

**Charity number: 229662**

## **The Order of St. Augustine of the Mercy of Jesus**

**Trustees' report and financial statements**

**for the year ended 31 December 2022**

## **The Order of St. Augustine of the Mercy of Jesus**

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## **The Order of St. Augustine of the Mercy of Jesus**

### **Reference and administrative details of the charity, its Trustees and advisers for the year ended 31 December 2022**

**Trustees**

Sister Elizabeth Denny, Trustee  
Sister Agnes Dunne, Trustee  
Sister Mary Josephine Dolan, Trustee  
Sister Mary Condron, Trustee  
Sister Eileen Holland, Trustee

The trustees are registered as a corporate body, known as the Trustees of the Charity of The Order of St Augustine of the Mercy of Jesus

**Charity registered number** 229662

**Principal office**

St George's Retreat  
Ditchling Common  
Ditchling  
West Sussex  
RH15 0SQ

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants  
9 Donnington Park  
85 Birdham Road  
Chichester  
West Sussex  
PO20 7AJ

**Bankers**

Barclays Bank plc  
Corporate Banking Centre  
PO Box 112  
Horsham  
West Sussex  
RH12 1YQ

The Bank of Ireland  
36 Queen Street  
London  
EC4R 1HJ

**Solicitors**

DMH  
100 Queen's Road  
Brighton  
East Sussex  
BN1 3YB

## **The Order of St. Augustine of the Mercy of Jesus**

### **Trustees' report for the year ended 31 December 2022**

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year from 1 January 2022 to 31 December 2022

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 Condron
(Sister Mary Carmel)	Mary Dolan
(Sister Mary Monica)	Elizabeth Denny

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

### **Structure, Governance and Management**

The Charity was established by the Sisters of St. Augustine to maintain their mission, today this is the care for the elderly, people living with Dementia and Alzheimer's, Physical Disabilities and Mental Health needs.

At the start of 2021 The Order was unincorporated and run by the Augustinian Sisters, and was 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 on our site at St George's Park.

### **Charitable Incorporated Organisation No. 1194230**

In Preparation for the 8th General Chapter in April 2021 the Augustinian Sisters in consultation with their advisors applied to change the Order from an unincorporated Charity to a Government UK model charity. The new Charitable Incorporated Organisation (CIO) was in place for the Opening of the Chapter on the 26th April 2021, with the changeover taking place at Midnight on the 31st December 2021.

The new entity is effectively the same organisation as the old charity, but with the ultimate responsibility for the organisation passing from the Trustees to the organisation itself.

### **Pastoral Care Ethos and Values**

The Augustinian ethos and values are person centred where all Residents are treated with respect and supported to live valued and fulfilled lives enabling them to make choices in an open and transparent environment, a copy of the document is available to all staff.

There is a team of Sisters who provide Pastoral Care to the Residents and Staff in the Care Homes, their families and friends, village Resident's and the surrounding area.

#### **Public Benefit**

The Trustees of the order are aware of their responsibilities as a Charity. Below is a table showing the fees for residents in care, which shows that 63% are paying the full private fee. Whilst setting up plans and objectives for the future, the Charity will give careful consideration to the Charity Commission's guidance on public benefit.

## **The Order of St. Augustine of the Mercy of Jesus**

### **Trustees' report (continued) for the year ended 31 December 2022**

#### **Performance Overview**

The majority of the organisations assets were transferred to the CIO on 1st January 2022, with only a small number of items remaining in this charity. The assets that remained all had particular issues which prevented the transfer to a different legal entity, albeit essentially the same organisation.

Of the six items that remained in the charity at the start of the year, three have been resolved in the year. The sale of the property in Buckinghamshire was completed and the decision taken to write-off longstanding debts owed to the charity, although we will continue to try to recover these debts. As a result, the value of the assets on the Balance Sheet fell from £647,414 on 1st January 2022 to £243,750 at 31st December 2022.

The remaining assets produced a total of £494,335 worth of income which was mostly made up from additional income from the Ker Maria sale plus the gain on the disposal of Hillview and some investment income. All cash receipts in the year were donated to the Parent charity, this amounted to £794,571.

It is expected that the issues with the remaining assets will be resolved during 2023, or become de minimus, so that they can be transferred to the new charity.

#### **Reserve Policy**

The Trustees approved a general a reserve policy as follows:

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

Maximum – no more than 4 month's expenditure

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

Unrestricted funds at 31st December 2022 were £243,750 (2021 - £35,265,956) of which £70,200 were invested in tangible fixed assets to be used by the Charity. Free reserves were therefore £173,550 which is currently in excess of the reserves policy but once these assets are received as cash they will be donated to the Parent charity.

#### **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 Trustees will continue to implement policies and procedures which protect the health and safety and maintain the operations integrity.

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

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 Organisation.

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.

## **The Order of St. Augustine of the Mercy of Jesus**

### **Trustees' report (continued) for the year ended 31 December 2022**

#### **Trustees' responsibilities statement**

The Trustees (who are also the directors of the company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

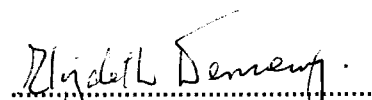
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

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

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

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

  
.....  
**Sister Elizabeth Denneny**

Date: 18 September 2023

## **The Order of St. Augustine of the Mercy of Jesus**

### **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 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

## **The Order of St. Augustine of the Mercy of Jesus**

### **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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

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

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



## **The Order of St. Augustine of the Mercy of Jesus**

### **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 145 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. 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
- 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. The risk 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.

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

## **The Order of St. Augustine of the Mercy of Jesus**

### **Independent auditors' report to the Members of The Order of St. Augustine of the Mercy of Jesus (continued)**

- 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.

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

20 September 2023

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

**The Order of St. Augustine of the Mercy of Jesus**

**Statement of financial activities  
for the year ended 31 December 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	3	-	-	-	720,934
Charitable activities	4	-	-	-	7,320,513
Other trading activities		-	-	-	44,259
Investments	5	10,302	-	10,302	209,073
Other income	6	484,033	-	484,033	18,906
<b>Total income</b>		<b>494,335</b>	<b>-</b>	<b>494,335</b>	<b>8,313,685</b>
<b>Expenditure on:</b>					
Raising funds	7	51,214	-	51,214	3,040
Charitable activities	8	35,465,357	790,582	36,255,939	8,080,115
<b>Total expenditure</b>		<b>35,516,571</b>	<b>790,582</b>	<b>36,307,153</b>	<b>8,083,155</b>
<b>Net movement in funds</b>		<b>(35,022,236)</b>	<b>(790,582)</b>	<b>(35,812,818)</b>	<b>230,530</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		35,265,986	790,582	36,056,568	35,826,038
Net movement in funds		(35,022,236)	(790,582)	(35,812,818)	230,530
<b>Total funds carried forward</b>		<b>243,750</b>	<b>-</b>	<b>243,750</b>	<b>36,056,568</b>

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

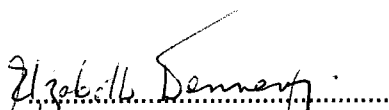
The notes on pages 11 to 23 form part of these financial statements.

**The Order of St. Augustine of the Mercy of Jesus**

**Balance sheet  
as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	70,200	27,033,567
		<u>70,200</u>	<u>27,033,567</u>
<b>Current assets</b>			
Stocks	14	-	58,104
Debtors	15	173,550	2,661,719
Bank and cash balances		-	3,140,450
Fixed assets held for sale		-	3,942,655
		<u>173,550</u>	<u>9,802,928</u>
Creditors: amounts falling due within one year	16	-	(779,927)
<b>Net current assets</b>		<u>173,550</u>	<u>9,023,001</u>
<b>Total assets less current liabilities</b>		<u>243,750</u>	<u>36,056,568</u>
<b>Total net assets</b>		<u>243,750</u>	<u>36,056,568</u>
<b>Charity funds</b>			
Restricted funds	17	-	790,582
Unrestricted funds	17	243,750	35,265,986
<b>Total funds</b>		<u>243,750</u>	<u>36,056,568</u>

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

  
Sister Elizabeth Denny

Date: 18 September 2023

The notes on pages 11 to 23 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 2022**

#### **1. Accounting policies**

##### **1.1 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.

##### **1.2 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 18, 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.

##### **1.3 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.

## **The Order of St. Augustine of the Mercy of Jesus**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **1.4 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 charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

##### **1.6 Stocks**

Stocks 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.

##### **1.7 Debtors**

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

##### **1.8 Cash at bank and in hand**

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

## **The Order of St. Augustine of the Mercy of Jesus**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **1.9 Liabilities and provisions**

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

##### **1.10 Financial instruments**

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

##### **1.11 Pensions**

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

##### **1.12 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity 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.

#### **2. 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.

Critical areas of judgment:

The fair value of the investment properties which are sensitive to fluctuations in the property market.

**The Order of St. Augustine of the Mercy of Jesus**

**Notes to the financial statements  
for the year ended 31 December 2022**

**3. Income from donations and legacies**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	-	-	720,934

**4. Income from charitable activities**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Residents' fees and extras	-	7,320,513

**5. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Rental income and interest receivable	10,302	10,302	209,073

**6. Other incoming resources**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Other incoming resources	435,339	435,339	18,906
Gain on disposal	48,694	48,694	-
	<b>484,033</b>	<b>484,033</b>	<b>18,906</b>



## The Order of St. Augustine of the Mercy of Jesus

### Notes to the financial statements for the year ended 31 December 2022

#### 7. Expenditure on raising funds

##### Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Shop purchases	-	-	3,040
Bad debt write off - Plympton House	51,214	51,214	-
	<u>51,214</u>	<u>51,214</u>	<u>3,040</u>

#### 8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Residents' fees and extras	-	-	8,080,115
Transfer of assets and donations to new CIO	36,255,939	36,255,939	-
	<u>36,255,939</u>	<u>36,255,939</u>	<u>8,080,115</u>

##### Analysis of direct costs

	Residents' fees and extras 2022 £	Transfer of assets and donations to new CIO 2022 £	Total funds 2022 £
Transfer to new CIO entity	-	35,461,368	35,461,368
Donations	-	794,571	794,571
	<u>-</u>	<u>36,255,939</u>	<u>36,255,939</u>

**The Order of St. Augustine of the Mercy of Jesus**

**Notes to the financial statements  
for the year ended 31 December 2022**

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Residents' fees and extras 2021 £	Transfer of assets and donations to new CIO 2021 £	Total funds 2021 £
Staff costs	5,246,354	-	5,246,354
Establishment and care expenses	1,341,697	-	1,341,697
Staff costs, agency and training	387,065	-	387,065
Bad and doubtful debts	2,262	-	2,262
Bank charges	21,781	-	21,781
Depreciation on tangible fixed assets	301,642	-	301,642
Loss on disposal of fixed assets	479	-	479
Farm costs	46,050	-	46,050
Legal and professional	122,611	-	122,611
Repairs and maintenance	550,751	-	550,751
Governance costs	59,423	-	59,423
	<u>8,080,115</u>	<u>-</u>	<u>8,080,115</u>

## The Order of St. Augustine of the Mercy of Jesus

### Notes to the financial statements for the year ended 31 December 2022

#### 9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £3,500 (2021 - £32,450), and other professional services to the charity including advisory to the trustees and management of £ -Nil (2021 - £14,568).

#### 10. Staff costs

	2022 £	2021 £
Wages and salaries	-	4,692,986
Social security costs	-	437,057
Contribution to defined contribution pension schemes	-	116,311
	<u>-</u>	<u>5,246,354</u>

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

	2022 No.	2021 No.
Services to residents	-	188
Management and administration	-	22
	<u>-</u>	<u>210</u>

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	4
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	-	1
In the band £120,001 - £130,000	-	1

The senior management team, as described on page 1, have employee benefits totalling £nil (2021: £385,368) in the parent charity.

#### 11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

#### 12. Taxation

During the year the charity received £433,209 of income which is not covered by charitable tax exemptions. The tax assessed for the year on this income is at the standard rate of corporation tax in the UK of 19% giving a tax charge for the year of £82,310.

Notes to the financial statements  
for the year ended 31 December 2022

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
<b>Cost or valuation</b>							
At 1 January 2022	11,261,608	11,661,635	5,900,727	261,545	1,616,034	7,000	30,708,549
Transfers between classes	(11,261,608)	(11,598,435)	(5,900,727)	(261,545)	(1,616,034)	-	(30,638,349)
At 31 December 2022	-	63,200	-	-	-	7,000	70,200
<b>At 1 January 2022</b>	<b>625,788</b>	<b>1,448,265</b>	<b>-</b>	<b>210,118</b>	<b>1,390,811</b>	<b>-</b>	<b>3,674,982</b>
Transfers between classes	(625,788)	(1,448,265)	-	(210,118)	(1,390,811)	-	(3,674,982)
At 31 December 2022	-	-	-	-	-	-	-
<b>Net book value</b>							
At 31 December 2022	-	63,200	-	-	-	7,000	70,200
At 31 December 2021	10,635,820	10,213,370	5,900,727	51,427	225,223	7,000	27,033,567

Notes to the financial statements  
for the year ended 31 December 2022

13. Tangible fixed assets (continued)

Freehold properties include land with a not book value of £nil (2021: £5,310,216) which is not depreciated. These assets were transferred to the Charity CIO.

Freehold properties include investment properties of £nil (2021: £4,100,000). These assets were transferred to the Charity CIO.

Leasehold properties include investment properties amounting to £63,200 (2021: £632,000). These assets were transferred to the Charity CIO with the exemption of 1 property.

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 2022 the investment properties were reviewed and the valuations were deemed appropriate. These assets were transferred to the Charity CIO.

Investment properties held within Long term leasehold property in the prior year were subject to an independent, professional valuation at 31 December 2018. The valuation was undertaken by Cuthbert Lake, Chartered Surveyors. These assets were transferred to the Charity CIO with the exemption of one apartment.

**The Order of St. Augustine of the Mercy of Jesus**

**Notes to the financial statements  
for the year ended 31 December 2022**

**14. Stocks**

	<b>2022</b>	2021
	<b>£</b>	£
Finished goods and goods for resale	-	58,104
	<u>          </u>	<u>          </u>

**15. Debtors**

	<b>2022</b>	2021
	<b>£</b>	£
Trade debtors	-	486,344
Amounts owed by group undertakings	-	1,834,643
Other debtors	-	162,038
Prepayments and accrued income	<b>173,550</b>	178,694
	<u><b>173,550</b></u>	<u>2,661,719</u>
	<u>          </u>	<u>          </u>

**16. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>£</b>	£
Trade creditors	-	241,159
Other taxation and social security	-	107,008
Pension fund loan payable	-	1,260
Other creditors	-	172,476
Accruals and deferred income	-	258,024
	<u>          </u>	<u>779,927</u>
	<u>          </u>	<u>          </u>

**The Order of St. Augustine of the Mercy of Jesus**

**Notes to the financial statements  
for the year ended 31 December 2022**

**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>				
General Funds - all funds	35,265,986	494,335	(35,516,571)	243,750
<b>Restricted funds</b>				
Bursary fund	500,000	-	(500,000)	-
David Maskell	237,812	-	(237,812)	-
Fleur Cowles Charitable Foundation	52,770	-	(52,770)	-
	790,582	-	(790,582)	-
<b>Total of funds</b>	<b>36,056,568</b>	<b>494,335</b>	<b>(36,307,153)</b>	<b>243,750</b>

**Statement of funds - prior year**

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>				
General Funds - all funds	35,035,935	8,313,685	(8,083,634)	35,265,986
<b>Restricted funds</b>				
Bursary fund	500,000	-	-	500,000
David Maskell	237,812	-	-	237,812
Fleur Cowles Charitable Foundation	52,770	-	-	52,770
	790,582	-	-	790,582
<b>Total of funds</b>	<b>35,826,517</b>	<b>8,313,685</b>	<b>(8,083,634)</b>	<b>36,056,568</b>

## The Order of St. Augustine of the Mercy of Jesus

### Notes to the financial statements for the year ended 31 December 2022

#### 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.

All of these funds have been transferred to the new Charity CIO.

#### 18. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	70,200	<b>70,200</b>
Current assets	173,550	<b>173,550</b>
<b>Total</b>	<b>243,750</b>	<b>243,750</b>

##### Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	26,242,985	790,582	27,033,567
Current assets	9,802,928	-	9,802,928
Creditors due within one year	(779,927)	-	(779,927)
<b>Total</b>	<b>35,265,986</b>	<b>790,582</b>	<b>36,056,568</b>

#### 19. Related party transactions

There were no related parties transactions in the year that require disclosure.



## **The Order of St. Augustine of the Mercy of Jesus**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **20. Transfer to new CIO**

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.