Awareness programmes under the auspices of the Catholic Missionary Union in support of Rosminian missions.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work and donations (continued)

In 2020 as part of the COVID-19 response, the St Marie's Parish and community in Rugby raised funds to supply small medical equipment (mainly oximeters and ventilation tubes) to Rosminian and other clinics in Africa.

Whilst the Trustees give occasional support to United Kingdom organisations whose work is within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.



Father William Stuart working with the educational aid outreach in Lebanon.

It is the aim of the Trustees to continue to support overseas missionary work.

Social and pastoral work

The following are examples of the social and pastoral work undertaken by individual members of the Congregation:

- ♦ Chaplaincy / pastoral care of those in hospitals, nursing homes and prisons
- ♦ Advocacy and support for asylum seekers and refugees
- ♦ Community social work with the homeless
- ♦ Outreach to international communities of people working in the UK
- ♦ Bereavement counselling/support groups

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

- ◆ Support of people with addiction problems
- ◆ Support of elderly people
- ◆ Preparation of couples for marriage and assistance with marital difficulties
- ◆ Spiritual direction and pastoral care to anyone who asks
- ◆ Promoting justice and peace in society

The members aim to help, in particular, the poor and marginalised in society regardless of their personal background, faith, gender or individual circumstances.



Using the streaming service children and vulnerable adults can lead prayers online

An area of special ministry is that of outreach to international communities of people working in the UK. The tradition of outreach to Irish and other communities of people who moved to live and work in the UK is continued today. Helping people towards enculturation into UK society is a very valuable service of society building and helps to avoid social tensions. In particular, Father Antonio Belsito is the official chaplain to the Italian community in the Midlands, providing a range of ministry and service to the Italian community. Also, in the Midlands and in Wales, Rosminians from south India support people from Kerala, Tamil Nadu and Karnataka who are living and working in the UK.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

The aims of the Trustees in this area include:

- ◆ Enabling members of the Congregation to carry out meaningful social and pastoral work within the community after assessing their skills and the needs of the local area;
- ◆ Encouraging and motivating members of the Congregation to work with and assist the poor, elderly and marginalised.

Education

Rosminians ran several schools in the past, which are now independent Trusts. Individual Rosminians still support these schools as Trustees as well as providing a tangible historical link for past-pupils.

Ratcliffe College is an Independent Co-educational Catholic Boarding and Day School, located in Leicestershire. A member of the Province, Father Philip Sainter, is both a Governor and Father President.

Grace Dieu Manor School (GDMS) was a Catholic Independent Day School in Leicestershire for boys and girls aged 3 – 11 years and an English registered charitable company (Charity Commission 1115976). In 2018 and 2019 the Charity provided financial support by way of interest free loans to GDMS. The amounts provided totalled over £1.2m and there is no interest payable on the majority of the loans. The school closed in 2019 and the school land and buildings were marketed for sale. The IOC Trustees expect the loans to be repaid, in full, from the sales proceeds.

Parishes - in each parish where Rosminians work they also support the local schools working to ensure that young people are developed to become mature members of society.

Communications

At the Centre for Rosmini Publications, Mansfield, Father Antonio Belsito works at translating the writings of Blessed Antonio Rosmini into English. This work is undertaken by Rosmini Publications Limited, a separate charitable company limited by guarantee (Company Registration Number 10779496) and registered charity (Charity Registration Number 1178409). Two of the Trustees of the Institute of Charity (Father Chris Fuse and Father Antonio Belsito) are also directors of Rosmini Publications. In addition to translating, the work of the Centre has a particular focus on promoting the books and writings by and about Blessed Rosmini in the English speaking world. Such books are printed in the UK and are sent to colleges, schools, professors and individuals all over the world.

One of the Rosminians, Brother Nigel Cave has a special ministry in writing on World War I (WWI). Brother Nigel has written hundreds of books and articles on various aspects of WWI, in particular the battlefields of France and Belgium. Brother Nigel provides guided tours of the battlefields and speaks at many occasions of remembrance of WWI. Every year on 11 November, the ceremony at the Cenotaph in Whitehall is led by Brother Nigel, in his capacity as Chaplain to the Western Front Association.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Communication (continued)



Brother Nigel Cave

Safeguarding of children and vulnerable adults

In addition to the work of supporting victims, Rosminians in the UK have a Safeguarding Committee which meets at least twice a year to consider aspects of its work, including the implementation of good practice, training and raising awareness, as well as the management of those who have been disciplined. The members of the Commission are Father Chris Fuse, Father David Myers, Father Anthony Meredith and Mrs Clare McKenzie. In matters relating to the safeguarding of children and vulnerable adults, the Congregation is aligned to the Safeguarding Commission in the Diocese of Nottingham. All matters of concern relating to the safeguarding of children and vulnerable adults must be reported to this Safeguarding Commission, in addition to the statutory authorities. All the parishes where Rosminians work operate under the policies of the relevant Diocese and all Rosminian parishes have a safeguarding coordinator.

In 2021, the Catholic Church in England and Wales is restructuring its system of safeguarding within the Church and Church Institutions. This will impact on Religious Congregations, such as the Institute of Charity.

Support of members of the Congregation and their mission

Those members of the Congregation who earn income or receive pensions donate them to the Charity and therefore have no independent means of support. They have devoted all of their adult years and their earnings to the furtherance of its charitable objectives. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the Charity includes both the upkeep and training of the members so that they will be able to continue in their service to the public. In addition, the Charity must care for the elderly members who are now themselves in need of care.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Support of members of the Congregation and their mission (continued)



St Joseph's Parish Cardiff, the community celebrate the Feast of St Joseph

The Trustees are giving careful consideration to the age profile of the members and the impact of this on the work of individual members of the Congregation, the property requirements of the Congregation and the financial implications. In this regard, the objectives of the Trustees over the current year are summarised below. All of these objectives will continue to be applicable for the next few years also.

- ◆ Enabling all members of the Congregation to continue working in line with the charism of the Congregation for as long as possible;
- ◆ Ensuring all members of the Congregation receive the level of care they require;
- ◆ Reviewing the Charity's properties used as community houses and assessing their suitability as homes. Those identified as being unsuitable will be adapted.

In common with many religious congregations in England and Wales, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations becomes minimal. The Trustees continue to make provision for ageing members, including care in a nursing home when required.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

Support of members of the Congregation and their mission (continued)



St Peter's Parish Cardiff: in March repairs were made to the presbytery roof and also to the statue of Our Lady which stands in the small parish garden

Over the next decade, the Trustees expect the number requiring professional care to increase. The Trustees are giving careful consideration to the impact of this on the work of individual members.

Whilst there is a decrease in vocations to our Province there has been an increase in candidates wishing to join our Congregation in Kerala (India), Tanzania and Kenya together with the Venezuelan region. As a result, the Trustees have had to respond to and assist with these developments.

The funding of these Dependent Houses and the Curia Offices in Rome is borne in mind when budgeting arrangements are being considered and agreed for the UK Region.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 30 of this report and accounts.

During the year ended 31 December 2020, total income amounted to £694,210 (2019: £738,353). £575,053 was received by way of donations and legacies (2019: £523,433). This figure includes salaries and pensions of the brethren amounting to £292,506 (2019: £282,419) covenanted to the Charity. Investment income and interest receivable totalled £107,508 (2019: £151,436).

Expenditure for the year totalled £788,953 (2019: £1,151,077). Expenditure incurred on maintaining the members of the Congregation and supporting them in their pastoral work and ministry amounted to £509,257 (2019: £561,032). Grants and donations (other than amounts payable to related charities (see below) totalled £175,695 compared to £132,271 in the previous period. Further details of grants and donations are provided in note 3 to the accounts.

In the year to 5 April 2017, a decision was made by the Trustees to transfer or donate responsibility and control of certain assets to two related charitable companies established by the Congregation's Generalate. Where the application of such assets was restricted, the new charity would continue to adhere to the original restrictions. Further details of the new charitable companies can be found in note 19 to the attached accounts.

Any income, expenditure, gains and losses in connection with the control of these fund balances up until the point of transfer has been recognised in the Charity's accounts and an adjustment has been included within expenditure to reflect the consequential impact of the value of transfers made.

Net expenditure for the year before net investment losses, therefore, was £94,743 (2019: net expenditure of £412,724). Net investment losses totalled £13,671 (2019: net gains of £277,310). Thus, net expenditure for the year and the net decrease in funds for the year after accounting for investment gains and losses was £108,414 (2019: net expenditure of £135,414).

FINANCIAL REVIEW (continued)

Fundraising

The Charity on occasions receives donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial church councils, donors and supporters. It applies best practice to protect their data and never sells data; it never swaps data and ensures that communication preferences can be changed at any time. The Charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The Charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the Charity received no formal complaints about its activities for raising funds.

Continuing impact of Covid-19

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 a pandemic. While this is a constantly changing situation, the Trustees are monitoring and following the advice from the Government and the National Health Service. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of the charity's control.

Due to the age profile of the Congregation many members have been practising self-isolation. This means there have been some adaptations on how ministry is being exercised during this period. The Charity's income will no doubt continue to be affected because of the reduction in investment income as the corporate sector has reacted to the pandemic by cutting dividends and because of the closure of churches as part of the various lockdowns.

The Trustees have reviewed the activities and the income and expenditure of the Charity considering the impact of the pandemic during the months following the financial year end. They note the following:

- ◆ The donation of pension income from the Brethren to the Charity continues to take place.
- ◆ School donations continue to be received.
- ◆ Rental income continues to be received.
- ◆ Income from investments continues to be received albeit at a slightly lower level than pre the pandemic.
- ◆ Other smaller donations continue to be received.
- ◆ Legacies were received during 2020 and this had a positive impact on cash flow.
- ◆ The income most affected is Mass, Clergy and Stole Offerings.
- ◆ No additional requests for funding have been received from the dependant houses.

FINANCIAL REVIEW (continued)

Continuing impact of Covid-19 (continued)

Whilst the Charity will continue to face challenges ahead, the Trustees look forward to a hopeful easing of restrictions in 2021. The Trustees do not expect material concerns to arise over the charity's financial position.

Investment policy and performance

At 31 December 2020, the charity's investments had a market value of £3,887,732 (2019: £3,906,417). This includes listed investments with a market value of £757,840 (31 December 2019: £768,271).

Barclays Wealth manages the Charity's listed investments. 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 manager's view of the market prospects in the medium term. The policy is to maximise total return through a diversified portfolio whilst providing a level of income advised by the Trustees from time to time. There is also 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 Christian Church. The performance of the portfolio and the Charity's investment strategy are reviewed by the Trustees who meet with the investment managers. The investment managers continued to invest in accordance with the Trustees' investment policy set out earlier in this report. Further details of the Charity's investments are given in note 10 to the attached accounts.

The Charity also owns a number of properties for investment purposes with a value of £3,125,000 (2019: £3,125,000). Further details of the properties are provided in note 10 to these accounts. The Trustees aim to maximise the investment return on these properties by renting them out at market rates.

Reserves policy and financial position

Reserves policy

The Trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the Charity's work, the Charity's continuing commitment to the care of members of the Congregation and the need to respond to unforeseen emergencies, the level of free reserves should be equivalent to at least six months' expenditure.

The Trustees are of the opinion that this provides sufficient flexibility to cover shortfalls in income, adequate working capital to cover core costs, and will allow the Charity to meet its commitments to its charitable work and to members of the Congregation and will enable the Charity to cope and respond to unforeseen emergencies.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position

The balance sheet shows total reserves of £5,781,067 (2019: £5,889,481). £1,414,414 (2019: £1,472,626) is represented by the tangible fixed assets of the Charity held within unrestricted funds which are used for the support of the members and their ministry. A decision was made to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and the fund value cannot be realised easily if needed to meet future contingencies.

In addition, the Trustees have set aside £3,500,000 (2019: £3,500,000) to provide for the members in their retirement. Given the increasing age profile of the members and the relatively low level of vocations directly from the UK Region, this sum will provide only modest resources to look after the members, many of whom will need increasing and increasingly expensive support in the years ahead. A further £94,000 (2019: £94,000) has been designated for use on specific projects by the Trustees. Full details of these funds and the movements in the year are given in note 16 to the attached accounts.

The endowment funds amounting to £10,910 (2019: £10,910) comprise monies which must be held indefinitely and are detailed in note 13 to the attached accounts.

Finally, restricted funds comprising monies given for specific work or projects totalled £nil (2019: £17,083) at the end of the year. Details of these funds and their movements are given in note 14 to the attached accounts.

Funds available to support the work of the members of the Congregation in the future are shown as general funds on the balance sheet and amount to £761,743 (2019: £794,862).

As noted earlier, the Charity has provided financial support to Grace Dieu Manor School by way of a loan, which at 31 December 2020 amounted to £1,257,533 (2019: £1,255,533). There is no interest payable on the majority of the loan. The IOC Trustees expect the loan to be repaid during the year ending 31 December 2022. The Charity has also received loans from Ratcliffe College (£250,000), a registered charity in England (1115975) and the Institute of Charity, Irish Province (£554,225) a registered Charity in the Republic of Ireland (Irish Charity Number 20004699). These loans, which totalled £804,225, were to assist the facilitation of the support of GDMS by the Charity and will be repaid once the Charity has received payment from Grace Dieu Manor School.

As at the balance sheet date, the unrestricted general funds balance is greater than the target as set out in the reserves policy above.

The Trustees acknowledge that the unrestricted general funds balance needs to be considered and managed carefully in the light of annual expenditure (excluding any further exceptional costs), the increasing age profile of the members and the need for the charity to continue to support the work of the Congregation, both in this country and overseas. The Trustees are also aware of the importance to the charity of the investment assets and the income generated therefrom, which are affected by volatility in the stock markets.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Financial position (continued)

Given the challenges that will arise in the short to medium term as a result of Covid-19 and in the light of the commitment to support members for the long term, free reserves are deemed appropriate and the Trustees are content that the charity is a going concern.

Contingent liability

The tenants of the Mount Farm investment property in Wadhurst have carried out certain improvements to the property at their own expense and under the terms of the tenancy agreement are entitled to compensation at the end of the tenancy. The Trustees are unable to estimate the amount of such financial compensation at the present time.

FUTURE PLANS

The Charity intends to continue to review its spending plans and needs and to make every effort to manage its existing assets as efficiently as possible in order to generate the income necessary to achieve the Charity's aims.

Nevertheless, insofar as possible, the Charity plans to give ongoing support to the various works of the UK Region, to the members who work in them, as well as to their colleagues and collaborators with whom they work.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and his General Council in Rome. The English Province is governed by the Father Provincial and his Provincial Council. Members of the Provincial Council are chosen for their personal qualities, their understanding and experience of the ministries of the brethren throughout the United Kingdom, and to secure a good skills mix among them.

Each community in the English Province is governed by a Religious Superior who is appointed by the Provincial Superior. The Provincial Superior is required to visit each community at least once a year and throughout the year there is a system of accountability operational throughout the Province. This ensures that the Provincial Superior and his Councillors are aware of the progress and development of the ministries carried out by the Brethren of the English Province.

In terms of Civil law the Charity is governed by a trust deed dated 1 April 1927, as amended by a deed of amendment dated 11 October 1996 and a scheme dated 14 October 1999. Institute of Charity is a registered charity (Charity Registration No 222508). The Trustees of the Charity are all members of the English Province. As all Trustees are members of the Congregation they have a detailed knowledge of the work of the Charity and of its structure.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

The names of the Trustees who were in office at the date of the approval of this report are set out as part of the reference and administrative details on page 1 of this annual report. Brief biographical details on each of the current Trustees are given below.

Father Christopher J Fuse

Father Chris Fuse was received into the Common Life on 8 September 1967 and was ordained priest at St Peter's Cardiff on 28 June 1980. He has worked in teaching, school governorship, parish ministry and the accompaniment and professional development of church students. His teaching ministry has involved him in the UK comprehensive school system. Since leaving teaching, Father Chris has been a parish priest in a number of our Rosminian parishes in the UK and for a period of time was a member of the Generalitial Curia in Rome. Until his appointment as Provincial of the English Province in January 2019 he worked in Florida USA at the Blessed Sacrament Parish, Seminole Florida. He is also a Trustee/Director of Ratcliffe College, Leicester.

Father David J Myers

Father David Myers joined the Congregation in 1959 and after novitiate was sent to teach in New Zealand. On his return he commenced his studies for the priesthood and was ordained at Ratcliffe College on 20 June 1970. He then went to teach at All Saints, Huddersfield and became the Head of Religious Studies and then Chaplain to the School. This was followed by a period at Holy Family Parish, Slaithwaite, before becoming parish priest of St Peter's Parish, Cardiff where he undertook a renovation programme of the Church. In March 2007 Father General appointed Father David as Provincial of the English Province and then in October 2010 as Provincial of then newly formed Gentili Province of the Rosminians.

Father Anthony J Furlong

Father Anthony Furlong was born and raised in Liverpool, joining the Congregation in 1979 shortly after graduating from Loughborough University. Following novitiate, he returned to Loughborough for teacher training and taught at Ratcliffe College, Leicester, until 1983. Priestly studies were then undertaken in Rome, finishing with ordination at Ratcliffe College in 1987. After a further five years on the staff of the college, he worked in the South Wales parishes for eleven years. There followed a period of six years in formation work in Rome where he was also Rector of Porta Latina. Following his ministry in Rome, he returned to the classroom at Ratcliffe College for one year. He was parish priest at St Marie's, Rugby until September 2015, was parish priest of St Peter's, Cardiff from September 2015 to October 2018. He is now in retirement at the Rosmini Centre. He is also a trustee of Ratcliffe College and Grace Dieu Manor School.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Father Antonio Belsito

Father Antonio Belsito was born and raised in Italy. He joined the Minor Seminary in Rovereto in 1956, and did his novitiate at Calvario. After his theological studies, he was ordained priest in 1973 and was sent to Tanzania as a missionary. From there he arrived in England, and after completing a University degree in Education with the University of London, became a teacher for many years at the prestigious school owned by the Priests of the Oratory in London. From there, he was sent to Ratcliffe College as the Rector, and he was a Trustee of Ratcliffe College and Grace Dieu Manor school, and a Foundation Governor at Ratcliffe. He planned and developed the Rosmini Centre House of Prayer on over 100 acres of land owned by Ratcliffe College, as a place offering the College and the wider community in the UK guided spiritual retreats, lectures on the philosophy, theology, and spirituality of Antonio Rosmini, and the formation of a large group of Ascribed members or friends of the Institute of Charity. After a year as parish priest in Bilton near Rugby, he became the Director of Rosmini Publications, translating into English the works of Antonio Rosmini, and spreading his teaching worldwide by means of lectures, books, articles, and a website www.rosminipublications.com. From 2002 he was also the spiritual and pastoral chaplain of the large Italian Community in the Midlands.

Father Tom Thomas

Tom Thomas was born and brought up in Kerala (India). He joined the Institute of Charity in the year 2000 and after Novitiate in 2002 went to Italy for further years of formation and studies. After completing studies in Rome in the year 2006, he went to Dublin, Ireland for MA in Pastoral Ministry. In the year 2007 he returned to India for three months and then went back to Cork, Ireland to do Chaplaincy training for a further three months. He was ordained a priest in the year 2008. He worked as Assistant novice master and administrator at the Novitiate in India. He was asked to come to help the Congregation's missions in the UK in the year 2010. For a few months he based in the parish of St Joseph's RC Church, Cardiff and at the end of 2010 moved to St Alban's RC Church as Parish Priest where he remained until 2013. In 2013, he moved to Rugby and became parish at St Marie's RC Church Rugby from 2015 to 2019. Now he based at St Etheldreda's RC Church, London and he is studying Christian Spirituality at St Mary's University, Twickenham. He is also a trustee of Ratcliffe College and Grace Dieu Manor School.

As members of the Congregation, certain of the Trustees' living expenses during the year were borne by the charity. The trustees received no remuneration for their services.

Statement of Trustees' responsibilities

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's 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.

Members of the Congregation

At 31 December 2020, the English province had 40 brethren who live in thirteen communities. In South Wales there are three communities. The Midlands has eight and there are two in the South East of England. The Religious Superior is responsible for both the needs and care of the communities and good communications exist between the Father Provincial, the Regional Administrator and the Trustees, together with regular Area Days being held in the various regions to review our works and use the time for in-service training.

Structure and management reporting

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet regularly to review developments with regard to the Charity or its activities and make any important decisions. When necessary, the Trustees seek advice and support from the Charity's professional advisers including property consultants, investments managers, solicitors and accountants. The day-to-day management of the Charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The Trustees consider that they alone comprise the key management of the Charity and are in charge of directing and running the day-to-day operations of the Charity. None of the Trustees receive any remuneration from the Charity in respect to their services.

RISK MANAGEMENT

In line with the requirement for Trustees to undertake a risk assessment exercise and report on the same in their report, the Trustees have looked at the risks the Charity currently faces in England and Wales and have reviewed the measures already in place, or needing to be put in place, to deal with them. The Trustees have identified the following main areas where risks may arise.

- ◆ Governance and management: considers the efficiency of the Trustee body. Risks considered include a lack of planning and a Trustee body which lacks sufficient skills or appropriate decision making procedures. Such risks could include a lack of training and /or induction or poor stewardship of resources – human, financial and property. The Trustees have addressed these risks by operating both annual and longer-term plans, holding regular Trustee meetings, which include the monitoring of actual performance against these plans, having meaningful induction/handover for incoming Trustees, attending Trustee training days, seeking third party advice as required, etc.
- ◆ Financial: this risk considers the financial capacity of the Charity to ensure it has the available financial resources to continue to carry out its activities both now and in the years ahead. This incorporates the management of the operating (day-to-day) position, capital or building requirements and the returns earned on the Charity's investment portfolios. These risks are mitigated in a variety of ways, including budgeting, the setting of an investment strategy/investment objectives that consider diversity, prudence and liquidity criteria, regular financial and investment reporting against budget, cashflow planning, the appointment of a Stewardship Advisor, etc.
- ◆ COVID-19: in early 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. While this is a changing situation, the Trustees are monitoring and following the advice from the Government and the Health Service. This includes, for example, the social distancing protocols and so Trustee meetings are taking place by conference or video calls. The continuing impact of Covid-19 on the Charity is outlined earlier in the report and the Trustees continue to monitor the situation.

Protection of children and vulnerable adults

Along with all other organisations who serve in the community, the Trustees recognise the absolute necessity of ensuring the protection and safety of all those the Charity serves. This means that all brethren in any kind of ministry in Great Britain are required to obtain clearance from the Disclosure and Barring Service. The Trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS).

RISK MANAGEMENT (continued)

Protection of children and vulnerable adults (continued)

As noted earlier, the Catholic Church in England and Wales is restructuring its system of safeguarding within the Church and Church Institutions in 2021. This will impact on Religious Congregations, like this Charity.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

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

Approved by the trustees and signed on their behalf by:

Chris Fuse

Trustee

Approved by the trustees on: 8 July 2021

Independent auditor's report to the Trustees of the Institute of Charity

Opinion

We have audited the accounts of Institute of Charity (the 'Charity') for the year to 31 December 2020, which comprise the statement of financial activities, the comparative 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 2020 and of its income and expenditure 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 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 statement of Trustees' responsibilities, 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 management and 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) (effective 1 January 2019); and Safeguarding Regulations as they affect the direct charitable activities of the charity; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of Trustees' meetings.

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

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

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

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

18 August 2021

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

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Income from:						
Donations and legacies	1	575,053	—	—	575,053	523,433
Investments and interest receivable	2	106,591	917	—	107,508	151,436
Charitable activities						
. Rosmini Centre		6,451	—	—	6,451	14,004
. Publications		2,810	—	—	2,810	15,400
Other sources						
. Gain on foreign exchange transactions		—	—	—	—	15,768
. Miscellaneous income		2,388	—	—	2,388	18,312
Total income		693,293	917	—	694,210	738,353
Expenditure on:						
Raising funds						
. Listed investment management expenses		5,014	—	—	5,014	15,076
. Investment property expenses		37,268	—	—	37,268	31,107
Charitable activities						
. Donation of net assets to related charities	20	(4,951)	917	—	(4,034)	386,383
. Grants and donations	3	175,695	—	—	175,695	132,271
. Support of members of the Congregation and their ministry	4	509,257	—	—	509,257	561,032
. Rosmini Centre		35,274	—	—	35,274	25,208
Loss on foreign exchange transactions		30,479	—	—	30,479	—
Total expenditure		788,036	917	—	788,953	1,151,077
Net income (expenditure) for the year before investment gains		(94,743)	—	—	(94,743)	(412,724)
Net investment (losses) gains	10	(13,671)	—	—	(13,671)	277,310
Net income (expenditure) for the year	5	(108,414)	—	—	(108,414)	(135,414)
Transfers between funds	15	17,083	(17,083)	—	—	—
Net movement in funds		(91,331)	(17,083)	—	(108,414)	(135,414)
Reconciliation of funds						
Fund balances brought forward at 1 January 2020		5,861,488	17,083	10,910	5,889,481	6,024,895
Fund balances carried forward as at 31 December 2020		5,770,157	—	10,910	5,781,067	5,889,481

All the charity's activities derived from continuing operations during the above two financial periods. All recognised gains and losses are included in the above statement of financial activities.

A full comparative statement of financial activities is shown on page 31.

Comparative statement of financial activities Year to 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £
Income from:					
Donations and legacies	1	523,433	—	—	523,433
Investments and interest receivable	2	125,943	25,493	—	151,436
Charitable activities					
. Rosmini Centre		14,004	—	—	14,004
. Publications		15,400	—	—	15,400
Other sources					
. Gain on disposal of foreign exchange transactions		15,768	—	—	15,768
. Miscellaneous income		18,312	—	—	18,312
Total income		712,860	25,493	—	738,353
Expenditure on:					
Raising funds					
. Listed investment management expenses		5,285	9,791	—	15,076
. Investment property expenses		31,107	—	—	31,107
Charitable activities					
. Donation of net assets to related charities	20	298,540	87,843	—	386,383
. Grants and donations	3	132,228	43	—	132,271
. Support of members of the Congregation and their ministry	4	548,161	12,871	—	561,032
. Rosmini Centre		25,208	—	—	25,208
Total expenditure		1,040,529	110,548	—	1,151,077
Net expenditure for the year before investment losses					
		(327,669)	(85,055)	—	(412,724)
Net investment losses	10	205,126	72,184	—	277,310
Net income for the year	5	(122,543)	(12,871)	—	(135,414)
Recognition of property situated at Oak Street, Rugby	9	—	—	—	—
Net movement in funds		(122,543)	(12,871)	—	(135,414)
Reconciliation of funds					
Fund balances brought forward at 1 January 2019		5,984,031	29,954	10,910	6,024,895
Fund balances carried forward as at 31 December 2019		5,861,488	17,083	10,910	5,889,481

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9		1,414,414		1,472,626
Investments	10		3,887,732		3,906,417
			5,302,146		5,379,043
Current assets					
Debtors					
. Amounts falling due within one year	11	1,261,934		8,543	
. Amounts falling due after one year	11	—		1,255,533	
Cash at bank and in hand		387,263		302,030	
		1,649,197		1,566,106	
Liabilities					
Creditors: amounts falling due within one year	12	(1,170,276)		(281,922)	
Total assets less current liabilities			478,921		1,284,184
Non-current liabilities					
Creditors: amounts falling due after one year	13		—		(773,746)
Total net assets			5,781,067		5,889,481
The funds of the charity:					
Capital funds					
Permanent endowment funds	14		10,910		10,910
Income funds					
Restricted funds	15	—			17,083
Unrestricted funds					
. Tangible fixed assets fund	16	1,414,414		1,472,626	
. Designated funds	17	3,594,000		3,594,000	
. General funds		761,743		794,862	
			5,770,157		5,861,488
			5,781,067		5,889,481

Approved by the trustees
and signed on their behalf by:

Chris Fuse

Trustee

Approved on: 8 July 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(6,228)	(1,491,376)
Cash flows from investing activities:			
Investment income and interest received		107,508	151,436
Proceeds from the disposal of tangible fixed assets		—	500
Purchase of tangible fixed assets		(21,061)	(27,240)
Proceeds from the disposal of investments		88,619	1,706,658
Purchase of investments		(91,859)	(486,911)
Loan advanced to Grace Dieu		—	(425,533)
Net cash provided by investing activities		83,207	918,910
Change in cash and cash equivalents in the year		76,979	(572,466)
Cash and cash equivalents at 1 January 2020	B	315,176	887,642
Cash and cash equivalents at 31 December 2020	B	392,155	315,176

Notes to the statement of cash flows for the period to 31 December 2020.

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(108,414)	(135,414)
Adjustments for:		
Depreciation charge	79,273	79,906
Losses (gains) on investments	13,671	(277,310)
Investment income and interest receivable	(107,508)	(151,436)
(Gains) losses on disposal of tangible fixed assets	—	15,900
Foreign exchange gains	—	(15,768)
(Increase) decrease in debtors	2,142	28,183
Increase (decrease) in creditors	114,608	(1,035,437)
Net cash used in operating activities	(6,228)	(1,491,376)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	387,263	302,030
Cash held by investment managers	4,892	13,146
Total cash and cash equivalents	392,155	315,176

Statement of cash flows Year to 31 December 2020

C Analysis of changes in net debt

	1 Jan 2019	Cash flows £	Non-cash movement s £	31 Dec 2020
Cash at bank and in hand	302,030	85,233	—	387,263
Cash held by investment managers	13,146	(8,254)	—	4,892
Total cash and cash equivalents	315,176	76,979	—	382,155
Loans	(733,746)	—	(30,479)	(804,225)
Total	(458,570)	76,979	(30,479)	(422,100)

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 year to 31 December 2020 with comparative information provided in respect to the year ended 31 December 2019.

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

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

- ◆ assessing the probability of the receipt of legacy income;
- ◆ the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- ◆ judgements made by Trustees in estimating the fair values attributed to the Charity's investment properties;
- ◆ judgements made by the Trustees concerning the recoverability of long-term debts;
- ◆ assumptions adopted by the Trustees in determining the value of any designations required from the Charity's unrestricted funds, in particular the care of the elderly fund; and
- ◆ estimating future income and expenditure flows for the purposes of assessing going concern.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees confirm that they have made this assessment in respect to a period of at least 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.

In forming their assessment the Trustees considered the impact of the coronavirus pandemic on the Charity's operations, with a particular focus on its effect on the Charity's financial position including the Charity's income, expenditure and reserves; the Charity's beneficiaries; and the Charity's employees. Whilst they acknowledge the disruption caused by the pandemic to the Charity's day-to-day operations, the Trustees do not consider this to be cause for material uncertainty in respect to the Charity's ability to continue as a going concern.

In addition, the Trustees are satisfied that there are sufficient resources to maintain and continue their charitable objectives in light of the loans provided by the Charity to Grace Dieu Manor School and the loans to be repaid by the Charity to Ratcliffe College and the Institute of Charity Irish Province. The Trustees continue to monitor the financial situation of the Charity at their regular Trustee meetings with the assistance of their advisors.

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 December 2021, the most significant areas that may affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment and property markets.

Income recognition

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

Income comprises donations and legacies, investment income and interest receivable, income from charitable activities, the surplus from the disposal of tangible fixed assets and income from miscellaneous sources.

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

Income recognition (continued)

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

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

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

Income from charitable activities and income from miscellaneous sources is recognised to the extent that economic benefits will flow to the Charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable.

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

Income derived from the letting of the Charity's investment properties is recognised in the period to which the tenancy relates.

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.

The surplus (or loss) on disposal of tangible fixed assets is defined as the difference between the net sale proceeds (gross proceeds minus direct costs of disposal) and the net book value of the asset disposed of. Such surpluses (or losses) are accounted for on an accruals basis once the disposal has been completed.

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.

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 stated inclusive of irrecoverable VAT and accounted for on an accruals basis.

Expenditure comprises direct costs and support costs. The majority of expenditure is directly attributable to specific activities and any apportionment between headings is negligible. The classification between expenditure headings is as follows:

- ◆ Expenditure on raising funds comprise the fees paid to the Charity's investment manager in connection with the management of the Charity's listed investments and costs associated with the management and upkeep of the Charity's investment properties.
- ◆ Expenditure on charitable activities includes expenditure on the Charity's primary purposes as described in the Trustees' report and includes:
 - ◇ Grants and donations payable: Grants and donations include an amount in respect to the donation or transfer of assets to two charitable companies under the control of the Congregation's Curia. Grants and donations also include amounts payable to support the Congregation's dependant houses and donations to other charitable bodies with objects consistent with those of the Charity. All donations are made only in cases where the Trustees have reviewed the details of each particular case. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the year end.
 - ◇ Support of members of the Congregation and their ministry: Expenditure on the support of members of the Congregation and their ministry enables the members to carry out the charitable work of the charity in the areas of the advancement of the Roman Catholic Religion and the spread of Christian values. Such expenditure comprises premises costs, members' living and personal expenses, training and spiritual renewal costs and other related miscellaneous expenses.
 - ◇ Rosmini Centre: Expenditure on enabling the work of the Centre.
 - ◇ Publications: Expenditure associated with translating the writings of Blessed Antonio Rosmini into English and promoting such literature to the English speaking world.

Governance costs comprising the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice are allocated wholly to the cost of the support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

◆ Voluntary aided school properties

The freeholds of the land and buildings legally owned by the Charity and occupied rent free on behalf of the trustees of the governing bodies of Catholic voluntary-aided schools, which are separate charities and publicly funded, are valued at £nil. The Trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the Charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

◆ Churches and similar properties

The Trustees are the legal owners of churches and other parish land and buildings including churches, presbyteries and parish halls many of which were constructed up to 150 years ago. It is the Trustees' intention that these properties will be used as long as needed and rent free by a parish in which a Rosminian Community ministers or a Diocese in which the Rosminians minister, in order to meet the needs of that parish or Diocese for a Church and related accommodation. As such assets, therefore, are not susceptible to meaningful valuation, they are excluded from the accounts.

In circumstances where the above assumptions regarding the availability of such properties for the parish or Dioceses needs do not apply for the foreseeable future, such properties are included in the accounts at a valuation, with subsequent additions being recognised at cost.

◆ Other freehold land and buildings

Other freehold land and buildings are included in the accounts at cost and are depreciated on a straight line basis over a period of fifty years in order to write off their cost over their estimated useful economic lives.

◆ Leasehold improvements

Leasehold improvements relate to the cost of capital works carried out at the Rosmini Centre in Leicestershire. The Rosmini Centre, owned by Ratcliffe College (see note 20), is occupied by the Institute of Charity under an informal arrangement rent free. Whilst the legal title to the property is held with Ratcliffe College, the Institute of Charity is financing the cost of any improvement works currently as per the historic arrangement and are responsible for the operation of the Centre. The Charity and College expect that this arrangement will continue indefinitely. As such, the cost of any improvement works are capitalised and depreciated over the estimated useful economic life of the works carried out. All existing works are being depreciated over a period of 10 years.

Tangible fixed assets (continued)

- ◆ Furniture, fixtures, fittings and computer equipment
Expenditure on the purchase and replacement of furniture, fittings and computer equipment is capitalised and depreciated over the estimated life of each asset, as follows:
 - ◇ Furniture, fixtures and fittings - 20% on written down value
 - ◇ Computer equipment - 33% on cost
- ◆ Motor vehicles
Motor vehicles are capitalised and depreciated at 25% per annum based on written down value in order to write off each vehicle over its estimated useful life.

Fixed asset investments

Fixed asset investments, including investment properties, are included in the accounts at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Fund accounting (continued)

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

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

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

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

Foreign currencies

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

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Salaries and pensions of individual religious	292,506	—	292,506	282,419	—	282,419
Contributions from Ratcliffe College (note 21)	154,851	—	154,851	108,050	—	108,050
Mass offerings, stole fees and clergy offerings	56,837	—	56,837	88,696	—	88,696
Legacies	26,912	—	26,912	—	—	—
Other donations	43,947	—	43,947	44,268	—	44,268
	575,053	—	575,053	523,433	—	523,433

2 Income from: Investments and interest receivable

	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Investment income						
. Listed investments	27,202	917	28,119	33,863	25,366	59,229
. Rental income from investment property	77,255	—	77,255	88,563	—	88,563
	104,457	917	105,374	122,426	25,366	147,792
Interest receivable	2,134	—	2,134	3,517	127	3,644
	106,591	917	107,508	125,943	25,493	151,436

3 Expenditure on: Charitable activities – Grants and donations

	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Donations to the Congregation's dependent houses	137,700	—	137,700	84,694	—	84,694
Donations to the East Africa Missions	8,224	—	8,224	5,500	—	5,500
Donations to Newport and Cardiff Roman Catholic Parishes	17,000	—	17,000	17,000	—	17,000
Other donations	12,771	—	12,771	25,034	43	25,077
	175,695	—	175,695	132,228	43	132,271

4 Expenditure on: Charitable activities - Support of members of the Congregation and their ministry

	Unrestricted funds £	Restricted funds £	2020 £	Unrestricted funds £	Restricted funds £	2019 £
Care of elderly members	45,209	—	45,209	45,228	—	45,228
Members' living and personal expenses	228,476	—	228,476	203,899	—	203,899
Premises	119,983	—	119,983	94,047	—	94,047
Spiritual renewal and vocations	6,607	—	6,607	72,982	—	72,982
Alms and similar donations	—	—	—	90	—	90
Legal and safeguarding related costs	780	—	780	1,516	—	1,516
Governance costs	58,155	—	58,155	81,384	—	81,384
Loss on disposal of tangible fixed assets	—	—	—	3,029	12,871	15,900
Other support costs	50,047	—	50,047	45,986	—	45,986
	509,257	—	509,257	548,161	12,871	561,032

5 Net income (expenditure) for the year

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration		
. Audit services	20,100	24,000
. Prior year under provision	—	12,960
Depreciation	79,273	79,906

6 Staff costs

During the year to 31 December 2020, the Charity employed two part time employees (2019 – two) with staff costs in total amounting to £16,752 (2019 - £15,948). No employees received employee benefits of more than £60,000.

	2020 Total funds £	2019 Total funds £
Staff costs during the year were as follows:		
Wages and salaries	15,549	15,948
Social security costs	714	—
Other pension costs	489	—
	16,752	15,948
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry	16,752	15,948

7 Remuneration of key management personnel

The Trustees consider that they alone comprise the key management of the Charity and are in charge of directing and running the day-to-day operations of the Charity. None of the Trustees received remuneration from the Charity in respect to their services during the year (2019 – £nil).

As members of the Congregation, certain of the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration (2019 - none).

8 Taxation

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

9 Tangible fixed assets

	Freehold land and buildings £	Leasehold improve- ments £	Motor vehicles £	Furniture, fixtures and equipment £	Total £
Cost					
At 1 January 2020	1,590,688	533,189	189,344	65,225	2,378,446
Additions	—	—	21,061	—	21,061
At 31 December 2020	<u>1,590,688</u>	<u>533,189</u>	<u>210,405</u>	<u>65,225</u>	<u>2,399,507</u>
Depreciation					
At 1 January 2020	282,832	464,914	121,431	36,643	905,820
Charge for the period	31,814	16,064	24,621	6,774	79,273
At 31 December 2020	<u>314,646</u>	<u>480,978</u>	<u>146,052</u>	<u>43,417</u>	<u>985,093</u>
Net book values					
At 31 December 2020	<u>1,276,042</u>	<u>52,211</u>	<u>64,353</u>	<u>21,808</u>	<u>1,414,414</u>
At 31 December 2019	<u>1,307,856</u>	<u>68,275</u>	<u>67,913</u>	<u>28,582</u>	<u>1,472,626</u>

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts. As explained in the principal accounting policies, the charity is the legal owner of certain assets comprising churches and other parish land and buildings. These properties will be used as long as needed rent-free by a parish or Diocese in order to meet the needs of that parish or Diocese for a church and related accommodation. As such assets, therefore, are not susceptible to meaningful valuation; they are excluded from the accounts.

10 Fixed asset investments

	2020 £	2019 £
Listed investments (see below)	757,840	768,271
Investment property	3,125,000	3,125,000
Cash held by investment managers for re-investment	4,892	13,146
	3,887,732	3,906,417

Listed investments

	2020 £	2019 £
Market value at 1 January	768,271	1,818,208
Additions at cost	91,859	486,911
Disposal proceeds	(88,619)	(1,706,658)
Net investment gains	(13,671)	169,810
Market value at 31 December 2019	757,840	768,271
Cost of listed investments	733,587	722,458

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

Listed investments held at 31 December 2020 comprised the following:

	2020 £	2019 £
UK fixed and variable bonds	55,566	66,128
UK equities and managed funds	473,888	500,780
Overseas fixed and variable bonds	8,687	23,126
Overseas equities and managed funds	106,452	101,359
Other investments	113,247	76,878
	757,840	768,271

10 Fixed asset investments (continued)***Listed investments (continued)***

At 31 December 2020, listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation as of that date.

	2020 Market value of holding £	2020 Percentage of portfolio %
Artemis Income Fund Shs	66,642	8.74%
Barclays Multi-Manager Global Access	68,176	8.94%
J O Hambro Capital Mgmt Umbrella Fund	59,062	7.74%
Man UK - UK Income Fund	60,686	7.96%
Merian Investment Funds Series I	69,024	9.05%
Fidelity Investment Funds - Asia Fund	43,832	5.75%
Pimco Funds Global Inv- Diversified Income	38,043	4.99%

Investment property

	31 December 2020 £	31 December 2019 £
Market value at 1 January 2020	3,125,000	2,567,500
Revaluations	—	107,500
Reclassification from tangible fixed assets following change of use	—	450,000
Market value at 31 December 2020	3,125,000	3,125,000

No figure is available for the cost of the investment property, which was acquired many years ago. The trustees are of the view that the costs of acquisition would have been negligible.

Investment property comprises the land and buildings of Mount Farm, Faircrouch Lane, Wadhurst; 9 to 11 Richmond Road, Roath, Cardiff; 145 and 147 Cromwell Road, Newport; 30 Fairfax Road, Newport, 12a St Peter's Street, Roath, Cardiff and St Marie's Convent, Oak Street, Rugby.

Mount Farm is occupied and operated by tenant farmers and is included on the balance sheet at an estimate of its open market value based on agricultural use with the existing tenant in situ. The valuation was determined by the trustees with professional assistance as at 31 December 2019. The trustees considered there was no significant changes on the valuation of Mount Farm at year end 31 December 2020.

The remaining investment properties, all of which comprise residential properties occupied by (or to be occupied by) tenants, are included on the balance sheet at an estimate of their open market value with vacant possession. The valuations of these properties were determined by the trustees with professional assistance from local property agents as at 31 December 2019. The trustees considered there were no significant changes on the valuation of the remaining investment properties at year end 31 December 2020.

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and miscellaneous accrued income	4,401	8,543
Loan to Grace Dieu Manor School (see below)	<u>1,257,533</u>	<u>—</u>
	1,261,934	8,543
Amounts falling due after more than one year:		
Loan to Grace Dieu Manor School (see below)	<u>—</u>	1,255,533
	1,261,934	<u>1,264,076</u>

At 31 December 2020, a total of £1,245,000 (2019 – £1,245,000) had been advanced to Grace Dieu Manor School (Charity Registration No 1115976) in order to provide the School with financial support. In addition, invoices totalling £7,634 had been settled by the Charity on behalf of the School. It was agreed that interest would be charged on £100,000 of the overall principal at a rate of 2% per annum. At 31 December 2020, interest amounting to £4,899 (2019 – £2,899) had accrued which remained unsettled. The loan is unsecured and it is expected to be repaid during the year ending 31 December 2021 having been delayed.

Grace Dieu Manor School is a connected charity – see note 20 for further details.

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	26,100	24,000
Other creditors	125,833	38,020
Amounts due to the related charities (note 20)	214,118	219,902
Loan from Irish Province of the Institute of Charity	554,225	—
Loan from Ratcliffe College	<u>250,000</u>	<u>—</u>
	1,170,276	281,922

During the year ended 31 December 2018, advances totalling £539,514 were received from the Irish Province of the Institute of Charity. Further advances of £250,000 were received from Ratcliffe College (Charity Registration No. 1115975). The amounts were advanced in order to enable the charity to finance a loan to Grace Dieu Manor School (Charity Registration No 1115976) (see note 11).

The loan from the Irish Province is unsecured and interest free and will be repayable only when the charity has the funds available to do so. The loan from Ratcliffe College is unsecured and interest free. It is anticipated that these loans will be repaid once the Charity has received repayment of the loan made by it to Grace Dieu Manor School (see note 11). This is expected to occur during the year ending 31 December 2021 having been delayed.

Both the Irish Province and Ratcliffe College are connected entities to the charity – see note 20 for further details.

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Loan from Irish Province of the Institute of Charity	—	523,746
Loan from Ratcliffe College	—	250,000
	—	773,746

14 Permanent endowment funds

	At 1 January 2020 £	Income £	Gains, losses and transfers £	At 31 December 2020 £
Ely Place fund	10,910	—	—	10,910

	At 1 January 2019 £	Income £	Gains, losses and transfers £	At 31 December 2019 £
Ely Place fund	10,910	—	—	10,910

15 Restricted funds

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

	At 1 January 2020 £	Income £	Expenditure (excluding donation to related charitable companies) £	Transfers between funds £	Donation to related charitable companies (note 20) £	At 31 December 2020 £
Book Fund	—	—	—	—	—	—
Curia Missions Fund	—	285	—	—	(285)	—
Formation Fund	—	632	—	—	(632)	—
Vocation Sisters Fund	9,284	—	—	(9,284)	—	—
Parish Funds	7,799	—	—	(7,799)	—	—
	17,083	917	—	(17,083)	(917)	—

15 Restricted funds (continued)

	At 1 January 2019 £	Income £	Expenditure (excluding donation to related charitable companies) £	Net investment gains £	Donation (to) from related charitable companies (note 20) £	At 31 December 2019 £
Book Fund	—	795	(43)	—	(752)	—
Curia Missions Fund	—	4,999	(63,631)	15,298	43,334	—
Formation Fund	—	19,699	(56,514)	56,886	(20,071)	—
Vocation Sisters Fund	22,155	—	(12,871)	—	—	9,284
Parish Funds	7,799	—	—	—	—	7,799
	<u>29,954</u>	<u>25,493</u>	<u>(133,059)</u>	<u>72,184</u>	<u>22,511</u>	<u>17,083</u>

The restrictions are as follows:

- ◆ The Book Fund was established to disseminate Antonio Rosmini's works in the English language.
- ◆ The Curia Missions Fund comprised funds for the Congregation's foreign missions including Africa, Venezuela and India.
- ◆ The Formation Fund comprised monies to finance the formation programmes of the Congregation's dependant houses in Africa, India and Italy.
- ◆ The Vocation Sisters Fund comprises amounts to be applied towards the promotion of vocations in the Church.
- ◆ The Parish Funds comprise monies to be applied in St Marie's Parish, Rugby, and St Peter's Parish, Cardiff.
- ◆ The Rosmini Centre fund comprises a legacy to be expended specifically on the Centre.

During the year to 5 April 2017, a decision was made by the Trustees to transfer certain restricted funds to the ownership of two charitable companies established under the control of the Congregation's Curia. The charitable companies will continue to apply the funds in line with the restrictions imposed originally (see note 20).

During the year ended 31 December 2018, the assets held by the Charity in respect to the Book Fund has been transferred to Rosmini Publications Limited, the first of two new charitable companies formed by the Congregation's Curia (see note 20).

During the year ended 31 December 2019, the assets held by the Charity in respect to the Curia Missions Fund and Formation Fund has been transferred to Calvario Limited, the second of the two new charitable companies formed by the Congregation's Curia (see note 20).

15 Restricted funds (continued)

Up until the point of transfer, any income, expenditure, gains and losses in connection with the control of these fund balances had been recognised in the Charity's accounts and an adjustment has been included within expenditure to reflect the consequential impact of the value of transfers made.

16 Tangible fixed assets fund

	2020 Total £	2019 Total £
At 1 January 2020	1,472,626	1,976,575
Net movement in year	(58,212)	(503,949)
At 31 December 2020	1,414,414	1,472,626

The tangible fixed assets fund equates to the net book value of the Charity's tangible fixed assets which are represented by unrestricted funds. A decision was made to separate this fund from the general funds of the Charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the Charity and as such their value should not be regarded as funds that might be realisable with ease, in order to meet future contingencies.

17 Designated funds

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

	At 1 January 2020 £	New designations £	Utilised/ released £	At 31 December 2020 £
Ministry and Care Fund	3,500,000	—	—	3,500,000
Rosmini Centre	94,000	—	—	94,000
	3,594,000	—	—	3,594,000
	At 1 January 2019 £	New designations £	Utilised/ released £	At 31 December 2019 £
Ministry and Care Fund	3,500,000	—	—	3,500,000
Rosmini Centre	94,000	—	—	94,000
	3,594,000	—	—	3,594,000

The funds have been designated for the following purposes:

♦ Ministry and Care Fund

This consists of monies and assets set aside by the Trustees to enable the provision and development of the ministry of the members of the Institute in the future and to provide funds to support members as they grow older and their needs increase.

17 Designated funds

♦ Rosmini Centre

This money is set aside for the running and administration of the Rosmini Centre set up by the Trustees to promote the works of Antonio Rosmini and to be a place of study for these works.

18 Analysis of net assets between funds

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Endowment funds £	2020 Total funds £
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	—	—	1,414,414	—	—	1,414,414
Investments	3,125,000	762,732	—	—	—	3,887,732
Net current assets (liabilities)	(2,363,257)	2,831,268	—	—	10,910	478,921
Total net assets	761,743	3,594,000	1,414,414	—	10,910	5,781,067

	General funds £	Designated funds £	Tangible fixed assets fund £	Restricted funds £	Endowment funds £	2019 Total funds £
Fund balances at 31 December 2019 are represented by:						
Tangible fixed assets	—	—	1,472,626	—	—	1,472,626
Investments	3,125,000	781,417	—	—	—	3,906,417
Net current assets (liabilities)	(1,556,392)	2,812,583	—	17,083	10,910	1,284,184
Creditors: amounts falling due after one year	(773,746)	—	—	—	—	(773,746)
Total net assets	794,862	3,594,000	1,472,626	17,083	10,910	5,889,481

Total funds balances above include the cumulative impact of unrealised gains in respect to the charity's listed investments. As at 31 December 2020, the difference between the market value of listed investments against their historic cost amounted to £24,253 (2019 - £45,813).

19 Contingent liabilities

The tenants of the Mount Farm investment property in Wadhurst have carried out certain improvements to the property at their own expense and under the terms of the tenancy agreement are entitled to compensation at the end of the tenancy. The Trustees are unable to estimate the amount of such financial compensation at the present time.

A contingent liability arises in respect to potential further claims against the charity concerning child welfare. Further investigation is ongoing to validate the potential claims and no legal proceedings have yet commenced. Consequently, the amount of any compensation payable, if any, cannot be quantified.

20 Connected charities and related parties

Registered charities

The following registered charities are considered to be connected to the Institute of Charity because they have common, parallel or related objects and activities and/or common control.

- ◆ Ratcliffe College (Charity Registration No 1115975)
- ◆ Grace Dieu Manor School (Charity Registration No 1115976)
- ◆ Trustees of Ratcliffe College (Linked Charity – Charity Registration No 222508-5)
- ◆ St Marie's Rugby (Linked Charity – Charity Registration No 222508-3)
- ◆ St Mary Magdalen's Mission (Linked Charity – Charity Registration No 222508-1)

The charitable company "Ratcliffe College" (Charity Registration No 1115975) was incorporated on 9 August 2006. From 1 September 2006, the company took over the net assets and operations of the charity "Trustees of Ratcliffe College" (established by a Trust Deed executed in 1923) which related to Ratcliffe College, a school at Fosse Way, Ratcliffe on the Wreake, Leicestershire, founded in 1847.

On 1 September 2006 also, the remaining net assets and operations of the charity "Trustees of Ratcliffe College" has been transferred to a second charitable company "Grace Dieu Manor School" (Charity Registration No 1115976) which operates a school of the same name in Thringstone, Leicestershire, founded as the Preparatory School for Ratcliffe College in 1933.

Four of the Trustees of the Institute of Charity who served during all or part of the year (Rev Father David J Myers, Father Tom Thomas, Rev Father Anthony Furlong and Rev Father Christopher J Fuse) were trustees of both Ratcliffe College and Grace Dieu Manor School. Other Trustees of both charities are appointed by the Father Provincial of the English Province of the Institute of Charity in consultation with the existing Trustees of the relevant charitable company.

"Trustees of Ratcliffe College" no longer has any assets or operations and is now a dormant subsidiary or linked charity (Charity Registration No 222508-5) to Institute of Charity.

The other two linked charities referenced above act as custodian trustees in respect to various properties but have no income or expenditure of their own. The properties in respect to which they act as custodian trustees are included on the balance sheet of Institute of Charity in accordance with the relevant principal accounting policies.

The principal contact in respect to the above connected charities is:

Reverend Antonio Belsito
200 Leeming Lane North
Mansfield Woodhouse
Nottinghamshire
NG19 9EX

20 Connected charities and related parties (continued)

Registered charities (continued)

The charity is also connected with two charitable companies incorporated on 17 May 2017.

The two companies are as follows:

Company name	Company Registration Number	Charity Registration Number	Principal activity
Rosmini Publications Limited	10779496 (England and Wales)	1178409 (England and Wales)	Publication and dissemination of religious material and related activities
Calvario Limited	10776281 (England and Wales)	1184056 (England and Wales)	Furtherance of the Roman Catholic faith and related activities

Father Antonio Belsito and Father Chris Fuse act as directors of these two companies. They also acted as trustees of the Institute of Charity English Province during all of the year of report.

Related party transactions

During the year ended 5 April 2017, the then trustees of the charity committed to donating to the two companies, Rosmini Publications Limited and Calvario Limited, certain assets to include the balances on a number of restricted funds (see note 14) and a freehold property.

During the year ended 31 December 2019, net assets totalling £1,216,290 has been transferred to Calvario Limited fully discharging the original commitment originally made during the year ended 5 April 2017.

During the year ended 31 December 2018, net assets totalling £1,479,414 has been transferred to Rosmini Publications Limited. A balance of £214,118 remained payable at 31 December 2020 representing the carrying value of Rosmini House which will be transferred during the year ending 31 December 2021, following which the original commitment made during the year ended 5 April 2017 will have been discharged fully.

20 Connected charities and related parties (continued)

Related party transactions (continued)

During the year ended 31 December 2020, the Charity occupied property owned by Ratcliffe College under an informal agreement rent free. Further information is provided within principal accounting policies. The same arrangement applied during the year ended 31 December 2019.

During the year, the Charity received voluntary contributions of £154,851 (2019 - £108,050) from Ratcliffe College.

As disclosed in note 11 to the accounts, as at 31 December 2020, a balance of £1,257,533 (2019 - £1,255,533) was owed to the Charity by Grace Dieu Manor School in relation to a financial support loan. Interest accrued on the loan totalled £4,899 (2019 - £2,899) was unsettled at the balance sheet date.

As disclosed in note 13 to the accounts, during the year ended 31 December 2018, a loan of £250,000 was received from Ratcliffe College, the full balance of which was outstanding as at 31 December 2020.

Father David Myers, Father Chris Fuse and Father Anthony Furlong were trustees of Grace Dieu Manor School, Ratcliffe College and the Institute of Charity during all or part of the period.

As disclosed in note 13 to the accounts, during the year ended 31 December 2018, a loan of £554,225 was received from the Irish Province of the Institute of the Institute of Charity, the full balance of which was outstanding as at 31 December 2020.

The total value of donations made by the Trustees to the Charity during the year was £20,690 (2019 – £28,611), being pensions donated to the Charity under Gift Aid.

There were no other related party transactions (2019 – none).

21 Ultimate control

The Charity, which is constituted as a trust, was controlled throughout the period by the Institute of Charity (the Rosminians), by virtue of the fact that the Father Provincial of the English Province appoints the Trustees. The Congregation in England does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in England are vested in the Trustees of the Charity, who undertake all transactions entered into in the course of the Congregation's charitable activities in England.