

THE CONGREGATION OF THE SISTERS OF NAZARETH CHARITABLE TRUST

England & Wales · Charity number 228906

Details

Other names	CONGREGATION OF THE POOR SISTERS OF NAZARETH, CONGREGATION OF THE SISTERS OF NAZARETH, NAZARETH HOUSE
Status	Registered
Legal form	Trust
Registered	1965-09-03
Register	View on the Charity Commission register

Contact

Address	Nazareth House 162 East End Road London N2 0RU
Phone	020 8444 4427
Email	regional.uk@nazarethcare.com
Website	www.sistersofnazareth.com

Activities

Objects: SUCH CHARITABLE PURPOSES AS SHALL ADVANCE THE RELIGIOUS, EDUCATIONAL, CARE AND OTHER CHARITABLE WORK OF THE CONGREGATION AS THE TRUSTEES WITH THE APPROVAL OF THE SUPERIOR GENERAL SHALL FROM TIME TO TIME THINK FIT

Activities: Provision of care and assistance to the elderly. Provision of nursery services. Provision of healthcare services overseas.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,712,243	£2,808,524	£33,458,222	1
2024-03-31	£2,445,022	£11,377,330	£33,559,503	1
2023-03-31	£2,891,083	£4,387,075	£37,020,311	1
2022-03-31	£2,891,711	£4,576,865	£36,982,338	1
2021-03-31	£6,739,031	£7,393,668	£38,667,492	169

Trustees

Name	Role	Appointed
Sister Bernadette McCall	Chair	2025-10-07
Sister Celine Marie Donnelly		2022-10-17
Sister Viva Margaret Fidow		2025-11-09

Linked charities

- NAZARETH HOUSE CROSBY (228906-1)
- THE CARDINAL MANNING MEMORIAL FUND (228906-10)
- NAZARETH HOUSE (OXFORD) (228906-2)
- NAZARETH HOUSE (BEXHILL) (228906-3)
- NAZARETH HOUSE (SOUTHSEA) (228906-4)
- NAZARETH HOUSE (NORTHAMPTON) (228906-5)
- NAZARETH HOUSE (CARDIFF) (228906-6)
- NAZARETH HOUSE (ISLEWORTH) (228906-7)
- NAZARETH HOUSE (SOUTHEND) (228906-8)
- NAZARETH HOUSE (HAMMERSMITH) (228906-9)

Accounts



The Congregation of the Sisters of Nazareth Charitable Trust

*Annual Report and Audited Accounts
2024 – 2025*

Charity Registration Numbers
England and Wales: 228906, Scotland: SC040507



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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham
Sister Teresa Bernadette Fallon
Sister Celine Marie Donnelly

Officers

Regional Superior – UK Region Sister Doreen Cunningham

Administrative Details

Principal Office Larmenier Centre
162 East End Road
London N2 0RU

Email: uk.administration@nazarethcare.com

Website: www.sistersofnazareth.com

Charity Registration Numbers: 228906 (England and Wales)
SCO40507 (Scotland)

Auditor Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Principal Bankers Barclays Bank plc
Acorn House
36-38 Park Royal Road
London
NW10 7JA

Principal Solicitors Stone King LLP
13 Queen Street
Bath
BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 12 sites which provide care for the elderly and young children. There are 51 Sisters who are spread across 8 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". [Peter 1:22](#)

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

"Be compassionate as your heavenly Father is compassionate". [Luke 6:36](#)

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
“As often as you did it to one of these you did it to me”. [Matt 25:40](#)
- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.
“Blessed are those who hunger and thirst for they shall be satisfied”. [Matt 5:6](#)
- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.
“I was a stranger and you welcomed me in”. [Matt 25:37](#)
- **Patience** – Persevering calmly and with understanding and endurance.
“Blessed are the gentle for they shall possess the earth”. [Matt 5.5](#)

Our Heritage



*Victoire Larmenier Foundress of
Sisters of Nazareth 1827-1878*

The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 34 such houses across its Regions on 31 March 2024. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales and Scotland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

“We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times.”

“Whatsoever you do to the least of my people you do to me.”

Words of Jesus Christ (1 Matt 25:40)

Message From The Regional Superior

As in every year the Congregation has had times of much joy and celebration but also has had its share of sadness. We were delighted to welcome a young Temporary Professed Sister from the African region to join the UK region. We celebrated the Final Professions of five Sisters within the Congregation, as well as a Diamond Jubilee and three Platinum Jubilees in the past year. Sadly, five Sisters have died within the year. We give thanks to God for their long lives, for what they were and did for the Congregation.

Due to a decreasing number of Sisters within the region and mindful of age, after much prayer and deliberation, a decision was made to withdraw two Communities from locations within the region. Crosby and Lancaster Communities were withdrawn. The Sisters continue to support both locations with Pastoral care until Nazareth Care have recruited Pastoral Care coordinators for each site. It was lovely to see so many people join the Sisters for a Mass of thanksgiving at both locations. There was much reminiscing and story-telling. It was very special for us as a Congregation to see former children and former staff attend these special celebrations.

Building work and refurbishments continue around the region. We are grateful that our Generalate Team has offered to fund the majority of the large refurbishment works of Nazareth House Hammersmith. Work will continue for at least four years while parts of the home are refurbished, and the rest of the home is kept operational. We are delighted to see the refurbished units at Birkenhead and Cheltenham locations in full use. We are currently working with Nazareth Care with the view of extending care services by utilising former convent spaces at Lancaster, Crosby and Northampton sites.

As the Charity is now aligned with the RLSS (Religious Life Safeguarding Service), Sisters have accessed various training courses in relation to Safeguarding via the RLSS. The RLSS has been very supportive in all communication with them.

This is the first year that we have had a Safeguarding audit from the Catholic Safeguarding Agency (CSSA). They are an independent regulatory body for the Catholic Church in England and Wales responsible for ensuring and protecting standards of safeguarding and protecting children and vulnerable adults from harm. The audit identified that we are making a 'firm progress' in relation to their various expected standards, and we are currently addressing recommendations made in that audit.

In this year, dedicated as the 'Jubilee year of Hope' by the later Pope Francis, the Sisters are making various pilgrimages in various ways throughout the region. Some Sisters have also taken part in the 'Youth 2000' event which was expressed by the Sisters that attended 'as a wonderful experience'.

The Congregation holds a General Chapter every six years at which the Congregational Plan for the next six-year period is agreed. The 27th General Chapter was held in June 2024 in Hammersmith, London and five Congregational mandates were developed. Subsequently, the Charity developed a Regional Plan to work through to the next Chapter in 2030, which provides more detail on the actions, responsibilities and planned outcomes. The mandates are:

1. **Vowed life:** Deepen our enthusiasm for our vowed life, renewing our commitment to community and mission
2. **Vocation promotion and formation:** Renew and update the current Formation booklet

3. **Embedding the mission:** Sustain Victoire's vision and mission into the future
4. **Safeguarding:** Embrace safeguarding as a priority for the Congregation
5. **Aggregation:** Congregation of Sisters of Nazareth to aggregate with the Augustinian family.

Future Plans

The focus over the next year five years is to continue implementing and embedding the five mandates from the 2024 General Chapter and the actions in the Regional Plan.

A handwritten signature in black ink, appearing to read 'Sr D Cunningham'.

Sister Doreen Cunningham
Regional Superior

Public benefit

The trustees confirm that they have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 when considering the Charity's objectives and activities. All activities relate to the general objectives of the Charity through supporting Sisters and delivering care to the elderly and children, delivered through overseeing and supporting the regions, providing financial contributions, advice and guidance within which the regions operate. In these ways, the Charity is delivering a public benefit.

Risk management

The Charity reviews its risk management framework and agreed that there are five primary categories of risk facing the Charity and the Congregation: Mission, Spirit and Values; Governance; Safeguarding; Financial; Organisational and External Environment risks. In each category, it has agreed how willing it is to take risks to achieve its objectives and how it would endeavour to reduce risks where they are unacceptable to the organisation, its purpose or values.

Within each category, several specific risks and controls were identified that either are in place or could be put in place to reduce those risks. The major risks faced and how they are managed are considered to be:

- A loss of spirit or mission. The risk increases as the number of Sisters in the Congregation decreases and the role of paid staff in management positions increases. There are several programmes available in regions to ensure the mission is well understood and communicated, such as Victoire's Legacy, and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Mass is held each day in most houses. Visits occur from the Superior General, General Councillors and the Congregational Chief Executive to each region and the houses. Alternative arrangements have been introduced in two regions to explore models that can operate with fewer Sisters including some sites operating as satellites with visiting Sisters. These are evaluated on an ongoing basis.
- Governance shortcomings. Governance arrangements ensure that the Charity's Board of Trustees is made up entirely of Sisters who are supported by lay staff and advisors as necessary. In the regions, all boards consist of up to nine trustees, including Sisters. There is a strong set of Constitutions, Directives, Governance Handbook and reporting mechanisms covering all aspects of governance to ensure that the regions administer their operations according to the standards expected by the Congregation.
- Safeguarding incidents either now or in the past. Current safeguarding risks are well managed through comprehensive training and procedures and are more likely to occur in one of the regions, where they directly interact with vulnerable individuals. The impact on the Charity is by association and the consequential impact on its reputation. Historical incidents within the Congregation's past are predominantly addressed nowadays by the Charity including reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks may be covered by insurance.

- Financial failure through a region or the Charity not being able to meet its commitments, such as the repayment of a loan or a building project not being delivered to budget. The shared brand and support mechanisms ensure that if one part of the Congregation struggles, others may step in to support it. Due diligence is undertaken before commitments are made and insurance is taken out where appropriate. There is a process of continual oversight of the financial performance of each region and cash flow forecasting for the Charity to ensure there are sufficient, liquid funds to meet all reasonable eventualities.
- Organisational risks at the Charity include the reputational damage associated with the failure of a service either now or in the past, an over-reliance on key individuals, or the impact of investment or foreign exchange fluctuations. There is an awareness of these risks and contingency plans built in wherever possible to minimise their impact, for example, through the recruitment of skilled individuals, the sharing of information and the use of professional advisors where appropriate to do so. All services in the regions are externally regulated to ensure standards are continually met and/or improved.
- External environment changes have the potential to materially impact the work of the Charity and the Congregation in the UK or overseas through, for example, major changes to funding or legislation concerning the care of the elderly at the end of their lives, the public perception of the Catholic Church, recession or a global health crisis, such as the Covid-19 pandemic.

Trustees' Report

31 March 2025

The Trustees present the report and accounts for the year ended 31 March 2025 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 25 – 29 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Assessment of going concern

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

With regard to the full period of review, December 2026, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 27th such Chapter took place in June 2024. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair (from 7 October 2019)

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019 and again in 2022. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2019.

Sister Celine Marie Donnelly

Sister Celine Marie Donnelly trained a Registered Nurse in London. She worked as a Nurse and Registered Manager in our various homes. She completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has been in the role of Local Superior in our Lancaster and Cheltenham houses and is currently superior in our Hammersmith House. She was appointed Regional Councillor to the UK region on 17th October 2022.

Key management personnel

The Trustees consider that they together with the Finance Manager comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

Statement of Trustees' responsibilities

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

The law applicable to charities in England and Wales/Scotland/Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments on 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 financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales and Scotland) comprises of 10 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Throughout the year there is regular contact and communication between each of the communities and the Regional Superior.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then not be sent.
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and

- The Charity has not received any complaints about its fundraising activities.

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

The Charity reviews its risk management framework and agreed that there are five primary categories of risk facing the Charity and the Congregation: Mission, Spirit and Values; Governance; Safeguarding; Financial; Organisational and External Environment risks. In each category, it has agreed how willing it is to take risks to achieve its objectives and how it would endeavour to reduce risks where they are unacceptable to the organisation, its purpose or values.

Within each category, several specific risks and controls were identified that either are in place or could be put in place to reduce those risks. The major risks faced and how they are managed are considered to be:

1. A loss of spirit or mission.

The risk increases as the number of Sisters in the Congregation decreases.

Actions taken to mitigate the risk:

There are several programmes available in the region to ensure the mission is well understood and communicated such as Victoire's Legacy and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Where there is no Community of Sisters on site the sisters continue to make regular visits.

2. Governance shortcomings.

Actions taken to mitigate the risk:

Governance arrangements ensure that the Charity's Board of Trustees is made up entirely of Sisters who are supported by lay staff and advisors as necessary. There is a set of Constitutions, Directives, Governance Handbook and reporting mechanisms covering all aspects of governance to ensure that the regions administer their operations according to the standards expected by the Congregation.

3. Safeguarding incidents either now or in the past.

Proceedings into the historic abuse of children formally in the Congregation's care continue. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in its care and deeply regrets any harm or shortcomings in the care provided. A formal apology has also been issued in Northern Ireland for the mistreatment of those in its children's homes. Our parent charity continues to cooperate with governments, redress boards and survivor organisations to support claimants and potential claimants with access to their records and to provide individual apologies as necessary.

Current safeguarding risks are well managed through comprehensive training and procedures. We are working closely with the Religious Life Safeguarding Service (RLSS). Historical incidents within the Congregation's past are predominantly addressed nowadays by our Parent Charity which includes reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks may be covered by insurance.

4. Financial Failure if the Charity does not receive loan repayments and rent.

Actions taken to mitigate the risk:

- There is a process of continual oversight of the financial performance and cash flow forecasting for the Charity to ensure there are sufficient, liquid funds to meet all reasonable eventualities
- Detailed budgets and plans produced annually
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.

5. Organisational and External Environment

Organisational risks at the Charity include the reputational damage associated with the failure of a service either now or in the past, and an over-reliance on key individuals.

Actions taken to mitigate the risk:

There is an awareness of these risks and contingency plans built in wherever possible to minimise their impact, for example, through the recruitment of skilled individuals, the sharing of information and the use of professional advisors where appropriate to do so. All services in the regions are externally regulated to ensure standards are continually met and/or improved.

External environment changes have the potential to materially impact the work of the Charity and the Congregation, for example, major changes to funding or legislation concerning the care of the elderly at the end of their lives, the public perception of the Catholic Church, recession or a global health crisis, such as the Covid-19 pandemic

Income and Expenditure

A summary of the results can be found on page 22 of the attached accounts.

Income was to £2.7 million (2024: £2.4 million) with £0.98 million being generated from donations and legacies.

Expenditure amounted to £2.8 million (2024: £11.3 million).

Financial position

The balance sheet shows total funds of £33.5 million (2024: £33.6 million).

Reserves Policy

Unrestricted funds at 31 March 2025 amounted to £33.2 million and comprised the tangible fixed asset fund and the general fund.

The tangible fixed assets fund totalling £27.9 million, represents the net book value of the Charity's land and buildings and other tangible fixed assets, less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £5.2 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2025. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2025, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £5.2 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

Employed staff are clearly our biggest asset, and we thank them for the contribution that they make. NCCT strives to provide excellent working conditions for its staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require, taking into account public benefit requirements in decision making.

The Trustees' Report was approved by the Trustees and signed on their behalf by:



Sister Doreen Marie Cunningham
Trustee and Regional Superior

Date approved: 7th October 2025

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2025

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust ('the charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2025 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 - 13, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

A handwritten signature in black ink that reads "Crowe U.K. LLP". The signature is written in a cursive, slightly stylized font.

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

15 October 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2025

		Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	1	836,379	139,394	975,773	827,770	87,864	915,634
Investment income and interest receivable	2	177,052		177,052	180,172	—	180,172
Rental income		1,548,190		1,548,190	1,334,743	—	1,334,743
Charitable activities							
. Charges for residential and care services for adults					—	—	—
Other income							
. Miscellaneous income		11,228		11,228	14,473	—	14,473
Total income		2,572,849	139,394	2,712,243	2,357,158	87,864	2,445,022
Expenditure:							
Charitable activities							
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	2,617,130	139,394	2,756,524	4,213,205	87,864	4,301,069
Donation to CSNG		—		—	7,076,261	—	7,076,261
Donation to NCCT		52,000		52,000			
Total expenditure		2,669,130	139,394	2,808,524	11,289,466	87,864	11,377,330
Net (expenditure) income before net loss on investment properties		(96,281)	—	(96,281)	(8,932,308)	—	(8,932,308)
Net realised losses on disposal of investment properties		(5,000)	—	(5,000)	(10,000)	—	(10,000)
Loss on revaluation of investment properties			—			—	
(Profit)/Loss on disposal of fixed assets	9	—		—	(5,481,500)		(5,481,500)
Net movement in funds	5	(101,281)		(101,281)	(3,460,808)	—	(3,460,808)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2024		33,276,133	283,370	33,559,503	36,736,941	283,370	37,020,311
Fund balances carried forward at 31 March 2025	18	33,174,852	283,370	33,458,222	33,276,133	283,370	33,559,503

Balance Sheet

31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	9		34,406,774		35,735,183
Investment properties	10		861,186		1,111,186
			35,267,960		36,846,369
Current assets					
Debtors: amounts falling due within one year	12	412,739		320,291	
Cash at bank and in hand		3,700,180		3,886,120	
		4,112,919		4,206,411	
Current liabilities					
Creditors: amounts falling due within one year	13	(1,020,273)		(3,423,097)	
Net current assets			3,092,646		783,314
Total assets less current liabilities			38,360,606		37,629,683
Debtors: amounts falling due after one year	11		936,160		1,093,660
Creditors: amounts falling due after one year	14		(5,838,544)		(5,163,840)
Total net assets			33,458,222		33,559,503
The funds of the charity:					
Restricted funds	15		283,370		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	27,926,945		28,693,548	
. Designated funds	17				
. General fund		5,247,907		4,582,585	
			33,174,852		33,276,133
			33,458,222		33,559,503

Approved by the Trustees and signed on their behalf by:

Sister Doreen Cunningham

Chair of Trustee

Date of approval: 7th October 2025



Statement of cash flows

Year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	219,708	(6,665,216)
Cash flow from investing activities:			
Interest and rents from investments		177,052	180,172
Proceeds from the disposal of investment properties		245,000	913,492
Purchase of tangible fixed assets		(265,892)	(639,781)
Proceeds from the disposal of tangible fixed assets			7,076,261
Net cash used in investing activities		156,160	7,530,144
Cash flow from financing activities:			
Repayments of borrowing		(561,808)	(572,522)
Cash inflows from new borrowing			500,000
Net cash (used in) provided by financing activities		(561,808)	(72,522)
Change in cash and cash equivalents in the year		(185,940)	792,406
Cash and cash equivalents at 1 April 2024	B	3,886,120	3,093,714
Cash and cash equivalents at 31 March 2025	B	3,700,180	3,886,120

Notes to the statement of cash flows for the year to 31 March 2025

A Reconciliation of net movement in funds to net cash provided by operating activities

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	(101,281)	(3,460,808)
Adjustments for:		
Depreciation charge	1,594,301	1,668,388
Loss on investments	5,000	10,000
Revaluation of investment properties	—	—
Net (gain) loss on disposal of tangible fixed assets		(5,481,500)
Interest and rents from investments	(177,052)	(180,172)
(Increase) decrease in debtors	65,052	412,931
(Decrease)/Increase in creditors	(1,166,312)	365,945
Net cash provided by operating activities	219,708	(6,665,216)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Total cash and cash equivalents: Cash at bank and in hand	3,700,180	3,886,120

Principal Accounting Policies 31 March 2025

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 March 2025 with comparative information given in respect to the year to 31 March 2024.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- ◆ assessing the value of any impairment required against the value of tangible fixed assets.
- ◆ estimating the value of investment properties.
- ◆ assessing the probability of the receipt of legacy income.
- ◆ determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at year end.

Assessment of going concern

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

With regard to the full period of review, December 2026, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

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, rental income, charges for residential and care services and other income.

Donations are accounted for when the conditions of receipt are met, it is probable the amounts will be received and the amount receivable can be reliably estimated.

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. Legacies are treated as restricted income in the statement of financial activities where they are restricted to the community that receives them.

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 been transferred to the Charity.

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.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.

In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

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.

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of

these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2025

1. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
	£	£	£	£	£	£
Legacies	—	31,703	31,703	—	25,345	25,345
Covenanted salaries and pensions of individual religious	482,379	—	482,379	451,109	—	451,109
Covenanted stipends received by individual religious	354,000	—	354,000	376,661	—	376,661
Other donations	—	107,691	107,691	—	62,519	62,519
Total funds	836,379	139,394	975,773	827,770	87,864	915,634

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
£	£	£	£	£	£	£
Income from rental properties	170,561	—	170,561	174,667	—	174,667
Bank interest	6,491	—	6,491	5,505	—	5,505
Total funds	177,052	—	177,052	180,172	—	180,172

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
	£	£	£	£	£	£
Staff costs	91,121	—	91,121	87,773	—	87,773
Premises	245,060	13,939	258,999	256,286	8,786	265,072
Care and welfare	1,060,139	125,455	1,185,594	1,094,538	79,078	1,173,616
Management and administration of the Care Homes	206,294	—	206,294	129,441	—	129,441
Depreciation	1,594,301	—	1,594,301	1,668,388	—	1,668,388
Provision for Doubtful Debts	(608,345)	—	(608,345)	949,359	—	949,359
Governance costs (note 4)	28,560	—	28,560	27,420	—	27,420
Total funds	2,617,130	139,394	2,756,524	4,213,205	87,864	4,301,069

The costs of providing residential and care services include the living and personal expenses of individual

Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
	£	£	£	£	£	£
Audit and accountancy services	28,560	—	28,560	27,420	—	27,420
Total	28,560	—	28,560	27,420	—	27,420

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2025	Total 2024
	£	£
Staff costs (note 6)	91,121	87,773
Auditor's remuneration and audit costs, net of VAT		
Statutory audit	23,800	22,850
Depreciation	1,594,301	1,668,388

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	76,470	76,470
Social security costs	8,533	5,185
Other pension costs	6,118	6,118
	91,121	87,773
Payments to agency staff	—	—
	91,121	87,773
Staff costs per function were as follows:		
Management	91,121	87,773

There was one employee (2023 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2025 Number	2024 Number
£60,000 - £70,000	—	—
£70,001 - £80,000	1	1
The average number of employees during the year was:		
	Total 2025	Total 2024
Management	1	1

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Trustees and the Finance Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £91,121 (2024 - £87,773).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2024- £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £29,971 (2024 - £29,928).

8. Taxation

As a registered charity The Congregation of the Sisters of Nazareth Charitable Trust is potentially exempt from taxation of income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2024	56,353,853	104,500	490,094	246,102	57,194,549
Additions	158,798	—	107,094		265,892
Disposal		—	(42,131)		(42,131)
At 31 March 2025	56,512,651	104,500	555,057	246,102	57,418,310
Depreciation and impairment					
At 1 April 2024	20,985,624	22,990	278,274	172,478	21,459,366
Charge for year	1,523,444	2,090	49,187	19,580	1,594,301
Disposal			(42,131)		(42,131)
At 31 March 2025	22,509,068	25,080	285,330	192,058	23,011,536
Net book values					
At 31 March 2025	34,003,583	79,420	269,727	54,044	34,406,774
At 1 April 2024	35,368,229	81,510	211,820	73,624	35,735,183

10. Investment Properties

	2025 £	2024 £
Market value		
At 1 April 2024	1,111,186	2,046,186
Additions	—	—
Disposals	(250,000)	(935,000)
Revaluation	—	—
At 31 March 2025	861,186	1,111,186

Investment properties are included above at estimated market value and are located within Blackburn Retirement Village and Glasgow Retirement Village. Valuations were carried out on the investment properties during the year by local firm of estate agents. There are no restrictions on the disposal of the investment properties. Four of the six investment properties at Blackburn incur service charge costs while the other two properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2025 £	2024 £
Amount due from Nazareth Care Charitable Trust (note 21)	936,160	1,093,660

12. Debtors: Amounts Falling Due Within One Year

	2025 £	2024 £
Charges for care services	34,171	25,509

Amount due from The Congregation of the Sisters of Nazareth Generalate (note 21)	240,106	240,106
Amount due from Nazareth Care Charitable Trust (note 21)	1,662,845	2,187,405
Legacy Debtor	—	—
Other debtors	401	400
Provision for Doubtful Debts	(1,524,784)	(2,133,129)
	412,739	320,291

13. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Bank loans	212,934	1,474,195
Other creditors	5,831	6,442
Taxes and social security	2,550	7,148
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 14 and 21)	428,351	403,600
Amount due to Nazareth Care Charitable Trust (note 21)	—	1,108,344
Accruals and deferred income	130,501	130,695
Amount due to NRV Blackburn Ltd	—	26,834
Amount due to NRV Management Glasgow Ltd	—	25,733
Amount due to NRV Development (Plymouth) Limited (note 21)	240,106	240,106
	1,020,273	3,423,097

14. Creditors: Amounts Falling Due After One Year

	2025	2024
	£	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	4,790,217	5,163,840
Bank loans	1,048,327	—
	5,838,544	5,163,840

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2025 was £3,615,474 (including interest of £111,062).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. The loan balance at 31 March 2025 was £1,603,094 (2024 – £1,681,677) including interest of £49,416 (2024 – £49,833).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan

agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2025 was £516,635 (2024 - £572,813). The loan is repayable before 31 March 2025 (note 13). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2025 was £744,626 (2024 - £901,382). The loan is repayable before 31 March 2025 (note 13).

15. Restricted Funds

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
Restricted donations and legacies	—	139,394	(139,394)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370			283,370
	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Restricted donations and legacies	—	87,864	(87,864)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	87,864	(87,864)	283,370

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2025 £	At 31 March 2024 £
Tangible fixed assets		
. At 1 April 2024	28,693,548	31,031,386
. Movements in the year	5,713,226	4,703,797
. At 31 March 2025	34,406,774	35,735,183
Less: Loans to finance refurbishment and development of property	(6,479,829)	(7,041,635)
	27,926,945	28,693,548

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Analysis of Net Assets Between Funds

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2025 £
Fund balances at 31 March 2025				
are represented by:				
Tangible fixed assets	—	34,406,774	—	34,406,774
Investments	—	—	861,186	861,186
Net current assets	283,370	(641,285)	3,450,561	3,092,646
Creditors: amounts falling due after one year	—	(5,838,544)	—	(5,838,544)
Debtors: amounts falling due after one year			936,160	936,160
Total net assets	283,370	27,926,945	5,247,907	33,458,222

No unrealised gains or losses on investment properties have arisen.

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2024 £
Fund balances at 31 March 2024				
are represented by:				
Tangible fixed assets	—	35,735,183	—	35,735,183
Investments	—	—	1,111,186	1,111,186
Net current assets	283,370	(1,877,795)	2,377,739	783,314
Creditors: amounts falling due after one year	—	(5,163,840)	—	(5,163,840)
Debtors: amounts falling due after one year			1,093,660	1,093,660
Total net assets	283,370	28,693,548	4,582,585	33,559,503

18. Contingent Liabilities

At 31 March 2025, The Congregation of the Sisters of Nazareth Generalate was funding legal and other costs incurred relating to statutory inquiries that have been established in Northern Ireland, Scotland and England and Wales, into the alleged historical abuse of children. The inquiries are at various stages, with the Historical Institutional Abuse Inquiry in Northern Ireland having reported in January 2017, the England and Wales Independent Inquiry into Child Sexual Abuse has published its final report in October 2022, and the Scottish Child Abuse Inquiry publishing their report into the Sisters of Nazareth in May 2019.

The Congregation of the Sisters of Nazareth Generalate does not expect to incur any further legal costs in relation to the three inquiries. It does incur legal costs relating to claims brought against the

Congregation in all three jurisdictions It is not possible at the present time to provide any meaningful estimate of future costs, some of which may be covered by insurance. It is also not possible to provide any meaningful estimate of the future costs of ongoing claims being brought against the Congregation for which there is no reliable estimate of the value or probability of a claim being paid, some of which may be covered by insurance.

Redress schemes have been established, in March 2020 for Northern Ireland, and in December 2021 for Scotland. England and Wales have not yet announced their intentions. An agreement has been reached to contribute to the cost of redress payments in Scotland and the cost of contributions has been included in these accounts as expenditure. The actual payments will be paid according to an agreed schedule of contributions. No agreement has been reached for Northern Ireland and it is not possible at the present time to provide any meaningful estimate of future contributions, if any.

19. Capital Commitments

At 31 March 2025 the Charity had capital commitments of £nil (2024 - £nil)

20. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.
Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.

In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the

charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

21. Connected entities (continued)

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.
NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.

Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected

entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2025 the Charity was owed £240,106 (2024 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2025 the Charity owed CSNG £5,218,568 (2024 – £5,567,440) (see notes 13 and 14) being a loan of £3,615,474 for the redevelopment of Nazareth House Glasgow and a loan of £1,603,094 (2024 – £1,681,677) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2025, the Charity paid £20,000 (2024 – £20,000) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNG also gave gifts to CSNG worth £7,700 (2024 – £7,700).

Nazareth Care Charitable Trust (NCCT)

At 31 March 2025, the Charity owed £nil (2024 - £1,108,344) to NCCT being £nil (2024 - £608,345) (see note 13) in respect to building and refurbishment works at Nazareth House Cheltenham and £nil (2024 – 499,999) in respect of funds paid by CSNG to support NCCT which are held by CSNG. In addition, the Group was owed £240,106 (2024 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth)

In addition, at 31 March 2024 the Charity was owed £2,599,005 by NCCT (2024 - £3,281,065) being £74,160 (2024 - £102,160) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £18,000 (2024 - £6,000) of which was payable within one year. NCCT owed the Charity £1,524,845 (2023 - £2,133,129) in unpaid rent. NCCT owed the charity £nil (2024 – 29,000) in outstanding stipend payments. In addition, NCCT owed the charity £nil (2024 – 16,776) for works carried out on behalf of NCCT.

In addition, the Charity loaned NCCT £1,000,000 in 2023. During the year the Charity donated £52,000 (2024 - £nil) to NCCT.

During the year to 31 March 2025, the Charity received management stipend income of £354,000 (2024 – £376,661) and rental income of £1,456,233 (2024 – £316,453) from Nazareth Care Charitable Trust. Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £50,270 (2024 - £101,910) in relation to care home fees at the Glasgow and Hammersmith communities.

NRV (Blackburn) Limited

At 31 March 2025 the charity owed £nil (2023 - £26,834) (see note 13) to NRV (Blackburn) Ltd in relation to outstanding service charge voids.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to

meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2025, the Charity owed £240,106 (2024 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2025 the charity owed £nil (2023 - £25,733) (see note 13) to NRV Management (Glasgow) Ltd in relation to outstanding service charge voids.

Other related party transactions

There were no other related party transactions other than those disclosed above (2024 – none).

21. Post Balance Sheet Events

No post balance sheet events.

22. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.

THE CONGREGATION OF THE SISTERS OF NAZARETH CHARITABLE TRUST

England & Wales - Charity number 228906

Accounts



The Congregation of the Sisters of Nazareth Charitable Trust

Annual Report and Audited Accounts

2023 – 2024

Charity Registration Numbers

England and Wales: 228906, Scotland: SC040507



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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham
Sister Teresa Bernadette Fallon
Sister Celine Marie Donnelly

Officers

Regional Superior – UK Region Sister Doreen Cunningham

Administrative Details

Principal Office	Larmenier Centre 162 East End Road London N2 0RU
Email:	uk.administration@nazarethcare.com
Website:	www.sistersofnazareth.com
Charity Registration Numbers:	228906 (England and Wales) SCO40507 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 12 sites which provide care for the elderly and young children. There are 54 Sisters who are spread across 10 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". [Peter 1:22](#)

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

"Be compassionate as your heavenly Father is compassionate". [Luke 6:36](#)

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
“As often as you did it to one of these you did it to me”. [Matt 25:40](#)
- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.
“Blessed are those who hunger and thirst for they shall be satisfied”. [Matt 5:6](#)
- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.
“I was a stranger and you welcomed me in”. [Matt 25:37](#)
- **Patience** – Persevering calmly and with understanding and endurance.
“Blessed are the gentle for they shall possess the earth”. [Matt 5:5](#)

Our Heritage



*Victoire Larmenier Foundress of
Sisters of Nazareth 1827-1878*

The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 34 such houses across its Regions on 31 March 2024. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales and Scotland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

“We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times.”

“Whatsoever you do to the least of my people you do to me.”

Words of Jesus Christ (1 Matt 25:40)

Message From The Regional Superior

We had a gathering of the Nazareth Care's Executive team, General Managers and the Sister Superiors of each house for our annual conference in January. It was a very informative day. We had valuable discussions as well as a nice social gathering.

In June of this year, we had our General Chapter in Hammersmith where delegated Sisters from Africa, America, Australasia, Ireland and the UK regions came together to discuss the past six years and plan for the next six. Following a day of prayer we also had the election of the Superior General and General Councillors. We look forward to start putting the new plans into action in the coming months.

It has been a wonderful year of celebrations within our UK region. Four Sisters celebrated their Diamond Jubilees, and three Sisters have celebrated their Platinum Jubilees. Between them, they have given 450 years of service to our Congregation, and we are so grateful to them. One Sister made her Final Vows in Hammersmith, and two Sisters are in Temporary Profession. We wish them every blessing in the years ahead.

Despite the age of some of our buildings, it is lovely to see new initiatives by Nazareth Care Staff to make the Care Homes more attractive, homely and motivating for Residents. Some of our houses have created little 'cafes', 'pubs' and 'cinema' spaces which have been much appreciated by Residents and visitors. They have also given accommodation to a range of pets which have proved to bring great joy to many of our Residents, Visitors, Staff and Sisters. It is a credit to Staff in the way they are continuously trying to think of ideas to make our Care homes more homely and stimulating.

We are currently working with another organisation to help support them in tackling homelessness. It is hoped that we can continue to work together to move our plans forward in the coming year. Supporting Homeless people was the first work of our Foundress when she came to the UK and is therefore important that we continue in her footsteps.

We are delighted to have had so many young women contact us and visit our convents over the past year to help them discern their vocation. We continue to pray that the Lord will guide them in their journeys ahead. Our Vocation Director and Vocation link Sisters are very committed to spreading our Mission and young people who are searching for the vocation in life. I pray that they will continue to support many people into the future.



Sister Doreen Cunningham
Regional Superior

Yearly review

The main achievements of the Charity during the 2023/24 year include:

1. The delivery of the programme, 'Victoire's Legacy' which has been delivered throughout the region and continues to be rolled out throughout the Congregation.
2. Our Vocation Director has been doing great work in promoting Vocations.
3. Completion of Phase 1 of Hammersmith project. Phase 2 in progress.
4. A finance and risk committee has been established.
5. Steps have been taken to protect our environment, but we recognise that we need to do more.

Victoire's Legacy Programme

This programme covers the legacy of our Foundress, the Mission of the Congregation, Core Values, safeguarding, interculturality and the principles of Servant Leadership. The programme provides training to staff and volunteers in the meaning and application of the Core Values and how to put them into practice in the workplace, ensuring the Core Values and Mission make each Nazareth House and service a distinctive place of care. The continuing and visible presence of Sisters in the majority of services is a reminder to residents, relatives, staff and volunteers of the Congregation's origin and its ongoing commitment to providing spiritual and compassionate care to the elderly and others who benefit from these services.

Vocations

Our Vocation Director and Vocation link Sisters have been very committed in their vocation work. The Vocation Director has been promoting our life of prayer and the apostolate. She is currently communicating with several young women who are discerning their Vocation. She has recently invited some women to a 'Come and See' weekend.

Hammersmith Refurbishment

The Hammersmith Refurbishment project is progressing more slowly than intended, however Phase 1 is now complete and the first group, which is another Charity that we support, have moved into their new location.

Finance and risk Committee

We have established a Finance and risk Committee consisting of our three Trustees, our Finance officer and a lay Advisor. We will meet at least four times a year to discuss Finance and any risks to the Charity.

Challenges

The Congregation's main challenge into the future is the age, health and numbers of Sisters. We currently have 54 Sisters in the region divided into 10 Communities. We must ensure that while our numbers may be low that our Mission continues to flourish.

While it is wonderful to have established houses over 100 years ago to provide care for people and to see them still thriving today, we are also aware that many of these are

needing a considerable amount of maintenance and repair every year and therefore need to think 'long-term' for each house. While some houses have already had significant refurbishments or new builds, a plan is needed for the remaining houses as well as long term maintenance plans for the more recently refurbished.

Future Plans

1. To deepen our Mission with our sister Charity to ensure that our Core Values of love, hospitality, compassion, justice, respect and patience is evident in all that it does.
2. To be more proactive in reducing the amount of pollution and waste we generate. We plan to appoint 'Green Sisters' who will take greater ownership of how we protect our climate at each location. They will form a group in which they can research best practices, share ideas and help set goals for each location.
3. A strategic review of our properties has recently begun. There will be a stock condition survey carried out at each site, except Hammersmith as its refurbishment is already in progress. It is hoped that the surveys will be completed by January 2025 and that we will have a 30 year maintenance plan for all sites.

Trustees' Report

31 March 2024

The Trustees present the report and accounts for the year ended 31 March 2024 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 25 – 29 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Assessment of going concern

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

With regard to the full period of review, December 2025, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 27th such Chapter took place in June 2024. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair (from 7 October 2019)

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019 and again

in 2022. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2019.

Sister Celine Marie Donnelly

Sister Celine Marie Donnelly trained as a Registered Nurse in London. She worked as a Nurse and Registered Manager in our various homes. She completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has been in the role of Local Superior in our Lancaster and Cheltenham houses and is currently superior in our Hammersmith House. She was appointed Regional Councillor to the UK region on 17th October 2022.

Key management personnel

The Trustees consider that they together with the Finance Manager comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

Statement of Trustees' responsibilities

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

The law applicable to charities in England and Wales/Scotland/Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments on 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 financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales and Scotland) comprises of 10 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Throughout the year there is regular contact and communication between each of the communities and the Regional Superior.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then not be sent.
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and
- The Charity has not received any complaints about its fundraising activities.

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

Three key risks faced by the Charity

The Trustees have identified and considered the key risks which the charity might be exposed to, and which are captured in the risk register. At Trustee and Regional Council meetings, the latest risk landscape is discussed to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are three key risks faced by the Charity

1. Historical allegations and public inquiries

There is a risk of reputational damage to the Sisters and the Congregation.

Proceedings into the historic abuse of children formally in the Congregation's care continue. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in its care and deeply regrets any harm or shortcomings in the care provided. The Congregation has and continues to cooperate with the Scottish Inquiry and the Inquiries held in England and Wales and with those government as they set up their redress scheme. All residential children's homes in each of these countries have been closed for many years.

Actions taken to mitigate the risk

We continue our practice of co-operating with all Inquiries and providing ongoing support. Following the passing of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021, the Charity, on behalf of the Congregation, entered into a new agreement with the Scottish Government to contribute to the payments made by Redress Scotland to former children in our care regarding claims of abuse. This was accompanied by a further apology by the Congregation, as published on the gov.scot website. We continue to cooperate with the Scottish Government, Redress Scotland and survivor organisations to support claimants and potential claimants with access to their records and to provide individual apologies when requested, and with other Inquiries, as necessary.

Historical incidents within the Congregation's past are predominantly addressed by the Charity including reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks are covered by insurance. The charity is cooperating with the Religious Life Safeguarding Service and the CSSA.

2. A loss of spirit or mission.

The risk increases as the number of Sisters in the Congregation decreases.

Actions taken to mitigate the risk:

There are several programmes available in the region to ensure the mission is well understood and communicated such as Victoire's Legacy and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Where there is no Community of Sisters on site the sisters continue to make regular visits.

3. Income and Cash Flow

Funding and Cashflow are insufficient to support ongoing operations.

Actions taken to mitigate the risk:

- Detailed budgets and plans produced annually for board approval.
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.
- Financial commitments are not entered into without confirmed source of funding.
- Deploy strong planning and management controls to manage the impact of any change in income.

Introduction of a Finance and Risk Committee

Income and Expenditure

A summary of the results can be found on page 22 of the attached accounts.

Income was to £2.4 million (2023: £2.9 million) with £0.9 million being generated from donations and legacies.

Expenditure amounted to £11.3 million (2023: £4.4 million).

Financial position

The balance sheet shows total funds of £33.6 million (2023: £37 million).

Reserves Policy

Unrestricted funds at 31 March 2024 amounted to £33.3 million and comprised the tangible fixed asset fund and the general fund.

The tangible fixed assets fund totalling £28.7 million, represents the net book value of the Charity's land and buildings and other tangible fixed assets, less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £4.6 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2024. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2024, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £4.6 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

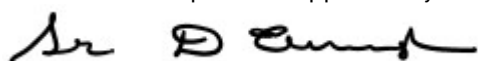
Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

Employed staff are clearly our biggest asset, and we thank them for the contribution that they make. NCCT strives to provide excellent working conditions for its staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require, taking into account public benefit requirements in decision making.

The Trustees' Report was approved by the Trustees and signed on their behalf by:



Sister Doreen Marie Cunningham
Trustee and Regional Superior

Date approved: 17th October 2024

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2024

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 - 13, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

Date: 7 November 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2024

		Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	1	827,770	87,864	915,634	798,774	572,117	1,370,891
Investment income and interest receivable	2	180,172	—	180,172	128,951	—	128,951
Rental income		1,334,743	—	1,334,743	1,346,742	—	1,346,742
Charitable activities							
. Charges for residential and care services for adults		—	—		—	—	—
Other income							
. Miscellaneous income		14,473	—	14,473	44,499	—	44,499
Total income		2,357,158	87,864	2,445,022	2,318,966	572,117	2,891,083
Expenditure:							
Charitable activities							
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	4,213,205	87,864	4,301,069	3,814,958	572,117	4,387,075
Donation to CSNG		7,076,261	—	7,076,261		—	
Total expenditure		11,289,466	87,864	11,377,330	3,814,958	572,117	4,387,075
Net (expenditure) income before net loss on investment properties		(8,932,308)	—	(8,932,308)	(1,495,992)	—	(1,495,992)
Net realised losses on disposal of investment properties		(10,000)	—	(10,000)	(133,807)	—	(133,807)
Loss on revaluation of investment properties			—		(177,600)	—	(177,600)
(Profit)/Loss on disposal of fixed assets	9	(5,481,500)		(5,481,500)	(1,864)		(1,864)
Net movement in funds	5	(3,460,808)	—	(3,460,808)	(1,805,535)	—	(1,805,535)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2023		36,736,941	283,370	37,020,311	38,542,476	283,370	38,825,846
Fund balances carried forward at 31 March 2024	18	33,276,133	283,370	33,559,503	36,736,941	283,370	37,020,311

Balance Sheet

31 March 2024

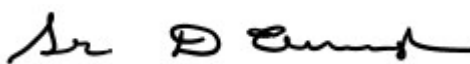
	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		35,735,183		38,353,553
Investment properties	10		1,111,186		2,046,186
			36,846,369		40,399,739
Current assets					
Debtors: amounts falling due within one year	12	320,291		728,722	
Cash at bank and in hand		3,886,120		3,093,714	
		4,206,411		3,822,436	
Current liabilities					
Creditors: amounts falling due within one year	13	(3,423,097)		(2,910,365)	
Net current assets			783,314		912,071
Total assets less current liabilities			37,629,683		41,311,810
Debtors: amounts falling due after one year	11		1,093,660		1,098,160
Creditors: amounts falling due after one year	14		(5,163,840)		(5,389,659)
Total net assets			33,559,503		37,020,311
The funds of the charity:					
Restricted funds	15		283,370		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	28,693,548		31,031,386	
. Designated funds	17				
. General fund		4,582,585		5,705,555	
			33,276,133		36,736,941
			33,559,503		37,020,311

Approved by the Trustees and signed on their behalf by:

Sister Doreen Cunningham

Chair of Trustee

Date of approval: 17th October 2024



Statement of cash flows

Year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	(6,665,216)	(1,768,559)
Cash flow from investing activities:			
Interest and rents from investments		180,172	128,951
Proceeds from the disposal of investment properties		913,492	830,987
Purchase of tangible fixed assets		(639,781)	(546,194)
Proceeds from the disposal of tangible fixed assets		7,076,261	—
Net cash used in investing activities		7,530,144	413,744
Cash flow from financing activities:			
Repayments of borrowing		(572,522)	(544,505)
Cash inflows from new borrowing		500,000	570,000
Net cash (used in) provided by financing activities		(72,522)	25,495
Change in cash and cash equivalents in the year		792,406	(1,329,320)
Cash and cash equivalents at 1 April 2022	B	3,093,714	4,423,034
Cash and cash equivalents at 31 March 2023	B	3,886,120	3,093,714

Notes to the statement of cash flows for the year to 31 March 2024

A Reconciliation of net movement in funds to net cash provided by operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	(3,460,808)	(1,805,535)
Adjustments for:		
Depreciation charge	1,668,388	1,696,957
Loss on investments	10,000	133,806
Revaluation of investment properties	—	177,600
Net (gain) loss on disposal of tangible fixed assets	(5,481,500)	(1,864)
Interest and rents from investments	(180,172)	(128,951)
(Increase) decrease in debtors	412,931	(1,419,037)
(Decrease)/Increase in creditors	365,945	(421,535)
Net cash provided by operating activities	(6,665,216)	(1,768,559)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Total cash and cash equivalents: Cash at bank and in hand	3,886,120	3,093,714

Principal Accounting Policies 31 March 2024

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 March 2024 with comparative information given in respect to the year to 31 March 2023.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- ◆ assessing the value of any impairment required against the value of tangible fixed assets.
- ◆ estimating the value of investment properties.
- ◆ assessing the probability of the receipt of legacy income.
- ◆ determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at year end.

Assessment of going concern

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

With regard to the full period of review, December 2025, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

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, rental income, charges for residential and care services and other income.

Donations are accounted for when the conditions of receipt are met, it is probable the amounts will be received and the amount receivable can be reliability estimated.

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. Legacies are treated as restricted income in the statement of financial activities where they are restricted to the community that receives them.

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.

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.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.

In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

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.

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of

these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2024

1. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
	£	£	£	£	£	£
Legacies	—	25,345	25,345	—	537,884	537,884
Covenanted salaries and pensions of individual religious	451,109	—	451,109	422,824	—	422,824
Covenanted stipends received by individual religious	376,661	—	376,661	375,950	—	375,950
Other donations	—	62,519	62,519	—	34,233	34,233
Total funds	827,770	87,864	915,634	798,774	572,117	1,370,891

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

	Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
£	£	£	£	£	£	£
Income from rental properties	174,667	—	174,667	127,681	—	127,681
Bank interest	5,505	—	5,505	1,270	—	1,270
Total funds	180,172	—	180,172	128,951	—	128,951

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
	£	£	£	£	£	£
Staff costs	87,773	—	87,773	84,885	—	84,885
Premises	256,286	8,786	265,072	142,343	57,212	199,555
Care and welfare	1,094,538	79,078	1,173,616	612,665	514,905	1,127,570
Management and administration of the Care Homes	129,441	—	129,441	68,184	—	68,184
Depreciation	1,668,388	—	1,668,388	1,696,957	—	1,696,957
Provision for Doubtful Debts	949,359	—	949,359	1,183,770	—	1,183,770
Governance costs (note 4)	27,420	—	27,420	26,154	—	26,154
Total funds	4,213,205	87,864	4,301,069	3,814,958	572,117	4,387,075

The costs of providing residential and care services include the living and personal expenses of individual

Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
	£	£	£	£	£	£
Audit and accountancy services	27,420	—	27,420	26,154	—	26,154
Total		—		26,154	—	26,154

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2024	Total 2023
	£	£
Staff costs (note 6)	87,773	84,885
Auditor's remuneration and audit costs, net of VAT		
Statutory audit	22,850	21,795
Depreciation	1,668,388	1,696,957

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2024	2023
	£	£
Wages and salaries	76,470	73,781
Social security costs	5,185	5,202
Other pension costs	6,118	5,902
	87,773	84,885
Payments to agency staff	—	—
	87,773	84,885
Staff costs per function were as follows:		
Management	87,773	84,885

There was one employee (2023 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2024 Number	2023 Number
£60,000 - £70,000	—	—
£70,001 - £80,000	1	1
The average number of employees during the year was:		
	Total 2024	Total 2023
Management	1	1

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Trustees and the Finance Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £87,773 (2023 - £84,885).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2023- £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £29,928 (2023 - £33,342).

8. Taxation

As a registered charity The Congregation of the Sisters of Nazareth Charitable Trust is potentially exempt from taxation of income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2023	61,600,817	104,500	473,405	230,496	62,409,218
Additions	607,486	—	16,689	15,606	639,781
Disposal	(5,854,450)	—			(5,854,450)
At 31 March 2024	56,353,853	104,500	490,094	246,102	57,194,549
Depreciation and impairment					
At 1 April 2023	23,650,224	20,900	236,313	148,228	24,055,665
Charge for year	1,600,087	2,090	41,961	24,250	1,668,388
Disposal	(4,264,687)				(4,264,687)
At 31 March 2024	20,985,624	22,990	278,274	172,478	21,459,366
Net book values					
At 31 March 2024	35,368,229	81,510	211,820	73,624	35,735,183
At 1 April 2023	37,950,593	83,600	237,092	82,268	38,353,553

10. Investment Properties

	2024 £	2023 £
Market value		
At 1 April 2023	2,046,186	3,186,180
Additions		—
Disposals	(935,000)	(962,394)
Revaluation		(177,600)
At 31 March 2024	1,111,186	2,046,186

Investment properties are included above at estimated market value and are located within Blackburn Retirement Village and Glasgow Retirement Village. Valuations were carried out on the investment properties during the year by local firm of estate agents. There are no restrictions on the disposal of the investment properties. Four of the six investment properties at Blackburn incur service charge costs while the other two properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2024 £	2023 £
Amount due from Nazareth Care Charitable Trust (note 21)	1,093,660	1,098,160

12. Debtors: Amounts Falling Due Within One Year

	2024 £	2023 £
Charges for care services	25,509	27,718

Amount due from The Congregation of the Sisters of Nazareth Generalate (note 21)	240,106	240,106
Amount due from Nazareth Care Charitable Trust (note 21)	2,187,405	1,195,270
Legacy Debtor	—	449,000
Other debtors	400	398
Provision for Doubtful Debts	(2,133,129)	(1,183,770)
	320,291	728,722

13. Creditors: Amounts Falling Due Within One Year

	2024	2023
	£	£
Bank loans	1,474,195	1,670,907
Other creditors	6,442	9,542
Taxes and social security	7,148	2,551
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 14 and 21)	403,600	261,600
Amount due to Nazareth Care Charitable Trust (note 21)	1,108,344	608,345
Accruals and deferred income	130,695	117,314
Amount due to NRV Blackburn Ltd	26,834	—
Amount due to NRV Management Glasgow Ltd	25,733	—
Amount due to NRV Development (Plymouth) Limited (note 21)	240,106	240,106
	3,423,097	2,910,365

14. Creditors: Amounts Falling Due After One Year

	2024	2023
	£	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	5,163,840	5,389,659
Bank loans	—	—
	5,163,840	5,389,659

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2024 was £3,885,763 (including interest of £120,582).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. No repayment of the principle or interest will be required until one calendar year from the first quarter day after the completion date. The loan balance at 31 March 2024 was £1,681,677 (2023 – £1,631,844) including interest of £49,833 (2023 – £48,226).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2024 was £572,813 (2023 - £624,643). The loan is repayable before 31 March 2024 (note 13). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2024 was £901,382 (2023 - £1,046,262). The loan is repayable before 31 March 2024 (note 13).

15. Restricted Funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Restricted donations and legacies	—	87,864	(87,864)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370			283,370
	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted donations and legacies	—	572,117	(572,117)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	572,117	(572,117)	283,370

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2024 £	At 31 March 2023 £
Tangible fixed assets		
. At 1 April 2023	31,031,386	31,902,255
. Movements in the year	4,703,797	6,451,298
. At 31 March 2024	35,735,183	38,353,553
Less: Loans to finance refurbishment and development of property	(7,041,635)	(7,322,167)
	28,693,548	31,031,386

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Analysis of Net Assets Between Funds

	Restricted funds	Tangible fixed assets fund	General fund	Total 2024
	£	£	£	£
Fund balances at 31 March 2024				
are represented by:				
Tangible fixed assets	—	35,735,183	—	35,735,183
Investments	—	—	1,111,186	1,111,186
Net current assets	283,370	(1,877,795)	2,377,739	783,314
Creditors: amounts falling due after one year	—	(5,163,840)	—	(5,163,840)
Debtors: amounts falling due after one year			1,093,660	1,093,660
Total net assets	283,370	28,693,548	4,582,585	33,559,503

No unrealised gains or losses on investment properties have arisen.

	Restricted funds	Tangible fixed assets fund	General fund	Total 2023
	£	£	£	£
Fund balances at 31 March 2023				
are represented by:				
Tangible fixed assets	—	38,353,553	—	38,353,553
Investments	—	—	2,046,186	2,046,186
Net current assets	283,370	(1,932,508)	2,561,209	912,071
Creditors: amounts falling due after one year	—	(5,389,659)	—	(5,389,659)
Debtors: amounts falling due after one year			1,098,160	1,098,160
Total net assets	283,370	31,031,386	5,705,555	37,020,311

18. Contingent Liabilities

At 31 March 2024, The Congregation of the Sisters of Nazareth Generalate was funding legal and other costs incurred relating to statutory inquiries that have been established in Northern Ireland, Scotland and England and Wales, into the alleged historical abuse of children. The inquiries are at various stages, with the Historical Institutional Abuse Inquiry in Northern Ireland having reported in January 2017, the England and Wales Independent Inquiry into Child Sexual Abuse has published its final report in October 2022, and the Scottish Child Abuse Inquiry publishing their report into the Sisters of Nazareth in May 2019.

The Congregation of the Sisters of Nazareth Generalate expects to incur further legal costs in relation to all three inquiries. It is not possible at the present time to provide any meaningful estimate of future

costs, some of which may be covered by insurance. It is also not possible to provide any meaningful estimate of the future costs of ongoing claims being brought against the Congregation for which there is no reliable estimate of the value or probability of a claim being paid, some of which may be covered by insurance.

Redress schemes have been established, in March 2020 for Northern Ireland, and in December 2021 for Scotland. England and Wales have not yet announced their intentions. An agreement has been reached to contribute to the cost of redress payments in Scotland and the cost of contributions has been included in these accounts as expenditure. The actual payments will be paid according to an agreed schedule of contributions. No agreement has been reached for Northern Ireland and it is not possible at the present time to provide any meaningful estimate of future contributions, if any.

19. Capital Commitments

At 31 March 2024 the Charity had capital commitments of £nil (2023 - £nil)

20. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.
Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.

In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None

of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

21. Connected entities (continued)

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.
NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.

Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2024 the Charity was owed £240,106 (2023 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2024 the Charity owed CSNG £5,567,440 (2023 – £5,651,259) (see notes 13 and 14) being a loan of £3,885,763 for the redevelopment of Nazareth House Glasgow and a loan of £1,681,677 (2023 – £1,631,677) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2024, the Charity paid £20,000 (2023 – £20,000) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNG also gave gifts to CSNG worth £7,700 (2023 – £7,700).

Nazareth Care Charitable Trust (NCCT)

At 31 March 2024, the Charity owed £1,108,344 (2023 - £608,345) to NCCT being £608,345 (2023 - £608,345) (see note 13) in respect to building and refurbishment works at Nazareth House Cheltenham and £499,999 (2023 – nil) in respect of funds paid by CSNG to support NCCT which are held by CSNG. In addition, the Group was owed £240,106 (2023 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth)

In addition, at 31 March 2024 the Charity was owed £3,281,065 by NCCT (2023 - £2,293,430) being £102,160 (2023 - £109,660) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £6,000 (2023 - £11,500) of which was payable within one year. NCCT owed the Charity £2,133,129 (2023 - £1,183,770) in unpaid rent. A provision for doubtful debt has been made in the accounts for the unpaid rent (see note 12). NCCT owed the charity £29,000 (2023 – nil) in outstanding stipend payments. In addition NCCT owed the charity £16,776 (2023 – nil) for works carried out on behalf of NCCT.

In addition, the Charity loaned NCCT £1,000,000 in 2023. During the year the Charity donated £nil (2023 - £nil) to NCCT.

During the year to 31 March 2024, the Charity received management stipend income of £376,661 (2023 – £375,950) and rental income of £316,453 (2023 – £80,425) from Nazareth Care Charitable Trust. Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £101,910 (2023 - £5,819) in relation to care home fees at the Glasgow and Hammersmith communities.

NRV (Blackburn) Limited

At 31 March 2024 the charity owed £26,834 (2023 - £nil) (see note 13) to NRV (Blackburn) Ltd in relation to outstanding service charge voids.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to

meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2024, the Charity owed £240,106 (2023 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2024 the charity owed £25,733 (2023 - £nil) (see note 13) to NRV Management (Glasgow) Ltd in relation to outstanding service charge voids.

Other related party transactions

There were no other related party transactions other than those disclosed above (2023 – none).

21. Post Balance Sheet Events

The loss incurred by CSNCT for the year ending 31 March resulted in the financial covenant provisions in the facility agreements with Barclays Bank being breached (notes 13 & 14). The carrying amount of the loans payable at 31 March was £ 1,474,195. Barclays issued a comfort letter in October 2024. The terms of the loans did not need to be renegotiated.

22. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.

Accounts



The Congregation of the Sisters of Nazareth Charitable Trust

Annual Report and Audited Accounts

2022 – 2023

Charity Registration Numbers

England and Wales: 228906, Scotland: SC040507



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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham	
Sister Teresa Bernadette Fallon	
Sister Madeleine Merriman	appointed 7th October 2015 ended 17 th October 2022
Sister Celine Marie Donnelly	appointed 17 th October 2022

Officers

Regional Superior – UK Region	Sister Doreen Cunningham
Chief Executive Officer – UK Region	Angela Dempsey appointed March 2023
Chief Executive Officer – UK Region	Richard Whitby resigned 15 May 2022
Acting Chief Executive Officer -UK Region	Michael Anderson appointed May 2022 resigned. March 2023

Administrative Details

Principal Office	Larmenier Centre 162 East End Road London N2 0RU
Email:	uk.administration@nazarethcare.com
Website:	www.sistersofnazareth.com
Charity Registration Numbers:	228906 (England and Wales) SCO40507 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 12 sites which provide care for the elderly and young children. There are 57 Sisters who are spread across 10 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". [Peter 1:22](#)

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

"Be compassionate as your heavenly Father is compassionate". [Luke 6:36](#)

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
“As often as you did it to one of these you did it to me”. [Matt 25:40](#)
- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.
“Blessed are those who hunger and thirst for they shall be satisfied”. [Matt 5:6](#)
- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.
“I was a stranger and you welcomed me in”. [Matt 25:37](#)
- **Patience** – Persevering calmly and with understanding and endurance.
“Blessed are the gentle for they shall possess the earth”. [Matt 5.5](#)

Our Heritage



*Victoire Larmenier Foundress of
Sisters of Nazareth 1827-1878*

The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 37 such houses across its Regions on 31 March 2023. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales, Scotland and Northern Ireland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

“We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times.”

“Whatsoever you do to the least of my people you do to me.”

Words of Jesus Christ (1 Matt 25:40)

Message From The Regional Superior

The Regional Superiors and CEOs from Africa, America, Australia, Ireland, and the United Kingdom met with our General Council for our Global conference in America in March 2023. It was our first face to face meeting since the covid 19 pandemic. While still taking precautions, we have returned to normality again. It is wonderful to see children from local schools and nurseries visit our Care Homes again and interacting so well with the residents.

The Apartment block in Glasgow has seen new occupiers over the past year and there is a beautiful Community spirit among all living there. There are a few more people waiting to move in too.

We were delighted to welcome two Sisters from the Australasian region to join our UK region. They are a great asset to our region. We are also very pleased to have appointed Sister Faustina Sua as our new Vocation promoter for the region in May of this year. Sister comes with good experience from her time working in Australia as a vocation link Sister, and we wish her every blessing in her new role. She, and our novices have recently attended the Youth 2000 Festival at Ampleforth which was a great success.

After much discussion and planning, a major refurbishment project has commenced at Hammersmith, our Mother House. This is a four-year project as our aim is to cause minimal disruption to all who live and work there.

We are privileged to have our Heritage Centre within the UK region. Many staff from our Sister Charity have had the opportunity to, not only watch our heritage video, but to visit the centre in person. It provides much insight into the early years of our Congregation.

The Sisters are delighted to have been able to support Nazareth Care in recruiting care staff from India. To date, we have been able to provide accommodation for 50 staff. The Sisters are also delighted to have them join us in prayer and for Mass. We are expecting more to arrive in the coming months. It is wonderful to see the beautiful newly built wing at our Birkenhead location fully occupied with Residents.

We are very aware of the importance of protecting our planet are looking forward to working closely with our Sister Charity in the coming year to further our work in protecting our environment.



Sister Doreen Cunningham
Regional Superior

Yearly review

The main achievements of the Charity during the 2022/23 year include:

1. The delivery of the Heritage Programme throughout the region.
2. Supporting the sister charity including assisting with the recruitment of care staff as well as financially.
3. Commencement of a major refurbishment project in Hammersmith, which is also our Mother House.
4. The Sale of eight apartments and further apartments going through sales at time of report.
5. Newly refurbished wing at Birkenhead location is fully occupied.

The delivery of the Heritage Programme throughout the region.

Two Sisters travelled around the region delivering the Heritage programme and talking of our Core Values to Sisters and Staff at all our locations. Many Sisters and some staff have also had the opportunity to visit the Heritage Centre in Hammersmith.

Overseas Staff

Each Community assisted Nazareth Care in providing accommodation for their overseas staff. We have to date been able to accommodate 50 Staff. They were seen as a blessing to our homes and it was lovely to see many of them gradually bring members of their families over too.

Hammersmith Refurbishment

After some years of discussing and planning the new refurbishment project at Hammersmith we are delighted to see it actually start this year. The Residents, Sisters and Staff are being kept closely informed as the phases are managed. We are most grateful to all for their patience and cooperation during this time.

Sale of Apartments at Glasgow

After a relatively slow start, including the covid 19 pandemic, we are very pleased to see the apartments being occupied and more going through sales.

Birkenhead New wing

It is lovely to see a vibrant Community of residents living in the new wing at Birkenhead.

Challenges

The Congregation's main challenge into the future is the age, health and numbers of sisters. We currently have 58 Sisters in the region divided into 10 Communities. It is hoped that we will be able to take more young people from other regions going forward.

Future Plans

1. To get more involved with our Sister Charity in protecting our climate for the future.

- Recycling is encouraged throughout the Region. Clothing recycling bins have been put in place. Staff are encouraged to bring in good quality items they no longer need. Other staff can take as they need, such as toys, children's clothing and other items such as unwanted gifts.
 - The congregation has been very active in enhancing our gardens. Planting of various flowers and trees has taken place. Two of our houses have provided areas for local beekeepers to accommodate beehives.
 - Our Sister Charity, Nazareth Care Charitable Trust realise that the sisters are committed to becoming more environmentally aware and that we all want to change behaviour and lifestyle to reduce the amount of pollution and waste we generate.
 - Nazareth Care has encouraged staff to share items within Nazareth. Houses can share what they need or no longer need so this can be re-purposed across the UK.
2. To establish an ongoing delivery and review of the Heritage programme and our Core Values throughout the region.
 3. As some of our buildings are quite aged, we will be having a strategic review undertaken of all our properties. We are very much looking forward to the suggestions/ advice on how we can make our buildings more comfortable and effective in the coming years within this challenging care environment.

Trustees' Report

31 March 2023

The Trustees present the report and accounts for the year ended 31 March 2023 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 25 – 29 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Assessment of going concern

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

With regard to the full period of review, December 2024, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

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Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 26th such Chapter took place in June 2018. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair (from 7 October 2019)

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019 and again in 2022. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2019.

Sister Madeleine Merriman

Sister Madeleine Carmel Merriman has completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009, at Crosby in 2013, and at Southend in 2016 until it closed in April 2020. She was appointed Superior in Cardiff in May 2020. She was appointed Regional Councillor in 2014 for the UK Region and reappointed in 2019. She stepped down on 17th October 2022. The board is most grateful to Sister Madeleine for her hard work throughout her terms as trustee.

Sister Celine Marie Donnelly

Sister Celine Marie Donnelly trained as a Registered Nurse in London. She worked as a Nurse and Registered Manager in our various homes. She completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has been in the role of Local Superior in our Lancaster and Cheltenham houses and is currently superior in our Hammersmith House. She was appointed Regional Councillor to the UK region on 17th October 2022.

Key management personnel

The Trustees consider that they together with the Chief Executive Officer and the senior management team comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

The pay of the Chief Executive Officer and senior management team is reviewed annually.

Statement of Trustees' responsibilities

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

The law applicable to charities in England and Wales/Scotland/Northern Ireland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments on 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 financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales, Scotland and Northern Ireland) comprises of 10 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Throughout the year there is regular contact and communication between each of the communities and the Regional team.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

The Charity's Trustees continue to be supported by the senior management team of Nazareth Care Charitable Trust which acts in an advisory capacity to the board and assists in the review of the Congregation's business focus. When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then not be sent.
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and
- The Charity has not received any complaints about its fundraising activities.

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

Three key risks faced by the Charity

The Trustees have identified and considered the key risks which the charity might be exposed to, and which are captured in the risk register. At Trustee and Regional Council meetings, the latest risk landscape is discussed to ensure that as far as possible all reasonable steps have been taken to identify, mitigate and manage known and emerging risks.

Below are three key risks faced by the Charity

1. Historical allegations and public inquiries

There is a risk of reputational damage to the Sisters and the Congregation.

Proceedings into the historic abuse of children formally in the Congregation's care continue. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in its care and deeply regrets any harm or shortcomings in the care provided. The Congregation has and continues to cooperate with the Scottish Inquiry and the Inquiries held in England and Wales and with those government as they set up their redress scheme. All residential children's homes in each of these countries have been closed for many years.

Actions taken to mitigate the risk

We continue our practice of co-operating with all Inquiries and providing ongoing support. Following the passing of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021, the Charity, on behalf of the Congregation, entered into a new agreement with the Scottish Government to contribute to the payments made by Redress Scotland to former children in our care regarding claims of abuse. This was accompanied by a further apology by the Congregation, as published on the gov.scot website. We continue to cooperate with the Scottish Government, Redress Scotland and survivor organisations to support claimants and potential claimants with access to their records and to provide individual apologies when requested, and with other Inquiries, as necessary.

Historical incidents within the Congregation's past are predominantly addressed by the Charity including reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks are covered by insurance. The charity is cooperating with the Religious Life Safeguarding Service and the CSSA.

2. A loss of spirit or mission.

The risk increases as the number of Sisters in the Congregation decreases.

Actions taken to mitigate the risk:

There are several programmes available in the region to ensure the mission is well understood and communicated such as Victoire's Legacy and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Where there is no Community of Sisters on site the sisters continue to make regular visits.

3. Income and Cash Flow

Funding and Cashflow are insufficient to support ongoing operations.

Actions taken to mitigate the risk:

- Detailed budgets and plans produced annually for board approval.
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.
- Financial commitments are not entered into without confirmed source of funding.
- Deploy strong planning and management controls to manage the impact of any change in income.

Introduction of a Finance and Risk Committee

Income and Expenditure

A summary of the results can be found on page 22 of the attached accounts.

Income was to £2.9 million (2022: £2.9 million) with £1.4 million being generated from donations and legacies.

Expenditure amounted to £4.4 million (2022: £4.6 million).

Financial position

The balance sheet shows total funds of £37 million (2022: £38.8 million).

Reserves Policy

Unrestricted funds at 31 March 2023 amounted to £36.7 million and comprised the tangible fixed asset fund and the general fund.

The tangible fixed assets fund totalling £31.0 million, represents the net book value of the Charity's land and buildings and other tangible fixed assets, less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £5.7 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2023. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2023, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £4.1 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

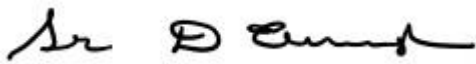
Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

Employed staff are clearly our biggest asset, and we thank them for the contribution that they make. NCCT strives to provide excellent working conditions for its staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require, taking into account public benefit requirements in decision making.

The Trustees' Report was approved by the Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Sr D Cunningham', written in a cursive style.

Sister Doreen Marie Cunningham
Trustee and Regional Superior

Date approved: 12th December 2023

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2023

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust ('the charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 - 13, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

Date: 15th December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2023

		Unrestricted funds	Restricted funds	2023 Total funds	Unrestricted funds	Restricted funds	2022 Total funds
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	1	798,774	572,117	1,370,891	923,498	491,899	1,415,397
Investment income and interest receivable	2	128,951	—	128,951	79,814	—	79,814
Rental income		1,346,742	—	1,346,742	1,391,813	—	1,391,813
Charitable activities							
. Charges for residential and care services for adults		—	—		—	—	—
Other income							
. Miscellaneous income		44,499	—	44,499	4,687	—	4,687
Total income		2,318,966	572,117	2,891,083	2,399,812	491,899	2,891,711
Expenditure:							
Charitable activities							
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	3,814,958	572,117	4,387,075	2,623,592	491,899	3,115,491
. Loss on disposal of Belfast operations	23	—	—	—	1,450,741	—	1,450,741
(Profit)/Loss on disposal of asset		(1,864)	—	(1,864)	(8,033)	—	(8,033)
Total expenditure		3,813,094	572,117	4,385,211	4,066,300	491,899	4,558,199
Net (expenditure) income before net loss on investment properties		(1,494,128)	—	(1,494,128)	(1,666,488)	—	(1,666,488)
Net realised losses on disposal of investment properties		(133,807)	—	(133,807)	(6,600)	—	(6,600)
Loss on revaluation of investment properties		(177,600)	—	(177,600)	(311,406)	—	(311,406)
Net (expenditure) income and net movement in funds	5	(1,805,535)	—	(1,805,535)	(1,984,494)	—	(1,984,494)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		38,542,476	283,370	38,825,846	40,526,970	283,370	40,810,340
Fund balances carried forward at 31 March 2023	18	36,736,941	283,370	37,020,311	38,542,476	283,370	38,825,846

Balance Sheet

31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		38,353,553		39,511,362
Investment properties	10		2,046,186		3,186,180
			40,399,739		42,697,542
Current assets					
Debtors: amounts falling due after one year	11	1,098,160		103,660	
Debtors: amounts falling due within one year	12	728,722		304,185	
Cash at bank and in hand		3,093,714		4,423,034	
		4,920,596		4,830,879	
Current liabilities					
Creditors: amounts falling due within one year	13	(2,910,365)		(1,561,492)	
Net current assets			2,010,231		3,269,387
Total assets less current liabilities			42,409,970		45,966,929
Creditors: amounts falling due after one year	14		(5,389,659)		(7,141,083)
Total net assets			37,020,311		38,825,846
The funds of the charity:					
Restricted funds	15		283,370		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	31,031,386		31,902,255	
. Designated funds	17				
. General fund		5,705,555		6,640,221	
			36,736,941		38,542,476
			37,020,311		38,825,846

Approved by the Trustees and signed on their behalf by:

Sister Doreen Cunningham
Chair of Trustee

Date of approval: 12th December 2023



Statement of cash flows

Year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	(1,768,559)	663,983
Cash flow from investing activities:			
Interest and rents from investments		128,951	79,814
Proceeds from the disposal of investment properties		830,987	150,000
Purchase of tangible fixed assets		(546,194)	(1,560,183)
Net cash used in investing activities		413,744	(1,330,369)
Cash flow from financing activities:			
Repayments of borrowing		(544,505)	(546,795)
Cash inflows from new borrowing		570,000	14,712
Net cash (used in) provided by financing activities		25,495	(532,083)
Change in cash and cash equivalents in the year		(1,329,320)	(1,198,469)
Cash and cash equivalents at 1 April 2022	B	4,423,034	5,621,503
Cash and cash equivalents at 31 March 2023	B	3,093,714	4,423,034

Notes to the statement of cash flows for the year to 31 March 2023

A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(1,805,535)	(1,984,493)
Adjustments for:		
Depreciation charge	1,696,957	1,642,875
Loss on investments	133,806	6,600
Impairment loss		1,450,741
Revaluation of investment properties	177,600	311,406
Net (gain) loss on disposal of tangible fixed assets		
	(1,864)	(8,033)
Interest and rents from investments	(128,951)	(79,814)
(Increase) decrease in debtors	(1,419,037)	198,628
(Decrease)/Increase in creditors	(421,535)	(873,927)
Net cash provided by operating activities	(1,768,559)	663,983

B Analysis of cash and cash equivalents

	2023 £	2022 £
Total cash and cash equivalents: Cash at bank and in hand	3,093,714	4,423,034

Principal Accounting Policies 31 March 2023

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

Basis of preparation

These accounts have been prepared for the year to 31 March 2023 with comparative information given in respect to the year to 31 March 2022.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- ◆ assessing the value of any impairment required against the value of tangible fixed assets.
- ◆ estimating the value of investment properties.
- ◆ assessing the probability of the receipt of legacy income.
- ◆ determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at year end.

Assessment of going concern

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

With regard to the full period of review, December 2024, our planning processes, including financial forecasts, cash flow forecasts, and scenario planning take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

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. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

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, rental income, charges for residential and care services and other income.

Donations are accounted for when the conditions of receipt are met, it is probable the amounts will be received and the amount receivable can be reliability estimated.

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. Legacies are treated as restricted income in the statement of financial activities where they are restricted to the community that receives them.

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.

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.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.

In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic

life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

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.

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2023

1. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Legacies	—	537,884	537,884	—	376,368	376,368
Covenanted salaries and pensions of individual religious	422,824	—	422,824	494,334	—	494,334
Covenanted stipends received by individual religious	375,950	—	375,950	429,164	—	429,164
Other donations	—	34,233	34,233	—	115,531	115,531
Total funds	798,774	572,117	1,370,891	923,498	491,899	1,415,397

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
£	£	£	£	£	£	£
Income from rental properties	127,681	—	127,681	79,791	—	79,791
Bank interest	1,270	—	1,270	23	—	23
Total funds	128,951	—	128,951	79,814	—	79,814

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Staff costs	84,885	—	84,885	61,179	—	61,179
Premises	142,343	57,212	199,555	179,109	49,190	228,299
Care and welfare	612,665	514,905	1,127,570	661,913	442,709	1,104,622
Management and administration of the Care Homes	68,184	—	68,184	57,636	—	57,636
Depreciation	1,696,957	—	1,696,957	1,642,875	—	1,642,875
Provision for Doubtful Debts	1,183,770	—	1,183,770	—	—	—
Governance costs (note 4)	26,154	—	26,154	20,880	—	20,880
Total funds	3,814,958	572,117	4,387,075	2,623,592	491,899	3,115,491

The costs of providing residential and care services include the living and personal expenses of individual

Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Audit and accountancy services	26,154	—	26,154	20,880	—	20,880
Total	26,154	—	26,154	20,880	—	20,880

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2023	Total 2022
	£	£
Staff costs (note 6)	84,885	61,179
Auditor's remuneration and audit costs, net of VAT		
Statutory audit	21,795	20,880
Depreciation	1,696,957	1,642,875

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	73,781	53,692
Social security costs	5,202	3,192
Other pension costs	5,902	4,295
	84,885	61,179
Payments to agency staff	—	—
	84,885	61,179
Staff costs per function were as follows:		
Management	84,885	61,179

There was one employee (2022 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2023 Number	2022 Number
£60,000 - £70,000	—	1
£70,001 - £80,000	1	—
The average number of employees during the year was:		
	Total 2023	Total 2022
Management	1	1

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Trustees, the Chief Executive Officer and the senior management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £84,885 (2022 - £61,179).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2022- £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £33,342 (2022 - £35,237).

8. Taxation

As a registered charity The Congregation of the Sisters of Nazareth Charitable Trust is potentially exempt from taxation of income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	61,135,276	104,500	443,313	247,497	61,930,586
Additions	472,052	—	52,142	22,000	546,194
Disposal	(6,511)	—	(22,050)	(39,001)	(67,562)
At 31 March 2023	61,600,817	104,500	473,405	230,496	62,409,218
Depreciation and impairment					
At 1 April 2022	22,023,589	18,810	214,356	162,469	22,419,224
Charge for year	1,626,635	2,090	44,007	24,225	1,696,957
Disposal			(22,050)	(38,466)	(60,516)
At 31 March 2023	23,650,224	20,900	236,313	148,228	24,055,665
Net book values					
At 31 March 2023	37,950,593	83,600	237,092	82,268	38,353,553
At 1 April 2022	39,111,687	85,690	228,957	85,028	39,511,362

10. Investment Properties

	2023 £	2022 £
Market value		
At 1 April 2022	3,186,180	3,488,186
Additions	—	166,000
Disposals	(962,394)	(156,600)
Revaluation	(177,600)	(311,406)
At 31 March 2023	2,046,186	3,186,180

A prior year adjustment was required during the year in relation to fixed assets following a review of the fixed asset register. Fixed assets within land and buildings category that related to investment property. As a result, the fixed asset note and the investment properties note have been adjusted for the current year and prior year.

Investment properties are included above at estimated market value and are located within Blackburn Retirement Village and Glasgow Retirement Village. Valuations were carried out on the investment properties during the year by local firm of estate agents. There are no restrictions on the disposal of the investment properties. Two of the five investment properties at Blackburn incur service charge costs while the other three properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2023 £	2022 £
Amount due from Nazareth Care Charitable Trust (note 20)	1,098,160	103,660

12. Debtors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Charges for care services	27,718	23,581
Amount due from The Congregation of the Sisters of Nazareth Generalate (note 20)	240,106	240,106
Amount due from Nazareth Care Charitable Trust (note 20)	1,195,270	11,500
Legacy Debtor	449,000	—
Other debtors	398	28,998
Provision for Doubtful Debts	(1,183,770)	—
	728,722	304,185

A legacy of £449,000 was received in September 2023. This relates to the legacy debtor listed in the above Note 12.

13. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Bank loans	1,670,907	218,424
Other creditors	9,542	—
Taxes and social security	2,551	1,942
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 14 and 21)	261,600	249,600
Amount due to Nazareth Care Charitable Trust (note 20)	608,345	610,063
Accruals and deferred income	117,314	241,357
Amount due to NRV Development (Plymouth) Limited (note 20)	240,106	240,106
	2,910,365	1,561,492

14. Creditors: Amounts Falling Due After One Year

	2023	2022
	£	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 20)	5,389,659	5,482,734
Bank loans	—	1,658,349
	5,389,659	7,141,083

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2023 was £4,019,415 (including interest of £124,934).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House

Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. No repayment of the principle or interest will be required until one calendar year from the first quarter day after the completion date. The loan balance at 31 March 2023 was £1,631,844 (2022 – £1,583,618) including interest of £48,226 (2022 – £46,789).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2023 was £624,643 (2022 - £680,877). £50,555 of the loan is repayable before 31 March 2023 (note 13). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2023 was £1,046,262 (2022 - £1,195,896). £142,188 of the loan is repayable before 31 March 2023 (note 13).

15. Restricted Funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted donations and legacies	—	572,117	(572,117)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	572,117	(572,117)	283,370

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted donations and legacies	—	491,899	(491,899)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	491,899	(491,899)	283,370

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2023 £	Restated At 31 March 2022 £
Tangible fixed assets		
. At 1 April 2022	31,902,255	31,894,659
. Movements in the year	6,451,298	7,616,703
. At 31 March 2023	38,353,553	39,511,362
Less: Loans to finance refurbishment and development of property	(7,322,167)	(7,609,107)
	31,031,386	31,902,255

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets (excluding those used in respect to the provision of residential care for older people in Northern Ireland) less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Analysis of Net Assets Between Funds

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2023 £
Fund balances at 31 March 2023				
are represented by:				
Tangible fixed assets	—	38,353,553	—	38,353,553
Investments	—	—	2,046,186	2,046,186
Net current assets	283,370	(1,932,508)	3,659,369	2,010,231
Creditors: amounts falling due after one year	—	(5,389,659)	—	(5,389,659)
Total net assets	283,370	31,031,386	5,705,555	37,020,311

No unrealised gains or losses on investment properties have arisen.

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2022 £
Fund balances at 31 March 2022				
are represented by:				
Tangible fixed assets	—	39,511,362	—	39,511,362
Investments	—	—	3,186,180	3,186,180
Net current assets	283,370	(468,024)	3,454,041	3,269,387
Creditors: amounts falling due after one year	—	(7,141,083)	—	(7,141,083)
Total net assets	283,370	31,902,255	6,640,221	38,825,846

18. Contingent Liabilities

At 31 March 2023, The Congregation of the Sisters of Nazareth Generalate was funding legal and other costs incurred relating to statutory inquiries that have been established in Northern Ireland, Scotland and England and Wales, into the alleged historical abuse of children. The inquiries are at various stages, with the Historical Institutional Abuse Inquiry in Northern Ireland having reported in January 2017, the England and Wales Independent Inquiry into Child Sexual Abuse has published its final report in October 2022, and the Scottish Child Abuse Inquiry publishing their report into the Sisters of Nazareth in May 2019.

The Congregation of the Sisters of Nazareth Generalate expects to incur further legal costs in relation to all three inquiries. It is not possible at the present time to provide any meaningful estimate of future costs, some of which may be covered by insurance. It is also not possible to provide any meaningful estimate of the future costs of ongoing claims being brought against the Congregation for which there is no reliable estimate of the value or probability of a claim being paid, some of which may be covered

by insurance.

Redress schemes have been established, in March 2020 for Northern Ireland, and in December 2021 for Scotland. England and Wales have not yet announced their intentions. An agreement has been reached to contribute to the cost of redress payments in Scotland and the cost of contributions has been included in these accounts as expenditure. The actual payments will be paid according to an agreed schedule of contributions. No agreement has been reached for Northern Ireland and it is not possible at the present time to provide any meaningful estimate of future contributions, if any.

19. Capital Commitments

At 31 March 2023 the Charity had capital commitments of £nil (2022 - £nil)

20. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.
Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.

In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG. At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

20. Connected entities (continued)

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.
NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.

Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2023 the Charity was owed £240,106 (2021 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2023 the Charity owed CSNG £5,651,259 (2022 – £5,732,334) (see notes 13 and 14) being a loan of £4,019,415 for the redevelopment of Nazareth House Glasgow and a loan of £1,631,844 (2022 – £1,583,618) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2023, the Charity paid £20,000 (2022 – £65,145) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNG also gave gifts to CSNG worth £7,700 (2022 – £7,700).

Nazareth Care Charitable Trust (NCCT)

At 31 March 2023, the Charity owed £608,345 (2021 - £610,063) to NCCT being £608,345 (2022 - £608,345) (see note 13) in respect to building and refurbishment works at Nazareth House Cheltenham. In addition, the Group was owed £240,106 (2022 - £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth)

In addition, at 31 March 2023 the Charity was owed £2,293,430 by NCCT (2022 - £115,160) being £109,660 (2022 - £115,160) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £11,500 (2022 - £11,500) of which was payable within one year. NCCT owed the Charity £1,183,770 (2022 - £nil) in unpaid rent. A provision for doubtful debt has been made in the accounts for the unpaid rent (see note 12).

In addition, the Charity loaned NCCT £1,000,000 (2022 - £nil). During the year the Charity donated £nil (2022 - £nil) to NCCT.

During the year to 31 March 2023, the Charity received management stipend income of £375,950 (2022 – £421,880) and rental income of £80,425 (2022 – £1,284,248) from Nazareth Care Charitable Trust. Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £5,819 (2022 - £3,500) in relation to care home fees at the Birkenhead, Cheltenham and Plymouth communities.

NRV (Blackburn) Limited

During the year NRV (Blackburn) Limited collected rent from the residents of the Blackburn Retirement Village on behalf of the Charity. At 31 March 2023, a balance of £nil (2022 - £nil) (see note 12) was owed to CSNG by NRV (Blackburn) Limited.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2023, the Charity owed £240,106 (2022 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2023, the Charity was owed £nil (2022 - £nil) by NRV Management (Glasgow) Limited in respect of a service charge refund for void fees paid.

Other related party transactions

There were no other related party transactions other than those disclosed above (2022 – none).

21. Post Balance Sheet Events

The loss incurred by CSNCT for the year ending 31 March resulted in the financial covenant provisions in the facility agreements with Barclays Bank being breached (notes 13 & 14). The carrying amount of the loans payable at 31 March was £ 1,670,907. Barclays issued a comfort letter in September 2023. The terms of the loans did not need to be renegotiated.

22. Prior Year Adjustment

A prior year adjustment was required during the year in relation to fixed assets following a review of the fixed asset register. Fixed assets within land and buildings category that related to investment property. As a result, the fixed asset note and the investment properties note have been adjusted for the current year and prior year.

	At 1 April 2021	At 31 March 2022
Reconciliation of funds		
Funds as previously stated	38,667,492	36,982,338
Revaluation of investment properties	1,830,028	1,518,622
Add back of depreciation	43,173	61,840
Profit/(loss) on disposal of investment properties	269,647	263,047
Funds as restated	40,810,340	38,825,846
Reconciliation of 2022 SOFA		2022
2022 total as previously stated		-1,685,154
Loss on revaluation of investment properties		-311,406
Add back of depreciation		18,667
(Loss) on disposal of investment properties		-6,600
2022 total as restated		-1,984,494

23. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.

Accounts



The Congregation of the Sisters of Nazareth Charitable Trust

Annual Report and Audited Accounts

2021 – 2022

Charity Registration Numbers

England and Wales: 228906, Scotland: SC040507



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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham	Chair from 7th October 2019
Sister Teresa Bernadette Fallon	appointed 29th January 2013
Sister Madeleine Merriman	appointed 7th October 2015 ended 17 th October 2022
Sister Celine Marie Donnelly	appointed 17 th October 2022

Officers

Regional Superior – UK Region	Sister Doreen Cunningham
Chief Executive Officer – UK Region	Richard Whitby resigned 15 May 2022
Acting Chief Executive Officer -UK Region	Michael Anderson appointed May 2022

Administrative Details

Principal Office	Larmenier Centre 162 East End Road London N2 0RU
Email:	uk.administration@nazarethcare.com
Website:	www.sistersofnazareth.com
Charity Registration Numbers:	228906 (England and Wales) SCO40507 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 12 sites which provide care for the elderly and young children. There are 57 Sisters who are spread across 10 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". [Peter 1:22](#)

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

"Be compassionate as your heavenly Father is compassionate". [Luke 6:36](#)

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
“As often as you did it to one of these you did it to me”. [Matt 25:40](#)
- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.
“Blessed are those who hunger and thirst for they shall be satisfied”. [Matt 5:6](#)
- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.
“I was a stranger and you welcomed me in”. [Matt 25:37](#)
- **Patience** – Persevering calmly and with understanding and endurance.
“Blessed are the gentle for they shall possess the earth”. [Matt 5.5](#)

Our Heritage



*Victoire Larmenier Foundress of
Sisters of Nazareth 1827-1878*

The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 37 such houses across its Regions on 31 March 2017. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales, Scotland and Northern Ireland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

“We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times.”

“Whatsoever you do to the least of my people you do to me.”

Words of Jesus Christ (1 Matt 25:40)

Message From The Regional Superior

We never thought that COVID-19 would be something that we would have to live with. Thankfully, with the mass distribution of vaccinations and boosters we are in a much better situation than we were a year ago and are beginning to feel a sense of normality again. As restrictions lessen, we pray that everyone will continue to be safe and able to continue life as normal as possible while taking all necessary precautions. The trustees are so grateful to the Nazareth Care Team for the great dedication they have shown throughout the pandemic and as they continue to take careful precautions.

As one crisis is managed, another becomes concerning. This year particularly has proved increasingly difficult in recruiting permanent staff to our care homes which is not only a problem within Nazareth, but nationally. We would like to thank Michael Anderson, Acting CEO for Nazareth Care, and his team for the way in which they are responding to this challenge. We are pleased that the sisters are able to support the team with some of their new initiatives.

As we continue to witness climate changes and the way it has negatively affected the lives of so many people over the past year, we realise that care for our creation must be one of our highest priorities. The sisters have taken very seriously their commitment in trying to do as much as they can to protect our environment including the planting of trees.

The introduction of an Ongoing Formation Director last year has proved very successful throughout the region. She has developed a three- year programme which has already started and which the sisters are finding very helpful. The programme was devised from the suggestions of the sisters to help equip them both spiritually and in learning new skills.

The death of our Vocations director at a young age came as a huge shock to the region. Sister Frances, who was also the Vocation Promoter for the Bishops Conference of England and Wales and Conference of Religious, was very dedicated to her role as vocation director and organised many special events within the region and in other countries. She is very sadly and fondly missed in the region. We are very pleased however that young women are still making contact with us as they discern their vocation and we are grateful to the vocation link sisters for their support in promoting vocations.



Sister Doreen Cunningham
Regional Superior

Yearly review

The main achievements of the Charity during the 2021/22 year include:

- 1. Supporting the sister charity including assisting with the recruitment of care staff as well as financially.**
- 2. Undertaking a review of safeguarding practices in the region.**
- 3. The introduction of Lay Pastoral Care Coordinators for our Care Homes.**
- 4. Three novices making their first profession in September 2021 and shortly after returning to the African Region to continue their religious journey as Sisters of Nazareth.**
- 5. The completion of the refurbishment project at one of our sites.**

Overseas Staff

At a time in which there is a national shortage of social care staff, we are pleased to be in a position to support our sister charity in their sponsoring of overseas staff. Part of this process involves providing 3 months accommodation to each staff sponsored at the location at which they will work. The sisters have offered Nazareth Care temporary accommodation at various sites throughout the region. Sisters, in their governance role, have also been involved in the interviewing of these staff. The sisters are excited about the prospect of accommodating these people as it is in keeping with the mission of our foundress, especially in relation to our core value of hospitality and look forward to having them as part of our Nazareth family.

Review of safeguarding practices

The charity has become a member of the new Religious Life Safeguarding Service (RLSS) for England and Wales. This is a 'one church' approach. It offers training and support to the Congregation and will be audited by the Catholic Safeguarding Standards Agency (C SSA). Survivors of abuse within the church will be very much supported within this new project.

The Introduction of Lay Pastoral Care Coordinators in our Care Homes

Historically pastoral care to residents, their relatives, staff and visitors was mainly provided by the sisters. With the increasing age and frailty of our sisters, a decision was made to recruit lay pastoral care coordinators. This has been introduced this year to our Northampton and has proved very positive. The pastoral care coordinator has a monthly plan in place and supports people of all faiths and none. It is hoped to gradually recruit lay pastoral care coordinators in all of our houses with the support of the sisters.

Newly professed Sisters

We had the great joy of sharing in the celebration of the first professions of three young sisters. Their Professions took place at our Hammersmith House and was greatly enjoyed by all the Sisters. The Sisters have since returned to Africa where they will continue living out their religious life.

We have had five new novices come from Africa and Australia to do their Novitiate training, part of which involves spending time in the various Nazareth Houses. They always enjoy their experience with Residents and Children and their help is always greatly appreciated by Sisters and Staff.

Birkenhead Refurbishment

We were pleased to finally see the completion of the refurbishment of our care home at Birkenhead. It had been delayed much longer than had been anticipated, partly due to COVID 19 restrictions. In addition to the refurbishment of the care home, an eight bedded unit was built.

Cardiff Roof

Our Cardiff building is a very large building, part of which is a listed building. Areas of the roof have been repaired over the past year.

Challenges

The Congregation's main challenge going forward in this Region is the age and numbers of Sisters. We are currently 57 Sisters in the region divided into 10 Communities with only two under the age of 50 years. We are very fortunate however to have our Novitiate in Hammersmith, so we have a number of young women doing their novitiate training in the UK each year from other Countries.

The issue of historic abuse of children in the Congregation's care continues to impact on our activities today. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in our care and deeply regrets any harm or shortcomings in the care that was provided. The Congregation has and continues to co-operate with the Scottish Inquiry.

Future plans

Promoting our Core Values across the region

To have a greater focus on our Core Values throughout our charity in conjunction with our sister charity.

Delivery of our Heritage programme

Two Sisters have been appointed to complete the delivery of our Heritage programme at all of our sites throughout the region within the coming financial year.

Hammersmith refurbishment

There have been numerous meetings and discussions over the year to determine the best plans for the refurbishment of the care home and convent. It is hoped that the project will have commenced by September 2023.

Appointment of a new Vocations Director for the Region

A new Vocations director to be appointed. In the meantime, the Vocation Link sisters will continue to promote vocation work within the region. Young women continue to make contact with the Congregation and some have spent time visiting or living within our Communities to help them discern their vocation.

Trustees' Report

31 March 2022

The Trustees present the report and accounts for the year ended 31 March 2022 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 25 – 29 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Assessment of going concern

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed within the Principal accounting policies under Critical accounting estimates and areas of judgement.

With regard to the next accounting period, the year ending 31 March 2023, our planning processes, including financial forecasts, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Looking forward to twelve months from the date of signing up to December 2024, the Charity's forecast, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity to enable it to remain a going concern.

Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 26th such Chapter took place in June 2018. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair (from 7 October 2019)

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019 and again in 2022. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2019.

Sister Madeleine Merriman

Sister Madeleine Carmel Merriman has completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009, at Crosby in 2013, and at Southend in 2016 until it closed in April 2020. She was appointed Superior in Cardiff in May 2020. She was appointed Regional Councillor in 2014 for the UK Region and reappointed in 2019. She stepped down on 17th October 2022. The board is most grateful to Sister Madeleine for her hard work throughout her terms as trustee.

Sister Celine Marie Donnelly

Sister Celine Marie Donnelly trained as a Registered Nurse in London. She worked as a Nurse and Registered Manager in our various homes. She completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has been in the role of Local Superior in our Lancaster and Cheltenham houses and is currently superior in our Hammersmith House. She was appointed Regional Councillor to the UK region on 17th October 2022.

Key management personnel

The Trustees consider that they together with the Chief Executive Officer and the senior management team comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

The pay of the Chief Executive Officer and senior management team is reviewed annually.

Trustees' Responsibilities Statement

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

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year giving 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 judgments on 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 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales, Scotland and Northern Ireland) comprises of 11 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Each community has a Sister Superior. Throughout the year there is regular contact and communication between each of the communities and the Regional team.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

The Charity's Trustees continue to be supported by the senior management team of Nazareth Care Charitable Trust which acts in an advisory capacity to the board and assists in the review of the Congregation's business focus. When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then

not be sent.

- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and
- The Charity has not received any complaints about its fundraising activities (2020- none).

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

Four key risks faced by the Charity

1. Historical allegations and public inquiries

There is a risk of reputational damage to the Sisters and the Congregation.

Proceedings into the historic abuse of children formally in the Congregation's care continue. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in its care and deeply regrets any harm or shortcomings in the care provided. The Congregation has and continues to cooperate with the Scottish Inquiry and the Inquiries held in England and Wales and with those government as they set up their redress scheme. All residential children's homes in each of these countries have been closed for many years.

Actions taken to mitigate the risk

We continue our practice of co-operating with all Inquiries and providing ongoing support. Following the passing of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021, the Charity, on behalf of the Congregation, entered into a new agreement with the Scottish Government to contribute to the payments made by Redress Scotland to former children in our care regarding claims of abuse. This was accompanied by a further apology by the Congregation, as published on the gov.scot website. We continue to cooperate with the Scottish Government, Redress Scotland and survivor organisations to support claimants and potential claimants with access to their records and to provide individual apologies when requested, and with other Inquiries, as necessary.

Historical incidents within the Congregation's past are predominantly addressed by the Charity including reviewing practices and continuing to cooperate fully with all public Inquiries and with individuals making their own enquiries or civil proceedings. Many safeguarding risks are covered by insurance. The charity is cooperating with the Religious Life Safeguarding Service and the CSSA.

2. COVID-19 poses a risk to our residents, staff and sister's safety.

Actions taken to mitigate the risk:

We continue to follow the policies and procedures of Nazareth Care and Government guidance.

3. A loss of spirit or mission.

The risk increases as the number of Sisters in the Congregation decreases.

Actions taken to mitigate the risk:

There are several programmes available in the region to ensure the mission is well understood and communicated such as Victoire's Legacy and the Core Values of the organisation. Sisters remain intrinsic to each house and are visible throughout the majority of houses. Where there is no Community of Sisters on site the sisters continue to make regular visits.

4. Income and Cash Flow

Funding and Cashflow are insufficient to support ongoing operations.

Actions taken to mitigate the risk:

- Detailed budgets and plans produced annually for board approval.
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.
- Financial commitments are not entered into without confirmed source of funding.
- Deploy strong planning and management controls to manage the impact of any change in income.

Income and Expenditure

A summary of the results can be found on page 21 of the attached accounts.

Income was to £2.9 million (2021: £6.7 million) with £1.4 million being generated from donations and legacies. The reduction in income was mainly due to the discontinued operations of the Belfast site.

Expenditure amounted to £4.6 million (2021: £7.4 million).

Financial position

The balance sheet shows total funds of £37 million (2021: £38.7 million).

Reserves Policy

Unrestricted funds at 31 March 2022 amounted to £36.7 million and comprised the tangible fixed asset fund and the general fund.

The tangible fixed assets fund totalling £32.8 million, represents the net book value of the Charity's land and buildings and other tangible fixed assets, less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £3.9 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2022. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2022, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £3.9 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

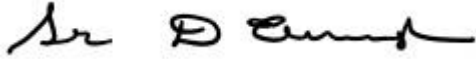
Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

Employed staff are clearly our biggest asset, and we thank them for the contribution that they make. NCCT strives to provide excellent working conditions for its staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require.

Approved by the Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Sr Doreen', with a stylized flourish at the end.

Sister Doreen Marie Cunningham
Trustee and Regional Superior

Date approved: 26th January 2023

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2022

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust ('the charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 - 13, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

30 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2022

		Continuing operations		Discontinued operations					
	Notes	Unrestricted funds £	Restricted funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income:									
Donations and legacies	1	923,498	491,899	—	—	1,415,397	1,039,300	200,641	1,239,941
Investment income and interest receivable	2	79,814	—	—	—	79,814	89,034	—	89,034
Rental income		1,391,813	—	—	—	1,391,813	1,361,252	—	1,361,252
Charitable activities									
. Charges for residential and care services for adults		—	—	—	—	—	4,017,891	—	4,017,891
Other income									
. Miscellaneous income		4,687	—	—	—	4,687	30,913	—	30,913
Total income		2,399,812	491,899	—	—	2,891,711	6,538,390	200,641	6,739,031
Expenditure:									
Charitable activities									
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	2,642,258	491,899	—	—	3,134,157	7,144,399	200,641	7,345,040
. Donation to Nazareth Care Charitable Trust (Registered Charity No. 1113666)		—	—	—	—	—	93,745	—	93,745
. Loss on disposal of Belfast operations	23	—	—	1,450,741	—	1,450,741	—	—	—
(Profit)/Loss on disposal of asset		(8,033)	—	—	—	(8,033)	(45,117)	—	(45,117)
Total expenditure		2,634,225	491,899	1,450,741	—	4,576,865	7,193,027	200,641	7,393,668
Net (expenditure) income before net gains on investment properties									
Net realised gains on disposal of investment properties		—	—	—	—	—	—	—	—
Net (expenditure) income and net movement in funds	5	(234,413)	—	(1,450,741)	—	(1,685,154)	(654,637)	—	(654,637)
Reconciliation of funds:									
Fund balances brought forward at 1 April 2021		36,933,381	283,370	1,450,741	—	38,667,492	39,038,759	283,370	39,322,129
Fund balances carried forward at 31 March 2022	18	36,698,968	283,370	—	—	36,982,338	38,384,122	283,370	38,667,492

Please see note 23 on discontinued operations.

Balance Sheet

31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		40,382,847		41,476,108
Investment properties	10		471,186		471,186
			40,854,033		41,947,294
Current assets					
Debtors: amounts falling due after one year	11	103,660		114,660	
Debtors: amounts falling due within one year	12	304,185		491,813	
Cash at bank and in hand		4,423,034		5,621,503	
		4,830,879		6,227,976	
Current liabilities					
Creditors: amounts falling due within one year	13	(1,561,491)		(2,131,312)	
Net current assets			3,269,388		4,096,664
Total assets less current liabilities			44,123,421		46,043,958
Creditors: amounts falling due after one year	14		(7,141,083)		(7,376,466)
Total net assets			36,982,338		38,667,492
The funds of the charity:					
Restricted funds	15		283,370		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	32,773,740		32,766,144	
. Designated funds	17	—			
. General fund		3,925,228		5,617,978	
			36,698,968		38,384,122
			36,982,338		38,667,492

Approved by the Trustees and signed on their behalf by:

Sister Doreen Cunningham
Chair of Trustee

Date of approval: 26th January 2023



Statement of cash flows

Year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	663,983	2,034,860
Cash flow from investing activities:			
Interest and rents from investments		79,814	89,034
Proceeds from the disposal of tangible fixed assets		150,000	324,000
Purchase of tangible fixed assets		(1,560,183)	(1,587,952)
Proceeds from the disposal of investments		—	—
VAT refund receivable		—	—
Net cash used in investing activities		(1,330,369)	(1,174,918)
Cash flow from financing activities:			
Repayments of borrowing		(546,795)	(626,924)
Cash inflows from new borrowing		14,712	971,767
Net cash (used in) provided by financing activities		(532,083)	344,843
Change in cash and cash equivalents in the year		(1,198,469)	1,204,785
Cash and cash equivalents at 1 April 2021	B	5,621,503	4,416,718
Cash and cash equivalents at 31 March 2022	B	4,423,034	5,621,503

Notes to the statement of cash flows for the year to 31 March 2022

A Reconciliation of net movement in funds to net cash provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(1,685,154)	(654,637)
Adjustments for:		
Depreciation charge	1,661,542	1,701,694
Gains on investments	—	—
Impairment loss	1,450,741	
Net (gain) loss on disposal of tangible fixed assets	(8,033)	(45,117)
Interest and rents from investments	(79,814)	(89,034)
(Increase) decrease in debtors	198,628	1,009,669
(Decrease)/Increase in creditors	(873,927)	112,285
Net cash provided by operating activities	663,983	2,034,860

B Analysis of cash and cash equivalents

	2022 £	2021 £
Total cash and cash equivalents: Cash at bank and in hand	4,423,034	5,621,503

Principal Accounting Policies 31 March 2022

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 March 2022 with comparative information given in respect to the year to 31 March 2021.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- ◆ assessing the value of any impairment required against the value of tangible fixed assets.
- ◆ estimating the value of investment properties.
- ◆ assessing the probability of the receipt of legacy income.
- ◆ assessing the recoverability of outstanding debtors for residential and care services.
- ◆ determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at the year end.

Assessment of going concern

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above under Critical accounting estimates and areas of judgement.

The most significant areas of judgement that affect items in the accounts are detailed in the Critical accounting estimates and areas of judgement section.

With regard to the next accounting period, the year ending 31 March 2023, our planning processes, including financial forecasts, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Looking forward to twelve months from the date of signing up to December 2024, the Charity's forecast, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity to enable it to remain a going concern.

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, rental income, charges for residential and care services and other income.

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

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

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

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.

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.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
 - Provision of residential and care services for adults, including the running costs of the individual care homes operated by the Congregation and the support of the Sisters and their individual ministry.
 - Support of the Congregation's work overseas and of other organisations which relates, in the main, to the grants and donations in support of the Congregation's work overseas and the support of other Roman Catholic charitable organisations.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.

In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

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.

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2022

1. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Legacies	—	376,368	376,368	—	112,026	112,026
Covenanted salaries and pensions of individual religious	494,334	—	494,334	571,260	—	571,260
Covenanted stipends received by individual religious	429,164	—	429,164	468,040	—	468,040
Glasgow Building Fund donations	—	—	—	—	—	—
Other donations	—	115,531	115,531	—	88,615	88,615
Total funds	923,498	491,899	1,415,397	1,039,300	200,641	1,239,941

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
£	£	£	£	£	£	£
Income from rental properties	79,791	—	79,791	88,762	—	88,762
Bank interest	23	—	23	272	—	272
Total funds	79,814	—	79,814	89,034	—	89,034

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Staff costs	61,179	—	61,179	2,349,539	180,577	2,530,116
Premises	179,109	49,190	228,299	527,510	20,064	547,574
Care and welfare	661,912	442,709	1,104,621	1,558,644	—	1,558,644
Management and administration of the						
Care Homes	57,636	—	57,636	986,132	—	986,132
Depreciation	1,661,542	—	1,661,542	1,701,694	—	1,701,694
Governance costs (note 4)	20,880	—	20,880	20,880	—	20,880
Total funds	2,642,258	491,899	3,134,157	7,144,399	200,641	7,345,040

The costs of providing residential and care services include the living and personal expenses of individual Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Audit and accountancy services	20,880	—	20,880	20,880	—	20,880
Total	20,880	—	20,880	20,880	—	20,880

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2022	Total 2021
	£	£
Staff costs (note 6)	61,179	2,530,116
Auditor's remuneration and audit costs, including VAT		
Statutory audit	20,880	20,880
Depreciation	1,661,542	1,701,694

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	53,692	2,288,096
Social security costs	3,192	158,789
Other pension costs	4,295	41,468
	61,179	2,488,353
Payments to agency staff	—	41,763
	61,179	2,530,116
Staff costs per function were as follows:		
Management	61,179	2,530,116

There was no employee (2021 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2022 Number	2021 Number
£60,000 - £70,000	—	
£70,001 - £80,000	—	1
The average number of employees during the year was:		
	Total 2022	Total 2021
Management	1	169

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis comprise the Trustees, the Chief Executive Officer and the senior management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £61,179 (2021 - £154,366).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2021 - £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £35,237 (2021 - £35,143).

8. Taxation

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

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	61,470,499	104,500	1,007,249	255,096	62,837,344
Additions	1,402,584	—	80,678	76,922	1,560,184
Disposal	(804,482)	—	(644,614)	(84,521)	(1,533,617)
At 31 March 2022	62,068,601	104,500	443,313	247,497	62,863,911
Depreciation and impairment					
At 1 April 2021	20,612,145	16,720	535,797	196,574	21,361,236
Charge for year	1,595,956	2,090	42,560	20,936	1,661,542
Disposal	(122,672)	—	(364,001)	(55,041)	(541,714)
At 31 March 2022	22,085,429	18,810	214,356	162,469	22,481,064
Net book values					
At 31 March 2022	39,983,172	85,690	228,957	85,028	40,382,847
At 1 April 2021	40,858,354	87,780	471,452	58,522	41,476,108

10. Investment Properties

	2022 £	2021 £
Market value		
At 1 April 2021	471,186	471,186
Disposals at book value (proceeds: £nil, gains: £nil)	—	—
At 31 March 2022	471,186	471,186

Investment properties are included above at estimated market value and are all located within Blackburn Retirement Village. Valuations were carried out on the investment properties during the year by local firm of estate agents. There are no restrictions on the disposal of the investment properties. Two of the five investment properties incur service charge costs while the other three properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2022 £	2021 £
Amount due from Nazareth Care Charitable Trust (note 21)	103,660	114,660

12. Debtors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Prepayments and accrued income	—	17,743
Charges for care services	23,581	142,673
Amount due from The Congregation of the Sisters of Nazareth Generalate (note 21)	240,106	240,106
Amount due from Nazareth Care Charitable Trust (note 21)	11,500	25,212
Amount due from NRV (Blackburn) Limited (note 21)	—	52,461
Other debtors	28,998	3,004
Amounts due from NRV (Glasgow) Limited	—	10,614
	304,185	491,813

13. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Expense creditors	—	75,396
Bank loans	218,424	271,476
Other creditors	—	724
Taxes and social security	1,942	39,637
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 14 and 21)	249,600	249,600
Amount due to Nazareth Care Charitable Trust (note 21)	610,063	683,345
Accruals and deferred income	241,356	571,028
Amount due to NRV Development (Plymouth) Limited (note 21)	240,106	240,106
	1,561,491	2,131,312

14. Creditors: Amounts Falling Due After One Year

	2022	2021
	£	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	5,482,734	5,677,185
Bank loans	1,658,349	1,699,281
	7,141,083	7,376,466

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2022 was £4,148,716 (including interest of £130,210).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the

Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. No repayment of the principle or interest will be required until one calendar year from the first quarter day after the completion date. The loan balance at 31 March 2022 was £1,583,618 (2020 – £1,526,866) including interest of £46,789 (2021 – £30,230).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2022 was £680,877 (2021 - £697,934). £61,176 of the loan is repayable before 31 March 2022 (note 13). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2022 was £1,195,896 (2021 - £1,272,823). £157,248 of the loan is repayable before 31 March 2022 (note 13).

15. Restricted Funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted donations and legacies	—	491,899	(491,899)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	—	—	283,370
	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted donations and legacies	—	200,641	(200,641)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	200,641	(200,641)	283,370

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2022 £	Restated At 31 March 2021 £
Tangible fixed assets		
. At 1 April 2021	32,766,144	33,799,415
. Movements in the year	7,616,703	6,864,271
. At 31 March 2022	40,382,847	40,663,686
Less: Loans to finance refurbishment and development of property	(7,609,107)	(7,897,542)
	32,773,740	32,766,144

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets (excluding those used in respect to the provision of residential care for older people in Northern Ireland) less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Designated Funds

The unrestricted 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 April 2021 £	New designations £	Utilised/ released £	At 31 March 2022 £
Total designated funds: Care services fund	—	—	—	—

	At 1 April 2020 £	New designations £	Utilised/ released £	At 31 March 2021 £
Total designated funds: Care services fund	1,501,269	—	(1,501,269)	—

The care services fund represented those net assets applied in the provision of care services at Nazareth House Belfast. From April 2021 the charity discontinued its operations in Belfast. The fund balance has been moved to the general fund.

18. Analysis of Net Assets Between Funds

	Restricted funds	Designated funds	Tangible fixed assets fund	General fund	Total 2022
	£	£	£	£	£
Fund balances at 31 March 2022					
are represented by:					
Tangible fixed assets	—	—	40,382,847		40,382,847
Investments	—	—	—	471,186	471,186
Net current assets	283,370	—	(468,024)	3,454,042	3,269,388
Creditors: amounts falling due after one year	—	—	(7,141,083)	—	(7,141,083)
Total net assets	283,370	—	32,773,740	3,925,228	36,982,338

No unrealised gains or losses on investment properties have arisen.

	Restricted funds	Designated funds	Tangible fixed assets fund	General fund	Total 2021
	£	£	£	£	£
Fund balances at 31 March 2021					
are represented by:					
Tangible fixed assets	—	—	40,663,686	812,422	41,476,108
Investments	—	—	—	471,186	471,186
Net current assets	283,370	—	(521,076)	4,334,370	4,096,664
Creditors: amounts falling due after one year	—	—	(7,376,466)	—	(7,376,466)
Total net assets	283,370	—	32,766,144	5,617,978	38,667,492

19. Contingent Liabilities

At 31 March 2022, The Congregation of the Sisters of Nazareth Generalate was funding legal and other costs incurred relating to statutory inquiries that have been established in Northern Ireland, Scotland and England and Wales, into the alleged historical abuse of children. The inquiries are at various stages, with the Historical Institutional Abuse Inquiry in Northern Ireland having reported in January 2017, the England and Wales Independent Inquiry into Child Sexual Abuse has published an interim report and continues to hear evidence, and the Scottish Child Abuse Inquiry publishing their report into the Sisters of Nazareth in May 2019.

The Congregation of the Sisters of Nazareth Generalate expects to incur further legal costs in relation to all three inquiries. It is not possible at the present time to provide any meaningful estimate of future costs, some of which may be covered by insurance. It is also not possible to provide any meaningful estimate of the future costs of ongoing claims being brought against the Congregation for which there

is no reliable estimate of the value or probability of a claim being paid, some of which may be covered by insurance.

Redress schemes have been established, in March 2020 for Northern Ireland, and in December 2021 for Scotland. England and Wales have not yet announced their intentions. An agreement has been reached to contribute to the cost of redress payments in Scotland and the cost of contributions has been included in these accounts as expenditure. The actual payments will be paid according to an agreed schedule of contributions. No agreement has been reached for Northern Ireland and it is not possible at the present time to provide any meaningful estimate of future contributions, if any.

20. Capital Commitments

At 31 March 2022 the Charity had capital commitments of £nil (2021 - £nil)

21. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.
Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.

In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

21. Connected entities (continued)

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.
NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.

Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2022 the Charity was owed £240,106 (2021 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2022 the Charity owed CSNG £5,732,334 (2021 – £5,926,785) (see notes 13 and 14) being a loan of £4,148,716 for the redevelopment of Nazareth House Glasgow and a loan of £1,583,618 (2021 – £1,526,866) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2022, the Charity paid £20,000 (2021 – £65,145) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNCT also gave gifts to CSNG worth £7,700 (2021 – £7,700).

Nazareth Care Charitable Trust (NCCT)

At 31 March 2022, the Charity owed £610,063 (2021 - £683,345) to NCCT being £608,345 (2021 - £608,345) (see note 13) in respect to building and refurbishment works at Nazareth House Cheltenham and £1,718 (2021 – £nil) for expenditure paid for by NCCT. In addition, the Group was owed £240,106 (2021 - £240,106) being £240,106 (2021 – £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited.

In addition, at 31 March 2022 the Charity was owed £115,160 by NCCT (2021 - £139,872) being £115,160 (2021 - £138,660) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £11,500 (2021 - £24,000) of which was payable within one year. During the year the Charity donated £nil (2021 - £93,745) to NCCT.

During the year to 31 March 2022, the Charity received management stipend income of £421,880 (2021 – £458,590) and rental income of £1,284,248 (2021 – £1,245,411) from Nazareth Care Charitable Trust. Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £3,500 (2021 - £49,961) in relation to care home fees at the Glasgow and Hammersmith communities.

NRV (Blackburn) Limited

During the year NRV (Blackburn) Limited collected rent from the residents of the Blackburn Retirement Village on behalf of the Charity. At 31 March 2022, a balance of £nil (2021 - £52,461) (see note 12) was owed to CSNCT by NRV (Blackburn) Limited.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2022, the Charity owed £240,106 (2021 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2022, the Charity was owed £nil (2021 - £10,614) by NRV Management (Glasgow) Limited in respect of a service charge refund for void fees paid.

Other related party transactions

There were no other related party transactions other than those disclosed above (2021 – none).

22. Post Balance Sheet Events

The charity and Nazareth Care Charitable Trust entered into a loan agreement. The charity loaned Nazareth Care Charitable Trust £1.07M.

23. Discontinued Operations

From April 2021 the charity discontinued its operations in Belfast. The income and expenditure associated with Belfast are therefore disclosed as discontinued operations in the Statement of Financial Activities.

24. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.

THE CONGREGATION OF THE SISTERS OF NAZARETH CHARITABLE TRUST

England & Wales - Charity number 228906

Accounts



The Congregation of the Sisters of Nazareth Charitable Trust

Annual Report and Audited Accounts

2020 – 2021

Charity Registration Numbers

England and Wales: 228906, Scotland: SC040507



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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Sister Doreen Marie Cunningham	Chair from 7 October 2019
Sister Teresa Bernadette Fallon	appointed 29 January 2013
Sister Madeleine Merriman	appointed 7 October 2015

Officers

Regional Superior – UK Region	Sister Doreen Cunningham
Chief Executive Officer – UK Region	Richard Whitby

Administrative Details

Principal Office	Larmenier Centre 162 East End Road London N2 0RU
Email:	uk.administration@nazarethcare.com
Website:	www.sistersofnazareth.com
Charity Registration Numbers:	228906 (England and Wales) SC040507 (Scotland)
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA
Principal Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

Introduction – About Us

Who We Are

The Congregation of the Sisters of Nazareth, UK Region is one Region of the worldwide Congregation. In this Region we have 13 sites which provide care for the elderly and young children. There are 66 Sisters who are spread across 11 communities.

Our Vision

To continue to provide care that promotes health and quality of life for all in our care and services to the local community where possible.

Our Mission

To promote and deliver with Nazareth Care quality caring services based on the compassion of Christ and in line with our Mission statement.

Our Aims and Objectives

- To provide evidence based, client focussed care.
- To provide sound governance and management, using a consultative approach with residents, staff, and stakeholders and to identify future directions.
- To actively seek out and work with other groups, individuals, and local communities to promote our mission.
- To make space for reinventing and the emergence of the new in the care environment.
- To protect and strengthen our patrimony, heritage, charism, mission and values.

Our Philosophy

- We believe that, following the example of Jesus as leader, we are committed to serving others.
- We believe that, as followers of Christ, we imitate his love and compassion, when we show hospitality.
- We believe in the dignity and sacredness of each person and that this leads to respect, justice and patience for all.
- We believe we hold in trust the mission given to us by the Church.
- We believe in respecting the integrity of creation.

Our Values

Our core values are based on Scripture, the heritage and tradition of the Sisters of Nazareth. All who are associated with the work of Nazareth are expected to demonstrate a commitment to these values:

- **Love** – Unselfish concern for the good of others, shown through patience, kindness, trust, hope, endurance, truth and a strong affection.

"Let your love for each other be real and from the heart". [Peter 1:22](#)

- **Compassion** – Being open and attentive to the whole person, spiritually, physically and emotionally, showing empathy for the suffering of others and trying to relieve that suffering.

"Be compassionate as your heavenly Father is compassionate". [Luke 6:36](#)

- **Respect** – Holding the unique dignity of each person, in high esteem and with special consideration, showing thoughtfulness, courtesy and care.
“As often as you did it to one of these you did it to me”. [Matt 25:40](#)
- **Justice** – Upholding what is fair, decent and right, appreciating each person, respecting each in a balanced and fair manner.
“Blessed are those who hunger and thirst for they shall be satisfied”. [Matt 5:6](#)
- **Hospitality** – Welcoming and receiving all into a warm, friendly and open atmosphere.
“I was a stranger and you welcomed me in”. [Matt 25:37](#)
- **Patience** – Persevering calmly and with understanding and endurance.
“Blessed are the gentle for they shall possess the earth”. [Matt 5.5](#)

Our Heritage



The Congregation of the Sisters of Nazareth ("the Congregation") is an international Roman Catholic Religious Congregation consisting of 222 Sisters worldwide. It was founded in Hammersmith, England in 1851 by Victoire Larmenier, where its Generalate (governing body) is still located. It is divided into five Regions across the world: American, Australasian, Ireland, South African and United Kingdom (UK Region).

Victoire and 5 companions came to London in April 1851 at a time when England was predominantly Protestant and Catholics for the most part were in a state of extreme poverty and everywhere the aged Catholic poor were forced to seek shelter in workhouses.

Victoire Larmenier Foundress of Sisters of Nazareth 1827-1878

Their first house was in Brook Green and the first resident was received on 14 April 1851. From there the Sisters collected alms and food around London in order to care for the old and young who they took into their Home. As the numbers cared for grew each year, the need for larger and more suitable premises became urgent. In 1856 land was bought

at Hammersmith for the sum of 3,000 guineas, most of which was donated by generous benefactors.

On 9 October 1857 the first old people and children were moved into the new building which was named Nazareth House. From our beginnings there we spread around the world. Most of the work of the Congregation takes place within "Nazareth Houses" which are substantial buildings operated mainly as care homes for older people. The Congregation owned 37 such houses across its Regions on 31 March 2017. The operation of the care homes is the responsibility of Nazareth Care Charitable Trust (herein known as "NCCT"). In addition, NCCT through subsidiary entities (collectively known as Nazareth Care) has developed three retirement villages in the UK, catering for older people who are looking for support while maintaining an independent lifestyle. They also operate one Day Nursery for young children and work with other religious orders supporting them to care for their older Sisters.

The legacy of our heritage continues today through our partnership with Nazareth Care carrying on our commitment to providing nursing and residential care, reaching out across communities to support the people in our care, regardless of their socioeconomic, ethnic, religious or spiritual background.

The accounts accompanying this report are those of The Congregation of the Sisters of Nazareth Charitable Trust which holds certain of the assets of the Congregation in England, Wales, Scotland and Northern Ireland and which is now responsible for the care of the Sisters in the UK region and for supporting and enabling the individual ministry of those Sisters.

Mission Statement of the Sisters of Nazareth

“We, the Sisters of Nazareth, aim to share the love of God through our ministries of care and education and our openness to respond to the needs of the times.”

“Whatsoever you do to the least of my people you do to me.”

Words of Jesus Christ (1 Matt 25:40)

Challenges

The Congregation's main challenge going forward in this Region is the age and numbers of Sisters. We are currently 66 Sisters in this region divided into 11 Communities with only two under the age of 50 years. We are very fortunate however to have our Novitiate in Hammersmith, so we have a number of young women doing their novitiate training in the UK each year from other Countries.

Message From The Regional Superior

The past year has been an extraordinary year for everyone due to COVID-19. The pandemic has hugely impacted lives, livelihoods, and economies across the world. Everyone has had to make some sacrifices and changes to their normal living.

Thankfully, there has been a speedy uptake of vaccinations. Our Care Homes, nurseries and villages managed very well to keep up with lateral flow and PCR testing, together with the additional paperwork, and all the infection control measures. As restrictions lessen, we pray that everyone will be safe and able to continue life as normal as possible taking all necessary precautions needed.

Nazareth Care commitment to the continued delivery of care and support to children and Residents in our care has been remarkable. Both Care staff and nursery staff have fought this pandemic on two fronts, professional and personal. They have truly demonstrated our core values. My special thanks to our CEO, Richard Whitby and his management team. Their response to the pandemic and the leadership of highly dedicated staff throughout this time has been amazing. My heartfelt gratitude to all who have responded so generously and courageously in such a difficult time.

We have seen in the past two years just how important technology has been for us, especially when physical distancing was necessary for the safety of all. We have been able to maintain close connection between all our Communities in the UK and globally.

We are delighted to have appointed John Graham as Finance officer for the sisters in the UK region. John has been involved with the sisters since 1985. We wish him every happiness in his new position.

Pope Francis frequently reminds us that care for our creation must also be one of our highest priorities. I am very pleased therefore that our Communities have been able to support some organisations in their work, such as those helping fight against human trafficking. Also, organisations such as beekeepers being able to share some of our outdoor space has been a very positive step. "To protect creation, to protect every man and every woman, to look upon them with tenderness and love is to open up a horizon of hope" (Pope Francis).



Sister Doreen Cunningham
Regional Superior

Yearly review

Christmas 2020 was one that many people will never forget. Restrictions meant that Christmas passed by very quietly. We were fortunate however to have a chaplain on site at most of our Nazareth Houses and Mass was celebrated. This was very important to our Residents, many of whom would never have had missed Christmas Mass in their life. Staff and Sisters tried to make Christmas Day as joyous an occasion as possible.



Bonnyrigg

Our Community in Bonnyrigg had a virtual prayer service every Wednesday during the season of Lent and had virtual Stations of the Cross every Friday. Many people linked into these services from near and far. The wonders of technology! All of our Communities had various services to mark different occasions in the church calendar and within our congregation.



Finchley, Cheltenham and Glasgow Communities

Year Of Saint Joseph



Pope Francis declared a special Year of St Joseph to mark the 150th anniversary of Bl Pius IX's proclamation of St Joseph as Patron of the Universal Church. The Year of St Joseph is running from Tuesday, 8 December 2020, to Wednesday, 8 December 2021. The Sisters in each Community discussed things that they would make a special effort to do during this year dedicated to St Joseph, one of which was a 3-day virtual retreat for all our Communities in the UK, facilitated by Fr John Cullen. Pope Francis says that "we are fragile beings, but we know how to pray, this is our greatest dignity and it is also our strength"

Golden Opportunities

Many of our Communities made use of the 'golden opportunity' to make our gardens more colourful for everyone to enjoy. Sisters have encouraged painting, varnishing, outdoor walks, poetry and music sessions.



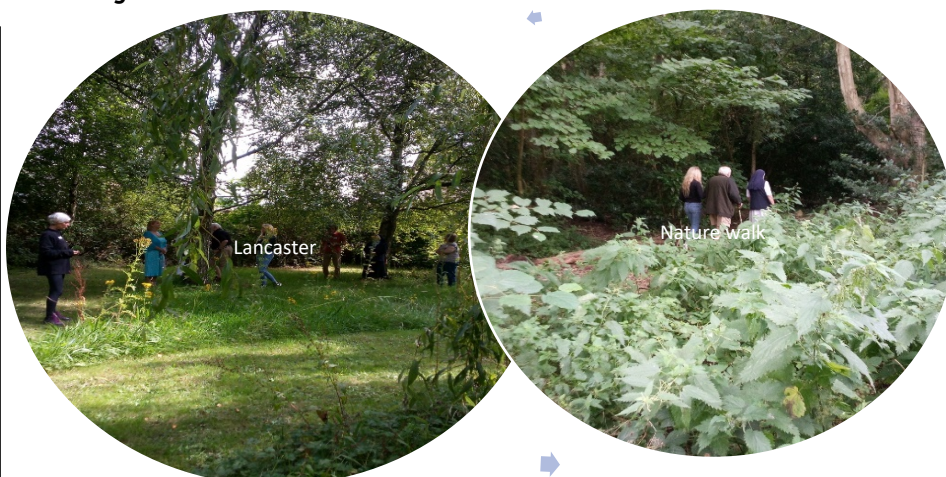
Sisters, residents and staff at Glasgow painted outdoor furniture and tyres to make the grounds more colourful.



A resident at Lancaster, upholstered these chairs with donated material. He also painted 14 garden benches. All at Nazareth House are truly grateful to him.

Caring for Creation, our Health & Wellbeing

Children, Residents, Sisters and Staff, beekeeper groups and visitors are all able to enjoy the wildlife gardens and woods at our site in Lancaster.



Vocations

Although the pandemic has caused some interruption in vocation promotion activities, the ability to connect online with discerners has been a blessing. Several young women have remained in contact with our vocation director.

As Vocation Director Sister Frances Kelly continues to promote vocations for the Sisters of Nazareth here in the UK. As Religious Vocation Promoter for the Bishops Conference of England and Wales and Conference of Religious she also promotes vocations at national level. She is involved in coordinating many events around the UK. Although some of the planned events had to be cancelled or postponed due to the pandemic, many were able to go ahead virtually and there was a wonderful uptake in these events.

Come and See Weekend

The master plan of vocational promotion to consecrated life is that which the Lord himself began when he said to the apostles John and Andrew **“Come and See”** (Jn 1:39). Sr Frances managed to arrange a ‘Come and See’ weekend just as we came out of lockdown. It was truly lovely to meet these young women as they discern their future. Sr Frances continues to keep in contact with them.

Trustees' Report

31 March 2021

The Trustees present the report and accounts for the year ended 31 March 2021 of the Congregation of the Sisters of Nazareth Charitable Trust ("the Charity"), which operates throughout the United Kingdom (UK).

The accounts have been prepared in accordance with the accounting policies set out on pages 28 – 32 of the attached accounts. They comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Impact of Covid-19 on Nazareth House Care Village Belfast

The greatest initial challenge presented by Covid-19, was in dealing with the initial unknowns and associated levels of anxiety of both internal and external stakeholders.

Internally, we have managed Covid-19 through a combination of enhanced levels of staff training; best practice management sharing across Irish region; resident visitation restrictions; initially directly sourcing PPE and through the elimination of 3rd party agency staff, all as part of our risk based approach.

Externally, we have sought to deliver enhanced next of kin and resident communications due to visitor restrictions. We have also successfully addressed significantly increased levels of regulatory compliance and public health guidance requirements.

The nature of this virus makes managing all of these associated, fast moving variables, a continuous daily challenge as we strive to meet the care needs of our residents.

Assessment of going concern

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed within the Principal accounting policies under Critical accounting estimates and areas of judgement.

With regard to the next accounting period, the year ending 31 March 2022, our planning processes, including financial forecasts, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Looking forward to twelve months from the date of signing up to December 2022, the Charity's forecast, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity to enable it to remain a going concern.

Achievements and results

The introduction of new technology has been more important than we had ever imagined pre-covid. Having access to 'Microsoft Teams' has enabled close communication between our Houses. Sisters and General managers have been having monthly business meetings with NCCT Regional Team. Both Sisters and Managers have found these meetings very helpful. We have also been able to attend staff meetings remotely which was an excellent way to keep in touch throughout the pandemic. This technology has also enabled global Congregational meetings.

Newly professed Sisters

We have again this year experienced the great joy of sharing in the celebration of the first professions of three young sisters, Sr Nancy, Sr Juliana, and Sr Josee. Their Professions took place at our Hammersmith House and was greatly enjoyed by all the Sisters. The Sisters have returned to Africa where they will continue living out their religious life.



We have had five new novices come from Africa and Australia to do their Novitiate training, part of which involves spending time in the various Nazareth Houses. They always enjoy their experience with Residents and Children and their help is always greatly appreciated by Sisters and Staff.



Five new Novices with their Novice Director, Sister Bernadette Mc Call.

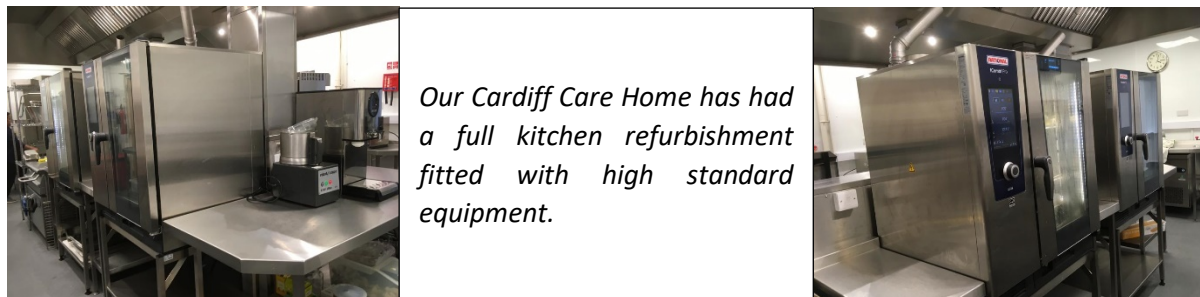
Birkenhead Refurbishment

Our Birkenhead Community has been watching the Care Home transformation through the year. As well the refurbishment of the existing Care home, a new 8 bedded wing has been built following the demolition of the former convent. There has been some delay as expected during the pandemic, but the project is almost complete. A new garden area is currently being planned for all to enjoy, residents, their families and friends, sisters and staff.

Northampton roof

Nazareth House Northampton has had part of its roof replaced and new fascia board makes the house more attractive.

Cardiff Kitchen



The year has also had its challenges. The issue of historic abuse of children in the Congregation's care continues to impact on our activities today. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following the testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in our care and deeply regrets any harm or shortcomings in the care that was provided. The Congregation has and continues to co-operate with the Scottish Inquiry.

All of our Communities in England and Wales will be joining the new Religious Life Safeguarding Service which all religious have been invited to join. Following the Elliot report, the plan is to have a 'one church' approach. We will be offered training and support and be regularly audited. Survivors of abuse within the church will be very much supported within this new project.

The year was dominated by Covid-19 pandemic curtailing activities. Visiting was restricted in keeping with government rules. This was extremely difficult for residents and their families. However, the Trustees pay special tribute to all who have worked tirelessly throughout the pandemic to try to keep everyone as safe as possible and who found initiatives to keep residents connected with their loved ones.

One of our objectives is to protect and strengthen our patrimony, heritage, charism, mission and values. We will be able to measure this subjectively through the core values audit performed by our Sisters.

Future plans

A new programme commenced in 2021 called 'The Gift of Victoire's Legacy' incorporating interculturality, Core Values and Safeguarding. A Sister and a member of the Regional team will be delivering training to all Sisters and Staff throughout the UK Region. Our long term goal is to have Sisters and Staff jointly and actively engaged in this programme with a link group for each site consisting of Staff and at least one Sister. Unfortunately, the delivery of the programme has been hindered by the pandemic restrictions.

Greater work is planned in relation to Pastoral Care including the appointment of Pastoral Care Coordinators in some areas as well as the designation of specific pastoral care rooms in each House. Further training is being developed to help staff understand what is important to people of varying religions and to be able to support everyone to the best of our ability.

The redevelopment/refurbishment of Nazareth House Hammersmith is to commence in 2022. Plans are currently being discussed.

Management and Trustees

Governance

The worldwide Congregation is governed by the Superior General and her General Council, who together with supporting staff, are referred to as 'the Generalate'. They are elected by the Congregation's General Chapter which meets in session every six years: the 26th such Chapter took place in June 2018. Those elected may only serve a maximum of two consecutive 6 year terms in the same office.

In the UK, the Congregation was incorporated under the name of 'The Congregation of the Sisters of Nazareth Charitable Trust' by order of the Charity Commission on 7 October 2005, (Charity Registration Numbers: 228906 (in England and Wales) and SCO40507 (in Scotland)).

The Charity is governed by a Deed of Trust dated 16 January 2005.

The Superior General appoints the Trustees of the Charity. As all Trustees are Sisters, they have a detailed knowledge of the work and structure of the Charity.

Following their appointment, new Trustees work for a time alongside existing Trustees. They also meet with the Charity's senior staff and its legal, accounting, investment and property advisers to obtain a full brief on their responsibilities and to fully acquaint them on the Charity's position.

Details of the Trustees who were in office during the year or at the date on which this report was signed are set out below:

Current Trustees of the Charity

Sister Doreen Cunningham – Chair (from 7 October 2019)

'Sister Doreen Marie trained as a Registered Nurse in Liverpool and has a degree in Health and Social Care. She also completed a Postgraduate Diploma in leadership and management at Loughborough University. She has worked in a number of our homes in the UK. From 2018 until October 2019, she held the position of Chief Nursing Officer for Nazareth Care Charitable Trust, UK Region. In July 2019 she was appointed to take position as UK Regional Superior and Chair of the Charity effective from October 2019.

Sister Teresa Bernadette Fallon

Sister Teresa trained as a Registered General Nurse at Southampton University Hospital in the 1970s and has worked as a care home manager at several Nazareth Houses in the United Kingdom, Northern Ireland and Australia. She has completed courses on Social Work Management, Health Education and Continuing Care of the Dying Patient and Family. She was appointed Superior at Nazareth House Cheltenham in 2006 and became a Regional Councillor for the UK Region in November 2012 and reappointed in 2019. She was appointed Superior to Nazareth House Cardiff in October 2013 to October 2019 and then appointed as Superior to Nazareth House Finchley in 2020.

Sister Madeleine Carmel Merriman has completed a Postgraduate Diploma in Leadership and Management at Loughborough University. She has worked as a Child Care Manager in several houses in the UK and served on a board of school governors for 10 years. Sister completed a Diploma in Counselling at the University of Lancaster. She was appointed as Superior at Nazareth House Northampton in 2009, at Crosby in 2013, and at Southend in 2016 until it closed in April 2020. She was appointed Superior in Cardiff in May 2020. She was appointed Regional Councillor in 2014 for the UK Region and reappointed in 2019.

Key management personnel

The Trustees consider that they together with the Chief Executive Officer and the senior management team comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity on a day to day basis.

All Trustees are members of the Congregation and whilst their living and personal expenses are borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

The pay of the Chief Executive Officer and senior management team is reviewed annually.

Trustees' Responsibilities Statement

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

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare accounts for each financial year giving 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 judgments on 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 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

Structure and Management Reporting in the UK

The Congregation in the UK (England, Wales, Scotland and Northern Ireland) comprises of 11 communities of Sisters each of which is the responsibility of the Regional Superior and her Council. Each community has a Sister Superior. Throughout the year there is regular contact and communication between each of the communities and the Regional team.

Since April 2012, care homes and nurseries in the UK have been managed by Nazareth Care Charitable Trust, operating under the auspices of the Congregation of the Sisters of Nazareth UK Region. The UK regional office is based in the grounds of Nazareth House Finchley, in North London.

The Charity's Trustees continue to be supported by the senior management team of Nazareth Care Charitable Trust which acts in an advisory capacity to the board and assists in the review of the Congregation's business focus. When necessary, the Trustees seek advice and support from the Charity's professional advisers, including property consultants, solicitors, and accountants.

Fundraising

The Trust is committed to high standards in fundraising. We are registered with the Fundraising Regulator and continue to monitor and update our data protection policies to make sure that our fundraising activities and communications with our Friends and supporters comply fully with the latest regulations.

Our fundraising materials and communications clearly highlight that:

- The Trust does not make public or sell supporter details to any third parties.
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email, but anyone wishing to opt out can let the Trust know and such communication will then not be sent.
- The Trust does not employ a professional fundraiser or commercial participator to carry out any fundraising activities.
- The Trust is not subscribed to any fundraising standards or schemes and has not failed to comply with any regulation subscribed to in relation to fundraising; and
- The Charity has not received any complaints about its fundraising activities (2020- none).

We ensure that our fundraisers receive relevant training and have access to coaching. We treat all donors with dignity and compassion.

Risk management

The Trustees, with the assistance of the Charity's senior management team, have identified and considered the key risks that the Charity might be exposed to and have developed a risk register. The risks include those relating to the operation of the care homes and nursery, those relating to the development of retirement villages and the sale and subsequent resale of apartments. Actions are agreed to monitor and mitigate the risks identified.

Below are four key risks faced by the Charity

1. Historical allegations and public inquiries

The Congregation was involved in child care until the 1980s. Due to the Congregation's involvement with both the Independent Inquiry into Child Sexual Abuse and the Scottish Inquiry into Child Sexual Abuse, many children formerly cared for in our children's homes are coming forward with historical allegations. There is a risk of reputational damage to the Sisters and the Congregation.

Actions taken to mitigate the risk

A Sister is appointed as the Safeguarding Co-Ordinator for the Region. All allegations are dealt with in a timely manner and reported to the relevant bodies, police, solicitors, insurance, and safeguarding commission. Where possible, former residents of the children's homes are welcome to one of our houses and they can speak in confidence to a Sister if that is their wish. Sometimes a listening ear makes all the difference. Posters are on display in all of our Homes in relation to contact details in the event of a safeguarding concern. Sisters as well as staff receive safeguarding training at least yearly. Sisters and staff have DBS checks every 3 yearly in England, Wales, and Scotland. Following the Elliot report, the church is trying to create a 'One church' approach and safeguarding to move forward in response to the report. We have attended many virtual meetings through the year regarding this new approach and are cooperating with the Religious Life Safeguarding Service and the CSSA.

The issue of historic abuse of children in the Congregation's care continues to impact on our activities today. In May 2019, a report was issued by the Scottish Child Abuse Inquiry following testimony in 2018 of the survivors of abuse in four residential children's homes in Scotland operated by the Congregation. The Congregation formally apologised for any mistreatment of those in our care and deeply regrets any harm or shortcomings in the care that was provided. The Congregation has and continues to co-operate with the Scottish Inquiry. Evidence has been given to the Inquiry, most recently in October 2020 relating to child migration. In addition, we continue to co-operate with the Scottish Government with their Advance Payment Scheme and the development of redress Scotland, following the passing of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021, to support the survivors on abuse.

2. COVID-19 poses a risk to our residents, staff and sister's safety

Actions we have taken to mitigate the risk:

COVID-19 is an invisible and deadly virus that poses a risk to Residents, Staff and Sisters. We cannot remove the risk that the virus poses. However, we take every possible step to reduce the exposure of the virus in our homes i.e.:

- Regular testing
- Vaccination of Residents, Staff and Sisters.
- Correct use of PPE
- Risk assessments
- Follow Government guidance

3. Implementation of General Data Protection Regulation

The implementation of the General Data Protection Regulations in May 2018 has required a reform in the way in which the charity manages its data and where the data will be held.

Actions taken to mitigate the risk:

The current data protection regulations are managed by the Data Protection Officers, that will continue to be responsible for data management as the new regulations come into being. Additional staff within the regional team have been employed and are in the process of establishing a central archiving system and managing the new data protection requirements.

4. Income and Cash Flow

Funding and Cashflow are insufficient to support ongoing operations.

Actions taken to mitigate the risk:

- Detailed budgets and plans produced annually for board approval.
- Budgeted and unbudgeted expenditure controlled and managed through approvals process.
- Financial commitments are not entered into without confirmed source of funding.
- Deploy strong planning and management controls to manage the impact of any change in income.

Income and Expenditure

A summary of the results can be found on page 24 of the attached accounts.

Income was to £6.7 million (2020: £6.7 million) with £1.2 million being generated from donations and legacies. Also within this total is operational income from the one care establishment for older people still operated by the Charity in Northern Ireland, which amounted to £4.0 million.

Expenditure amounted to £7.4 million (2020: £10.4 million).

Financial position

The balance sheet shows total funds of £38.7 million (2020: £39.3 million).

Reserves Policy

Unrestricted funds at 31 March 2021 amounted to £38.4 million and comprised one designated fund and the general fund.

The tangible fixed assets fund totalling £32.8 million, represents the net book value of the Charity's land

and buildings and other tangible fixed assets (excluding those used in respect to the provision of residential care for older people in one home in Northern Ireland), less loans that are being used to finance the refurbishment and development of property owned by the Charity. These net assets are essential to the continued mission of the Charity and include care establishments leased to Nazareth Care Charitable Trust.

The general fund totalling £5.6 million, comprises those assets not designated by the Trustees or restricted in their application as of 31 March 2021. The fund includes monies to cover temporary shortfalls in income due to timing differences and amounts to enable the Charity to cope with unforeseen emergencies.

The aim of the Trustees is that the general fund (or free reserves) should equate to between six- and twelve-months' ongoing expenditure. On 31 March 2021, the Trustees believe the Charity's free reserves to be adequate but not excessive. The general fund of £4.3 million would cover six months ongoing expenditure.

The Charity holds one restricted fund totalling £283,370. The balance of the restricted fund of £283,370 comprises the balance of past property proceeds from the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

Discontinued Operations

From April 2021 the charity discontinued its operations in Belfast. All operations and staff were transferred to Nazareth Care Ireland CLG, an Irish based charity with a registered trading name of Nazareth House Care Village Belfast. The income and expenditure associated with Belfast are therefore disclosed as discontinued operations in the Statement of Financial Activities.

Employees, Volunteers and Members of the Congregation

The Trustees wish to record their recognition and appreciation for the professionalism and commitment of all their staff, volunteers and individual members of the Congregation.

Our employed staff are clearly our biggest asset, and we thank them for the contribution that they make. NCCT strives to provide excellent working conditions for its staff. We aim to provide an open and inclusive environment where every member of staff is empowered to make a real difference.

The majority of our houses also have a Friends of Nazareth group operating within them, which is a team of dedicated volunteers who give their time to a number of causes. Volunteers can be fundraisers or visitors. The Trust has recognised that if we are to continue to provide an excellent service to our residents against a backdrop of financial pressures, then we need to extend the use of volunteers to raise funds for those extra items and activities that our service users require.

Approved by the Trustees and signed on their behalf by:



Sister Doreen Marie Cunningham
Trustee and Regional Superior

Date approved: 24.11.2021

Independent Auditor's Report to the Trustees of The Congregation of the Sisters of Nazareth Charitable Trust

31 March 2021

Opinion

We have audited the financial statements of The Congregation of the Sisters of Nazareth Charitable Trust ('the charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

give a true and fair view of the state of the Charity's affairs as at 31 March 2021 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

sufficient and proper accounting records have not been kept by the charity; or

the financial statements are not in agreement with the accounting records and returns; or

we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were Care Quality Regulations (RQIA) for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of care quality regulatory reviews, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

For and on behalf of Crowe U.K. LLP

London

Date 9th December 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities Year ended 31 March 2021

	Notes	Continuing operations		Discontinued operations		2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
		Unrestricted funds £	Restricted funds £	Unrestricted funds £	Restricted funds £				
Income:									
Donations and legacies	1	914,872	199,607	124,428	1,034	1,239,941	1,038,861	301,178	1,340,039
Investment income and interest receivable	2	89,034				89,034	89,484	—	89,484
Rental income		1,361,252	—			1,361,252	1,276,533	—	1,276,533
Charitable activities									
. Charges for residential and care services for adults			—	4,017,891		4,017,891	3,936,796	—	3,936,796
Other income									
. Miscellaneous income		1,558	—	29,355		30,913	68,316	—	68,316
Total income		2,366,716	199,607	4,171,674	1,034	6,739,031	6,409,990	301,178	6,711,168
Expenditure:									
Charitable activities									
. Provision of residential and care services for adults and support of the Sisters and their ministry	3	2,765,586	199,607	4,378,813	1,034	7,345,040	6,714,238	349,798	7,064,036
. Donation to Nazareth Care Charitable Trust (Registered Charity No. 1113666)	21	93,745	—			93,745	75,000	—	75,000
. Impairment of freehold property	9	—	—			—		—	
(Profit)/Loss on disposal of asset		(45,117)	—			(45,117)	3,291,764	—	3,291,764
Total expenditure		2,814,214	199,607	4,378,813	1,034	7,393,668	10,081,002	349,798	10,430,800
Net (expenditure) income before net gains on investment properties							(3,671,012)	(48,620)	(3,719,632)
Net realised gains on disposal of investment properties	10	—	—			—		—	
Net (expenditure) income and net movement in funds	5	(447,498)		(207,139)		(654,637)	(3,671,012)	(48,620)	(3,719,632)
Reconciliation of funds:									
Fund balances brought forward at 1 April 2020		37,380,879	283,370	1,657,880		39,322,129	42,709,771	331,990	43,041,761
Fund balances carried forward at 31 March 2021	18	36,933,381	283,370	1,450,741		38,667,492	39,038,759	283,370	39,322,129

Please see note 23 on discontinued operations.

Balance Sheet

31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		41,476,108		41,927,473
Investment properties	10		471,186		471,186
			41,947,294		42,398,659
Current assets					
Debtors: amounts falling due after one year	11	114,660		132,660	
Debtors: amounts falling due within one year	12	491,813		1,392,374	
Cash at bank and in hand		5,621,503		4,416,718	
		6,227,976		5,941,752	
Current liabilities					
Creditors: amounts falling due within one year	13	(2,131,312)		(3,891,882)	
Net current assets			4,096,664		2,049,870
Total assets less current liabilities			46,043,958		44,448,529
Creditors: amounts falling due after one year	14		(7,376,466)		(5,126,400)
Total net assets			38,667,492		39,322,129
The funds of the charity:					
Restricted funds	15		283,370		283,370
Unrestricted funds					
. Tangible fixed assets fund	16	32,766,144		33,799,415	
. Designated funds	17	—		1,501,269	
. General fund		5,617,978		3,738,075	
			38,384,122		39,038,759
			38,667,492		39,322,129

Approved by the Trustees and signed on their behalf by:



Sister Doreen Cunningham
Chair of Trustee
Date of approval: 24.11.2021

Statement of cash flows

Year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	2,034,860	914,573
Cash flow from investing activities:			
Interest and rents from investments		89,034	89,484
Proceeds from the disposal of tangible fixed assets		324,000	469,800
Purchase of tangible fixed assets		(1,587,952)	(1,782,091)
Proceeds from the disposal of investments		—	—
VAT refund receivable		—	—
Net cash used in investing activities		(1,174,918)	(1,222,807)
Cash flow from financing activities:			
Repayments of borrowing		(626,924)	(1,154,840)
Cash inflows from new borrowing		971,767	1,471,501
Net cash (used in) provided by financing activities		344,843	316,661
Change in cash and cash equivalents in the year		1,204,785	8,427
Cash and cash equivalents at 1 April 2020	B	4,416,718	4,408,291
Cash and cash equivalents at 31 March 2021	B	5,621,503	4,416,718

Notes to the statement of cash flows for the year to 31 March 2021

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	(654,637)	(3,719,632)
Adjustments for:		
Depreciation charge	1,701,694	1,757,003
Gains on investments	—	—
Impairment loss	—	—
Net (gain) loss on disposal of tangible fixed assets		
	(45,117)	3,291,764

Interest and rents from investments	(89,034)	(89,484)
(Increase) decrease in debtors	1,009,669	(304,196)
(Decrease)/Increase in creditors	112,285	(20,882)
Net cash provided by operating activities	2,034,860	914,573

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: Cash at bank and in hand	5,621,503	4,416,718

Principal Accounting Policies 31 March 2021

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 March 2021 with comparative information given in respect to the year to 31 March 2020.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge.
- ◆ assessing the value of any impairment required against the value of tangible fixed assets.
- ◆ estimating the value of investment properties.
- ◆ assessing the probability of the receipt of legacy income.
- ◆ assessing the recoverability of outstanding debtors for residential and care services.
- ◆ determining the apportionment of expenditure in particular between governance and support costs and between support costs and the various categories of expenditure on charitable activities; and
- ◆ determining the value of designated funds needed at the year end.

Assessment of going concern

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above under Critical accounting estimates and areas of judgement.

The most significant areas of judgement that affect items in the accounts are detailed in the Critical accounting estimates and areas of judgement section.

With regard to the next accounting period, the year ending 31 March 2022, our planning processes, including financial forecasts, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Looking forward to twelve months from the date of signing up to December 2022, the Charity's forecast, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity to enable it to remain a going concern.

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, rental income, charges for residential and care services and other income.

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

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

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

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.

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.

Rental income is recognised when payment is due under the terms of the relevant rental or lease agreement.

Income derived from the levying of charges for residential, care and support services is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual's basis. The classification between activities is as follows:

- The costs of charitable activities comprise expenditure on the Charity's primary purpose as described in the Trustees' report and include:
 - Provision of residential and care services for adults, including the running costs of the individual care homes operated by the Congregation and the support of the Sisters and their individual ministry.
 - Support of the Congregation's work overseas and of other organisations which relates, in the main, to the grants and donations in support of the Congregation's work overseas and the support of other Roman Catholic charitable organisations.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

- When there are indicators that a tangible fixed asset may be impaired i.e. that the realisable value of the asset may be lower than the asset's net book value, a provision for impairment is made. Such a provision will be calculated in order to reduce the net book value of the asset to its estimated realisable value. Any impairment provision is charged as expenditure to the statement of financial activities in the year in which it arises. Where material, the impairment is shown separately on the face of the statement of financial activities.

In allocating expenditure to headings, no significant apportionments have had to be used. All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements and have been allocated entirely to the expenditure on provision of residential and care services for adults and the support of the Sisters and their ministry.

Tangible Fixed Assets

All assets and improvements to existing assets with a cost of more than £1,500 and with an expected useful life exceeding one year are capitalised. The Charity has opted to adopt a policy of not revaluing its tangible fixed assets, which are stated at cost.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any tangible fixed asset may not be recoverable.

Freehold Land and Buildings

Freehold land and buildings are included at cost, net of depreciation and any impairment provision.

Freehold buildings are depreciated from their first complete year of occupation at a rate of 2% per annum on the straight-line basis in order to write the cost of each building off over its estimated useful economic life to the Charity.

Long Leasehold Buildings

Long leasehold buildings are included at cost and are depreciated once the lease reduces to 50 years at a rate of 2% per annum on the straight-line basis.

Other Tangible Fixed Assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- Furniture and equipment 10% to 33.3% per annum on the straight-line basis
- Motor vehicles 25% per annum based on reducing balance. Assets are depreciated once they are brought into use.

Fixed Asset Investment Properties

Investment properties are included on the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the Statement of Financial Activities in the year in which they arise. In accordance with the Charities SORP FRS 102, no depreciation is charged against investment property.

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.

Funds Structure

Restricted funds represent voluntary income received to the benefit of specific homes whose assets are otherwise unrestricted. Such income is usually expended within the financial year in which it is received. Details of unexpended balances, if any, are provided in note 15.

The remainder of the Charity's funds are unrestricted. The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity and which may be applied at the discretion of the Trustees.

Within the unrestricted funds the Trustees have designated amounts for specified purposes. Details of these are given in note 17.

Within the unrestricted funds there is also the tangible fixed assets fund which represents the net book value of the Charity's land and buildings and other tangible fixed assets less loans that are being used to finance the refurbishment and development of property owned by the Charity.

Services Provided by Members of the Congregation

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

Pension costs

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the Accounts 31 March 2021

1. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Legacies	—	112,026	112,026	—	82,626	82,626
Covenanted salaries and pensions of individual religious	571,260	—	571,260	615,931	—	615,931
Covenanted stipends received by individual religious	468,040	—	468,040	422,930	—	422,930
Glasgow Building Fund donations	—	—	—	—	45,981	45,981
Other donations	—	88,615	88,615	—	172,571	172,571
Total funds	1,039,300	200,641	1,239,941	1,038,861	301,178	1,340,039

Covenanted salaries and pensions and covenanted stipends represent the salaries and pensions and stipends respectively of individual Sisters donated by the relevant Sister to the Charity under a deed of covenant.

2. Investment Income and Interest Receivable

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
£	£	£	£	£	£	£
Income from rental properties	88,762	—	88,762	87,048	—	87,048
Bank interest	272	—	272	2,436	—	2,436
Total funds	89,034	—	89,034	89,484	—	89,484

3. Provision of Residential and Care Services for Adults and Support of the Sisters and their Ministry

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Staff costs	2,349,539	180,577	2,530,116	2,206,286	314,318	2,520,604
Premises	527,510	20,064	547,574	560,195	35,480	595,675
Care and welfare	1,558,644	—	1,558,644	1,543,054	—	1,543,054
Management and administration of the						
Care Homes	986,132	—	986,132	605,160	—	605,160
Depreciation	1,701,694	—	1,701,694	1,757,003	—	1,757,003
Governance costs (note 4)	20,880	—	20,880	42,540	—	42,540
Total funds	7,144,399	200,641	7,345,040	6,714,238	349,798	7,064,036

The costs of providing residential and care services include the living and personal expenses of individual Sisters, all of whom are either directly or indirectly involved in such work.

4. Governance Costs

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Audit and accountancy services	20,880	—	20,880	42,540	—	42,540
Total	20,880	—	20,880	42,540	—	42,540

5. Net (Expenditure) Income and Net Movement in Funds

This is stated after charging:

	Total 2021	Total 2020
	£	£
Staff costs (note 6)	2,530,116	2,520,604
Auditor's remuneration and audit costs, including VAT		
. Statutory audit	20,880	22,200
. Statutory audit (2018/19)		20,340
Impairment of freehold property	—	—
Depreciation	1,701,694	1,757,003

6. Staff Costs and Remuneration of Key Management Personnel

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	2,288,096	2,106,379
Social security costs	158,789	140,499
Other pension costs	41,468	37,670
	2,488,353	2,284,548
Payments to agency staff	41,763	236,056
	2,530,116	2,520,604
Staff costs per function were as follows:		
Provision of residential and care services	2,530,116	2,520,604

There was one employee (2020 – one) earning £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

	2021	2020
	Number	Number
£60,000 - £70,000		
£70,001 - £80,000	1	1

The average number of employees during the year was:

	Total 2021	Total 2020
Provision of care, including residential and nursing care homes	169	164

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis comprise the Trustees, the Chief Executive Officer and the senior management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £154,366 (2020 - £183,000).

7. Trustees' expenses and remuneration and transactions with Trustees

As members of the Congregation, the Trustees' living and personal expenses during the year were borne by the Charity, but they received no remuneration or reimbursement of expenses in connection with their duties as Trustees or key management during the year (2020 - £nil).

As members of the Congregation, none of the Trustees have resources of their own as all earnings, pensions and other income have been donated to the Charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the Charity was £35,143 (2020 - £39,229).

8. Taxation

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

9. Tangible Fixed Assets

	Freehold land and buildings £	Long leasehold buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	60,442,681	104,500	2,648,338	252,802	63,448,321
Additions	1,364,240	—	214,423	9,289	1,587,952
Disposal	(336,422)	—	(1,855,512)	(6,995)	(2,198,929)
At 31 March 2021	61,470,499	104,500	1,007,249	255,096	62,837,344
Depreciation and impairment					
At 1 April 2020	18,961,201	14,630	2,361,178	183,839	21,520,848
Charge for year	1,579,709	2,090	100,165	19,730	1,701,694
Disposal	71,235	—	(1,925,546)	(6,995)	(1,861,306)
At 31 March 2021	20,612,145	16,720	535,797	196,574	21,361,236
Net book values					
At 31 March 2021	40,858,354	87,780	471,452	58,522	41,476,108
At 1 April 2020	41,481,480	89,870	287,160	68,963	41,927,473

10. Investment Properties

	2021	2020
<u>Market value</u>	<u>£</u>	<u>£</u>
At 1 April 2020	471,186	471,186
Disposals at book value (proceeds: £nil, gains: £nil)	—	—
At 31 March 2021	471,186	471,186

Investment properties are included above at estimated market value and are all located within Blackburn Retirement Village. Valuations were carried out on the investment properties during the year by local firm of estate agents. There are no restrictions on the disposal of the investment properties. Two of the five investment properties incur service charge costs while the other three properties are being rented.

11. Debtors: Amounts Falling Due After One Year

	2021	2020
	<u>£</u>	<u>£</u>
Amount due from Nazareth Care Charitable Trust (note 21)	114,660	132,660

12. Debtors: Amounts Falling Due Within One Year

	2021	2020
	<u>£</u>	<u>£</u>
Prepayments and accrued income	17,743	14,575
Charges for care services	142,673	166,606
Amount due from The Congregation of the Sisters of Nazareth Generalate (note 21)	240,106	240,106
Amount due from Nazareth Care Charitable Trust (note 21)	25,212	128,992
Amount due from NRV (Blackburn) Limited (note 21)	52,461	122,463
Other debtors	3,004	719,632
Amounts due from NRV (Glasgow) Limited	10,614	—
	491,813	1,392,374

13. Creditors: Amounts Falling Due Within One Year

	2021	2020
	<u>£</u>	<u>£</u>
Expense creditors	75,396	60,209
Bank loans	271,476	2,096,867
Other creditors	724	39,235
Taxes and social security	39,637	33,003
Loan from the Congregation of the Sisters of Nazareth Generalate (notes 15 and 21)	249,600	100,000
Amount due to Nazareth Care Charitable Trust (note 21)	683,345	804,300
Accruals and deferred income	571,028	518,162
Amount due to NRV Development (Plymouth) Limited (note 21)	240,106	240,106
	2,131,312	3,891,882

14. Creditors: Amounts Falling Due After One Year

	2021 £	2020 £
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	5,677,185	3,159,575
Bank loans	1,699,281	1,966,825
	7,376,466	5,126,400

The Charity signed a loan agreement with the Congregation of the Sisters of Nazareth Generalate (CSNG) in April 2020 in respect of an advancement of £4,614,832. The loan comprises two parts. Part A has already been advanced to the Region under a loan agreement dated 25 October 2013 and consists of the outstanding balance owing on the Funds Transfer Date, which is £2,736,729. Part B is the balance owing under a loan agreement with The Royal Bank of Scotland and repaid by the Generalate to The Royal Bank of Scotland on the Funds Transfer Date. The balance on this loan is £1,878,103.

The loan is repayable by 2036 with interest accruing at 3% per annum. The loan balance at 31 March 2021 was £4,399,919 (including interest of £136,903).

On 25 July 2018, the charity entered into a loan agreement for £1.5 million with the Congregation of the Sisters of Nazareth Generalate (CSNG) in order to fund the expansion and development of Nazareth House Birkenhead. The loan carries an interest rate of 3% and is fixed throughout the term of the loan. No repayment of the principle or interest will be required until one calendar year from the first quarter day after the completion date. The loan balance at 31 March 2021 was £1,526,866 (2020 – £524,869) including interest of £30,230 (2020 – £5,883).

On 2 March 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Finchley. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years of the first drawdown of the Facility. The loan balance at 31 March 2021 was £697,934 (2020 - £764,664). £86,472 of the loan is repayable before 31 March 2021 (note 13). The loan is secured on Nazareth House, Finchley, of which the Charity is the freeholder.

On 11 November 2016, The Congregation of the Sisters of Nazareth Charitable Trust entered into a loan agreement for £1.5 million with Barclays Bank plc in order to fund the refurbishment of Nazareth House, Cheltenham. The loan carries an interest rate of 2.75% above the official Bank of England Base Rate and is due to be repaid within 5 years. The loan is secured on Nazareth House, Cheltenham. The loan balance at 31 March 2021 was £1,272,823 (2020 - £1,424,160). £185,004 of the loan is repayable before 31 March 2021 (note 13).

15. Restricted Funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted donations and legacies	—	200,641	200,641	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	283,370	—	—	283,370

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Restricted donations and legacies	48,620		(48,620)	—
Property proceeds under restrictive covenant	283,370	—	—	283,370
	<u>331,990</u>		<u>(48,620)</u>	<u>283,370</u>

The restricted donations and legacies fund represents monies given specifically for the benefit of individual homes whose assets are otherwise unrestricted. The amounts include donations towards the rebuilding of Nazareth House Hammersmith.

Property proceeds under restrictive covenant represents the remaining balance of the proceeds of the disposal of a property in Wavertree, in the Roman Catholic Archdiocese of Liverpool, which are restricted to use within the Archdiocese.

16. Tangible fixed assets fund

	At 31 March 2021 £	Restated At 31 March 2020 £
Tangible fixed assets		
. At 1 April 2020	33,799,415	34,999,523
. Movements in the year	6,864,271	6,123,159
. At 31 March 2021	40,663,686	41,122,682
Less: Loans to finance refurbishment and development of property	(7,897,542)	(7,323,267)
	<u>32,766,144</u>	<u>33,799,415</u>

The tangible fixed assets fund represents the net book value of the Charity's land and buildings and other tangible fixed assets (excluding those used in respect to the provision of residential care for older people in Northern Ireland) less loans that are to be used to finance the refurbishment and development of property owned by the Charity.

A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the Charity, and the fund value would not be realisable easily if needed to meet future contingencies.

17. Designated Funds

The unrestricted 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 April 2020 £	New designations £	Utilised/ released £	At 31 March 2021 £
Total designated funds: Care services fund	1,501,269	—	(1,501,269)	—
	At 1 April 2019 £	New designations £	Utilised/ released £	At 31 March 2020 £
Total designated funds	4,322,041	—	(2,820,772)	1,501,269

The care services fund represented those net assets applied in the provision of care services at Nazareth House Belfast. From April 2021 the charity discontinued its operations in Belfast. The fund balance has been moved to the general fund.

18. Analysis of Net Assets Between Funds

	Restricted funds £	Designated funds £	Tangible fixed assets fund £	General fund £	Total 2020 £
Fund balances at 31 March 2021					
are represented by:					
Tangible fixed assets	—	—	40,663,686	812,422	41,476,108
Investments	—	—	—	471,186	471,186
Net current assets	283,370	—	(521,076)	4,334,370	4,096,664
Creditors: amounts falling due after one year	—	—	(7,376,466)	—	(7,376,466)
Total net assets	283,370	—	32,766,144	5,617,978	38,667,492

No unrealised gains or losses on investment properties have arisen.

	Restricted funds £	Designated funds £	Tangible fixed assets fund £	General fund £	Total 2019 £
Fund balances at 31 March 2020					
are represented by:					
Tangible fixed assets Restated	—	804,791	41,122,682	—	41,927,473
Investments	—	471,186	—	—	471,186
Net current assets	283,370	225,292	(2,196,867)	3,738,075	2,049,870
Creditors: amounts falling due after one year	—	—	(5,126,400)	—	(5,126,400)
Total net assets	283,370	1,501,269	33,799,415	3,738,075	39,322,129

19. Contingent Liabilities

At 31 March 2021, The Congregation of the Sisters of Nazareth Generalate was funding legal and other costs incurred relating to statutory inquiries that have been established in Northern Ireland, Scotland and England and Wales, into the alleged historical abuse of children. The inquiries are at various stages, with the Historical Institutional Abuse Inquiry in Northern Ireland having reported in January 2017, the England and Wales Independent Inquiry into Child Sexual Abuse has published an interim report and continues to hear evidence, and the Scottish Child Abuse Inquiry publishing their report into the Sisters of Nazareth in May 2019.

The Congregation of the Sisters of Nazareth Generalate expects to incur further legal costs in relation to all three inquiries. It is not possible at the present time to provide any meaningful estimate of future costs, some of which may be covered by insurance. It is also not possible to provide any meaningful estimate of the future costs of ongoing claims being brought against the Congregation for which there is no reliable estimate of the value or probability of a claim being paid, some of which may be covered by insurance.

Redress schemes are being established, in March 2020 for Northern Ireland, and currently being setup in Scotland. England and Wales have not yet announced their intentions. Contributions to the redress schemes, if any, have not yet been agreed. It is not possible at the present time to provide any meaningful estimate of future contributions.

20. Capital Commitments

At 31 March 2021 the Charity had capital commitments of £nil (2020 - £nil)

21. Related Parties and Connected entities

The Charity is connected to The Congregation of the Sisters of Nazareth (the Congregation), an unincorporated international religious congregation, founded by Victoire Larmenier and recognised by the Vatican, currently comprising 216 Sisters worldwide. The Superior General of the Congregation appoints the Trustees of the Charity.

The Charity is connected also to two other registered charities, details of which are given below:

Name	Registration numbers etc	Principal activities
The Congregation of the Sisters of Nazareth Generalate (CSNG)	A registered charity (Charity Registration No 1138876 (England and Wales))	The support of the Congregation and its work throughout the world.
Nazareth Care Charitable Trust	A registered charity (Charity Registration No 1113666) and a company limited by guarantee (Company Registration No 5518564 (England and Wales), and SC042374 (Scotland)).	The provision of nursing, residential and care services to older people in need through the operation of 13 homes within England, Wales and Scotland. The provision of estate management and support services to older people at the retirement villages in Blackburn and Plymouth.

Nazareth Care Ireland	A registered charity (Charity Registration No 20154622 (Ireland)) and a company limited by guarantee (Company Registration No 592523 (Ireland)).	The provision of residential and care services to older people in need through the operation of homes within Ireland.
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In the case of CSNG the Superior General of the Congregation also appoints the trustees. In respect to Nazareth Care Charitable Trust, the Superior General of the Congregation is the sole member of the charitable company. The Charity and Nazareth Care Charitable Trust have three Trustees in common. None of the Trustees of the Charity are Trustees of CSNG.

At no point during the accounting period did any of the three charities control one or more of the others. As a consequence, consolidated accounts are not prepared.

21. Connected entities (continued)

Nazareth Care Charitable Trust has a number of subsidiary companies with which it forms the Nazareth Care Charitable Trust Group. Details of the subsidiaries are as follows:

Name	Registration numbers etc	Principal activities
NRV Development (Blackburn) Limited	Company Registration No 05906057 (England and Wales)	The development of a retirement village in Blackburn.
NRV Development (Plymouth) Limited	Company Registration No 05940933 (England and Wales)	The development of a retirement village in Plymouth.
NRV (Blackburn) Limited	Company Registration No 06297407 (England and Wales)	The provision of management services at the retirement village in Blackburn.
Nazareth Catering Limited	Company Registration No 06740428 (England and Wales)	A company providing catering services to the retirement villages.
NRV Management (Plymouth) Limited	Company Registration No 08461398 (England and Wales)	The provision of management services at the retirement village in Plymouth.

Name	Registration numbers etc	Principal activities
Nazareth Home Care Limited	Company Registration No 08461286 (England and Wales)	The provision of domiciliary care services until February 2018. The provision of care services for other religious organisations from February 2018.
Larmenier Care Home Management Limited	Company Registration No 09382120 (England and Wales)	The provision of care services for other religious organisations. This company was dissolved on 30 October 2018.
NRV Management Glasgow Limited	Company Registration No 09382077 (England and Wales)	The provision of management services to the retirement apartments at Nazareth House Glasgow.

NRV Development Glasgow Limited	Company Registration No 09382096 (England and Wales)	The development of retirement apartments at Nazareth House Glasgow.
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Consolidated accounts of the Nazareth Care Charitable Trust Group are prepared and filed with the Charity Commission for England and Wales, the Office of the Scottish Charities Regulator and Companies House.

During the year there have been a number of transactions between the Charity and its connected entities, details of which are given in the paragraphs below.

The Congregation of the Sisters of Nazareth Generalate (CSNG)

At 31 March 2021 the Charity was owed £240,106 (2020 – £240,106) from CSNG being grants authorised but not paid across as at that date (see note 12). At 31 March 2021 the Charity owed CSNG £5,926,785 (2020 – £3,259,575) (see notes 13 and 14) being a loan of £4,399,919 for the redevelopment of Nazareth House Glasgow and a loan of £1,526,866 (2020 – £524,869) for the redevelopment of Nazareth House Birkenhead.

During the year to 31 March 2021, the Charity paid £65,145 (2020 – £60,414) as a contribution to the Congregation of the Sisters of Nazareth Generalate. CSNG also gave gifts to CSNG worth £7,700 (2020 – £7,700). CSNG donated £nil (2020 – £70,000)

Nazareth Care Charitable Trust (NCCT)

At 31 March 2021, the Charity owed £683,345 (2020 - £693,642) to NCCT being £75,000 (2020 - £75,000) in respect of a donation due and £608,345 (2020 - £608,345) (see note 13) in respect to building and refurbishment works at Nazareth House Cheltenham and £nil (2020 – £10,297) for work carried out paid for by NCCT. In addition, the Group was owed £240,106 (2020 - £350,764) being £240,106 (2020 – £240,106) in respect of the contribution for the convent owed to NRV Development (Plymouth) Limited, £nil (2020 – £31,802) in respect of rent owed to NRV Development Blackburn and £nil (2020 – £78,856) in respect of service charge voids due to NRV Management Glasgow and NRV Management Blackburn.

In addition, at 31 March 2021 the Charity was owed £139,872 by NCCT (2020 - £261,652) being £1,212 (2020 – £31,377) in respect to property rental charges and £138,660 (2020 - £162,660) being loan repayments in respect to loans for the building and refurbishment works at Lancaster Day Nursery, £24,000 (2020 - £30,000) of which was payable within one year. During the year the Charity donated £93,745 (2020 - £75,000) to NCCT.

During the year to 31 March 2021, the Charity received management stipend income of £458,590 (2020 – £422,930) and rental income of £1,245,411 (2020 – £1,183,965) from Nazareth Care Charitable Trust, of which £1,212 was outstanding at 31 March 2021 (2020 - £31,377). Additionally, the Charity made payments to Nazareth Care Charitable Trust totalling £49,961 (2020 - £59,963) in relation to care home fees at the Cardiff, Cheltenham, Crosby, Glasgow, Hammersmith and Manchester communities.

NRV (Blackburn) Limited

During the year NRV (Blackburn) Limited collected rent from the residents of the Blackburn Retirement Village on behalf of the Charity. At 31 March 2021, a balance of £52,461 (2020 - £122,463) (see note 12) was owed to CSNG by NRV (Blackburn) Limited.

Retirement villages

Under the terms on which NRV Development (Blackburn) Limited sells apartments within the retirement village, should the purchaser for any reason wish to vacate the property at any time and not sell it on the open market, NRV Development (Blackburn) Limited undertakes to buy back the unit. This option was removed for sales completed after September 2013. It was calculated that the maximum liability to NRV Development (Blackburn) Limited in the event that several leaseholders simultaneously exercise the buy back option would be £750,000. Should NRV Development (Blackburn) Limited not have sufficient funds to meet this liability, the Charitable Trust has agreed to meet any shortfall. At 31 March 2017 the fund stood at £30,815. During the year ended 31 March 2018 three apartments costing £332,915 were bought back and the fund has been fully utilised (see note 17).

NRV Development (Plymouth) Limited

At 31 March 2021, the Charity owed £240,106 (2020 - £240,106) to NRV Development (Plymouth) Limited for six apartments purchased from NRV Development (Plymouth) Limited. The six apartments are used as a convent by CSNCT.

NRV Management (Glasgow) Limited

At 31 March 2021, the Charity was owed £10,614 (2020 - £nil) by NRV Management (Glasgow) Limited in respect of a service charge refund for void fees paid.

Other related party transactions

There were no other related party transactions other than those disclosed above (2020 – none).

22. Post Balance Sheet Events

There are no post balance sheet events.

23. Discontinued Operations

From April 2021 the charity discontinued its operations in Belfast. The income and expenditure associated with Belfast are therefore disclosed as discontinued operations in the Statement of Financial Activities.

24. Ultimate Control

The Congregation of the Sisters of Nazareth Charitable Trust, which is constituted as a trust, is controlled by the Congregation of the Sisters of Nazareth by virtue of the fact that the Superior General of the Congregation appoints the Trustees.