

Charity number: 229662

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Sister Elizabeth Denny (Sister Mary Monica) Sister Miriam Condron (Sister Miriam) Sister Mary Josephine Dolan (Sister Mary Carmel) Sister Agnes Dunne (Sister Mary Thomas)
Charity registered number	229662
Principal office	The Lodge Administration Centre, St. George's Park Ditchling Road Burgess Hill West Sussex RH15 0US
Chair of Trustees	Sister Mary Thomas
Chief Executive Officer	Philip Smith
Estates Director	Stuart Warren
HR Director	Dawn Saunders (left July 2021)
Village Manager	Paul Ray-Gain
Finance Manager	David Pithie
Training Manager	Adrian Muir
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Bankers	Barclays Bank Level 27 1 Churchill Place London E14 5HP
Solicitors	BDP Pitmans LLP 50 The Broadway West London SW1H 0BL
Solicitors	Dentons UK and Middle East LLP 1 Fleet Place London EC4M 7WS

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TRUSTEES' REPORT FOR THE YEAR ENDED DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year from 1 January 2021 to 31 December 2021.

The charity and the group also trades under the name Augustinian Care.

Charity No. 229662

The address of the charity is:
The Lodge Admin Centre, St. George's Park
Ditchling Road
Burgess Hill
West Sussex
RH15 0US

Trustees

The Trustees of the Order during the year under review and to the date of this report were (Order name in brackets):-

(Sister Mary Thomas)	Agnes Dunne
(Sister Miriam)	Miriam Condrón
(Sister Mary Carmel)	Mary Dolan
(Sister Mary Monica)	Elizabeth Denny
(Sister Mary Cyprian)	Eileen Holland (left April 2021)

The Superior General in England of the Order may exercise the power of appointing and removing trustees.

Structure, Governance and Management

During 2021 the charity was unincorporated and run by Trustees drawn from the Roman Catholic religious order, The Order of St Augustine of the Mercy of Jesus, and governed by a charitable trust deed dated 10th July 1963 as amended by a scheme dated 1 November 1999. The Trustees were registered as a corporate body, by a certificate of incorporation dated 26 November 1990. The Order's objects are religious and charitable work, the principal activity being the provision of nursing care for infirm and elderly people and those living with Dementia and Alzheimer's on the site at St George's Park, Burgess Hill.

The group structure to achieve the above objectives was as follows:

The Order of St. Augustine of the Mercy of Jesus – Registered Charity whose main activity is to run Care Homes (with Nursing).

St. George's - Augustine Care (Company limited by guarantee) – Registered Charity wholly owned by the Order and set up to develop the Retirement Village and enable the provision of Care Homes on the site at St George's Park.

St. George's Park Ltd – a Trading company, wholly owned by St. George's – Augustinian Care set up mainly to sell apartments, run the Retirement Village and offer Domiciliary Care services.

The Trustees are ultimately responsible for all Policies and Procedures, which are updated by the person in charge of each department, and assets of the charity. They meet four times a year to review activities of the charity and to approve management decisions. When necessary the Trustees seek advice from the charity's professional advisers including property consultants, solicitors and accountants.

The Senior Management team report to the Trustees at the quarterly meetings and at any ad hoc meetings if necessary and hold monthly meetings with the Care Home Managers and Deputy

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Managers. The Managers hold their own staff meetings for all care and ancillary staff. In addition, the managers prepare monthly reports on the service performance to include: improvement to the quality of care, review of performance including incidents, accidents and complaints, safeguarding and staff performance. The Managers report all safeguarding issues to the Trustees.

The charity is controlled by the Order, a Diocesan Roman Catholic Religious Community by virtue of the fact that the Superior General appoints the Trustees.

The Trustees are familiar with their obligations with regard to the appointment, selection and induction of new Trustees. At this moment all Trustees of the charity are Religious Sisters of the Order. They have updated their training on-line, in line with their responsibilities as charity trustees.

During 2021 the Trustees took steps to establish a Charitable Incorporated Organisation (CIO) to carry on and continue the work of the charity. The CIO was registered with the Charity Commission on 26 April 2021 with the name 'The Order of St Augustine of the Mercy of Jesus' and with Registered Charity No. 1194230 and the appointment of Trustees to the CIO is, as is the case with the charity, to be made by the Religious Order.

Following the financial year end, on 1st January 2022, all the charity's activity, undertaking, assets and liabilities (other than certain property assets held for sale along with some limited retained rights to income and obligations to settle expenditure) transferred to the new CIO. The assets which remained include the now closed St Raphael's nursing home in Danehurst, Haywards Heath. This was in the process of being sold subject to planning permission being granted. In addition, one of the investment properties, Hillview, remained as it was also in the process of being sold. Hillview sale was completed post year end and St Raphael's sale remains ongoing. All income and profits from these sales will be passed to the new CIO on completion. All other undertaking and assets were transferred to the newly formed CIO to carry on and continue the work of the charity.

The new CIO was required to be registered with CQC in order to take over the operation of the Care Homes. The charity engaged with CQC to register the CIO and to change the Registration for St Clare's Care Home and St Rita's Care Home and this was achieved before the deadline of 31st December 2021.

Objectives and activities

The work of the charity has been carried out principally through the charity's provision of two Care Homes, each with 60 en-suite bedrooms which provide person-centred care to promote well-being, enabling individuals to lead valued and fulfilled lives. This work is now being carried on principally by the CIO.

Each Home is run with the following complement of staff:

- Manager
- Deputy Manager
- Administrator
- Staff Nurses
- Team Leader
- Care Assistants
- Ancillary Staff and
- Maintenance Staff

A Domiciliary Care Agency, operated by St George's Park Limited and registered with CQC, provides domiciliary assistance which promotes independence and security for Residents in the Retirement Village at St George's Park.

The Sisters provide pastoral care to the residents of the Care Homes and their relatives and friends, which is especially comforting at the end of life and to residents of the Retirement Village.

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TRUSTEES' REPORT FOR THE YEAR ENDED DECEMBER 2021

The Sisters support the parish priests, both Catholic and Church of England, to celebrate mass, the Sacrament of Reconciliation and Anointing and other services to meet the needs of the residents. The Sisters bring Communion to the residents on a weekly basis or as requested. During Covid-19, the Sisters complied with the Government Regulations as to the use of the Chapel and the use of Technology meant all the residents in St George's Park and the Care Homes were able to watch the Services virtually. As restrictions eased the number of people attending services increased.

The Chapel is used for funeral and other services by the residents of the Retirement Village. There is a memorial package in place which allows the use of the cemetery by residents of the care homes and the retirement village. This allows for burials in the cemetery and the planting of trees or shrubs around the grounds.

Two qualified nursing sisters also provide care and support to residents in the Care Homes and residents in St George's Park and at the local Hospice.

The Order has Sisters in Birmingham and in London, where they support the Archbishop and Cardinal, where they organise care and visit elderly priests in their own homes or Care Homes. Two Sisters from St George's Retreat are part of the St Vincent de Paul team who assist with social activities and visit people in their own homes and the Care Homes. The Sisters support a number of charities but were unable to do their usual fundraising in the year, despite that they were able to support Crisis at Christmas for the Homeless.

Two Sisters continue to live in Ireland, supporting their family and integrating with the Church and Community.

Public Benefit

The benefit of the charity's work is primarily in the care of the sick and infirm. The Trustees of the charity are aware of their responsibilities as charity trustees. Below is a table showing the fees for residents in care, which shows that 36% are on lower fees. Whilst setting up plans and objectives for the future, the Trustees give careful consideration to the Charity Commission's guidance on public benefit.

Residents in Care Homes as at 31st December 2021

	St. Clare's	St. Rita's	Total	Percentage
Private Full Fees	34	42	76	63.3%
Private Low Fee	11	6	17	14.2%
DSS Funded	10	11	21	17.5%
CHC/CCG Funded	5	1	6	5.0%
Total	60	58	120	100.0%

Achievements and Performance

Overview

2021 continued to be a difficult year with the continuing crisis with Covid-19 and the need to ensure the safety of the residents and support the staff. The Senior Management team continued to support the staff through regular communications and increased benefits. As in the preceding year, shortage of staff and increased use of agency staff at times continued to add pressure on the team of Carers.

Throughout 2021 the charity had two Care Homes in operation, St Clare's and St Rita's which are situated at St. George's Park, Ditchling, caring for elderly people living with Dementia and Alzheimer's disease and physical disabilities. The Care Homes have up-to-date modern facilities, bedrooms with en-suite facilities. The views from the Homes are outstanding. Each area of the home is decorated

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TRUSTEES' REPORT FOR THE YEAR ENDED DECEMBER 2021

with different themes and scenes to engage the residents, particularly focusing on Dementia. The Homes.

The aim is to provide person-centred care where each individual is valued, engaged and able to make choices.

During the year a new *monitoring* system, Ally, has been introduced, capturing all the information of the activities of daily living and other reports.

Care Quality Commission (CQC)

Throughout 2021 and the continuing pandemic crisis the Care Quality Commission have been in a very supportive role. The inspectors were given access to our care documentation, as a result they were satisfied that the Homes are well run and safely and as a result there have not been face to face meetings with CQC and the ratings of both Homes remain unchanged, rated overall 'Good'. The Domiciliary Care Service run by St George's Park Limited is also rated overall 'Good'.

Both Care Homes are also accredited under the Gold Standard Framework (GSF). St Clare's updated their documentation for 2021 and following their inspection is awaiting the result. St Rita's is due for re-validation in 2022.

Mandatory training is ongoing and is organised for all staff and for new joiners to attend in all aspects of care for clinical and care staff. During the height of the pandemic most face-to-face training was suspended and alternative methods needed to be used to deliver training including online delivery using Zoom. The charity is a member of 'West Sussex Partners in Care' which provides a wide range of training and support to the care sector and helps ensure the charity is aware of current issues affecting the sector.

GDPR

We continue to review our GDPR compliance, the Finance Manager is the nominated GDPR Officer for the group.

Financial review

The charity has returned a surplus for the first time in three years. Action taken in 2019 and 2020, to reduce costs by closing two homes, while costly in these two years has provided a firm basis on which to provide long-term stability for the charity and occupancy levels in the two remaining homes, St Rita's and St Claire's, have been very close to full capacity during 2021.

The group's consolidated statement of financial affairs shows net income for the year of £205,249 (2020 net expenditure: £927,586). The principal sources of funding during the year were fees charged to residents and fees from the sales of retirement apartments.

All material fixed assets of the charity are used for direct charitable purposes.

The consolidated balance sheet discloses that the group had net current assets of £8,254,062 at 31 December 2021 and net assets of £36,613,964. The Trustees consider that the asset of the charity and group (incorporating the new CIO) are sufficient to meet current obligations. The charity's governing document (and that of the new CIO) does not restrict the powers of investment of the Trustees and therefore all assets held by the charity and the CIO have been acquired with the powers available to them.

At 31 December 2021 there was a loan due to the charity from St George's – Augustinian Care of £646,972 (2020; £697,355). The value of this loan will be repaid as further developments at St George's Park take place.

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TRUSTEES' REPORT FOR THE YEAR ENDED DECEMBER 2021

The funding environment for the care sector continues to remain challenging and a key financial issue outside our control is the level of local authority fees which are significantly less than private fees and not sufficient to cover costs.

Going Concern

The Trustees have a reasonable expectation that the charity and the group (including the CIO) have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Fundraising

A number of donations were received throughout the year, without any fundraising activities being undertaken due to Covid-19.

Reserves Policy

The Trustees approved a general reserves policy as follows:

Minimum – a level of 2 months' expenditure to be maintained

Maximum – no more than 4 months' expenditure

Target: - To aim to achieve and hold reserves at a level of 3 months' expenditure.

Total funds at 31 December 2021 were £36,613,964 (2020: £36,408,715) of which £790,582 (2020: £790,582) were restricted. Unrestricted funds at 31st December 2021 were £35,823,382 (2020: £35,618,133) of which £28,359,902 (2020: £28,480,642) were invested in tangible fixed assets to be used by the charity. The charity therefore had free reserves at 31 December 2021 of £7,463,480 (2020: £7,137,491). This remains above target levels as the St Raphael's property remains unsold as an asset classified as held for sale.

In the future a Sisters' Reserve will be established to meet the income required to support the Community of Sisters. It was considered that an appropriate target for this reserve would be £2million. The Trustees consider that such a reserve is a secondary consideration to the principal aim of securing the future of the charity to deliver high quality care in an environment conducive to wellness.

The Trustees will review the levels of the reserves each year i.e.

- Decide whether the previous determined requirements remain appropriate
- If they are not what is to be done to achieve them in the future
- If excess reserves have been established, what is to be done with them? And to consider future plans to ensure excess monies are not excessively tied up in the operation.

Risk Management and Internal Control

The Board of Trustees has examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risk facing the charity is to ensure the wellbeing of residents in our care. The Trustees will continue to implement policies and procedures which protect the health and safety and maintain the operations integrity. The other main risk to the charity is that of financial risk in the continuing challenging environment facing the care sector especially the challenge of increasing costs.

The charity maintains high level of occupancy and the Trustees and staff continue to look to increase other sources of income to ensure the viability of the charity.

The Board has overall responsibility to ensure the charity has system of internal control.

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Such a system of control can provide reasonable and not absolute assurance against errors or fraud. The controls include clearly documented accounting procedures delegation of the authority of the Board of Trustees through the Chief Executive to the rest of the charity.

The charity operates an annual planning and budgeting system with an annual budget approved by the Board. Any changes to the Budget required specific approval from the Senior Management Team. Monthly reviews and revised budgets are compared with previous years.

Future Plans

The Trustees and Directors, following the closure of St. Mary's in 2020 engaged in an exercise to decide on the future use of St Mary's building. It was agreed that the best use of the building would be to complete the cycle of care, independent and assisted living, also Care Homes on the St George's Park site and to remodel and refurbish the building, to be known as Trinity Lodge, to Assisted Living so plans were drawn up to provide 27 apartments with supporting facilities.

Conversion work is now well under way, this project is ongoing and costs being monitored and the apartments are due to become available around the end of 2022. The expectation is that this new model will mitigate the loss of care activity and revenue which followed the closure of St Mary's. The charity has planning permission from Lewes District Council to provide the expansion of the Care Services by creating a further 72 Assisted Living Apartments and a Day Centre. The planning application was re-submitted in 2020 and was approved for a further three years.

As noted earlier in this Report the work of the charity is now principally being delivered by the CIO.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial Statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group 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 judgements and accounting estimates that are reasonable and prudent:
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time for financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Account and Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other regularities.

This report was approved by the Trustees, on 20th June 2022 and signed in their behalf by

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Sister Agnes Dunne
Trustee

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

Opinion

We have audited the financial statements of The Order of St. Augustine of the Mercy of Jesus (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Capabilities of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission (CQC) regulations, health and safety, employment law and charity law regarding the use of restricted income. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act, Charities SORP FRS102 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to, posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties and recoverability of work in progress. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities including the most recent CQC inspection reports; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS (CONTINUED)

increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chichester

1 July 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	514,384	-	514,384	414,391
Charitable activities	5	7,320,513	-	7,320,513	8,224,344
Other trading activities		895,388	-	895,388	1,091,320
Investments	6	209,073	-	209,073	206,546
Other income		18,906	-	18,906	21,028
Total income		8,958,264	-	8,958,264	9,957,629
Expenditure on:					
Raising funds		671,432	-	671,432	994,646
Charitable activities	7	8,080,594	-	8,080,594	9,889,172
Total expenditure		8,752,026	-	8,752,026	10,883,818
Net income/(expenditure) before taxation		206,238	-	206,238	(926,189)
Taxation		(989)	-	(989)	(1,397)
Net movement in funds before other recognised gains		205,249	-	205,249	(927,586)
Other recognised gains:					
Gains on revaluation of fixed assets		-	-	-	623,867
Net movement in funds		205,249	-	205,249	(303,719)
Reconciliation of funds:					
Total funds brought forward		35,618,133	790,582	36,408,715	36,712,434
Net movement in funds		205,249	-	205,249	(303,719)
Total funds carried forward		35,823,382	790,582	36,613,964	36,408,715

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

The notes on pages 16 to 36 form part of these financial statements.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	28,359,902	28,480,642
		<u>28,359,902</u>	<u>28,480,642</u>
Current assets			
Stocks	13	503,236	496,553
Debtors	14	876,941	812,243
Fixed assets held for sale		3,942,655	3,403,510
Cash at bank in hand		3,824,137	4,082,697
		<u>9,146,969</u>	<u>8,795,003</u>
Creditors: amounts falling due within one year	15	(892,907)	(833,849)
Net current assets		<u>8,254,062</u>	<u>7,961,154</u>
Total assets less current liabilities		<u>36,613,964</u>	<u>36,441,796</u>
Provisions for liabilities		-	(33,081)
Net assets		<u>36,613,964</u>	<u>36,408,715</u>
Total net assets		<u><u>36,613,964</u></u>	<u><u>36,408,715</u></u>
Charity funds			
Restricted funds	17	790,582	790,582
Unrestricted funds	17	35,823,382	35,618,133
Total funds		<u><u>36,613,964</u></u>	<u><u>36,408,715</u></u>

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

.....
Sister Elizabeth Denny (Sister Mary Monica)

.....
Sister Mary Josephine Dolan (Sister Mary Carmel)

Date: 20 June 2022

The notes on pages 16 to 36 form part of these financial statements.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	27,033,567	27,148,755
		<u>27,033,567</u>	<u>27,148,755</u>
Current assets			
Stocks	13	58,104	64,966
Debtors	14	2,661,719	3,057,652
Bank and cash balances		3,140,450	2,893,078
Fixed assets held for sale		3,942,655	3,403,510
		<u>9,802,928</u>	<u>9,419,206</u>
Creditors: amounts falling due within one year	15	(779,927)	(741,444)
Net current assets		<u>9,023,001</u>	<u>8,677,762</u>
Total assets less current liabilities		<u>36,056,568</u>	<u>35,826,517</u>
Net assets excluding pension asset		<u>36,056,568</u>	<u>35,826,517</u>
Total net assets		<u><u>36,056,568</u></u>	<u><u>35,826,517</u></u>
Charity funds			
Restricted funds	17	790,582	790,582
Unrestricted funds	17	35,265,986	35,035,935
Total funds		<u><u>36,056,568</u></u>	<u><u>35,826,517</u></u>

The financial statements were approved and authorised for issue by the Trustees on 20 June 2022 and signed on their behalf by:

Sister Elizabeth Denny (Sister Mary Monica)

Sister Mary Josephine Dolan (Sister Mary Carmel)

The notes on pages 16 to 36 form part of these financial statements.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	244,297	(4,404)
Cash flows from investing activities		
Dividends, interests and rents from investments	209,073	206,546
Purchase of tangible fixed assets	(711,930)	(48,467)
Net cash (used in)/provided by investing activities	(502,857)	158,079
Cash flows from financing activities		
Repayments of finance leases	-	(31,077)
Net cash provided by/(used in) financing activities	-	(31,077)
Change in cash and cash equivalents in the year	(258,560)	122,598
Cash and cash equivalents at the beginning of the year	4,082,697	3,960,099
Cash and cash equivalents at the end of the year	3,824,137	4,082,697

The notes on pages 16 to 36 form part of these financial statements

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Order is engaged principally in the provision of accommodation for elderly and infirm residents at convents and houses at the under noted location:-

St.George's Retreat, Burgess Hill (the mother house).

These financial statements include the results of the above centre.

The principle activities of its subsidiary companies are as set out in note 21, and were all carried out at its Burgess Hill site.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist.

As explained in the Trustees' Annual Report and in note 24, on the 1st January 2022 all activity, assets and liabilities of the charity, other than the items noted, were transferred to the newly formed CIO to carry on and continue the work of the charity. The items retained in the charity comprised certain property assets held for sale along with some limited retained rights to income and obligations to settle expenditure.

The trustees have considered the level of funds which will remain and the expected level of income and expenditure for 12 months from authorising these financial statements and consider that the charity will have sufficient cash funds available to cover ongoing costs to fulfil the new, reduced operational objectives.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

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

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- straight line over 75 years
Long-term leasehold property	- straight line over 75 years
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Chapel - structural works	- straight line over 100 years
Chapel - refurbishment works	- straight line over 40 years

2.9 Investments

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

2.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

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

2.12 Cash at bank and in hand

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Liabilities and provisions

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

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

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

2.14 Financial instruments

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

2.15 Pensions

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

2.16 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The fair value of the investment properties, which are sensitive to fluctuations in the property market.

Critical areas of judgment:

At the year end the group has £445,132 of work in progress which is deemed recoverable on the basis that, following the extension of the planning permission, the latest project will go ahead in the future.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	514,384	514,384	414,391

All income from donations and legacies was unrestricted in the current and prior year.

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Residents' fees and extras	7,320,513	7,320,513	8,224,344

All income from charitable activities was unrestricted in the current and prior year.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income and interest receivable	209,073	209,073	206,546

All income from investments was unrestricted in the current and prior year.

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Residents' fees and extras	8,080,594	8,080,594

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Residents' fees and extras	9,881,122	8,050	9,889,172

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £	Total funds 2020 £
Residents' fees and extras	8,080,594	8,080,594	9,889,172

Analysis of direct costs

	Residents' fees and extras 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	5,246,354	5,246,354	6,203,674
Establishment and care expenses	1,345,725	1,345,725	1,644,297
Staff costs, agency and training	387,065	387,065	735,356
Bad and doubtful debts	2,262	2,262	151,476
Bank charges	21,781	21,781	13,783
Depreciation on tangible fixed assets	301,642	301,642	499,951
Loss on disposal of fixed assets	479	479	24,677
Farm costs	46,050	46,050	34,315
Legal and professional	122,611	122,611	72,741
Repairs and maintenance	547,202	547,202	446,530
Governance costs	59,423	59,423	62,372
	8,080,594	8,080,594	9,889,172

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	53,090	49,500
Fees payable to the charity's auditor and its associates in respect of: All non-audit services not included above	14,568	17,172
	<u>67,658</u>	<u>66,672</u>

10. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	5,114,016	6,000,527	4,692,986	5,575,968
Social security costs	470,917	523,620	437,057	493,206
Contribution to defined contribution pension schemes	127,482	146,081	116,311	134,500
	<u>5,712,415</u>	<u>6,670,228</u>	<u>5,246,354</u>	<u>6,203,674</u>

In the year to 31 December 2020 a total of £258,806 was paid in redundancy payments to staff. This occurred in a single redundancy payment upon the closure of St Mary's home. In this financial year there were no such payments.

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

	Group 2021 No.	Group 2020 No.
Services to residents	206	213
Management and administration	25	25
	<u>231</u>	<u>238</u>

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	4	6
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	1
In the band £100,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The senior management team, as described on page 1, have employee benefits totalling £385,368 (2020: £368,782) in the parent charity. The employee benefits of the senior management team for the group totalled £538,797 (2020: £456,319).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Assets under the course of construction £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation							
At 1 January 2021	11,413,005	19,255,258	-	359,971	1,629,220	7,000	32,664,454
Additions	-	-	516,293	21,947	173,690	-	711,930
Transfers intra group	(525,000)	-	-	-	-	-	(525,000)
Disposals	-	-	-	(76,537)	(145,291)	-	(221,828)
Transfers between classes	373,603	(6,270,623)	5,384,434	-	-	-	(512,586)
At 31 December 2021	11,261,608	12,984,635	5,900,727	305,381	1,657,619	7,000	32,116,970
Depreciation							
At 1 January 2021	575,400	1,847,265	-	298,814	1,462,333	-	4,183,812
Charge for the year	50,388	113,586	-	28,720	113,145	-	305,839
On disposals	-	-	-	(75,492)	(144,505)	-	(219,997)
Transfers between classes	-	(512,586)	-	-	-	-	(512,586)
At 31 December 2021	625,788	1,448,265	-	252,042	1,430,973	-	3,757,068
Net book value							
At 31 December 2021	10,635,820	11,536,370	5,900,727	53,339	226,646	7,000	28,359,902
At 31 December 2020	10,837,605	17,407,993	-	61,157	166,887	7,000	28,480,642

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets (continued)

Group (continued)

Charity

	Freehold property £	Long-term leasehold property £	Assets under the course of construction £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation							
At 1 January 2021	11,413,005	17,932,258	-	309,801	1,576,768	7,000	31,238,832
Additions	-	-	516,293	21,947	173,690	-	711,930
Transfers intra group	(525,000)	-	-	-	-	-	(525,000)
Disposals	-	-	-	(70,203)	(134,424)	-	(204,627)
Transfers between classes	373,603	(6,270,623)	5,384,434	-	-	-	(512,586)
At 31 December 2021	11,261,608	11,661,635	5,900,727	261,545	1,616,034	7,000	30,708,549
Depreciation							
At 1 January 2021	575,400	1,847,265	-	251,763	1,415,649	-	4,090,077
Charge for the year	50,388	113,586	-	28,082	109,586	-	301,642
On disposals	-	-	-	(69,727)	(134,424)	-	(204,151)
Transfers between classes	-	(512,586)	-	-	-	-	(512,586)
At 31 December 2021	625,788	1,448,265	-	210,118	1,390,811	-	3,674,982

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets (continued)

Charity (continued)

	Freehold property £	Long-term leasehold property £	Assets under the course of construction £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Net book value							
At 31 December 2021	10,635,820	10,213,370	5,900,727	51,427	225,223	7,000	27,033,567
At 31 December 2020	10,837,605	16,084,993	-	58,038	161,119	7,000	27,148,755

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets (continued)

Freehold properties include land with a net book value of £5,310,216 (2020: £5,310,216) which is not depreciated.

Freehold properties include investment properties of £4,100,000 (2020: £4,625,000).

Leasehold properties include investment properties amounting to £632,000 (2020: £632,000).

Leasehold properties include interest capitalised of £595,000 at the Bank of Ireland base rate plus 1.75%.

Investment properties under Freehold Properties were subject to independent, professional valuation at 31 December 2015. The valuation was undertaken by various local estate agents with good knowledge of the properties and their locations. The value was reviewed by Stuart Warren DipSurv (CEM) MRICS MBIFM before the amounts were approved to be included within the accounts. In 2021 the investment properties were reviewed and the valuations were deemed appropriate.

Investment properties held within Long term leasehold property were subject to an independent, professional valuation at 31 December 2018. The valuation was undertaken by Cuthbert Lake, Chartered Surveyors. It is assumed that the value of these investment properties is in line with their market value and the values are deemed appropriate still as at 31 December 2021.

During the year the charity commenced work on the new development at St Mary's, the original carrying value, comprising of the original cost/valuation less accumulated depreciation to date of St Mary's was transferred to Assets under construction, as deemed costs, with any new costs being allocated to additions.

The Group has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Freehold property	319,738	319,738	319,738	319,738

13. Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Work in progress	445,132	431,587	-	-
Farm valuation	58,104	64,966	58,104	64,966
	503,236	496,553	58,104	64,966

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	502,320	568,760	486,344	540,558
Amounts owed by group undertakings	-	-	1,834,643	2,300,681
Other debtors	170,179	55,120	162,038	42,101
Prepayments and accrued income	204,442	188,363	178,694	174,312
	<u>876,941</u>	<u>812,243</u>	<u>2,661,719</u>	<u>3,057,652</u>

15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	254,457	168,523	241,159	144,532
Corporation tax	989	1,967	-	-
Other taxation and social security	120,258	124,185	107,008	111,723
Other creditors	230,823	202,704	173,736	168,521
Accruals and deferred income	286,380	336,470	258,024	316,668
	<u>892,907</u>	<u>833,849</u>	<u>779,927</u>	<u>741,444</u>

16. Provisions

Group and charity

	Concert hall development £
At 1 January 2021	33,081
Amounts used	(33,081)
	<u>-</u>

Provisions were made in relation to development costs incurred in respect of a possible development of the concert hall. This has subsequently been written off in the year.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Balance at 31 December 2021 £
Unrestricted funds					
General Funds - all funds	35,137,133	8,958,264	(8,752,026)	(989)	35,342,382
Revaluation reserve	481,000	-	-	-	481,000
	<u>35,618,133</u>	<u>8,958,264</u>	<u>(8,752,026)</u>	<u>(989)</u>	<u>35,823,382</u>
Restricted funds					
Bursary fund	500,000	-	-	-	500,000
Charitable Foundation	237,812	-	-	-	237,812
Repairs and maintenance	52,770	-	-	-	52,770
	<u>790,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,582</u>
Total of funds	<u><u>36,408,715</u></u>	<u><u>8,958,264</u></u>	<u><u>(8,752,026)</u></u>	<u><u>(989)</u></u>	<u><u>36,613,964</u></u>

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds							
General Funds - all funds	35,424,700	9,957,629	(10,875,768)	(1,397)	8,102	623,867	35,137,133
Revaluation reserve	481,000	-	-	-	-	-	481,000
	<u>35,905,700</u>	<u>9,957,629</u>	<u>(10,875,768)</u>	<u>(1,397)</u>	<u>8,102</u>	<u>623,867</u>	<u>35,618,133</u>
Restricted funds							
Bursary fund	508,102	-	-	-	(8,102)	-	500,000
Charitable Foundation	237,812	-	-	-	-	-	237,812
Repairs and maintenance	60,820	-	(8,050)	-	-	-	52,770
	<u>806,734</u>	<u>-</u>	<u>(8,050)</u>	<u>-</u>	<u>(8,102)</u>	<u>-</u>	<u>790,582</u>
Total of funds	<u>36,712,434</u>	<u>9,957,629</u>	<u>(10,883,818)</u>	<u>(1,397)</u>	<u>-</u>	<u>623,867</u>	<u>36,408,715</u>

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Statement of funds (continued)

The Bursary Fund has been set up to comply with the section 106 agreement in respect of the new care village development. It will be made available to residents for the purpose of subsidising the care fees of, or providing financial assistance to, only those residents who prior to becoming a resident were not resident in the area of either West or East Sussex Social Services, or have been residents for no more than 5 years. The transfer from the unrestricted funds is based on a percentage of income received in St George's Park Limited in relation to ground rent, apartment sales and sales uplifts.

Charitable foundation - Fleur Fenton Cowles, was an American writer, editor and artist best known as the creative force behind the short-lived Flair magazine, published in the early 1950's. She moved to Europe in 1955 where she was a successful painter and illustrator. She also designed tapestries, accessories, and china for Denby Ltd. She died on June 5, 2009 at St. Raphael's aged 95. In appreciation of the care given to Fleur, £493,000 was donated to the charity by the Fleur Cowles Foundation towards maintenance of the property.

Repairs and maintenance - During 2018, the charity received a donation from an individual to be spent on repairs and maintenance at the site in Ditchling.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	28,359,902	-	28,359,902
Current assets	8,356,387	790,582	9,146,969
Creditors due within one year	(892,907)	-	(892,907)
Total	35,823,382	790,582	36,613,964

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	28,480,642	-	28,480,642
Current assets	8,004,421	790,582	8,795,003
Creditors due within one year	(833,849)	-	(833,849)
Provisions for liabilities and charges	(33,081)	-	(33,081)
Total	35,618,133	790,582	36,408,715

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	205,249	(927,586)
Adjustments for:		
Depreciation charges	305,839	510,677
Dividends, interests and rents from investments	(209,073)	(206,546)
Loss on the sale of fixed assets	1,831	21,440
Decrease/(increase) in stocks	(20,828)	207,501
Decrease/(increase) in debtors	(72,762)	389,155
Increase/(decrease) in creditors	68,100	(142,659)
Movement in provision	(33,081)	143,400
Taxation Paid	(1,967)	(1,183)
Taxation charge	989	1,397
Net cash provided by/(used in) operating activities	244,297	(4,404)

20. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	3,824,137	4,082,697
Total cash and cash equivalents	3,824,137	4,082,697

21. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,082,697	(258,560)	3,824,137
	4,082,697	(258,560)	3,824,137

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Capital commitments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Contracted for but not provided in these financial statements				
Purchase, construction or development of investment property	4,129,790	-	4,129,790	-

Capital commitments relate to the contracted future construction costs of converting an existing nursing home building into an assisted living development.

23. Related party transactions

St George's Park Limited and St George's - Augustinian Care

During the year recharges of employees' salaries for work carried out relating to the subsidiaries were made. A total of £229,622 (2020 - £252,695) was recharged to St George's Park Limited.

At the year end the balance due from St George's - Augustinian Care was £646,972 (2020 - £697,355) and the amount due from St George's Park Limited was £1,187,671 (2020 - £1,603,346).

24. Post balance sheet events

A new Charitable Incorporated Organisation (CIO) was registered with the Charity Commission on 26 April 2021 with the name 'The Order of St. Augustine of The Mercy of Jesus' and with Registered charity number 1194230 and the appointment of Trustees to the CIO is, as is the case with the charity, to be made by the Order.

On the 1st January 2022 all activity, assets and liabilities of the charity, other than the items noted, were transferred to the newly formed CIO to carry on and continue the work of the charity. The items retained in the charity comprised certain property assets held for sale along with some limited retained rights to income and obligations to settle expenditure.

THE ORDER OF ST. AUGUSTINE OF THE MERCY OF JESUS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

25. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Holding	Included in consolidation
St George's - Augustinian Care	04718235	1105835	100%	Yes
St George's Park Limited	05225007		100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
St George's - Augustinian Care	-	-	-	47,631
St George's Park Limited	818,048	636,300	181,748	509,767

The result of the parent charity for the year was a surplus of £230,530 (2020: net expenditure £354,129).