



# *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

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### 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](mailto:uk.administration@nazarethcare.com)

Website:                      [www.sistersofnazareth.com](http://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

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### 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

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*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

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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

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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**

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### **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

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### 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 27<sup>th</sup> 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 17<sup>th</sup> 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: 17<sup>th</sup> October 2024



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

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**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](http://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	£	£	£	£	£	£
<b>Income:</b>							
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
<b>Total income</b>		<b>2,357,158</b>	<b>87,864</b>	<b>2,445,022</b>	<b>2,318,966</b>	<b>572,117</b>	<b>2,891,083</b>
<b>Expenditure:</b>							
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		—	
<b>Total expenditure</b>		<b>11,289,466</b>	<b>87,864</b>	<b>11,377,330</b>	<b>3,814,958</b>	<b>572,117</b>	<b>4,387,075</b>
<b>Net (expenditure) income before net loss on investment properties</b>		<b>(8,932,308)</b>	<b>—</b>	<b>(8,932,308)</b>	<b>(1,495,992)</b>	<b>—</b>	<b>(1,495,992)</b>
<b>Net realised losses on disposal of investment properties</b>		<b>(10,000)</b>	<b>—</b>	<b>(10,000)</b>	<b>(133,807)</b>	<b>—</b>	<b>(133,807)</b>
<b>Loss on revaluation of investment properties</b>			<b>—</b>		<b>(177,600)</b>	<b>—</b>	<b>(177,600)</b>
<b>(Profit)/Loss on disposal of fixed assets</b>	9	<b>(5,481,500)</b>		<b>(5,481,500)</b>	<b>(1,864)</b>		<b>(1,864)</b>
<b>Net movement in funds</b>	5	<b>(3,460,808)</b>	<b>—</b>	<b>(3,460,808)</b>	<b>(1,805,535)</b>	<b>—</b>	<b>(1,805,535)</b>
<b>Reconciliation of funds:</b>							
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

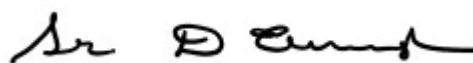
	Notes	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Tangible assets	9		<b>35,735,183</b>		38,353,553
Investment properties	10		<b>1,111,186</b>		2,046,186
			<b>36,846,369</b>		40,399,739
<b>Current assets</b>					
Debtors: amounts falling due within one year	12	<b>320,291</b>		728,722	
Cash at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

Approved by the Trustees and signed on their behalf by:

Sister Doreen Cunningham

Chair of Trustee

Date of approval: 17<sup>th</sup> October 2024



## Statement of cash flows

Year ended 31 March 2024

	Notes	2024 £	2023 £
<b>Cash flow from operating activities:</b>			
Net cash provided by operating activities	A	<b>(6,665,216)</b>	(1,768,559)
<b>Cash flow from investing activities:</b>			
Interest and rents from investments		<b>180,172</b>	128,951
Proceeds from the disposal of investment properties		<b>913,492</b>	830,987
Purchase of tangible fixed assets		<b>(639,781)</b>	(546,194)
Proceeds from the disposal of tangible fixed assets		<b>7,076,261</b>	—
<b>Net cash used in investing activities</b>		<b>7,530,144</b>	413,744
<b>Cash flow from financing activities:</b>			
Repayments of borrowing		<b>(572,522)</b>	(544,505)
Cash inflows from new borrowing		<b>500,000</b>	570,000
<b>Net cash (used in) provided by financing activities</b>		<b>(72,522)</b>	25,495
<b>Change in cash and cash equivalents in the year</b>		<b>792,406</b>	(1,329,320)
<b>Cash and cash equivalents at 1 April 2022</b>	B	<b>3,093,714</b>	4,423,034
<b>Cash and cash equivalents at 31 March 2023</b>	B	<b>3,886,120</b>	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 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(3,460,808)</b>	(1,805,535)
<b>Adjustments for:</b>		
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)
<b>Net cash provided by operating activities</b>	<b>(6,665,216)</b>	(1,768,559)

### B Analysis of cash and cash equivalents

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



## Principal Accounting Policies 31 March 2024

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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
<b>Total funds</b>	<b>827,770</b>	<b>87,864</b>	<b>915,634</b>	<b>798,774</b>	<b>572,117</b>	<b>1,370,891</b>

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
<b>Total funds</b>	<b>180,172</b>	<b>—</b>	<b>180,172</b>	<b>128,951</b>	<b>—</b>	<b>128,951</b>

### 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
<b>Total funds</b>	<b>4,213,205</b>	<b>87,864</b>	<b>4,301,069</b>	<b>3,814,958</b>	<b>572,117</b>	<b>4,387,075</b>

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
<b>Total</b>		—		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
<b>Staff costs per function were as follows:</b>		
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).

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

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

## 10. Investment Properties

	2024 £	2023 £
<b>Market value</b>		
At 1 April 2023	<b>2,046,186</b>	3,186,180
Additions		—
Disposals	<b>(935,000)</b>	(962,394)
Revaluation		(177,600)
At 31 March 2024	<b>1,111,186</b>	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)	<b>1,093,660</b>	1,098,160

## 12. Debtors: Amounts Falling Due Within One Year

	2024 £	2023 £
Charges for care services	<b>25,509</b>	27,718

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

### 13. Creditors: Amounts Falling Due Within One Year

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

### 14. Creditors: Amounts Falling Due After One Year

	<b>2024</b>	2023
	<b>£</b>	£
Loan from the Congregation of the Sisters of Nazareth Generalate (note 21)	<b>5,163,840</b>	5,389,659
Bank loans	—	—
	<b>5,163,840</b>	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
	<b>283,370</b>			<b>283,370</b>
	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
	<b>283,370</b>	<b>572,117</b>	<b>(572,117)</b>	<b>283,370</b>

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

	<b>At 31 March 2024 £</b>	<b>At 31 March 2023 £</b>
Tangible fixed assets		
. At 1 April 2023	<b>31,031,386</b>	31,902,255
. Movements in the year	<b>4,703,797</b>	6,451,298
. At 31 March 2024	<b>35,735,183</b>	38,353,553
Less: Loans to finance refurbishment and development of property	<b>(7,041,635)</b>	(7,322,167)
	<b>28,693,548</b>	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 £
<b>Fund balances at 31 March 2024</b>				
<b>are represented by:</b>				
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
<b>Total net assets</b>	<b>283,370</b>	<b>28,693,548</b>	<b>4,582,585</b>	<b>33,559,503</b>

No unrealised gains or losses on investment properties have arisen.

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2023 £
<b>Fund balances at 31 March 2023</b>				
<b>are represented by:</b>				
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
<b>Total net assets</b>	<b>283,370</b>	<b>31,031,386</b>	<b>5,705,555</b>	<b>37,020,311</b>

## 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. CSNCT 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 CSNCT. 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**

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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**

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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**

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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.

